

Nurton Developments Limited

Land at Junction 11, M6, Hilton Park

Representations to South Staffordshire Local Plan Pre-Submission Draft (Regulation 19)

Paragraphs 5.54 to 5.64

Policy DS4: Development Needs

Box 5 - Reasons for Unsoundness

Summary

1. The assessment of the need and supply of employment land in South Staffordshire is deeply flawed. This is for the following reasons: -
 - The assessment of local need is purposefully and significantly understated and, if it founds the basis of the plan, then it will result in a significant reduction in the recent pace of development of industrial and warehouse premises in the district, with a consequent negative impact on the future economic growth of the area
 - The assessment of local supply is substantially overstated with the inclusion of sites that have already been allocated to meet wider than local needs.
 - The balance between local need and supply is wholly distorted. In reality, there is a substantial shortfall of over 90 hectares.
 - The plan provides an inadequate contribution to meet wider employment land needs, with particular respect to the Black Country, and does not engage properly with the Duty to Co-operate.
 - The plan is not justified in that it pays insufficient regard to other elements of the evidence base (e.g West Midlands Strategic Employment Sites Study 2021), relevant planning policy guidance issued by Central Government and infrastructure improvements (e.g M54 M6 link road).
2. These reasons are explored in greater detail in turn below.

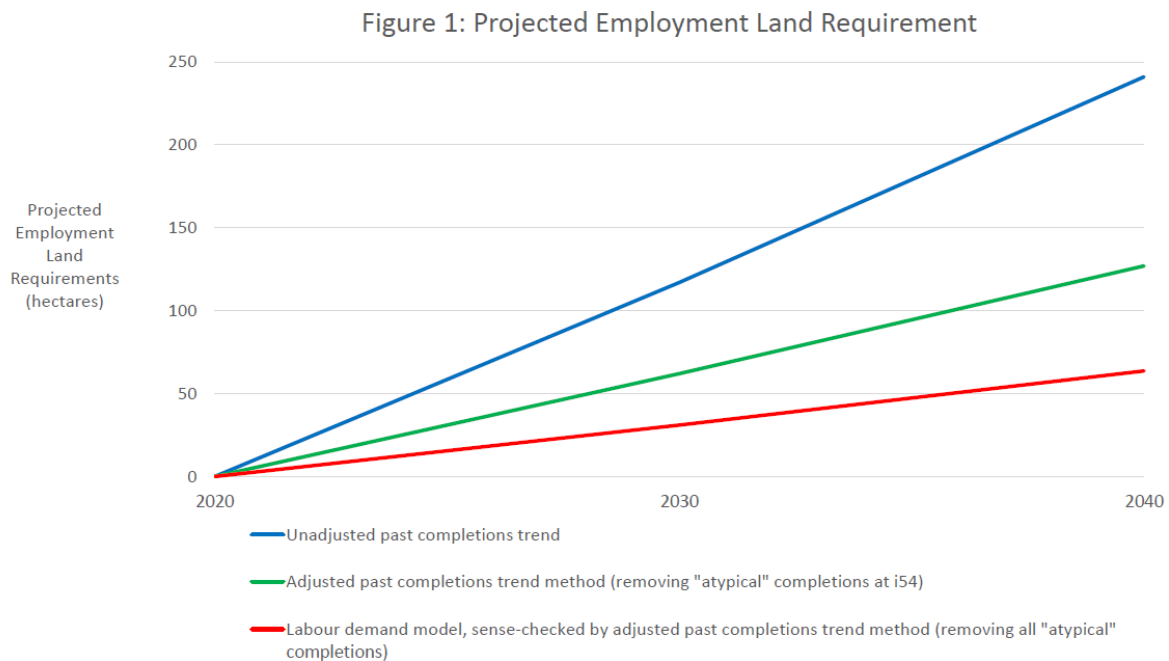
Need

3. The need for employment land for South Staffordshire is derived by a new EDNA, produced by consultants DLP. A local need (i.e to meet the needs of South Staffordshire but not other authorities in the identified FEMA - Cannock Chase, Dudley, Stafford, Walsall and Wolverhampton) of 63.6 hectares is identified in the EDNA for the period 2020 to 2040.

4. This need is derived by a labour demand model. However, it is sense checked by a past completions trend method, which projects a need of 63.7 hectares.
5. On closer analysis (paragraphs 6.14-6.21 and 6.35-6.43 (pages 85-87, 93 and 94) of the EDNA), it would appear that the past completions trend method has been inappropriately adjusted in order to demonstrate consistency with the labour demand growth model. Take-up over the past eight complete years (2012/2013 to 2019/2020) is 360,907 sq m (45,113 sq m per annum) of industrial premises and 24,845 sq m (3,106 sq m per annum) of offices. However, DLP have asserted that a large part of this take-up is “atypical” and should be excluded from the analysis.
6. The excluded elements are 101,305 sq m and 174,571 sq m of industrial premises at Four Ashes (Amazon and Gestamp) and at i54 (JLR) respectively. A similar deduction has been made in respect of 8,009 sq m of office completions at these two sites.
7. This has a very significant effect on the past completion rates. Instead of modelling 45,113 + 3,016 = 48,129 sq m per annum as a trend, the study models just 12,733 sq m per annum in order to generate a floor space requirement of 254,660 sq m (i.e 12,733 x 20) for the whole plan period. This generates a land requirement of 63.7 hectares (at 40% site cover).
8. If no take-up was excluded, and the out-turn not manually adjusted (i.e JLR and Four Ashes were not considered to be “atypical”), then the floor space requirement for the plan period based on the past completions trend method would be 48,129 x 20 = 962,580 sq m. This would require **241 hectares** (at 40% site cover) – i.e almost 4 times as much as the Council is seeking to plan for.
9. Even if it was accepted that the JLR development at i54 was “atypical”, and could be properly excluded, but Four Ashes was included, then the take-up over the last eight years would be 203,172 sq m (360,907 + 24,845 sq m - 174,571 sq m – 8,009 sq m (no split is given for offices between Four Ashes and JLR so we have assumed the worst case and it is all JLR). 203,172 sq m over eight years equates to 25,397 sq m per annum. This is twice as great as that modelled by DLP and will project a floor space requirement of 507,930 sq m and a land requirement of **127 hectares** (at 40% site cover).
10. It is hard to understand why it could be rationally argued the Four Ashes development is considered to be “atypical”. Many similar developments have been constructed in Staffordshire over recent years, including:
 - Kingswood Lakeside, Cannock
 - Fradley Park, Lichfield
 - Radial Park and Centurion Park, Tamworth
 - Redhill Business Park, Stafford
 - St Modwen Park Stoke Central, Stoke on Trent

- St Modwen Park Burton

11. Essentially, a land requirement of 63.6 hectares, as projected by the labour demand model, will represent a significant reduction in the pace of development experienced within the district over the eight years to 2020. This is illustrated below by Figure 1. The red line represents the projected need; the blue line the pace of development over the last 8 years; and the green line an adjusted pace of development taking out the asserted “atypical” development of JLR at i54.



12. This pace of development has continued since 2020 with two deals agreed for 80,000 sq m at the extension to i54 - 50,000 sq m for a Telford based company and 30,000 sq m for a Black Country based company. These two deals absorb 23.3 hectares of the overall allocation of i54 Western Extension for 40 hectares. These are exactly the sort of companies which a Council should be looking to attract to its employment sites in order to facilitate a buoyant local market. In addition, site E20 – Hilton Cross (4.8 hectares) – has been developed speculatively and is being marketed by JLL (being marketed as Wolfpack) and site E14 – Vernon (2.8 hectares) - is currently under construction (and being marketed as Vernon 122).
13. Whilst the DLP EDNA provides a huge amount of data and sensitivity analysis, its conclusions in terms of need are not properly founded in what has actually happened on the ground (and is continuing to happen). The artificial and unwarranted skewing of the figures is patently wrong. The past trends analysis in fact undermines the use of the labour demand basis of assessment and should have led to the conclusion that reliance on a projection based on labour demand is unjustified and would act as a brake upon future development.
14. Recently, other local planning authorities have questioned the reliability of projections based on this model. This includes Stafford Borough Council, which forms part of the same

FEMA. Stafford Borough Council has recently consulted on its Preferred Options to its Local Plan review. Part of the evidence base to the draft plan includes a Housing and Employment Land Numbers Topic Paper (Preferred Options stage)¹.

15. The Topic Paper robustly questions the use of labour demand projections for determining future employment land needs. Specifically, it considers that the link between labour and employment floor space for both industrial and warehouse sectors may not be necessarily the principal determining factor. Instead, productivity improvements in these sectors are more likely to be driven by automation and improving efficiency and scale (paragraphs 2.6 and 2.7).
16. Moreover, the Topic Paper (paragraph 2.8) identifies a stronger relationship between growth in GVA and growth in floor space. It notes that whilst there was a significant decline in employment in manufacturing in the Borough over the last 20 years, there has also been significant growth in GVA and a corresponding increase in net completions of industrial land. Similarly, there has been high growth in GVA in the warehouse sector and high land completions, but a much more modest growth in job numbers.
17. The Topic Paper concludes that a projection based on a labour demand model is very likely to be highly suppressed and that other indicators – e.g market signals – suggest a strong demand for industrial land, particularly to serve the warehouse sector, leaving potentially a much greater requirement for employment land. For these reasons, the Topic Paper (in Box 2) states that it is the intention of the Council to update the EHDNA to test forecast employment land requirements.
18. For the above reasons, JLL considers that the local need for employment land for South Staffordshire must be totally reassessed. This reassessment should be based on the past completions trend method, possibly adjusted so as to remove the “atypical” development of i54 to accommodate JLR’s engine factory, to provide a minimum of 127 hectares for the plan period, noting that even this is a constrained figure.
19. This figure should be a minimum. This is for two reasons: -
 - The take-up of development land over the monitoring period has been suppressed in all probability – see below.
 - Market signals are still showing a large imbalance of demand over supply, particularly for the logistics sector.
20. The notion of the suppression of demand for employment development land has been explored more widely over recent years by the property industry. This includes some analysis carried out by Savills and St Modwen, which is explained in pages 20 to 22 of the British Property Federation’s paper “Levelling Up - The Logic of Logistics².”

¹ <https://www.staffordbc.gov.uk/housing-and-employment-land-requirement-topic-paper>

² <https://bpf.org.uk/our-work/research-and-briefings/levelling-up-the-logic-of-logistics/>

21. Savills and St Modwen have developed a new methodology built upon the principle of suppressed demand, which accounts for demand lost due to shortages in supply. It calculates the level of 'suppressed demand' which can be added to historic demand projections to give a more accurate picture of likely demand into the future.
22. The model estimates that in England, future demand will be at least 29% higher than historic levels. The model considers 19 key markets for industry and logistics across England, including Birmingham (which covers the Black Country) and Stoke/Stafford. Both of these markets also have a suppressed demand uplift of 29%.
23. If such an uplift was applied to the adjusted past completions trend, which we consider should be assumed as a minimum of 127 hectares, this would generate an additional need of 37 hectares. If factored in, this would increase the total need to a more appropriate 164 hectares for the plan period.
24. The strength of the market for industrial and warehouse sectors over the last few years have been well chronicled. Essentially, demand levels have surged, albeit from an already high base. The greater use of e-commerce has been a particular factor behind growth in demand over the last three years. However, there have been other factors, including: -
 - Re-shoring of industrial & manufacturing activities because of Covid-19 and Brexit.
 - 'Just in case' approach replacing the 'just in time' practices to ensure greater resilience to supply chain networks.
 - New industries emerging, such as electrical vehicle and component parts (e.g battery production).
 - Increasing ESG requirements for companies as part of the decarbonisation agenda, requiring more modern buildings.
25. The increase in demand has led to: -
 - A significant increase in speculative development, illustrating the confidence of developers and investors.
 - Vacancy rates falling to an all-time low.
 - Dramatic increases in rents.
 - Reduced voids and letting periods.
26. The increases in rents for industrial and logistics property have been particularly marked. Rents for prime industrial and mid-box sized units have increased by 4.7% per year in the Black Country and by 6.5% per annum in Birmingham over the last five complete years (2017 to 2021).
27. Despite obvious economic headwinds, JLL remains confident that occupational demand will continue to remain high. We are receiving a very healthy number of enquiries, with companies recognising they still need to invest in resilient and sustainable supply chains in order to meet the continuing, and often changing, needs of their customers.

28. All these market signals represent a significant imbalance of demand over supply. This has led to an absorption rate of development land that is far quicker than the development plan-making process can sustain. In many locations, and particularly in and around the main conurbation to Birmingham and the Black Country, the level of consented development land is very limited and with no discernible supply within the pipeline.
29. A contraction in the rate and pace of development, as proposed by the plan, will run directly against these market signals. Providing less, rather than more, land will exacerbate the current imbalance of demand over supply and prevent the local planning authority achieving its vision of economic growth and attracting inward investment.

Supply

30. Paragraph 5.58 refers to the EDNA considering the supply of available employment development land within the district to be 99 hectares at the base date of April 2020. No breakdown on the sites is provided in the EDNA. However, a breakdown is provided in the schedule on page 82 of the draft Plan, as part of the context for Policy SA7 - Employment Allocations.
31. This schedule provides a total of 95.4 hectares (less West Midlands Interchange (WMI)). JLL understands a small windfall allowance takes the total to 99 hectares and it is this figure that is referred to in Part b) of Policy DS4: Development Needs.
32. The supply is heavily dependent on two sites: -
- ROF Featherstone - 36 hectares.
 - i54 Western Extension - 40 hectares.
33. JLL strongly questions whether these two sites form part of the supply to meet local needs. Both sites were released from the Green Belt and allocated by Policy SAD5 of the South Staffordshire Site Allocations Document, which was adopted in September 2018.³
34. The role of these two sites, in terms of meeting need, is set out clearly by explanatory text to this policy. Paragraph 9.24 covers the extension to i54. It is extracted and provided below.

9.24 In recognition of the Black Country shortfall in High Quality Employment Land, and the economically significant role of i54, the Council proposes to allocate additional employment land at i54 South Staffordshire to meet Black Country and wider regional employment needs in accordance with policy SAD5: Employment Land Allocations.

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<https://www.sstaffs.gov.uk/doc/179829/name/APP2%20SAD%20September%202018%20FINAL.pdf/>

35. Similarly, paragraph 9.30 advises on the allocation of ROF Featherstone. It is also extracted and provided below.

9.30 The SAD proposes to allocate additional employment land at ROF Featherstone to meet Black Country and wider regional employment needs in accordance with policy

SAD5: Employment Land Allocations. This is in recognition of the Black Country shortfall in High Quality Employment Land, the local priority to deliver the longstanding employment allocation, and the potentially economically significant role, locally and regionally, of ROF Featherstone.

36. It is to be emphasised that both sites were released from the Green Belt. The exceptional circumstances required to justify these releases were to serve expressly the needs of the Black Country and wider region. No evidence has been presented to suggest that this wider need no longer exists. Indeed, the extent of the identified shortfall from the Black Country (a minimum of 210 hectares) is specifically referenced by the draft Plan (paragraph 5.61) and in various parts of the evidence base (e.g Economic Strategy and Site Assessment Topic Paper and the Duty to Co-operate Topic Paper).
37. In addition, reliance on land at i54 would seem to contradict the approach of DLP's EDNA of discounting take-up of any "atypical" developments (i.e JLR at i54 and Amazon and Gestamp at Four Ashes) in projecting need through the past completions trend method. At best, this is inconsistent.
38. The next largest site, in terms of land available, is Hobnock Road, Essington - 5.2 hectares. This site was promoted, as part of a larger site, for a distribution warehouse for DX Logistics. However, the application was refused by the Council (in 2016) on the grounds it represented inappropriate development in the Green Belt. No subsequent proposals have come forward and the site is not proposed to be allocated by Policy SA7. As such, it is difficult to understand why this site is still considered to form part of the district's supply of employment land.
39. At best, the supply of available a development land to meet local needs is 23 hectares (i.e with the removal of the i54 Western Extension and ROF Featherstone). However, this would reduce to less than 18 hectares if the Hobnock Road site was removed (unless, of course, the Council is minded to allocate it for development).

Balance between Local Need and Supply

40. JLL's assessment of the local need and supply of employment land leads to consequential changes to the proposed balance between need and supply suggested by the Local Authority. This is illustrated overleaf by Table 1, which sets out different scenarios for local supply and need and the resulting effect on the net shortfall or surplus.

Table 1: Scenarios showing balance between local supply and need in South Staffordshire

Scenario	Assumption	Supply (hectares)	Need (hectares)	Surplus/ Shortfall (hectares)	Contribution from WMI (hectares)	Net Surplus/ Shortfall (hectares)
1	Publication Plan	99	63	36	18.8	54.8
2	Supply without western extension to i54 (40 hectares). Need as per 2022 EDNA	59	63	4	18.8	14.8
3	Supply without ROF Featherstone (36 hectares) and western extension to i54. Need as per EDNA 2022.	23	63	40	18.8	21.2
4	Supply without ROF Featherstone, western extension to i54, and Hobnock Road (5.2 hectares). Need as per JLL's critique of EDNA 2022 (i.e including take-up at Four Ashes in projecting need on past completions trend method).	17.8	127	109.2	18.8	90.4

Source: JLL

41. Scenario 1 reflects the position set out by the Plan. The Plan just refers to a shortfall of 36 hectares. For reasons that are not clear to JLL, it does not seem to include the contribution from WMI. The contribution from WMI is the one taken from the updated EDNA – i.e a maximum of 18.8 hectares. However, the earlier Stantec report (West Midlands SRFI – Employment Issue Response Paper – whose need will the SRFI serve, February 2021)⁴ commissioned by the Black Country Local Authorities, and quoted by all other authorities, measures this contribution at just 5 hectares. We have adopted the higher figure to make our exercise as resilient as possible, but the lower figure would appear to be the more plausible one.
42. In Scenario 2, the 40 hectares of the i54 Western Extension is removed from supply. This site forms part of the wider supply to meet the Black Country's needs. It will be noted that delivery at i54 previously has been rejected in the EDNA as its development could be considered to be "atypical". Therefore, if a consistent approach is adopted to this site, as that of the assessment of need by the EDNA (using the past completions trend method), then the site logically does not form part of the supply to meet local needs. This leaves a small shortfall of 4 hectares, but a surplus of 14.8 hectares if the maximum contribution from WMI is factored in.

⁴ <https://www.sstaffs.gov.uk/doc/183914/name/SRFI%20apportioning%20the%20land.pdf/>

43. Scenario 3 takes Scenario 2 as its basis, but removes as well ROF Featherstone as part of the local supply. Like the Western Extension to i54, it is expressly regarded by the Council (as per its Site Allocations Document 2018) to meet the needs of the Black Country and wider region. This leads to a shortfall of 40 hectares, reduced to 21.2 hectares once the maximum contribution to WMI is included.
44. Scenario 4 reflects this position with supply (i.e Scenario 3) but removes also the Hobnock Road site (5.2 hectares). The site has no planning status and is not proposed to be allocated. It should not be included in any assessment of supply. This reduces supply to 17.8 hectares.
45. Scenario 4 also introduces JLL's assessment of the local need. JLL has assessed this to be a minimum of 127 hectares. This recognises that development at i54 (i.e JLR) has been "atypical;" of local need.
46. JLL considers Scenario 4 to be the only logical and consistent approach. Essentially, it seeks to match local need against local supply. The EDNA's assessment of need and the Council's interpretation of what constitutes supply has not.
47. JLL's approach demonstrates a shortfall of 109.2 hectares, reducing to 90.4 hectares if the maximum contribution from WMI is factored in, which would be to go against the Stantec report
48. It is noted further that of the supply of 17.8 hectares, 4.8 hectares has been developed (site E20 – Hilton Cross Business Park) and 2.8 hectares is under construction (site E14 - Vernon Park). The true quantum of available development land to meet local needs for the remainder of the plan period (to 2040) is just over 10 hectares.
49. The extent of the shortfall is substantial. Clearly, the plan needs to identify new sites (through Policy SA7 – see separate representations by JLL) to meet local needs, with a quantitative and qualitative shortfall sufficient justification (i.e through exceptional circumstances) to release suitable sites from the Green Belt.

Contribution to Meeting Wider Employment Land Needs

50. Reference is drawn by paragraphs 5.59 to 5.62 of the draft Plan to unmet needs in the wider FEMA – specifically, the shortfall of 210 hectares from the Black Country. This is to be agreed through a statement of common ground, however, with the heavy implication that the surplus of 36 hectares, plus the 67 hectares of WMI which will contribute to the Black Country's need (as per the Stantec Report), should be sufficient for this purpose.

51. A draft statement of common ground with local planning authorities in South Staffordshire’s FEMA is provided in Appendix C of the Duty to Co-operate Topic Paper. It confirms that: -

- 36.6 hectares of oversupply of employment land in South Staffordshire could contribute to the unmet needs identified by the Regulation 18 Draft Black Country Plan (of 210 hectares).
- A further 67 hectares from WMI (situated within South Staffordshire) could meet unmet needs within the Black Country, providing a minimum of 103.6 hectares of surplus employment land within South Staffordshire.
- The Council does not consider that there is further suitable land within South Staffordshire to reduce the shortfall further (paragraph 4.44).
- The Council now expects that the Black Country authorities, either collectively or individually, must continue to approach the other several local planning authorities identified as having “strong” (Birmingham – aside from South Staffordshire) or “moderate” (Bromsgrove, Cannock Chase, Lichfield, Tamworth, Solihull and Wyre Forest) economic links with the Black Country to try to meet the remainder of its shortfall.

52. The position with how the Black Country’s own assessment of its unmet needs are to be met is neither clear nor certain. Table 2 below provides a summary of potential contributions from other relevant local planning authorities.

Table 2 – Potential contributions from other Local Planning Authorities to meet the Black Country shortfall

Area	Need (hectares)	Local Supply (hectares)	WMI Contribution (hectares)	Total Supply (hectares)	Surplus/Shortfall (hectares)
Black Country	565	355	67	422	143
South Staffordshire	63	100	5/19	105/119	42/56
Birmingham	296	222	53	275	21
Cannock Chase	66	55	10	65	1
Lichfield	85	119	8	127	42
Stafford	150	150	3	153	3
Shropshire	-	-	-	-	30

Source: JLL

53. Based on the 2021 EDNA, there is a current minimum shortfall of 210 hectares from the Black Country. This reduces to 143 hectares once the contribution from the WMI is factored in. It is to be noted that the market offer presented by WMI is very distinct. It will be a wholly distribution (Class B8) based development providing for very large floorplate buildings (generally in excess of 300,000 sq ft, but often greater than 500,000 sq ft). How well it matches, qualitatively, the identified requirement for employment floorspace for the Black Country (in terms of use, size and function) has not been addressed.
54. The Black Country forms its own FEMA. However, South Staffordshire and Birmingham are considered to be areas of “strong” economic transaction with the Black Country. South Staffordshire provides a surplus (although this is dependent, of course, on counting i54 and ROF Featherstone as forming part of its local land supply and accepting at face value there is a need of just 63 hectares). Birmingham has a shortfall.
55. Cannock Chase and Lichfield both form areas of “moderate” economic transaction with the Black Country. The land supply and position in Cannock Chase is tight. The position in Lichfield is more hopeful, with a claimed potential surplus of 42 hectares. However, JLL considers that its assessment of need is both wrong and unsound. In addition, to date, Lichfield has shown no inclination to help to meet any of the shortfall from the Black Country.
56. Shropshire has agreed a contribution of 30 hectares, although it is neither in an area of “strong” or “moderate” economic transaction with the Black Country. This contribution is currently the subject of further scrutiny at the examination of the Shropshire Local Plan.
57. Remaining “moderate” areas of economic transaction with the Black Country - Bromsgrove, Tamworth, Solihull and Wyre Forest – have not offered any contributions and have very limited capacity for additional employment development land.
58. It is clear that the Black Country is struggling to get agreement from other local planning authorities to contribute to meeting its shortfall. The onus for contribution should rest particularly on the areas of “strong” economic transaction with the Black Country. These are Birmingham and South Staffordshire.
59. Like the Black Country, Birmingham is constrained and cannot meet its own identified needs. South Staffordshire is far less constrained and has the ability to provide more land than the 36.6 hectares of oversupply it references. At the very least, it could increase its contribution (net of WMI) to 76 hectares. This will also be consistent with the Site Allocations Document 2018, which allocates I54 Western Extension (40 hectares) and ROF Featherstone (36 hectares) to meet the needs of the Black Country.
60. As matters stand, the current offer by South Staffordshire of 36 hectares is inadequate, being disproportionately small given the obvious economic relationship with the Black Country. Furthermore, it is founded on a wholly misguided approach to employment need and supply. This represents a failure of the Duty to Co-operate.

Other Elements

61. Paragraph 5.63 of the draft Plan makes reference to the West Midlands Strategic Employment Site Study 2021. It is also listed as forming part of the Plan's evidence base. In paragraph 5.63, it notes that the study was commissioned by Staffordshire County Council on behalf of the four main LEPs for the West Midlands, but the local planning authorities of the region were not directly involved. It states further that the focus of the Study was gauging market demand and it did not provide a full assessment of need nor examined some key policy constraints (i.e Green Belt). It then makes reference to a follow-on study, which has yet to be commissioned, which may provide a clearer picture of the need for strategic employment sites.
62. Essentially, the Plan disregards the findings of the West Midlands Strategic Employment Sites Study. Moreover, it does not even reference the principal findings, even though South Staffordshire, like all other local planning authorities in the West Midlands, was consulted fully prior to the Study's publication.
63. It should be recalled that the Study concludes that there is a limited supply of available, allocated and/or committed strategic employment sites across the West Midlands and an "urgent" need for additional sites to be brought forward.
64. The Study identifies four key locations for future strategic employment sites. This included Area 4 - Black Country and South Staffordshire. The study also appraises a number of potential new sites as to their capability of meeting the requirements for strategic employment sites (generally defined as being greater than 25 hectares and being located on a motorway or strategic road junction). This includes sites within South Staffordshire. This is considered further in the separate representations by JLL in respect of Policy SA7: Employment Allocations.
65. National Planning Policy Guidance emphasises the importance of taking into account market signals, including patterns of market demand, in assessing the quantum and type of employment land required to fulfil wider economic need (paragraphs 25 to 29). The Council accepts that the West Midlands Strategic Employment Sites Study is a material consideration in the development plan-making process in market terms (paragraph 5.63 of the draft Plan). However, it still chooses to entirely disregard its findings, and has made no effort to identify new strategic employment sites or collaborate with the Black Country local planning authorities to assess what opportunities exist.
66. This approach fails the basic requirements of local planning authorities identifying gaps in the market and then acting to fill them (paragraph 29 of the National Planning Guidance under the heading of Economic Need). It also goes against the grain of recent Government advice, particularly in respect of increasing support and recognition of the logistics and freight sectors.

67. National Planning Policy Guidance issued by Central Government now recognises to a much greater extent the critical role that the logistics industry plays in terms of the wider economy. Recent changes made to the NPPF and PPG acknowledge the sector's contribution to local employment opportunities and its distinct locational requirements (i.e. at scale at suitably accessible locations).
68. Paragraph 31 of this section of the PPG provides more detailed guidance on how local planning authorities should assess need and allocate land for logistics. This refers to: -
- Engagement with logistics developers.
 - Analysis of market signals (including trends on take-up).
 - Analysis of economic forecasts.
 - Engagement with LEPs (or their successor bodies).
69. In June this year, the DFT published “The Future of Freight – a long term plan”⁵. One of the principal themes is Planning. It sets a goal of “*a planning system which fully recognises the needs of the freight and logistics sector now and in the future and empowers the relevant planning authority to plan for these needs*”. In addition, “*an increase in site allocations for freight and supply infrastructure being adopted in Local Plans to reflect the needs of the sector*” is provided as a future measure of success for the overall strategy for freight in the UK.
70. For reasons that are not clear, the sections in the draft Plan on the economy and employment land make no reference to the M54/M6 link road. In addition, the Sustainability Appraisal makes no reference to it either in its analysis of employment growth options or its appraisal of employment distribution options. This seems odd given that has been long in preparation
71. This key element of nationally important infrastructure received a Development Consent Order from the Secretary of State in April. Construction is due to start early in 2023. The link road will greatly improve road communications to the district. The West Midlands Strategic Employment Sites Study draws specific references to it being an opportunity that should be exploited, through unlocking development potential for strategic employment sites.

Box 6 – Suggested Modifications

72. Part b) of Policy DS4 makes reference to a need of 63.6 hectares and a supply of 99 hectares (excluding WMI). Neither figure is reliable, for the reasons provided above, and should be the subject of an absolute reassessment, both quantitatively and qualitatively.
73. JLL’s quantitative assessment is that the local need should be an absolute minimum of 127 hectares. This reflects a more realistic position and responds better to current market signals.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1085917/future-of-freight-plan.pdf

74. JLL's quantitative assessment of supply, to meet local needs, is that it is no greater than 18 hectares (excluding WMI) as at 2020. The sites at i54 Western Extension (40 hectares) and ROF Featherstone (36 hectares) are allocated by the Site Allocations Document 2018 to expressly meet the needs of the Black Country and do not form part of the land supply to meet local need. They should count instead as part of a minimum contribution of 76 hectares to meet the unmet needs of the Black Country.
75. The equation of need and supply is wholly distorted by the flawed assessments of both. Instead of a surplus, JLL has identified a quantitative shortfall of just over 90 hectares (with this taking into account the maximum contribution from WMI of 18.8 hectares).
76. This shortfall is substantial, quantitatively, and requires the immediate identification of new sites to ensure that the employment land needs of the district are met. Almost certainly, given the preponderance of the Green Belt in South Staffordshire, this will require the consideration of the release of Green Belt land.
77. Qualitatively, the West Midlands Strategic Employment Sites Study identifies the need for a new strategic employment site(s) to be located within the Black Country and South Staffordshire. This need has not been fulfilled and should be referred to expressly by Policy DS4. This reference should also highlight the opportunities offered by the M54/M6 link road, for unlocking development potential for strategic employment sites.

PJL

JLL

19 December 2022