

Cannock Chase Economic Development Needs Assessment Final Report

Cannock Chase District Council

April 10th 2019

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Executive Summary

Lichfields was appointed by Cannock Chase District Council [CCDC] to undertake an update to its Employment Land evidence base in November 2018. CCDC is currently in the process of preparing a new Local Plan for the period 2018 to 2036 and is therefore reviewing its existing employment land evidence on the supply and demand of employment land in the District. The EDNA will therefore form a key part of the evidence base for the emerging Local Plan, identifying future growth needs across Cannock Chase within the national and local planning policy context.

The EDNA follows the requirements set out in the revised National Planning Policy Framework and Planning Practice Guidance with regards to planning for economic development needs. Both quantitative and qualitative methods have been used to assess the need for, and supply of, employment land. This involved analysis of economic, demographic and commercial property market data, and consultation with a range of stakeholders including commercial agents, economic development and business organisations, and a survey of local businesses.

The purpose of the EDNA is to provide the Council with an understanding of the current and potential future requirements for employment land and how this aligns with current stock of B-Class employment land in the District. This was underpinned by a range of scenarios that explored how Cannock Chase's economy may change over the plan period.

Economic Context

There have been widespread changes to the local economy and business base of the District following the decline of traditional manufacturing and mining-related activities in the 1980s, which has had a particular impact upon communities such as Rugeley and Brereton. However, whilst the industrial restructuring remains ongoing, in recent years Cannock Chase has seen prolonged levels of job growth and inward investment, predominantly related to logistics, building on the geographical benefits of the District's proximity to the national highways network. Companies investing in the District have included the likes of Amazon, DHL, Ultra Electronics and Rhenus Logistics.

Cannock Chase District can be characterised as having three distinct economic sub-areas: Cannock, Hednesford and Heath Hayes; Rugeley in the north of the District; and Norton Canes in the south-east. The majority of economic activity takes place in the Cannock, Hednesford and Heath Hayes sub-area, which benefits from excellent transport connectivity with the M6 Toll. This sub-area supports the most significant concentration of business activity in Cannock and is home to many well-established local and international firms. The Kingswood Lakeside Employment Park is located immediately to the south-east of this sub-area and is recognised as a key strategic site in Staffordshire's industrial assets. The District also benefits from its outstanding natural environment, which provides specific business opportunities in tourism and leisure.

Overview of B-Class Employment Space

Employment space in Cannock Chase is dominated by industrial uses (i.e. manufacturing and distribution uses), although long term trends indicate a gradual erosion of B1c/B2 industrial space in the District; a moderate growth in office space; and a very strong growth in B8 logistics. These recent development trends have resulted in the stock of B class employment space in Cannock Chase increasing over recent years.

The existing employment space in Cannock Chase is focused across several large Business Parks and Industrial estates that follow the A5/M6 Toll in the south and have successfully attracted a number of footloose warehousing operators. There are also a number of more traditional industrial estates to the east of Cannock, and in the vicinity of the decommissioned Rugeley Power Station to the north. The majority of the B class employment space is industrial in nature, with Cannock itself having a modest stock of office floorspace that has been affected by Permitted Development Rights to residential use, although there are several successful out of town business parks with modern B1a office floorspace.

Commercial Property Market

Cannock Chase District's commercial property market is relatively localised and, notwithstanding some very large logistics employers, remains reliant on a large base of SMEs and existing occupier churn. Notwithstanding this, from a commercial property market perspective, Cannock Chase District is not considered to be a self-contained FEMA, as it has strong relationships with a number of surrounding authorities, particularly in respect of commuting and migration patterns. However, in respect of the supply of employment land, and the potential for future growth, the District is considered to function in a relatively independent manner.

The District has been very successful at attracting new companies to locate in Cannock Chase, with large units available in highly accessible locations beside the strategic highways network. The area also benefits from relatively low business and rental costs compared to many other locations in the West Midlands, which brands the District a relatively cost-competitive location for occupiers.

Commercial agents confirmed that significant levels of development have come forward in the industrial and logistics sector over the course of the last five years or more, including a relatively high number of speculative developments coming forwards for B8 units in excess of 10,000 sqm. This has demonstrated a high degree of confidence in the Cannock Chase market which reflects the District's excellent linkages with the M6 and M6 Toll Motorways. However, more recently there has been a relatively slow take up of a number of larger speculative units securing occupiers although some have attributed this to uncertainties associated with Brexit. Commercial agents also highlighted that there is evidence of demand shifting towards smaller-scale purpose built industrial units of up to 3,000 sqm from largely indigenous businesses looking to expand.

Growth Recommendations

In recent years, improved market conditions have led to a surge in speculative industrial development for larger-scale B8 units in the region of 10,000 sqm and above. However, agents reported that market signals suggest that this has peaked, with demand shifting towards smaller-scale purpose built industrial units of up to 3,000 sqm. Opinion was divided as to whether this was just symptomatic of wider macro-economic uncertainties arising from Brexit, or more fundamental issues in the Cannock Chase market. Agents were of the view that this shift in demand is largely driven by indigenous businesses looking to expand.

It was widely considered that future take up is likely to follow similar historic trends, with future development for warehousing and to a lesser extent industrial uses and a need to protect existing B-Class sites in the most accessible locations against further losses to residential or alternative uses.

The EDNA modelled a range of employment land growth scenarios in accordance with the revised Framework and PPG. Having modelled these scenarios, and taking on board the qualitative commentary above, it is recommended that **Cannock Chase District's B-Class employment land OAN comprises a range of 30 ha to 67 ha between 2018 and 2036, and between 33 ha and 74 ha to 2038.**

These land requirements are driven in particular by land-hungry B8 logistics, which is consistent with past completions and those sectors forecast to grow strongly in the Experian projections (as well as the key target growth sectors in the SEPs), whilst the bulk of extant planning permissions for B-Class employment sites relate to B8 warehousing.

In terms of how the employment land requirement for Cannock Chase District could be split across the B-Class sectors, it was considered that a split of 25% for B1a/B1b office and 75% for B1c/B2/B8 industrial/distribution would be appropriate.

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1.0 Introduction

- 1.1 Cannock Chase District Council [the Council or CCDC] appointed Nathaniel Lichfield & Partners [Lichfields] in November 2018 to undertake an update to its Employment Land evidence base to help underpin its updated Local Plan, which is programmed for adoption in September 2021.
- 1.2 This aligns with the updated guidance in the National Planning Policy Framework 2019 [the Framework] which states that Local Plan policies should provide a clear strategy to bring sufficient land forward at a sufficient rate to address needs over the plan period.
- 1.3 As part of the evidence for the new Local Plan (2018-2036/38), this Economic Development Needs Assessment [EDNA] will need to identify future growth needs across Cannock Chase within the national and local planning policy context.
- 1.4 The EDNA will identify the current and future employment requirements for the full plan period, with an extension to 2038 as a sensitivity to the figures. This will provide evidence for future growth and local needs and demonstrating how these can be met in Cannock Chase. The EDNA will align with the updates to the Council's Employment Land Availability Assessment [ELAA] and Existing Employment Areas Study Update [EEAS] that are being produced concurrently with this report in order to demonstrate the delivery of future provision of B-Class employment land.
- 1.5 This planning approach to delivering future employment requirements will ensure that the community has access to appropriate jobs in the right places, as well as improving the local communities' health and wellbeing. This will ensure that new industrial and commercial land meets local need and, if appropriate, wider growth requirements.
- 1.6 The study has been prepared in the context of requirements set out in the revised Framework and Planning Practice Guidance [Practice Guidance], both updated in February 2019, with regards to planning for economic development needs.

Scope

- 1.7 The purpose of the EDNA is to provide the Council with an understanding of the current and potential future requirements for employment land and how this aligns with current stock of B-Class employment land in the District [Cannock Chase]. This is based on considering a range of scenarios for how Cannock Chase's economy could change in the future, over the plan period (2018 – 2036/38).
- 1.8 Following from this analysis, the land and floorspace implications are specifically considered for the group of B-class sectors outlined below:
- **B1a/b Business** (offices, research & development);
 - **B1c/B2 Light / General Industrial (factories and workshops)**; and,
 - **B8 Storage or Distribution** (warehousing and distribution).
- 1.9 Demand for B-class employment land and floorspace is considered in this report, and references to "employment space" are intended to mean both land and floorspace. Industrial space in this report includes both manufacturing and distribution uses (B1c / B2 and B8 Use Class).
- 1.10 It should be noted that there are a variety of factors and drivers to consider when objectively assessing business needs for a local area. This study utilises a combination of both quantitative and qualitative analysis to explore these issues within the context of Cannock Chase and addresses these to draw overarching conclusions and implications. An important consideration

for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources has not been checked or verified by Lichfields.

- 1.11 As part of the study, and to ensure it reflects local characteristics and issues, consultation was undertaken with a range of stakeholders including commercial agents and business organisations.
- 1.12 The main project requirements are as follows:
- Assess the requirement for specific sector-led economic growth relevant to Cannock Chase.
 - Provide an up-to-date and robust evidence base to inform options for employment growth to underpin the land proposals in the Local Plan Review. Identify the Functional Economic Market Area [FEMA] and identify other local planning authorities [LPAs] with strong economic links to Cannock Chase.
 - Set out the economic context which frames the EDNA including the dynamics of the market.
 - Identify future demand over the plan period 2018-2036/38, based on both past trends as well as economic projection forecasts within the context of the FEMA and identify where gaps exist in both quantitative and qualitative terms.
 - Apply the revised Framework and Planning Practice Guidance [PPG] as well as the Government's Industrial Strategy: *Building a Britain fit for the Future*; the Greater Birmingham and Solihull Local Enterprise Partnership [GBSLEP] Strategic Economic Plan; the Stoke and Staffordshire Local Enterprise Partnership [SSLEP] Strategic Economic Plan; the West Midlands Combined Authority Strategic Economic Plan, and other strategies including the Council's Corporate Plan.
 - Engage with all relevant stakeholders including the Local Enterprise Partnership [LEP], neighbouring and LPAs, developers, land promoters, local property agents, statutory agencies, Registered Providers, housing & business partner organisations / representatives, the Chamber of Commerce, and Parish and Town Councils.

Methodology

- 1.13 The PPG includes guidance on the assessment of housing and economic development. This replaces the previous Office of the Deputy Prime Minister [ODPM] Employment Land Reviews: Guidance Note from 2004 (although this arguably remains a source of good practice).
- 1.14 The PPG¹ provides a methodology for assessing economic development needs. It states that plan makers should liaise closely with the business community to understand their current and potential future requirements².
- 1.15 The PPG includes two short sections in 'Plan Making' concerning economic development needs:

What are the steps in gathering evidence to plan for business?

Strategic policy-making authorities will need a clear understanding of business requirements in their area. The steps in building up this evidence include:

- *working together with county and neighbouring authorities, Mayors, combined authorities and with Local Enterprise Partnerships to define the most appropriate geography to prepare policies for employment;*

¹ Practice Guidance Reference 2a-025-20190220

² Practice Guidance Reference 2a-026-20190220

- *preparing and maintaining a robust evidence base to understand both existing business needs and likely changes in the market, with reference to local industrial strategies where relevant; and*
- *engaging with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.*³

How should authorities use this evidence base to plan for business?

Authorities should use this evidence to assess:

- *the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;*
- *the existing and future supply of land available for economic development and its suitability to meet the identified needs. This should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land.*
- *the likely availability and achievability of employment-led development, taking into account market signals;*
- *the role, capacity and function of town centres and the relationship between them, including any trends in the performance of centres;*
- *locations of deprivation which may benefit from planned remedial action; and*
- *the needs of the farming and food production industries, including the location and extent of the best and most versatile agricultural land, and the ways in which planning could support investment in those industries*⁴.

1.16 A recently updated Section on Housing and Economic Needs Assessments has been introduced into the PPG which sets out how authorities can determine the type and amount of employment land that is needed. This provides support for practitioners on how to implement the Framework. With regards to assessing economic development needs and land supply, it states that local authorities should⁵:

- Identify the best fit Functional Economic Market Area;
- Consider their existing stock of land;
- Consider recent patterns of employment land supply and losses to other uses;
- Analyse market demand from local data, discussions with developers and agents, and engagement with businesses or economic forums;
- Consider market signals based on the projected growth in certain markets and demographic changes; and,
- Identify oversupply and evidence of market failure.

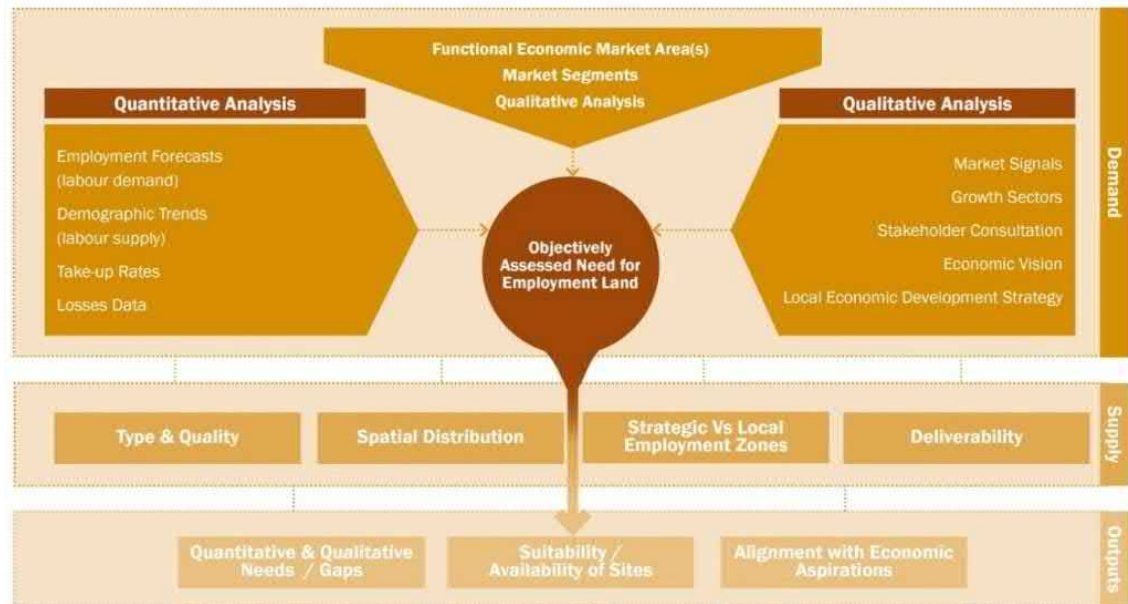
1.17 This study's methodology conforms to the requirements of the Framework and the revised PPG which is summarised in Figure 1.1.

³ 61-040-20190315

⁴ 61-041-20190315

⁵ 2a-026-20190220

Figure 1.1 Employment Land Methodology



Source: Lichfields

Report Structure

1.18

The report is structured as follows:

- **Section 2.0 sets out the policy context**, including a review of relevant national and local policy documents, employment studies and economic development strategies;
- **Section 3.0 outlines the economic context** including current economic conditions and trends that may affect future needs for employment space;
- **Section 4.0 provides an overview of the employment space in Cannock Chase**, including the mix of uses, development rates, completions and losses, supply and demand and the needs of different market segments;
- **Section 5.0 outlines the commercial property market** Lichfields has reviewed the local commercial property market; including the supply of and demand for different types of employment space within Cannock Chase and the needs of different market segments;
- **Section 6.0 assesses the future requirement for B-Class Employment Space** including estimates of future employment space requirements for B-Class sectors in quantitative terms, drawing on employment forecasts and other factors; and,
- **Section 7.0 makes key growth recommendations** for the study along with policy recommendations to support the existing and future site portfolio and maximise future economic growth in Cannock Chase.

2.0 Policy Context

Introduction

- 2.1 National planning policy places a particular emphasis on sustainable development through a process of:
- 1 Reviewing employment and housing land allocations to ensure the supply meets identified needs;
 - 2 Proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and,
 - 3 Encouraging the effective use of land by reusing land that has been previously developed (brownfield land), with a view to promoting regeneration.
- 2.2 This section provides a summary of the relevant policies relating to employment land and economic development within Cannock Chase.

National Planning Policy Framework (February 2019)

- 2.3 The timing of this EDNA is particularly pertinent given that on 24th July 2018 the Government published the revised [the Framework] and published further updates to the document in February 2019. This incorporates policy proposals previously consulted on in the Housing White Paper and the 'Planning for the Right Homes in the Right Places' consultation paper, and the draft Framework published for consultation in March 2018.
- 2.4 The Framework sets out the Government's economic, environmental and social planning policies for England. The Framework [§7] states that the purpose of the planning system is to contribute to the achievement of sustainable development. It states in paragraph 8 that achieving sustainable development means that the planning system has three overarching objectives, which are interdependent and need to be pursued in mutually supportive ways: economic, social and environmental. The economic objective is to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.
- 2.5 The 2012 version of the Framework came as the UK economy was emerging from the deepest recession in a generation. Today, that period of recession continues to cast a long shadow in terms of impact on the public finances and productivity levels and is now complicated by the economic uncertainties created by Brexit.
- 2.6 In that context, the Government has chosen to make limited substantive change in terms of directing planning policy for the economy and business through the revised Framework. An "economic objective" remains the first overarching objective of the planning system (paragraph B, point a). However, the wording has been broadened to expressly refer to the need to, "*support growth, innovation and improved **productivity***" (emphasis added). Productivity is a concept rarely explored in any detail in plan-making or decision-taking, but the added emphasis seems appropriate given the national imperative on the issue.
- 2.7 In line with the Framework's new structure, economic considerations (including the rural economy) now have their own chapter (6). In the 2012 version of the Framework, "*building a strong, competitive economy*" is the first element of delivering sustainable development - tellingly, it now follows the chapter on delivering a sufficient supply of homes. In terms of

content, however, the wording of the draft chapter looks familiar when compared to the 2012 version of the Framework. In line with the wider amendments to the 2012 version of the Framework, the text has been reduced and simplified.

- 2.8 The widely-cited line that the planning system should do, *"everything it can to support sustainable economic growth"* (paragraph 21 of the 2012 version of the Framework) disappears, but the general direction – and note the further reference to productivity - remains clear:
- "Significant weight should be placed on the need to support economic growth and productivity, taking into account local business needs and wider opportunities for development." (paragraph 80).*
- 2.9 Regarding employment land, the 2012 version of the Framework stated that, *"planning policies should avoid the long-term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose"* (paragraph 22). This no longer appears in the economy chapter, but now features in expanded form in chapter 11 on *"making effective use of land"*.
- 2.10 The sentiment is largely the same but the test has been sharpened: regular reviews of allocations are required and, even prior to plan reviews, applications for alternative uses should be supported where unmet needs for development could be provided for. Furthermore, in "areas of high housing demand", the use of existing employment (and retail) land for homes is supported where this does not *"undermine key economic sectors or sites"*.
- 2.11 The revised Framework [§82] sets out that planning policies should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries and for storage and distribution operations at a variety of scales and in suitably accessible locations.
- 2.12 Ultimately, the Cannock Chase Local Plan will need up-to-date and more comprehensive evidence to inform its judgements about the need for, and relative importance of, the employment land in Cannock Chase, particularly in the face of added pressure for release to other uses.
- 2.13 Paragraph 20 states that strategic policies should set out an overall strategy for the pattern, scale and quality of development and make sufficient provision for a range of uses, including employment and other commercial development.
- 2.14 Section 6 of the Framework summarises how the Planning System should help build a strong competitive economy:
- "Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential."* [§80]
- 2.15 The Framework [§81] indicates that LPAs are required to ensure that Local Plan policies set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration. They should set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet

anticipated needs over the plan period, and seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment. The Framework also requires planning policies to be sufficiently flexible to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

- 2.16 Furthermore, planning policies and decisions should recognise and address the specific locational requirements of different sectors. The Framework states that:
- “This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.”* [§82].
- 2.17 Paragraphs 83 and 84 of the Framework focus on supporting a prosperous rural economy. Planning policies and decisions are required to enable the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings. It assumes that some sites needed to meet local business needs in rural areas may have to be found adjacent to, or beyond, existing settlements, hence why it is important to ensure that development is sensitive to its surroundings. The use of brownfield sites well related to existing settlements is encouraged.
- 2.18 Offices are defined as a ‘main town centre use’ [Annex 1] in the Framework. As such, and in accordance with the sequential test, offices should be located in town centres, then in edge of centre locations; and only if suitable sites are not available should out of centre sites be considered [§86]. This sequential approach does not, however, apply to small scale rural offices [§88].
- 2.19 The Framework states that LPAs should ensure an integrated approach to considering the location of housing, economic uses and community facilities and services [§92(e)].
- 2.20 In line with the general thrust of the Framework which seeks to significantly boost the supply of homes, Chapter 11, ‘Making effective use of land’ stipulates that planning policies should promote an effective use of land in meeting the need for homes and other uses. In particular, this requires LPAs to promote and support the development of under-utilised land and buildings, especially where this would help to meet housing needs [§118]. In particular, Paragraph 120 encourages LPAs to adapt planning decisions and policies to reflect “*changes in the demand for land*” by stating that:
- “Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the LPA considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan:*
- a) they should, as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped)...”*
- 2.21 Paragraph 121 of the Framework takes this theme further by stating that:
- “LPAs should also take a positive approach to applications for alternative uses of land which is currently developed but not allocated for a specific purpose in plans, where this would help to meet identified development needs. In particular, they should support proposals to:*

a) use retail and employment land for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework...”

- 2.22 Ultimately, the Framework requires local authorities to have up-to-date and comprehensive evidence to inform their judgments about the need for, and relative importance of, the employment land in their areas, particularly in the face of added pressure for release to other uses.

National Planning Practice Guidance

- 2.1 The recently revised Framework requires planning policies to set out a clear vision and strategy which positively and proactively encourages sustainable growth.

The PPG provides advice on how to approach undertaking economic development needs assessments in two Chapters; ‘Plan Making’, and a more detailed Section on *Housing and Economic Needs Assessment*. The Plan Making section condenses the advice into two short sections: “*What are the steps in gathering evidence to plan for business?*” and “*How should authorities use this evidence base to plan for business?*”. The contents of these two short sections are reproduced in Section 1.0 above, but essentially requires EDNAs to assesses the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period.

- 2.2 Of particular relevance to this study, the PPG has recently updated its guidance on the assessment of housing and economic development. This replaces the previous Office of the Deputy Prime Minister [ODPM] Employment Land Reviews: Guidance Note from 2004 (although this arguably remains a source of good practice). The PPG⁶ has reintroduced its methodology for assessing economic development needs. It states that plan makers should liaise closely with the business community to understand their current and potential future requirements⁷.

- 2.3 Plan makers should also assess:

- 1 the best fit functional economic market area [FEMA];
- 2 the existing stock of land within the area - this will indicate a baseline for land in employment uses;
- 3 the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or loss to permitted development);
- 4 market demand – sourced from market intelligence from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums including locational and premises requirements of particular types of business;
- 5 market signals – based on projected growth in the certain markets and demographic changes; and,
- 6 oversupply and evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.

- 2.4 In terms of using market signals to help forecast future needs the PPG⁸ advises that a range of data which is current and robust should be used, such as:

⁶ Practice Guidance Reference 2a-025-20190220

⁷ Practice Guidance Reference 2a-026-20190220

⁸ Practice Guidance Reference 2a-026-20190220

- 1 sectoral and employment forecasts and projections (labour demand);
- 2 demographically derived assessments of future employment needs (labour supply techniques);
- 3 analysis based on the past take-up of employment land and property and/or future property market requirements; and,
- 4 consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.

2.5 In terms of how market demand can be analysed, the PPG⁹ advises that plan makers should note that:

“The available stock of land can be compared with the particular requirements of the area so that ‘gaps’ in local employment land provision can be identified.

It is important to consider recent employment land take up and projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and warehousing sites, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.

Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.”

2.6 In order to derive employment land requirements, the PPG¹⁰ states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

- 1 Standard Industrial Classification sectors to use classes;
- 2 Standard Industrial Classification sectors to type of property;
- 3 Employment to floorspace (employment density); and,
- 4 Floorspace to site area (plot ratio based on industry proxies).

Building Our Industrial Strategy Green Paper

2.7 In January 2017 the Government published the Green Paper: ‘*Building our Industrial Strategy*’. The document sets out a modern industrial strategy that aims to improve living standards and economic growth by increasing productivity and driving growth across the whole country. The Strategy identifies 10 ‘pillars’ that will be supported to drive growth.

2.8 The pillars are as follows:

- 1 **Investing in science, research and innovation** – promoting a more innovative economy and doing more to commercialise our world leading science base to drive growth across the UK.
- 2 **Developing skills** –ensuring everyone has the basic skills needed in a modern economy; building a new system of technical education to benefit those young people who do not go to

⁹ Practice Guidance Reference 2a-029-20190220

¹⁰ Practice Guidance Reference 2a-030-20190220

university; boosting STEM (science, technology, engineering and maths) skills, digital skills and numeracy; and raising skill levels in lagging areas.

- 3 **Upgrading infrastructure** –upgrading standards of performance on digital, energy, transport, water and flood defence infrastructure, and better aligning central government infrastructure investment with local growth priorities.
- 4 **Supporting businesses to start and grow** –ensuring that businesses across the UK can access the finance and management skills they need to grow; and creating the right conditions for companies to invest for the long term.
- 5 **Improving procurement** – using strategic government procurement to drive innovation and enabling the development of UK supply chains.
- 6 **Encouraging trade and inward investment** –boosting productivity and growth across the UK economy by increasing competition and helping to bring new ways of doing things.
- 7 **Delivering affordable energy and clean growth** –keeping costs down for businesses and securing the economic benefits of the transition to a low-carbon economy.
- 8 **Cultivating world-leading sectors** –building on our areas of competitive advantage, and help new sectors to flourish, challenging existing institutions and incumbents.
- 9 **Driving growth across the whole country** –creating a framework to build on the particular strengths of different places and address factors that hold places back –investing in key infrastructure projects to encourage growth, increasing skill levels, and backing local innovation strengths.
- 10 **Creating the right institutions to bring together sectors and places** –considering the best structures to support people, industries and places.

Sub-Regional Economic Strategies

GBSLEP’s Strategic Economic Plan

2.9 The Greater Birmingham and Solihull Local Enterprise Partnership’s [GBSLEP] Strategic Economic Plan¹¹ [SEP] sets out its key role in rebalancing the economy. The SEP’s ambitions include delivering 50,000 private sector jobs, 14,000 new houses, 1.7m sqm of commercial space, £2.3bn of GVA and leveraging £1.1 billion of private sector investment over the next 10 years. It identifies a number of high-value growth sectors which the GBSLEP aims to grow with the prospect of developing further competitive advantage. These sectors are:

1. Advanced Manufacturing and Engineering;
2. Life Sciences;
3. Digital and Creative Industries;
4. Business, Professional and Financial Services; and,
5. Low Carbon and Environmental Technologies¹².

2.10 The SEP cites the recent closure of the Rugeley Power Station as a significant regeneration opportunity in Cannock Chase. A taskforce has been assembled to support the workforce in the short to medium term and to work with the owners of the site to create employment opportunities in the future.¹³

¹¹ Greater Birmingham and Solihull Local Enterprise Partnership (2016): *Strategic Economic Plan*

¹² Ibid. page 4

¹³ Ibid. page 45

Stoke on Trent and Staffordshire's Strategic Economic Plan

- 2.11 Stoke-on-Trent and Staffordshire Local Enterprise Partnership's [SSLEP] – Strategic Economic Plan [SEP] (April 2018) seeks to grow the economy by 50% and generate 50,000 new jobs in the next 10 years. The five central objectives at the heart of the plan are to create:
- 1 A Core City – Facilitating the rapid, planned growth of the conurbation centred on the city of Stoke-on-Trent, which would be a critical economic driver of the area.
 - 2 A Connected City- Securing strategic and local links which engage with new opportunities over the LEP area's borders and across the globe, both physically and digitally.
 - 3 A Competitive Urban Centre – Significantly enhancing growth opportunities.
 - 4 Sector Growth – Ensuring globally competitive innovation, investment and enterprise-led expansion across priority sectors. These include advanced manufacturing sectors which have shown competitive advantages in: Energy generation; Auto-Aero; Medical Technologies; Agri-Tech; and Applied Materials, in addition to strengthening Tourism and Business/Professional Services.
 - 5 A Skilled Workforce – Developing a modern a flexible skills system which enables all people to up-skill and re-skill to meet the needs of the area's growth sectors.
 - 6 Create 80,000 apprenticeship starts, especially in key identified growth sectors and increasing the proportion of higher and advanced level apprenticeships
 - 7 Adult Skills Pilot: £20m of skills and training investment delivered by FE Colleges is successfully shifting more students towards courses relevant to our growth sectors

Stoke-on-Trent and Staffordshire Enterprise Zone

- 2.12 Plans for two new Enterprise Zones to boost jobs and growth were formally submitted to the Government by the SSLEP in 2015. The SSLEP sought Government backing for Ceramic Valley, the country's first high-technology ceramics enterprise zone, on land along the A500 Corridor in Stoke-on-Trent and Newcastle-under-Lyme. The Ceramic Valley proposal comprised an area of 250 ha within which are six largely cleared individual sites comprising over 140 ha of net developable land, all benefiting from Assisted Area status. In November 2015 the Ceramic Valley was confirmed as one of 26 new and extended Enterprise Zones [EZs] in the Government's Spending Review.
- 2.13 Whilst approval was also sought for a Connected Staffordshire Enterprise Zone (developing employment sites in rural and semi-rural sites across the wider county for businesses in the SSLEP's key sectors – agricultural technology, automotive engineering, energy, medical sciences and technology), this was not granted by the Government.

West Midlands Combined Authority Strategic Economic Plan

- 2.14 The West Midlands Combined Authority's [WMCA] Strategic Economic Plan [SEP] sets out the vision, objectives, strategy and actions to improve the quality of life for everyone who lives and works in the West Midlands.
- 2.15 Key to the SEP is the need to increase productivity in the region, and narrow the gap between the West Midlands and the rest of the UK. The SEP considers that Balanced growth will benefit the whole region, improving the life chances of everyone who lives in the West Midlands, ensuring the skill levels of local people match and then exceed the national average.
- 2.16 The SEP aims for further and faster growth than has been predicted in the two individual LEP SEP's through the economy plus model, which builds on the West Midlands' strengths and

potential to make a bigger contribution to the national economy; delivering 50,000 more jobs than originally predicted in the two LEP plans alongside an additional £7 billion Gross Value Add [GVA] – creating greater total output across the regional economy.

- 2.17 The GVA measure allows the WMCA to track performance against others in the UK (and globally). In basic terms, increased GVA provides evidence for real growth in the West Midlands' economy. The strategy uses the economy plus model to deliver the vision and is based on the strengths, challenges and opportunities faced across the area and the development of a strategic approach that focuses on priority actions, channels and principles.
- 2.18 The eight priority actions identified in the WMCA SEP are:
- 1 **New manufacturing economy:** harnessing the biggest concentrations of high value manufacturing businesses in Europe and their supply chains.
 - 2 **Creative and digital:** further developing the area's vibrant and flourishing sector.
 - 3 **Environmental technologies:** securing transformational environmental improvements.
 - 4 **Medical and life sciences:** enabling the further growth of the medical and life sciences sector and supporting other businesses to diversify and become part of the sector's supply chain.
 - 5 **HS2 growth:** maximising the benefits of the largest infrastructure project in Europe.
 - 6 **Skills for growth and employment for all:** ensuring the skills needs of businesses are met and everybody can benefit from economic growth.
 - 7 **Housing:** accelerating the delivery of current housing plans to increase the level of house building to support increased level of growth.
 - 8 **Exploiting the economic geography:** making the most of the scale and diversity of the West Midlands' geography to enable economic growth and community wellbeing throughout the urban core and rural areas.

Local Planning Policy and Economic Studies

Adopted Cannock Chase Local Plan (Part 1) 2014

- 2.19 The Local Plan is intended to help shape the way in which the physical, economic, social and environmental characteristics of Cannock Chase District will change between 2006 and 2028.
- 2.20 The Core Strategy reports (in paragraph 5.15) that there is a requirement for 88 hectares [ha] of B-Class employment land for the District based around past trends over the 22-year plan period. 91ha of employment land is identified as being available, distributed as follows:
- Cannock/Hednesford/Heath Hayes 62ha (68%);
 - Rugeley and Brereton 26ha (29%); and,
 - Norton Canes 3ha (3% -it should be noted that Norton Canes lies in close proximity to the main area of employment land availability within Cannock/Hednesford/Heath Hayes at Kingswood Lakeside).
- 2.21 34ha of this total has been developed in the first six years of the plan period, leaving 57ha at 1 April 2012. The Core Strategy notes that in the longer term, should monitoring indicate that the provision of new land or redevelopment of existing sites is not providing sufficient supply, then consideration will be given to the provision of new employment land via the expansion of Kingswood Lakeside [§5.16].

2.22 Policy CP8 relates to Employment Land, and states that to help encourage a vibrant local economy and workforce:

“To support the delivery of an appropriate employment land supply the Council will work proactively with existing and potential business investors, and other partners, to address any constraints to development including infrastructure and labour supply. The Council will maintain and enhance the environmental qualities of the District overall as a key asset for attracting continued investment. The Council will seek to assist delivery of at least 88ha of new and redeveloped employment land (primarily for non-town centre B class uses but with flexibility for other uses, particularly where in accordance with CP11). New and redeveloped land is identified as being currently available at the following locations, broadly in proportion to the Strategic Approach (Policy CP1).”

2.23 The Policy also encourages the redevelopment and modernisation of existing employment sites and other appropriate Brownfield land for employment purposes, provided that it is not of high environmental value, in order to provide an ongoing supply of available land and premises. Proposals for employment developments at existing employment sites within the Green Belt will be treated positively recognising that they are unlikely to be suitable for alternative uses.

“Further guidance for the redevelopment of the following sites will be supported by Local Plan Part 2 policies and Supplementary Planning Documents as appropriate:

- *Cannock Chase Enterprise Centre*
- *Cannock Wood Industrial Estate*
- *Lime Lane Business Area*
- *Watling Street Business Park*

The Council will seek to retain and promote diversified ‘B class’ uses in existing and developing employment areas of the highest quality to assist the overall diversification of the local economy (having regard to Policy CP11 and the need for a sequential approach in relation to offices). High quality employment areas are characterised by good accessibility and high quality environments that provide an attractive offer to modern industry, targeted growth sectors and / or high profile investors. The strategic high quality sites in the District are Kingswood Lakeside and Towers Business Park. ‘Non-B class’ uses proposals in these high quality areas will be considered on their merits, recognising the contribution they can potentially make as part of a mixed-use area. Their merit will be assessed in terms of their scale, the extent to which the proposal prejudices ‘B class’ operations or supports activities on site and the extent to which they contribute towards economic development priorities of the District, including employment generation, employment diversification and higher job density.”

2.24 The Council is in the process of preparing a new Local Plan for the period 2018 to 2036. The Local Plan will draw upon a number of documents that comprise its evidence base, including this EDNA. The council intends to publish the EDNA alongside its Local Plan Issues and Options in May 2019.

Cannock Chase District Council Corporate Plan (2018 – 2023)

2.25 The Corporate Plan sets out that the Council will establish a District Investment Fund in 2018 to support the delivery of the strategic objectives. This will be a Capital Investment Fund for the Council to use, that primarily comes from receipts from land sales. It will be a delivery

mechanism for the Council to help secure its ambitions as set out in the new Economic Prosperity Strategy¹⁴. No part of the Fund will be derived from Council Tax income. It is planned that the fund will start at £6.5 million in 2018 and it will be used on a case-by-case basis to support schemes which increase prosperity in the District. Examples could include infrastructure, skills support, town centre redevelopment and projects that involve creation of new jobs and business growth. The Fund may also be used to underwrite risk in specific schemes and as a source of match funding to attract additional grant funding from the Government, LEPs, the WMCA and the private sector. Each investment will be subject to a business case approved by the Council's Cabinet.

Cannock Chase Existing Employment Areas Study (2011)

- 2.26 The Cannock Chase Existing Employment Areas Study [EEAS], produced in 2011, concluded that that the highest-ranking employment sites (and indeed the prime property market) surrounded business park areas such as Kingswood Lakeside and Towers Business Area. Much of the District's employment areas serve significant economic functions, retaining both national and local investors with few being identified by the Council as appropriate for alternative, non-economic uses.
- 2.27 The EEAS found that there was a quantum of sites that offered redevelopment potential due to the attractiveness of their location, unit portfolio and potential for modernisation. In order for the full potential of the brownfield sites to be reached, the report expressed a desire to explore the possibility that a new policy approach can aid in the redevelopment of these sites. Many of these sites were identified as having the potential in the medium term to convert to 'High Quality Business Parks or Research and Technology/Science Parks' even without major investment.
- 2.28 Overall, the EEAS concluded that Cannock Chase District offered a number of sites that could be redeveloped into high quality business park locations and would help construct the future economic profile of the District. The EEAS accepted that this transition will not only take time but may also hinder the local economy in the short term due to the restructuring transition away from the more traditional industrial business which still form a significant part of the economy.

Cannock Chase Employment Land Projections Update (2012)

- 2.29 The previous Employment Land Projections Update [ELPU] was carried out in 2012 by Lichfields. It assessed projected employment forecasts and identified the likely implications for B class employment land provision over the period 2006-2028 in Cannock Chase District.
- 2.30 The ELPU concluded that Cannock Chase had a reasonable level of employment land, comprising some 86 ha in total, of which 52 ha remains immediately available. Most of this available land (42 ha) is available in Cannock, Hednesford and Heath Hayes.
- 2.31 Cannock Chase District's future growth is likely to be driven by continued demand for B8 warehousing with a growing demand for office space. The ELPU identified that manufacturing will still have a strong role to play in meeting indigenous demand in parts of the District.
- 2.32 Having assessed the current supply of employment sites, the ELPU concluded that Cannock Chase would require between 60ha and 110ha (gross) of employment land to accommodate its employment needs to 2028.

¹⁴Cannock Chase's Economic Prosperity Strategy is currently under development, and not yet published. This EDNA will help inform/complement this piece of work.

Cannock Chase Employment Land Availability Assessment (2018)

- 2.33 The Employment Land Availability Assessment [ELAA] identified a minor deficit of available employment, with much of the recent completions being dominated by B1 and B8 developments in recent years. This suggested a change to the employment structure both locally and at a national scale. Additionally, the development of high-end B1/B8 floorspace has been prevalent, especially in key employment zones. However, the supply of high-quality employment land is increasingly sparse, especially after the completion of current projects, and will therefore signify a shift towards more average-quality employment locations.
- 2.34 In order to deal with the shrinking amount of high-quality available employment space, the ELAA proposed that the large quantities of potential developable land restricted by Green Belt Policy go up for review via a local plan update. Alternatively, the brownfield sites that are available for redevelopment could provide additional respite from the limited availability of high-end employment land.

3.0 Economic Context

3.1 This section establishes the economic context for the study by summarising recent economic conditions and trends in Cannock Chase, drawing comparisons with the wider West Midlands region and the UK as a whole. The analysis identifies the key strengths and weaknesses of Cannock Chase's economy and the factors likely to influence future demand for employment space in the District, with a particular focus on where there have been significant changes since the previous ELPU was produced in 2012.

Overview

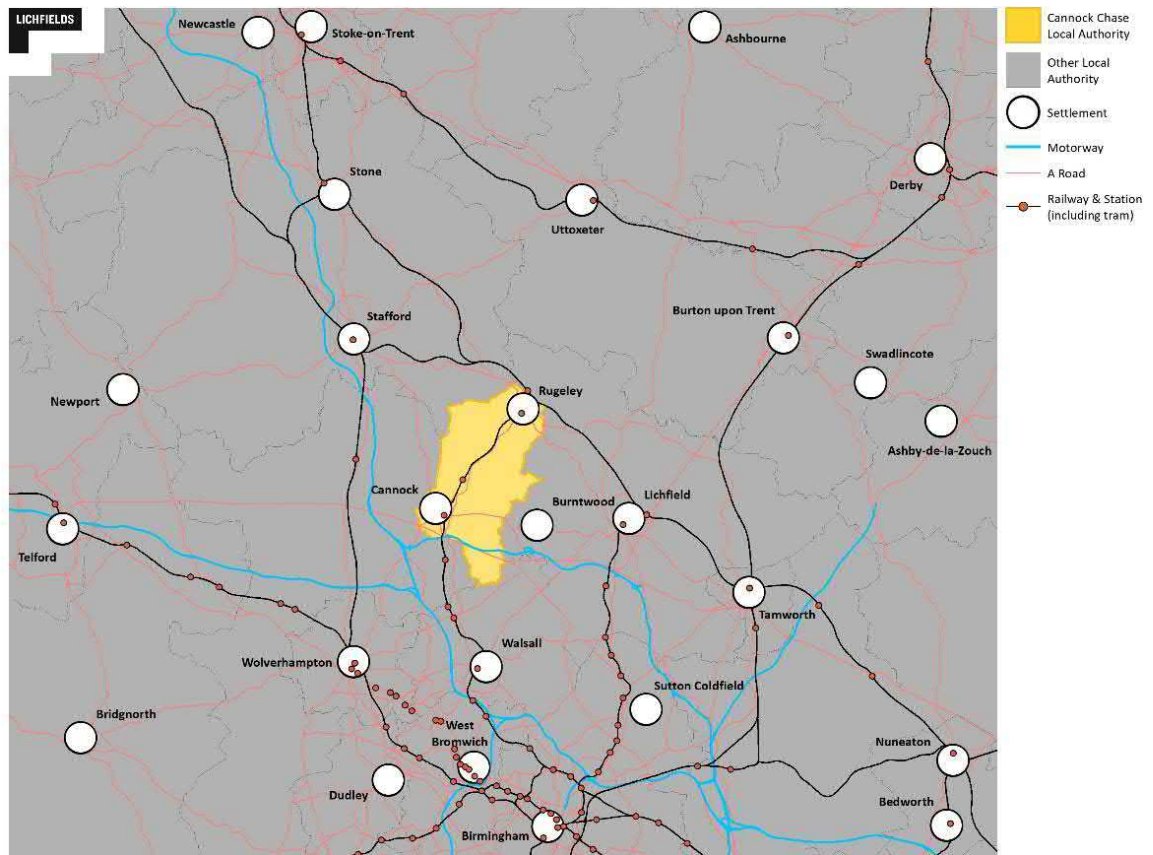
3.2 Cannock Chase is situated in central/southern Staffordshire and contains a number of urban settlements and small villages set within highly attractive countryside, most of which is protected by environmental designations (Cannock Chase AONB) or planning policy constraints (Green Belt). It lies within two LEP areas – the GBSLEP and the SSLEP.

3.3 It is noted that in July 2018 the Government published the document “*Strengthened Local Enterprise Partnerships*” which identified a number of Government commitments alongside a number of additional changes the Government intends to work with LEPs to implement. This included asking LEP Chairs and other local stakeholders to come forward with **considered proposals on geographies which best reflect real FEMAs, remove overlaps and, where appropriate, propose wider changes such as mergers**. It is understood that the Government will respond to these proposals and future capacity funding will be contingent on successfully achieving this. As a result, it is probable that Cannock Chase will be included in only one of the aforementioned LEP areas in the near future.

3.4 The District is highly accessible, served by the M6 Toll motorway that has helped to stimulate considerable economic growth in recent years.

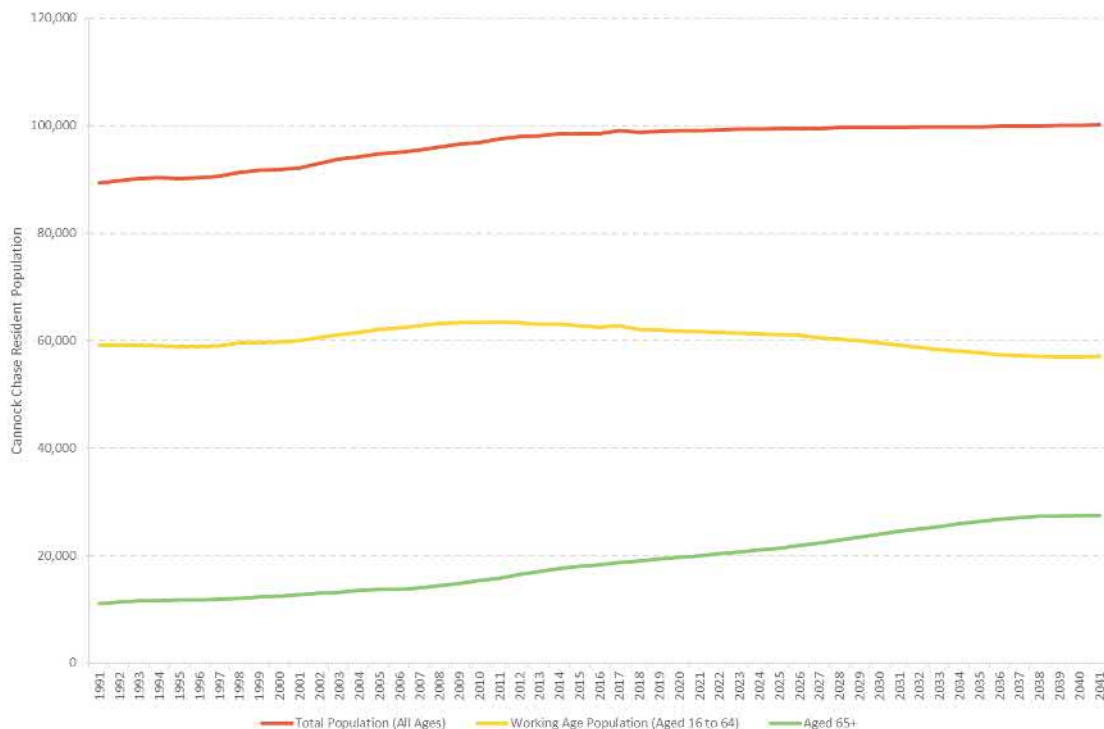
3.5 There have been widespread changes to the local economy and business base of the District following the decline of traditional manufacturing and mining-related activities in the 1980s, which has had a particular impact upon communities such as Rugeley and Brereton. However, whilst the industrial restructuring remains ongoing, in recent years Cannock Chase has seen prolonged job growth and inward investment, predominantly related to logistics, seeking to build on the benefits of the District's proximity to the regional and national highway network. Companies investing in the District have included the likes of Amazon, DHL, Ultra Electronics, Rhenus Logistics and Gestamp Tallent (although the latter company is relocating 1,000 employees currently based in Cannock to a new site in South Staffordshire).

Figure 3.1 Cannock Chase Context Map



- 3.6 Cannock Chase District can be characterised as having three distinct economic sub-areas: Cannock, Hednesford and Heath Hayes; Rugeley in the north of the District; and Norton Canes in the south-east. The majority of the economic activity takes place in the Cannock, Hednesford and Heath Hayes sub-area, which benefits from excellent transport connectivity with the M6 Toll. This sub-area supports the most significant concentration of business activity in Cannock and is home to many well-established local and international firms. The Kingswood Lakeside Employment Park is located immediately to the south-east of this sub-area and is recognised as a key strategic site in Staffordshire’s industrial assets. The District also benefits from its outstanding natural environment, which provides specific business opportunities in tourism and leisure.
- 3.7 As of 2017, Cannock Chase District contained 99,126 residents, resulting from a growth of 3.9% over the preceding 10 years. This is well below the 7.5% growth rate experienced across the West Midlands, and also the national growth rate of 8.2%. The latest ONS 2016-based Sub-National Population Projections [SNPP] suggest that Cannock Chase’s population will increase by just 775 to 99,901 (Figure 3.2). This represents an increase of 0.8%, which is again below the West Midlands and National rates of population growth (9.2% and 9.9% respectively).

Figure 3.2 Cannock Chase Resident Population (1991-2041)



Source: ONS Mid-Year Population Estimates and 2016-based SNPP (1991-2041)

- 3.8 A significant proportion of Cannock Chase's population growth over the next 20 years is forecast to come from those aged 65 and over, with that element of the population growing by over a third (44.9%). This aligns with a rise in the old age dependency ratio and, proportionately, fewer people of employment age living in Cannock Chase.
- 3.9 The number of people of employment age living in Cannock Chase was 63.3% in 2017; this reflects a reduction of 1.8% of the working-age population since 2007. As can be seen in Figure 3.2, the sharp growth of the number of residents of retirement age stands in stark contrast to the decline in the working age population (16-64 years), which is forecast to fall by 6.1% by 2037.
- 3.10 The 2014-based MHCLG household projections translate this population growth into 4,960 new households over the next 20 years; a growth rate of 248 annually or 12.0%. Again, this growth rate is significantly below the national growth rate of 19.5% over the same time period.

Economic Conditions and Trends

- 3.11 Current economic conditions and trends in Cannock Chase District are summarised below, with comparisons made (where appropriate) with regional and national averages. Data is taken from the September 2018 Experian Model and published ONS sources unless indicated otherwise.

Employment

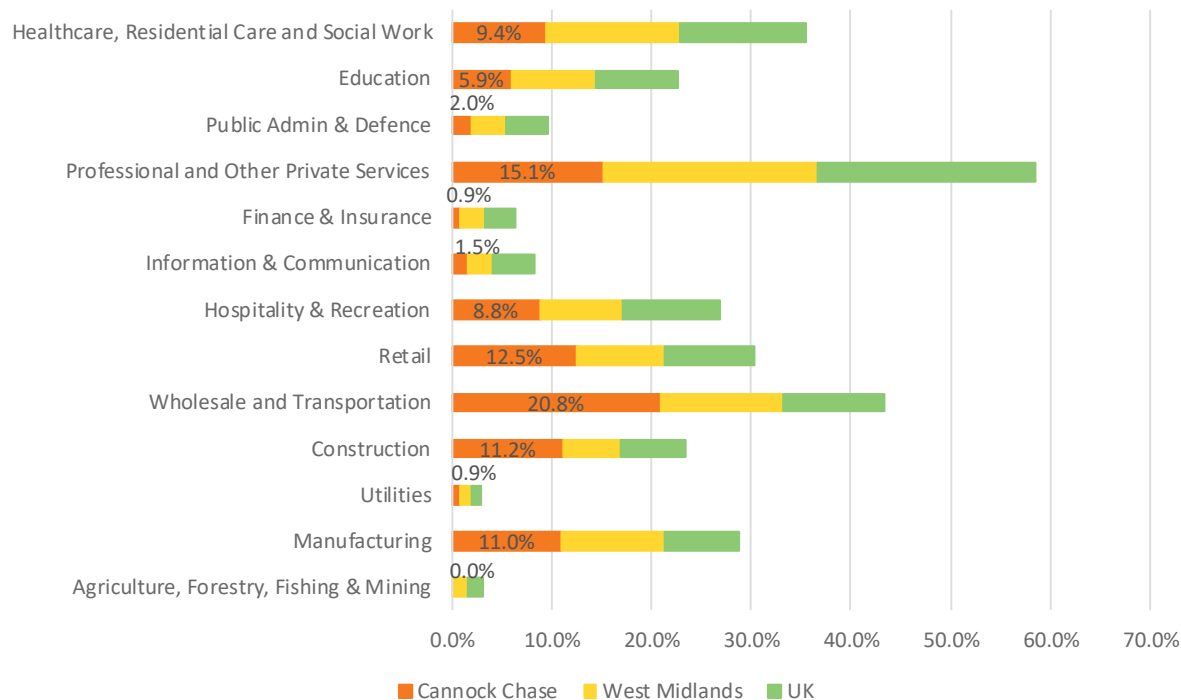
- 3.12 Cannock Chase District accommodated 45,600 workforce jobs in 2018, representing an increase of 40.3% from the 1997 level (32,500 workforce jobs)¹⁵. This very high level of growth is in contrast to the West Midlands increase of 17.8% and 22.4% across the whole of the United

¹⁵ Experian UK Local Market Forecasts Quarterly – September 2018

Kingdom. The main driver behind this increase in the local economy has been the burgeoning wholesale and distribution sector in Cannock Chase District in recent years.

3.13 The historical context to this is of course the area’s once thriving manufacturing and mining-related activities, which formerly had a significant presence in areas such as Rugeley and Brereton. However, over the past few decades these towns have been badly affected by the decline of these industrial activities, exemplified by the closure of the mines as production moved overseas. This has resulted in a substantial and prolonged decline in B1c/B2 jobs.

Figure 3.3 Proportion of Workforce Jobs by Industrial Sector (2018)



Source: Experian (September 2018) / Lichfields analysis

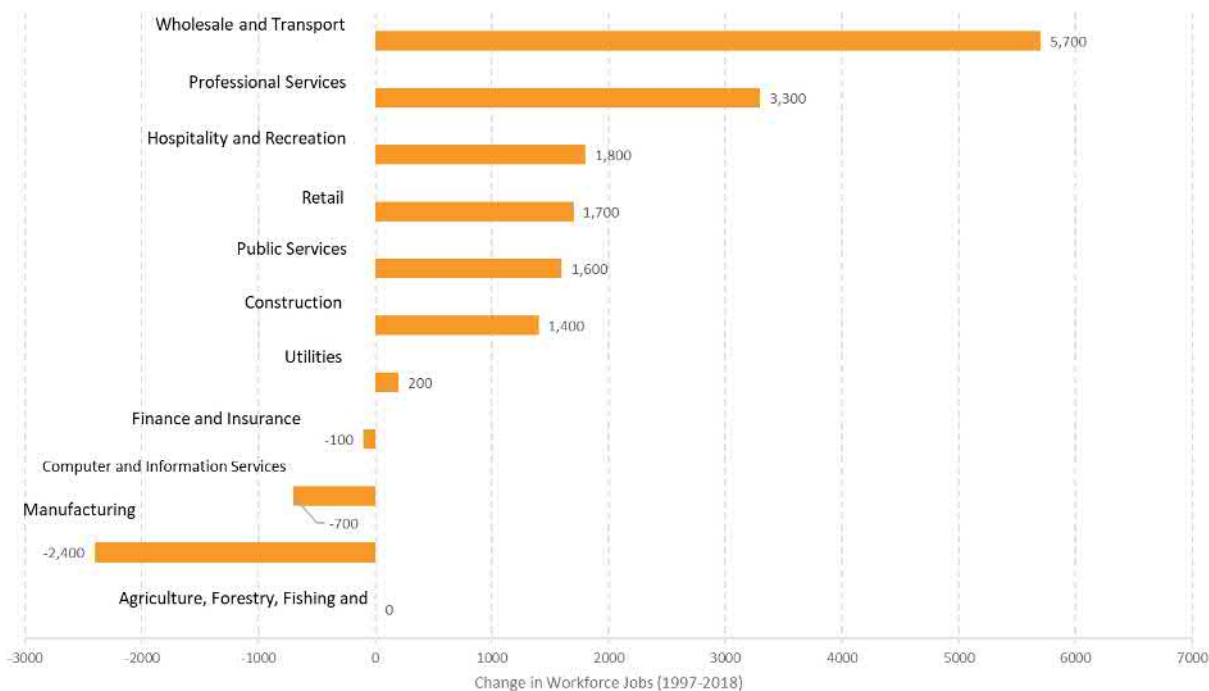
3.14 Figure 3.3 plots jobs in broad industrial sectors within Cannock Chase against comparable rates for the West Midlands and nationally. As of 2018, the largest sector in Cannock Chase was wholesale and transport (20.8%, compared to 12.3% for the West Midlands and 10.2% nationally), public services (17.3% compared to 25.4% for the West Midlands and 25.2% for the UK), professional services (15.1%, versus 21.5%/21.8% for the West Midlands/UK) and retail (12.5% versus 8.9%/9.0% for the West Midlands/UK) also account for a relatively high proportion of workforce jobs.

3.15 As shown in Figure 3.4, employment growth in the District between 1997 and 2018 was dominated by wholesale and transport (+5,700 jobs), professional services (+3,300 jobs), hospitality and recreation (+1,800 jobs), retail (+1,700 jobs) and public services (+1,600 jobs). At the same time, employment losses were recorded in manufacturing (representing a loss of 2,400 jobs), computer and information services (-700 jobs) and finance and insurance (-100 jobs). The decline in manufacturing jobs in Cannock Chase is set in the wider context of a loss of 258,850 jobs across the whole of the West Midlands over the same 21-year period.

3.16 However, to offset this restructuring, the West Midlands experienced growth in ICT (+ 19,000 jobs) and finance and insurance whereas Cannock Chase saw a step decline. It should be noted that both Cannock Chase and the West Midlands experienced significant growth in professional services over the same period, with the region seeing growth of 129,600 jobs in this sector. This is now the largest sector in the West Midlands (21.5%).

3.17 Likewise, when compared to national averages, Cannock Chase differs to the largest sector, with public services representing 25.2% of the UK economy compared to just 17.3% for Cannock Chase. In terms of manufacturing, the UK average is 7.6% which is lower than that of Cannock Chase (11.0%).

Figure 3.4 Change in Workforce Jobs (1997-2018)



Source: Experian (2018) / Lichfields analysis

3.18 In this context, the overall employment change in Cannock Chase between 1997 and 2018 is set out in Table 3.1.

Table 3.1 Changes in Total Employment and B Class Jobs in Cannock Chase, 1997-2018

Use	Total Jobs	
	1997	2018
Total Employment	32,500	45,600
B Class Jobs	15,939	21,192
Office Jobs (B1a/B1b)	2,461	3,710
Industrial Jobs (B1c/B2/B8)	13,478	17,482

Source: Experian (September 2018) / Lichfields analysis

3.19 The productivity of employment in Cannock Chase District can also be measured by GVA per job. A recent Paper produced by the GBSLEP for their Board Meeting on 24th January 2019¹⁶ entitled *Economic Performance and KPIs* noted that the overall GVA growth trend between 2010 and 2017 was extremely positive, with the GBSLEP’s economy growing by 20% compared to the Core City LEP average of 11%. The LEP area has been by far the fastest growing Core City over that period. Within the GBSLEP area, Cannock Chase District has seen the largest

¹⁶Greater Birmingham and Solihull LEP (24th January 2019): Economic Performance and KPIs

proportionate increase of 9.11% in 2017, followed by Bromsgrove (7.62%) and Redditch (2.59%). This is significantly higher than the GBSLEP average, which was 1.56%.

3.20 GBSLEP funding has helped to support growing businesses through its Business Growth Grants and Support made possible through its delivery of European Funding programmes. The District has benefitted historically from Local Growth Fund investments at Kingswood Lakeside which has facilitated new private sector investment¹⁷.

3.21 Detailed analysis of Office for National Statistics [ONS] Regional GVA data¹⁸ commissioned by the Council in 2018 indicates that Cannock Chase's GVA was estimated at £1,817m in 2016, having grown by 27% since 2011 – a growth rate considerably in excess of the Staffordshire, West Midlands and UK-wide averages (Table 3.2), although the District still has the third lowest total GVA in Staffordshire in 2016.

Table 3.2 Growth in GVA: Cannock Chase District and Comparator Areas, 2011-2016 (Figures in rounded £millions)

	Cannock Chase		Staffordshire		West Midlands		UK	
	GVA (£m)	% Annual Change	£m	%	£m	%	£m	%
2011	£1,426m	-	£14,222m	-	£103,943m	-	£1,458,820m	-
2012	£1,429m	+0.2%	£14,070m	-1.1%	£107,290m	3.2%	£1,505,718m	3.2%
2013	£1,516m	+6.1%	£14,601m	+3.8%	£111,885m	4.3%	£1,564,430m	3.9%
2014	£1,622m	+7.0%	£15,192m	+4.0%	£117,855m	5.3%	£1,638,722m	4.7%
2015	£1,702m	+4.9%	£15,914m	+4.8%	£121,849m	3.4%	£1,684,937m	2.8%
2016	£1,817m	+6.8%	£16,595m	+4.3%	£126,589m	3.9%	£1,747,647m	3.7%
2011-2016	£391m	27.42%	£2,373m	16.69%	£22,646m	21.79%	£288,827m	19.80%

Source: Cannock Chase District Council (October 2018): Gross Value Added for Cannock Chase

3.22 GVA per head in Cannock Chase is estimated at £18,441 in 2016 – below Staffordshire (£19,138), West Midlands (£21,823) and UK (£26,621) averages. The Broad Industry Group 'Distribution', which includes a number of sectors including Wholesale and Retail; Repair of Motor Vehicles; Transportation and Storage; and Accommodation & Food Service Activities, generated the highest GVA in Cannock Chase in 2016 at £530 million. Furthermore, Distribution saw the largest increase in GVA in real terms (£152m over the period 2011 to 2016). Manufacturing industries saw the highest percentage growth in GVA (87.5%) during the same period. The Council's GVA report (2018) concluded that the McArthur Glenn Outlet Village, set to open in the District in 2020, could contribute to further GVA growth by increasing the goods and services offered in Cannock Chase, particularly in the Wholesale and Retail sectors.

Business Demography and Enterprise

3.23 The local business base in Cannock Chase is characterised as having a similar share of micro firms (0 to 9 workers) and a slightly higher share of small-sized firms (10 to 49) compared to regional and national levels. Cannock Chase also supports a much lower rate of business start-up compared to the regional and national averages, while the share of working-age residents in Cannock Chase that are self-employed is well below the West Midlands and Great Britain levels (Table 3.3).

¹⁷ <http://www.cannockchasedc.gov.uk/council/news/articles/cannock-chase-achieves-highest-economic-growth-gbslep-areas>

¹⁸ Taken from ONS's release Regional Gross Value Added (balanced), UK: 1998 to 2016, published on 20th December 2017.

Table 3.3 Key Characteristics of the Business Base in Cannock Chase

Metric		Cannock Chase	West Midlands	Great Britain
Business Size (2018)	Micro (0 to 9)	88.0%	88.9%	89.3%
	Small (10 to 49)	10.6%	9.1%	8.7%
	Medium (50 to 249)	1.0%	1.6%	1.6%
	Large (More than 250)	0.3%	0.4%	0.4%
Business Births per 10,000 Working-Age Persons (2017)		425	30,725	375,030
Self-Employment (2018)		9.8%	14.0%	15.0%

Source: Inter-Departmental Business Register (ONS) / Business Demography Statistics (ONS) / Annual Population Survey (ONS) / Lichfields analysis

Labour Market

- 3.24 Cannock Chase District's labour market is characterised by having a higher share of the working-age population being economically active and fewer claiming out-of-work benefits compared to the West Midlands and Great Britain as a whole. Conversely, the resident labour-force generally has a much lower proportion of residents who have achieved NVQ4 and above qualification attainments compared to the regional and national benchmarks, which points towards a less highly skilled workforce in the District (Table 3.4).
- 3.25 This aligns with the fact that Cannock Chase has proportionally fewer residents employed in higher-skilled occupations (represented by SOC Major Group 1-3) compared to the national average, although it is slightly above the West Midlands' rate. In this context, the level of earnings in Cannock Chase is also lower than the regional and national averages, with the level for residents living in Cannock Chase about 1.2% lower than the West Midlands average and the level of earnings for workers employed in Cannock Chase about 7.6% lower than the West Midlands average. This suggests that residents are commuting out to higher earning jobs elsewhere in the West Midlands, such as Walsall, Stafford, Lichfield and Birmingham.

Table 3.4 Key Characteristics of the Labour Market in Cannock Chase

Metric		Cannock Chase	West Midlands	Great Britain
Economic Activity Rate (2017)		85.2%	76.4%	78.4%
Out-of-Work Benefits Claimant Count (2017)		1.2%	2.3%	1.9%
Resident Qualification Level (2017)	NVQ4 and Above	27.7%	31.8%	38.6%
	NVQ3 and Above	53.7%	50.8%	57.2%
	NVQ2 and Above	77.2%	69.3%	74.7%
	NVQ1 and Above	92.0%	80.6%	85.4%
	Other or No Qualification	8%	19.4%	14.6%
Resident Occupation Group (2017) ¹	SOC Major Group 1 - 3	42.2%	41.5%	45.6%
	SOC Major Group 4 - 5	23.9%	21.4%	20.6%
	SOC Major Group 6 - 7	14.3%	16.4%	16.6%
	SOC Major Group 8 - 9	19.6%	20.2%	16.8%
Earnings by Residence (2018)		£530.00	£536.60	£571.10
Earnings by Workplace (2018)		£496.00	£536.60	£570.90

Source: Annual Population Survey (ONS) / Annual Survey of Hours & Earnings (ONS) / Lichfields analysis

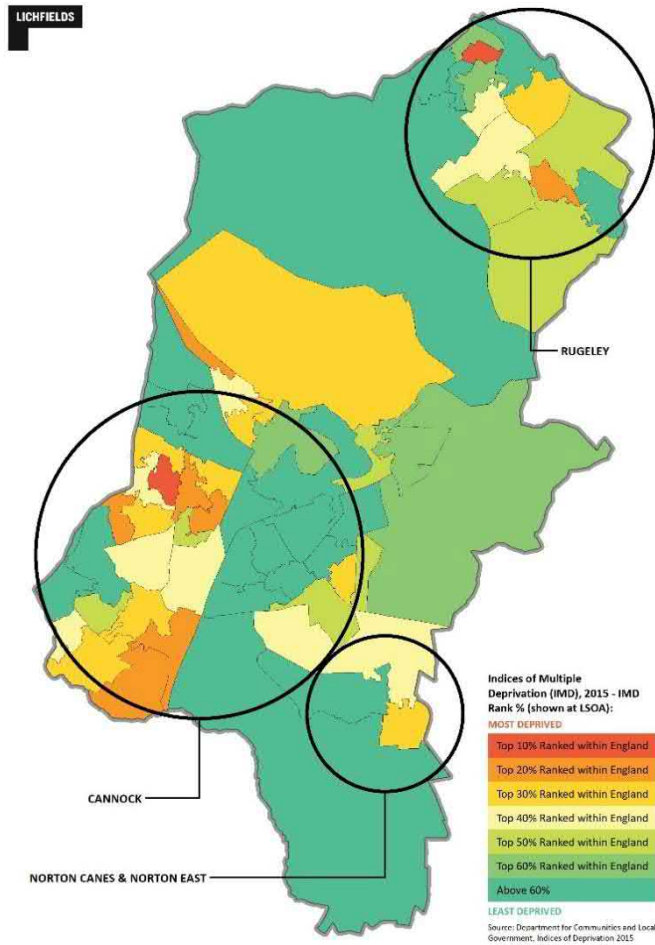
Note: 1 SOC 2010 Major Group 1 - 3 includes managers, directors and senior officials; SOC 2010 Major Group 4 - 5 includes administrative and trade occupations; SOC 2010 Major Group 6 - 7 includes service and sales occupations; and SOC 2010 Major Group 8 - 9 includes machinery, plant & process operatives and elementary occupations.

Deprivation

3.26

Cannock Chase has moderate levels of deprivation, with a ranking of 128th out of 326 local authority areas based on the Indices of Multiple Deprivation [IMD] (2015). However, this District-wide profile masks some variation within Cannock Chase (Figure 3.5), with unemployment and worklessness remaining entrenched in pockets of deprivation in Cannock and Rugeley, and the adjoining rural areas to the east and west.

Figure 3.5 Deprivation levels within Cannock Chase



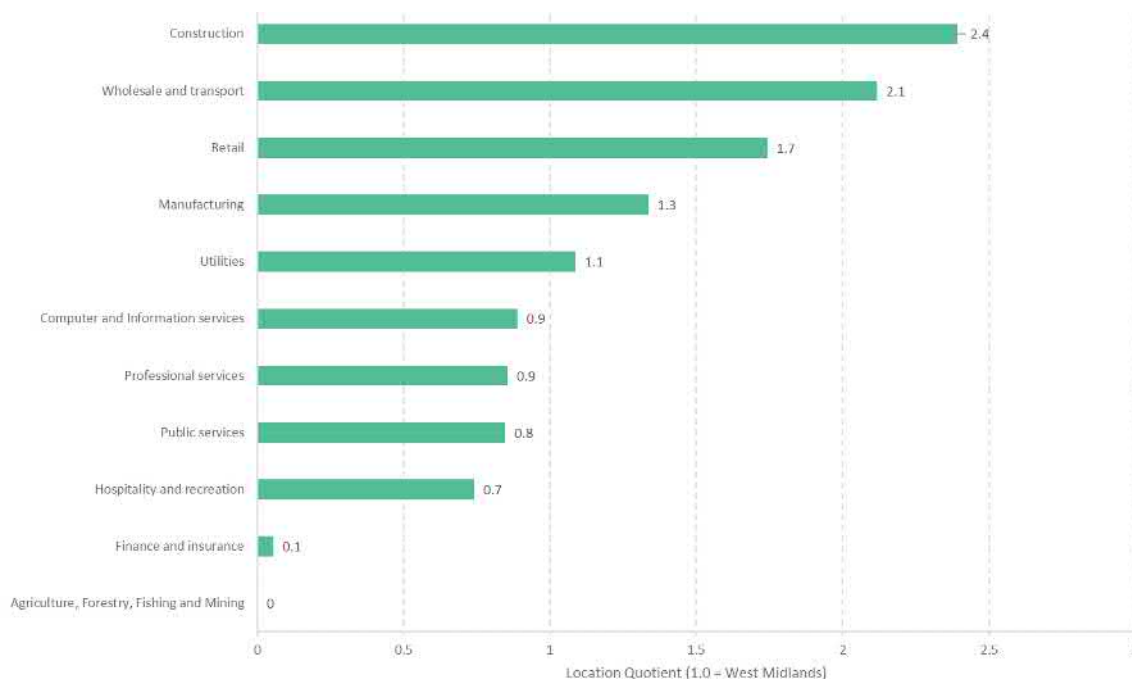
Source: CLG (2015) Indices of Multiple Deprivation

Location Quotients

- 3.27 In order to identify the Cannock Chase’s full economic potential, it is important to consider which industrial sectors are best placed to drive future growth. This is informed by an understanding of which sectors are under or over-represented in terms of local employment and their recent growth performance.
- 3.28 Figure 3.6 assesses Cannock Chase’s current sectoral strengths through the use of location quotients, which measure the proportion of employment in an industry at the local authority level relative to the regional average. In the graph, the location quotients [LQ] are shown using a green bar. A value above 1.0 denotes a higher local representation of a sector compared to the West Midlands average, whilst anything below 1.0 signifies an under-representation. The further the green bar is from 1.0, the greater the extent of any over or under-representation.
- 3.29 The Figure indicates that the District has a strong employment representation in construction (2.4) and wholesale and transport (2.1), as well as a high representation of jobs in retail (1.7), manufacturing (1.3) and utilities (1.1). It is important to note however, that a number of these sectors account for relatively low levels of employment in absolute terms (notably utilities).
- 3.30 It is unsurprising given Cannock Chase’s close proximity to the strategic road network that the wholesale and transport sector is particularly strong. The graph also starkly illustrates the low level of employment in the more knowledge-intensive services such as media, professional

services, finance, insurance and pensions, which may reflect the lower skills base of Cannock Chase’s labour force. This highlights the need to attract and retain higher value businesses in Cannock Chase. Perhaps unsurprisingly, the proportion of the workforce in finance and insurance is just 0.1 of that of the West Midlands, given the size of the District.

Figure 3.6 Location Quotients of Economic Sectors in Cannock Chase, 2018



Source: Experian 2018 / Lichfields analysis

Future Job Growth Prospects

3.31 Lichfields obtained the latest September 2018 Experian econometric job growth projections for Cannock Chase District. Cannock Chase is projected to have moderate level of growth of 2,000 workers between 2018 to 2038 (4.4%). In contrast, the West Midlands (8.8%) and the UK (10.5%) are projected to have significantly higher growth levels (Table 3.5). Cannock Chase’s modest growth is due to projected decreases in manufacturing, public administration and retail which are offset by projected increases in transport and storage, health, residential care and social care and professional and other private services in particular (Table 3.6).

3.32 Cannock Chase’s comparatively modest future job growth prospects appear pessimistic. However, it stands in stark contrast to the very strong historic job growth experienced since 1997 where an additional 13,100 jobs were gained (net). This occurred mainly due to the strong growth in the logistics sector despite the ongoing restructuring of the District’s manufacturing sector. This compares to weaker growth across the West Midlands (17.8%) and the UK (22.4%) as a whole over the same time period.

Table 3.5 Historic and Projected Employment Change

	1997 to 2018		2018 to 2038	
Cannock Chase	13,100	40.3%	2,000	4.4%
West Midlands	459,700	17.8%	267,010	8.8%
UK	6,454,370	22.4%	3,701,940	10.5%

Source: Experian (September 2018) UK Local Market Forecasts Quarterly - Workforce Jobs: Lichfields analysis.

3-33 Table 3.7 shows the projected change in sectoral employment in Cannock Chase from 2018 to 2038. The accommodation, food services and recreation sector is projected to play an even bigger role in generating employment opportunities, as is the transport and storage sectors. The most significant declines are forecast in the manufacturing (-3.7%) and wholesale and retail (-1.8%) sectors.

Table 3.6 Projected Sectoral Employment Change in Cannock Chase (2018-2038)

	2018		2038		Change from 2018 to 2038	
	Jobs	%	Jobs	%	Jobs	%
Agriculture, Forestry, Fishing & Mining	0	0.0%	0	0.0%	0	0.0%
Manufacturing	5,000	11.0%	4,000	8.4%	-1,000	-20.0%
Utilities	400	0.9%	400	0.8%	0	0.0%
Construction	5,100	11.2%	5,500	11.6%	400	7.8%
Wholesale and Transportation	9,500	20.8%	10,000	21.0%	500	5.3%
Retail	5,700	12.5%	5,600	11.8%	-100	-1.8%
Hospitality & Recreation	4,000	8.8%	4,500	9.5%	500	12.5%
Information & Communication	700	1.5%	800	1.7%	100	14.3%
Finance & Insurance	400	0.9%	400	0.8%	0	0.0%
Professional and Other Private Services	6,900	15.1%	7,500	15.8%	600	8.7%
Public Admin & Defence	900	2.0%	800	1.7%	-100	-11.1%
Education	2,700	5.9%	2,800	5.9%	100	3.7%
Healthcare, Residential Care and Social Work	4,300	9.4%	5,300	11.1%	1,000	23.3%
Total	45,600	100.0%	47,600	100.0%	2,000	4.4%

Source: Experian (September 2018) UK Local Market Forecasts Quarterly - Workforce Jobs. Lichfields analysis.

Defining the Functional Economic Market Area

3-34 This section provides a broad overview of Cannock Chase District and its likely position within a wider Functional Economic Market Area [FEMA]. The following provides an up-to-date analysis of the extent of the FEMA in accordance with the guidance contained within the PPG, using the latest 2011 Census data on migration and commuting levels.

3-35 The methodology adopted for this study follows the PPG approach on defining FEMAs within and across local authority areas¹⁹.

3-36 The PPG notes that since patterns of economic activity vary from place to place, there is no standard approach to defining FEMAs; however, it is possible to define them taking account of the following factors²⁰:

- *“extent of any Local Enterprise Partnership within the area;*
- *travel to work areas;*
- *housing market area;*
- *flow of goods, services and information within the local economy;*
- *service market for consumers;*

¹⁹ 19 Reference ID: 61-019-20190315

²⁰ *ibid*

- *administrative area;*
- *catchment areas of facilities providing cultural and social well-being; and*
- *transport network.”*

LEPs and Administrative Areas

- 3.37 Cannock Chase is in the County of Staffordshire and bordered by the authority areas of South Staffordshire to the west, Stafford to the north, Lichfield to the east, and Walsall to the South. Staffordshire has a two-tier political system with Councils at the local authority and county levels. Cannock Chase is a non-unitary authority, so is linked to the County’s two-tier system.
- 3.38 The nearest major settlements to Cannock Chase are Wolverhampton, Birmingham, Stoke on Trent and Derby. Cannock Chase is also well connected to the Greater Birmingham and Black Country urban areas via the M6 motorway and the three train stations in the district, Rugeley Town, Cannock and Hednesford which offer services to Birmingham.
- 3.39 Cannock Chase lies in the central Southern part of Staffordshire, within two LEP areas - the GBSLEP and the SSLEP.
- 3.40 The GBSLEP spans nine local authority boundaries: Birmingham, Solihull, East Staffordshire, Cannock Chase, Lichfield, Tamworth, Redditch, Bromsgrove and Wyre Forest. It has a population of nearly 2 million people, are home to 848,000 jobs and have an economy worth £41.7 billion²¹.
- 3.41 The SSLEP covers the administrative areas of Staffordshire and Stoke on Trent, namely Stafford, Newcastle under Lyme, Stoke on Trent, Staffordshire Moorlands, East Staffordshire, Cannock Chase, Lichfield, South Staffordshire and Tamworth. The area is home to around 33,000 businesses, ranging from small and micro enterprises to global leaders, with strong foundation in industry including ceramics and advanced manufacturing.
- 3.42 The geographical composition of the LEPs are liable to change in the future following the Government’s current LEP review.

Labour Market Areas

- 3.43 Detailed guidance on how to define a FEMA is provided by CLG²². This states that examining commuting flows can help to define the FEMA of an economy. These commuting flows can be assessed using the latest travel-to-work flow data from the 2011 Census.
- 3.44 The latest commuting flows data from the 2011 Census can be used to define Travel to Work Areas [TTWAs] in order to consider the relationship between where people live and where they work.
- 3.45 The ONS defines labour market areas as those areas where the bulk of the resident population also work. Defining labour market areas requires an analysis of commuting patterns to identify TTWAs for local economies. The current criteria for defining TTWAs is that at least 75% of an area's working population work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500 (Cannock Chase has a working population of 46,000²³). However, for areas with a working population in

²¹ GBSLEP (2016): SEP 2016-2030

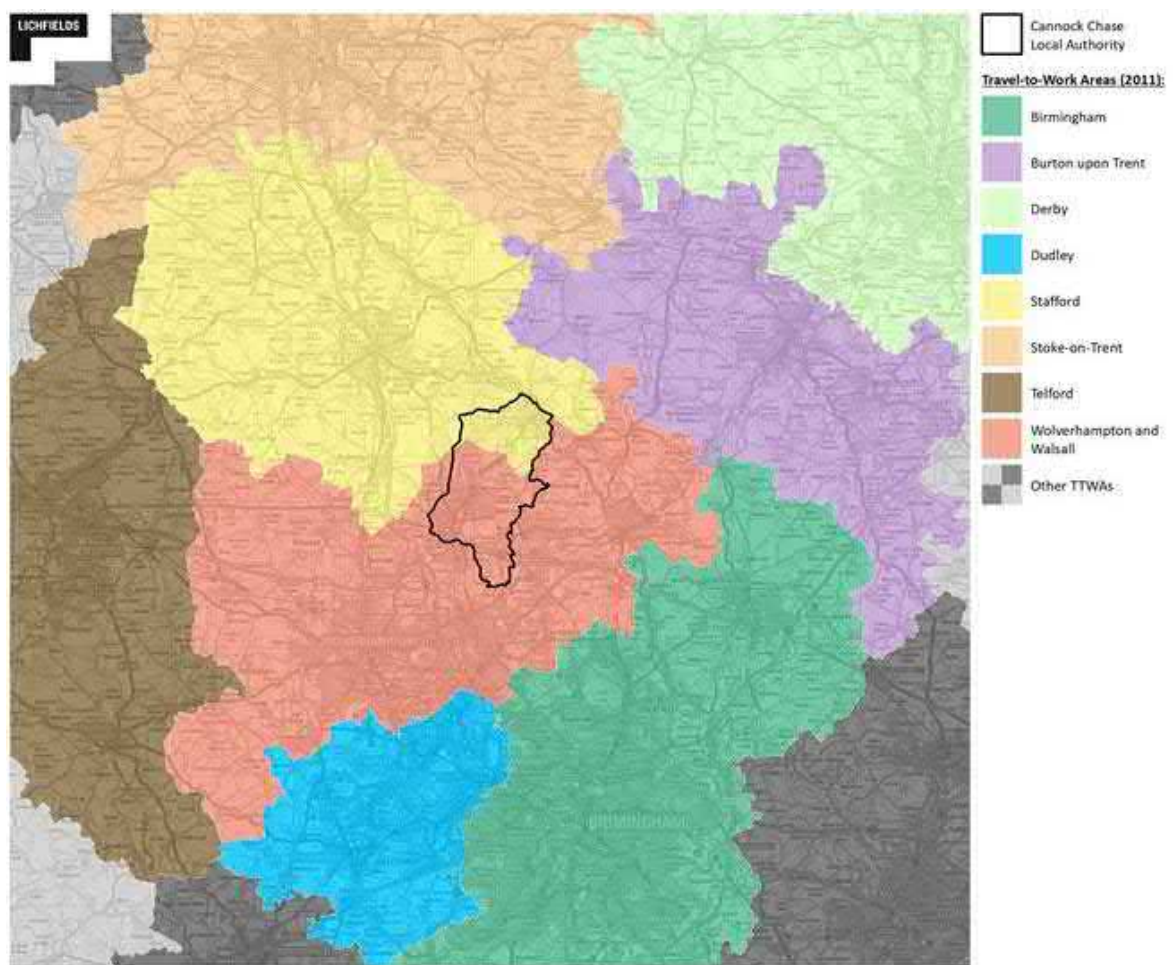
²² CLG (2010) Functional Economic Market Areas: An Economic Note

²³ Source: ONS Jobs Density (2017). Total jobs includes employees, self-employed, government-supported trainees and HM Forces

excess of 25,000, self-containment rates as low as 66.7% are accepted to define a TTWA as part of a limited “trade-off” between workforce size and level of self-containment²⁴.

- 3.46 TTWAs provide a good indication of what labour market a location or local authority is in and how labour market areas are split across the UK. The ONS 2011 TTWAs were developed to approximate self-contained labour market areas i.e. areas where most people both live and work and therefore relatively few commuters cross a TTWA boundary on their way to work.
- 3.47 The ONS 2011 TTWA mapping (Figure 3.7) suggests that Cannock does not comprise a self-contained TTWA, but is instead broadly contained within the ‘Wolverhampton and Walsall’ TTWA, which also includes Lichfield. It does not include Rugeley, which features in the separate ‘Stafford’ TTWA immediately to the north.

Figure 3.7 Cannock Chase Travel to Work Areas



Source: ONS TTWAs 2011

- 3.48 Cannock’s location within the Wolverhampton and Walsall’ TTWA represents a significant shift since the previous ONS TTWAs were analysed, based on 2001 Census data²⁵. As shown in Figure 3.8, Cannock was previously included in the ‘Walsall & Cannock’ TTWA, which has now been merged with the previously standalone ‘Wolverhampton’ TTWA. Although it is difficult to ascertain from the maps, it appears as though the town of Rugeley, which was formerly within

²⁴ Commuting to work, Changes to Travel to Work Areas: 2001 to 2011 (ONS, December 2015)

²⁵ Office for National Statistics (ONS), (2001); Census

the 'Walsall & Cannock' TTWA, has now been subsumed further north into the 'Stafford' TTWA due to changing commuting patterns between the two settlements.

Figure 3.8 Travel to Work Areas (2001)



Source: ONS (2001)

Commuting

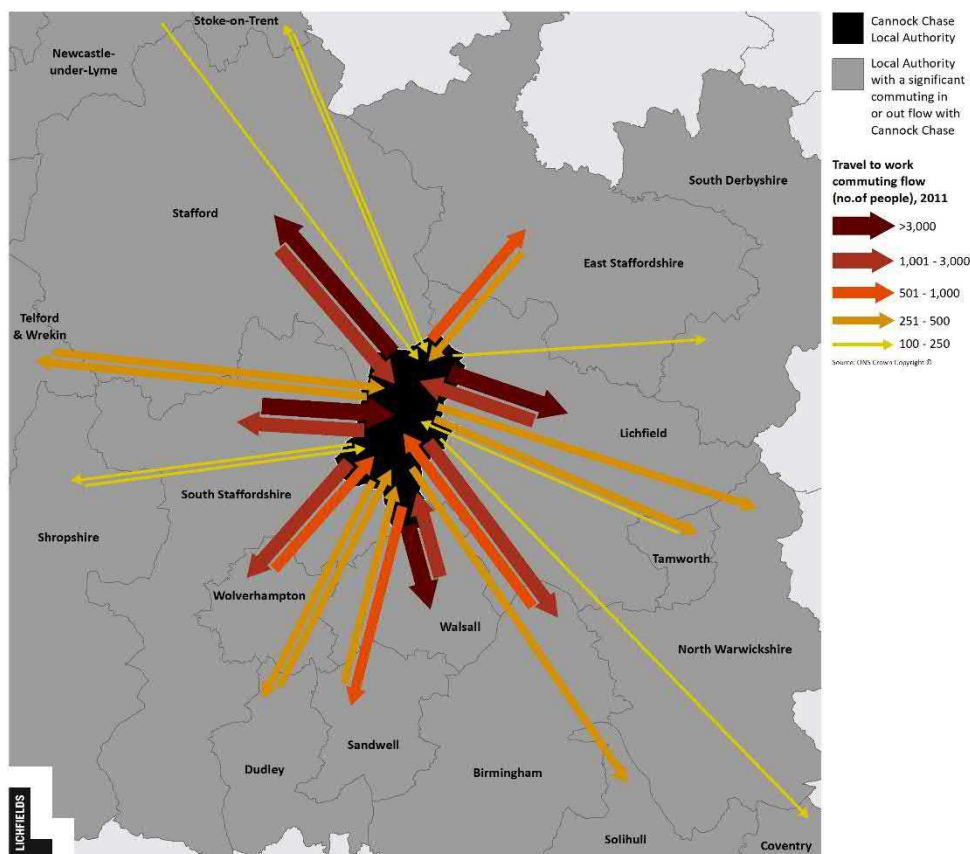
- 3-49 Expanding on the TTWA analysis above, it is possible to examine commuting relationships at local authority and middle super output area (MSOA) geographical levels using Census origin and destination data.
- 3-50 Table 3.7 summarises Cannock Chase's key commuting characteristics based on this dataset. The main destinations for out-commuters are Lichfield (4,285), Walsall (3,855), Stafford (3,420), South Staffordshire (2,472), Birmingham (2,035), Wolverhampton (1,567) while the largest sources of in-commuters are South Staffordshire (3,328), Lichfield (2,706), Walsall (2,243), Stafford (1,720), Wolverhampton (928).
- 3-51 In terms of overall commuting flows, at the time of the 2011 Census, 24,097 local residents lived and worked in Cannock Chase out of a total of 38,976 people who work in the District. This equates to 61.8% of the residents (FEMA Test #2). 23,502 of Cannock Chase's residents commute out of the District on a daily basis, compared to 14,879 commuting into the District – this results in a net outflow of 8,623 residents daily. In total, 50.6% of Cannock Chase's working residents work in the District (FEMA Test #1).
- 3-52 **On this basis, Cannock Chase would fail both of the self-contained FEMA tests.**
- 3-53 The major in and out commuting destinations highlight Cannock Chase's strong commuting relationship with the southern Staffordshire districts and the Black Country.

Table 3.7 Cannock Chase Commuting Patterns (2011)

Indicator	Cannock Chase
Number of Working Residents	47,599
Number of Workplace Workers	38,976
Live and Work in Cannock Chase ²⁶	24,097
Out Commuting Workers	23,502
Top Out Commuting Destinations	Lichfield (4,285), Walsall (3,855), Stafford (3,420), South Staffordshire (2,472), Birmingham (2,035), Wolverhampton (1,567)
In- Commuting Workers	14,879
Top In Commuting Destinations	South Staffordshire (3,328), Lichfield (2,706), Walsall (2,243), Stafford (1,720), Wolverhampton (928)
Net Outflow of Workers	8,623 or 36.7% of out commuters from Cannock Chase
FEMA Test #1 (i.e. at least 75% of an area's working population work in the area).	50.6% (24,097/47,599)
FEMA #2 (i.e. at least 75% of the people who work in the area also live in the area).	61.8% (24,097/38,976)

Source: ONS (2011) / Lichfields analysis

Figure 3.9 Cannock Chase Commuting Flows



Source: ONS Census 2011/Lichfields Analysis

3-54

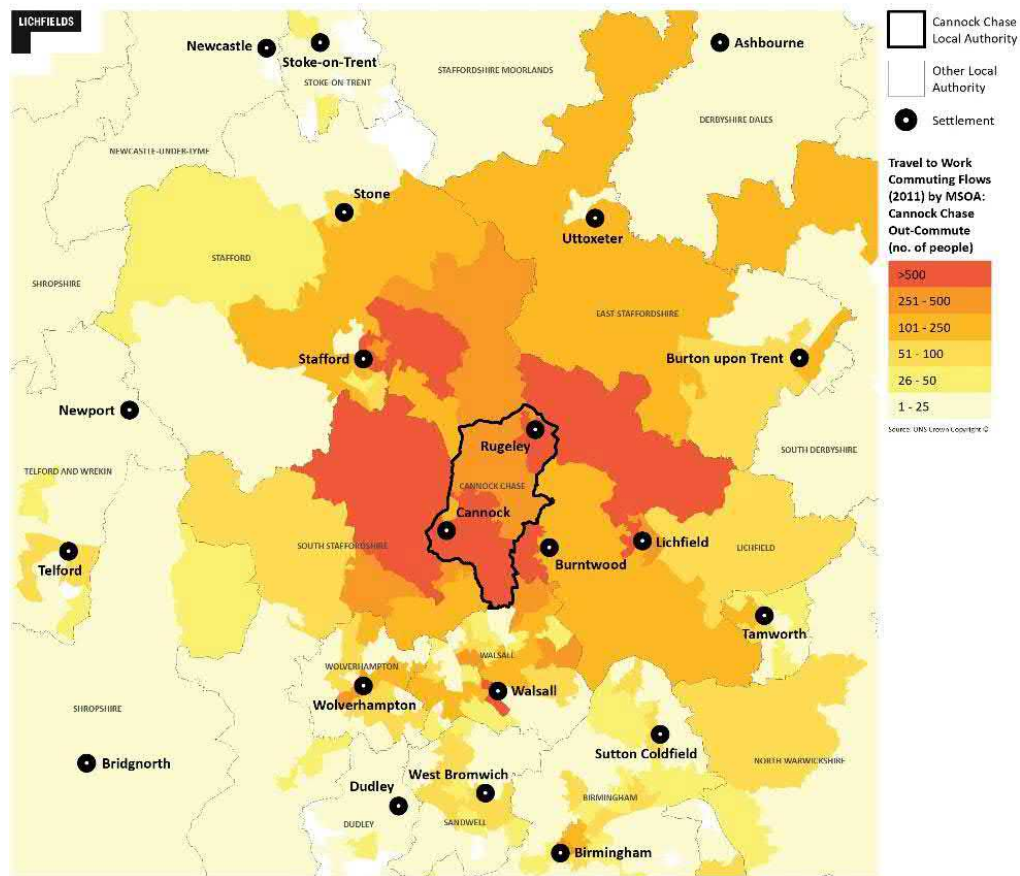
ONS jobs density data for 2017 shows that there are 46,000 jobs in Cannock Chase at a density of 0.74, which is lower than both the West Midlands (0.82) and Great Britain (0.86). This indicates that for every ten people aged 16-64 living in Cannock Chase, there are almost 7.5 jobs.

²⁶ The number of residents that live and work in Cannock Chase includes residents that work mainly at home, work on an offshore installation or do not have a fixed work location. The number does not include residents working outside of the UK.

This jobs density is therefore relatively low and it remains an ambition of the Council to increase this given it remains below regional/UK average and suggests comparatively high levels of out-commuting by the private car.

3.55 Figure 3.17 shows where the resident workforce of Cannock Chase commuted to by Middle Super Output Areas [MSOA] in 2011. The map highlights that a large number of residents commuted to work within the District, as well as the bordering authorities of South Staffordshire (specifically Four Ashes Industrial Estate immediately to the west of Cannock), Stafford and Lichfield (notably Burntwood Business Park just across the border). There is also a noticeable cluster flow into Walsall Town.

Figure 3.10 Cannock Chase MSOA Out-Commuting (2011)

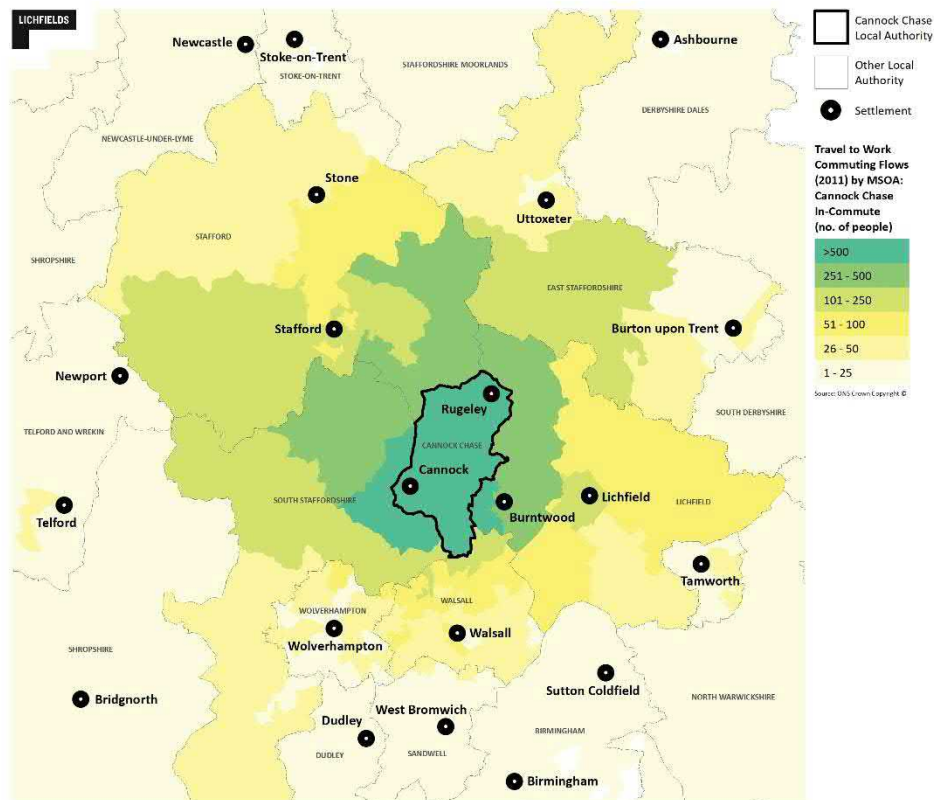


Source: ONS (2011) / Lichfields analysis

3.56 It is important to note out-commuting flows to MSOAs near to the District boundary could be considered as commuting within the area of the local economy, given there are several major employment sites (i.e. Burntwood and Four Ashes) located just across the District boundaries. This is only likely to increase with the potential advent of the West Midlands Interchange at Four Ashes in South Staffordshire.

3.57 In comparison to out-commuting flows at MSOA level, in-commuting flows to Cannock Chase highlight that the district primarily draws its workforce from within its border, South Staffordshire and Lichfield. Overall, the MSOA patterns indicate in-commuters are typically drawn from the more rural and suburban areas surrounding Cannock Chase, with proximity being the key determinant.

Figure 3.11 Cannock Chase MSOA In-Commuting (2011)



Source: ONS (2011) / Lichfields Analysis

Flow of goods, services and information within the local economy

3.58 The flows of goods, services and information in an area are influenced by a range of factors including digital connectivity, the location and change in the stock of commercial floorspace, commercial property market geographies and transport networks. These are considered in the sub-sections below.

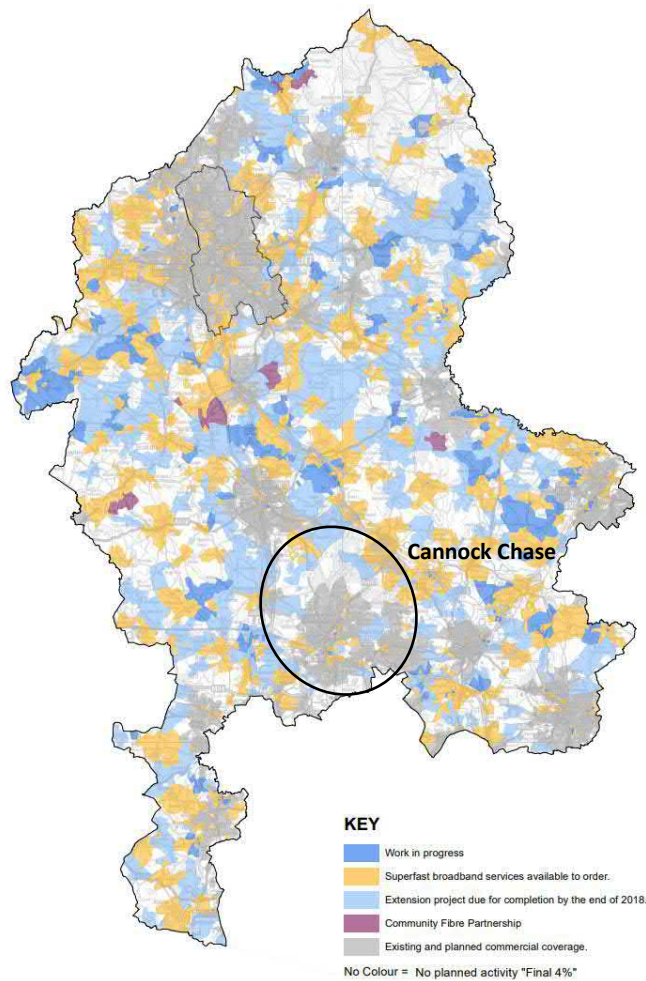
Digital Connectivity

3.59 Cannock Chase District has relatively poor digital connectivity as much of the District does not have access to superfast broadband (see Figure 3.12) although there are plans in place to increase availability in and around the District up to the end of 2018²⁷. The District's weak access to superfast broadband indicates that businesses and residents cannot easily connect to the wider world and that Cannock Chase digital economic linkages likely extend well beyond the District boundary.

3.60 In the Business Survey (see Section 5.0), 63% of respondents stated that they were either satisfied or very satisfied with the speed and coverage of the broadband service they received in Cannock Chase, with only 1 respondent stating that they were very dissatisfied with the quality of the broadband service in the area.

²⁷ Note superfast broadband is defined as a broadband connection that has an average download speed of a minimum of 24 Mbps.

Figure 3.12 Staffordshire Superfast Broadband (2018)



Source: Superfast Staffordshire (2018)

Commercial Market Geography

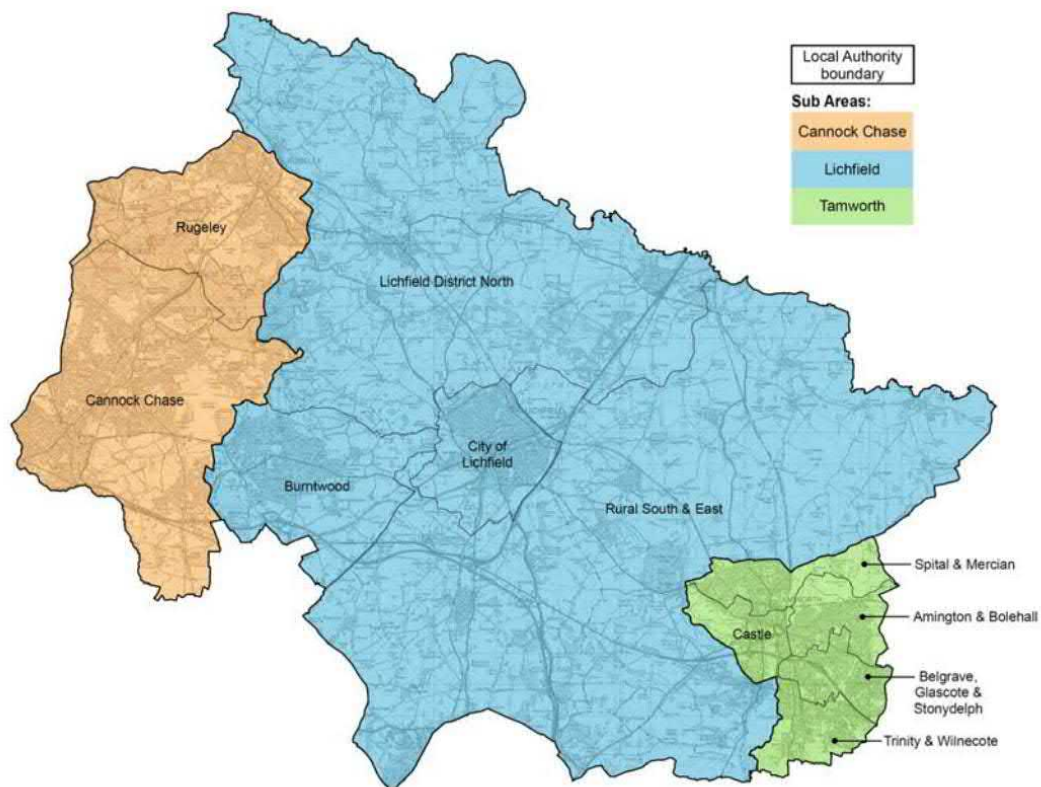
- 3.61 Cannock Chase has experienced a period of sustained growth in recent years, due in part to its excellent position on the regional and national highway network. This has helped stimulated the logistics market, with very substantial levels of employment land take up in recent years, and job growth well in excess of the national rate of growth since the recession. Much of this growth has been driven by large scale logistics of a sub-regional scale. This is illustrated by developments such as Amazon's vast fulfilment centre at Towers Business Park. This accounted for 16 ha delivered in 2008/09, which clearly fulfils a sub-regional, if not regional, function. There is around 24 ha of B-class land available for development in the immediate planning pipeline, much of which is again earmarked for B8 warehousing. The National Logistics Hub at Kingswood Lakeside is recognised as a key strategic site in Staffordshire's industrial and commercial property portfolio and again emphasises how the District's employment land portfolio has historically been meeting the needs of a much wider area than just the District's immediate needs.
- 3.62 That said, whilst it clearly fulfils a wider role for logistics facilities due to its proximity to the Motorway, Cannock Chase's industrial and office markets are much more localised and self-contained. The District also has strong linkages with Four Ashes Industrial Estate to the west, and Burntwood Business Park to the east, in South Staffordshire and Lichfield respectively. Ties

with South Staffordshire are likely to increase significantly in future if the proposed West Midlands Interchange just across the border is approved for development.

Housing Market Area

- 3.63 Housing Market Areas [HMAs] are a useful input to the process of considering the spatial extent of FEMAs due to the influence they have upon the travel-to-work and labour market flows. Close relationships typically occur between the boundaries of sub-regional housing markets and sub-regional labour markets (the aforementioned TTWAs). Unless resident workers are taking a job in another location outside an acceptable journey time, they are likely to look for somewhere to live within the same travel to work area if they move house.
- 3.64 The PPG defines HMAs as: “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.”²⁸
- 3.65 Recent studies indicate that Cannock Chase is located in separate local and sub-regional HMAs. The Southern Staffordshire SHMA (2012) shows that locally, Cannock Chase shares a relatively self-contained HMA with Lichfield District and Tamworth (see Figure 3.13)²⁹.

Figure 3.13 Local Housing Market Area



Source: Cannock Chase District Council, Lichfield District Council and Tamworth District Council (2012)³⁰

²⁸ ID: 61-018-20190315

²⁹ Tamworth District Council (TBC), (2014); Housing Needs Assessment

³⁰ The map is taken from the Southern Staffordshire Districts Housing Needs Study and SHMA Update (2012), which was commissioned and published by Cannock Chase District Council, Lichfield District Council and Tamworth District Council.

- 3.66 The local HMA was also considered to be ‘appropriate’ [paragraph 47] based on the Planning Inspectorate’s final report on the Cannock Chase Local Plan³¹.
- “There is some concern about the nature and extent of the housing market area chosen to assess housing requirements for Cannock Chase district. The joint Housing Needs Study covers Southern Staffordshire, including Cannock Chase, Tamworth and Lichfield districts, which the consultants confirm is an appropriate housing market area with strong inter-linkages. In earlier studies, undertaken for the former WMRSS, Cannock Chase district formed part of the much larger C3 Central housing market area, grouped with the Black Country authorities. However, housing markets in this part of the West Midlands are complex and overlapping, and I do not regard the joint Housing Needs Study as being fundamentally flawed simply because it does not cover a wider area, including Birmingham, the West Midlands conurbation and other Staffordshire authorities, particularly given the extent of collaboration and co-operation undertaken as part of the Duty to Co-operate. There are strong housing market and commuting links with Lichfield and Tamworth, recognised in the joint Housing Needs Study, and the Plan includes commitments to address Birmingham’s future housing needs, if this is found necessary as a result of further studies.”*
- 3.67 Across the wider region, Cannock Chase is considered by the GBSLEP and Black Country Local Authorities Strategic Housing Needs Study (2014) to be part of a sub-regional HMA composed of GBSLEP and Black Country LEP (BCLEP)³². This suggests that the District has wider housing market linkages with the Greater Birmingham urban area and GBSLEP local authorities.
- 3.68 A Strategic Housing Needs Study Stage 2 Report, prepared by Peter Brett Associates [PBA], was published in November 2014. This sought to define the sub-regional HMA assess future needs across the area, provide broad estimates of land supply, and draw conclusions on the balance between housing need and supply. The PBA Stage 2 Report defined the Birmingham HMA as comprising the two LEP areas (GBSLEP area³³ and Black Country LEP area³⁴) together with South Staffordshire; and North Warwickshire and Stratford-on-Avon Districts which fall within an area of overlap between the Birmingham and Coventry / Warwickshire HMA. It identified that Wyre Forest and East Staffordshire fell outside of the Birmingham HMA.
- 3.69 The subsequent GL Hearn Greater Birmingham HMA Strategic Growth Study (February 2018) adopts the same HMA geography identified in the PBA Stage 2 Report which includes 14 local authorities including Cannock Chase District, as shown in Figure 3.14.
- 3.70 Cannock Chase is acknowledged as having particularly strong residential links with Lichfield, and indeed Lichfield’s adopted Local Plan makes provision for 500 dwellings of unmet need from Cannock Chase over the plan period to 2029. This is accommodated on a site immediately to the east of Rugeley by the Power Station site.

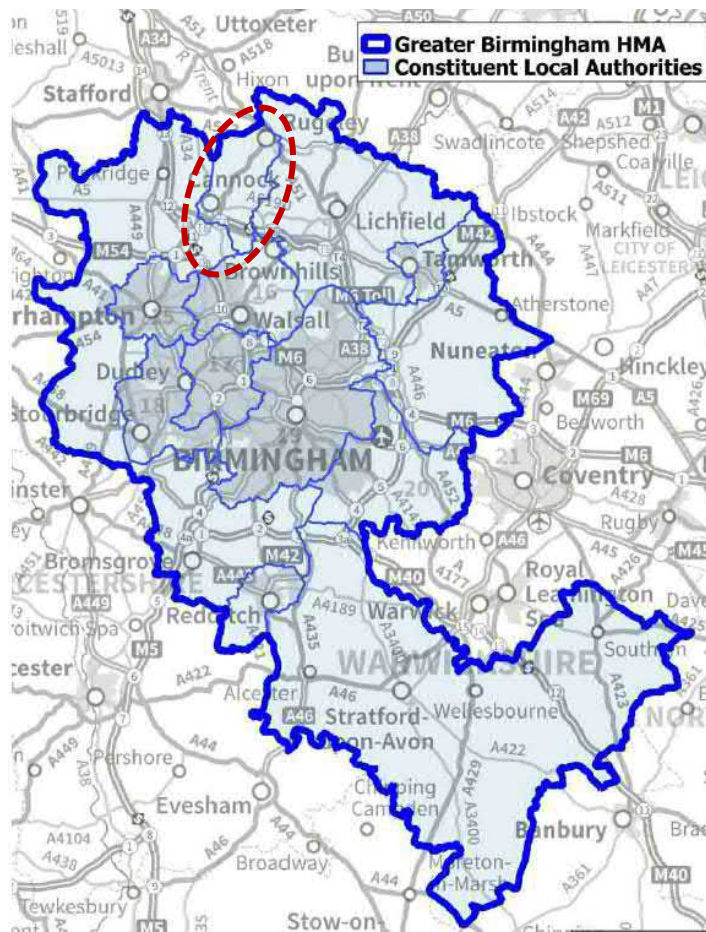
³¹ The Planning Inspectorate, (2014); Report on the Examination of the Cannock Chase Local Plan Part 1

³² GBSLEP, Dudley Metropolitan District Council, Sandwell Metropolitan District Council, Walsall Metropolitan District Council and Wolverhampton Metropolitan District Council, (2014); Strategic Housing Needs Study

³³ Birmingham, Bromsgrove, Cannock Chase, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth and Wyre Forest

³⁴ Dudley, Sandwell, Walsall and Wolverhampton

Figure 3.14 Greater Birmingham Housing Market Area Geography



Source: GL Hearn (2018): Greater Birmingham HMA Strategic Growth Study Part 1, Figure 11

- 3.71 This suggests that the District has wider housing market linkages with the Greater Birmingham urban area and GBSLEP and BCLEP local authorities.
- 3.72 However, Cannock Chase has particularly strong relationships with adjoining authorities in the local and wider HMAs as highlighted by the most recent ONS Internal Migration data³⁵. The top five largest flows of people migrating to and from Cannock Chase were with adjoining local authorities and Birmingham (see Table 3.8). Migration flows in both directions between Cannock Chase and Lichfield, and Cannock Chase and South Staffordshire, remain particularly strong.

Table 3.8 Cannock Chase In and Out Migration (2017)

	In Migration		Out-Migration	
	Local Authority	Number of People	Local Authority	Number of People
Top Five In and Out Migration Authorities	Lichfield	810	South Staffordshire	730
	South Staffordshire	730	Lichfield	690
	Walsall	630	Stafford	450
	Birmingham	280	Walsall	310
	Stafford	220	Birmingham	140
Total	-	4,130	-	3,870

Source: ONS (2018) / Lichfields analysis

³⁵ ONS, (2018); Internal Migration

Service market for consumers

- 3.73 The Council's most recent Retail Study, produced by WYG in 2015, provides an indication of Cannock Chase's consumer service market geography. It provides a hierarchy of centres in Cannock Chase District:
- 1 Strategic Sub-Regional Centre – Cannock
 - 2 Town Centres – Rugeley and Hednesford
 - 3 District Centre – Hawks Green
 - 4 Local Centres – Norton Canes, Heath Hayes, Chadsmoor, Bridgtown, Fernwood Drive and Brereton.
- 3.74 The retail retention rates vary drastically between the different zones 1 – 8 in the Cannock Chase district, however, across all of the zones, 63%³⁶ of all trips for convenience goods are directed to retail destinations within the District, falling from 78% in an earlier 2012 Retail Study³⁷. Cannock Chase failed to achieve the convenience goods target of £285.7m in 2015, finishing the year with a turnover of £236.2m, which partly explains 15% increase in leakage in convenience goods spending in the year 2015 compared to 2012. There was an overwhelming theme of residents favouring the smaller discount stores over the 'big four' supermarket retailers.
- 3.75 In terms of comparison goods, Cannock Chase District again experienced a drastic variation in retention rates across the districts zones. The variation of total comparison goods retention in zone one was only 3.1%, compared to zone five which had a total retention rate of 69.0%. The District's overall comparison goods retention rate was 43.9%, although, the District retains 72.0% of the DIY market share. The high levels of variation between the levels of retention within the District are expected, with those closest to the periphery of the District (zone 1) experiencing very limited levels of comparison goods trip retention.
- 3.76 Considering Cannock Chase's relatively low self-retention of convenience and particularly comparison goods expenditure, the consumer market area is assumed to include Cannock Chase but also significant parts of the surrounding local authorities. This includes the major sub regional centres such as Wolverhampton, Stafford, Tamworth and Walsall, as well as the regional centre of Birmingham, which are all readily accessible to Cannock residents either by motorway or rail links.
- 3.77 It should be noted that whilst at the time of writing this Retail Study is the most up-to-date retail evidence available, the Council is due to update this evidence. In addition, the imminent opening of the Mill Green McArthur Glenn development is highly likely to change consumption patterns dramatically in the district (particularly for comparison shopping trips). As such this short summary represents a narrow snapshot in time, and one that will need to be kept under review as and when new data becomes available.

Transport network

- 3.78 Transport networks support productivity and the success of local economies by facilitating the swift movement of goods and people and supporting business operations. Cannock Chase has excellent road links to a large proportion of the UK. The District is located near to the M6 and M6 Toll, which link directly into the Greater Birmingham urban area and encircle it, providing further linkages onto the M42, M54, M40 and M5. Lichfield City is also easily accessible via the A5 dual carriageway.

³⁶ WYG (2015): Cannock Chase Retail and Leisure Study

³⁷ WYG (2012): Cannock Chase Retail Study Update

3.79 The District has three train stations: in Rugeley Town, Hednesford and Cannock. Rugeley Trent Valley station, which links to the West Coast Mainline and the route operated by London Northwestern Railway, is located just outside the District boundary in Lichfield. All three stations lie on the Chase Line which runs from Birmingham New Street to Rugeley Trent Valley (passing through Walsall) which is managed by West Midlands Railway. The final stretch of the line, which includes the three stations in Cannock Chase, benefited from the line's electrification which was completed in December 2018. This involved Network Rail investing over £100m into electrifying and upgrading the line between Walsall and Rugeley so that a faster and more frequent service can run in the future.

3.80 Census origin and destination data shows that commuting to and from Cannock Chase is typically done by driving in a car or van, with the proportions of commuters using this method of travel above the UK average (Table 3.9). This ties with the District's strong road linkages and is also indicative of significant localised commuting flows shown in Figure 3.9, Figure 3.10 and Figure 3.11.

Table 3.9 Method of Travel to Work

Method of Travel	Commute from Cannock Chase	Commute to Cannock Chase	UK Average
Underground, metro, light rail or tram	0.0%	0.0%	3.7%
Train	1.9%	0.3%	5.4%
Bus, minibus or coach	3.6%	4.5%	8.6%
Taxi	0.4%	0.6%	0.5%
Motorcycle, scooter or moped	0.9%	0.8%	0.8%
Driving a car or van	75.6%	63.6%	60.1%
Passenger in a car or van	6.9%	8.4%	5.8%
Bicycle	1.5%	2.3%	3.1%
On foot	8.9%	19.3%	11.7%
Other method of travel to work	0.2%	0.2%	0.3%

Source: ONS (2011) / Lichfields' analysis

Note figures may not sum due to rounding.

3.81 Out-commuting using rail transport from Cannock Chase is stronger than in-commuting via rail to the District. However, the proportion is below the UK average and highlights that this type of out-commuting is less prevalent in Cannock Chase than other parts of the UK. Three quarters of out-commuters travel by car, which is significantly above the national average of 60%. The level of in-commuting to Cannock Chase by foot is significantly higher than the out-commuting and the UK average, which implies that many commuters are traveling short distances into the Cannock Chase District from more rural towns with a shorter commuting distance.

Duty-to-Cooperate

3.82 The Localism Act 2011 sets out that the duty to co-operate applies to activities which can 'reasonably be considered to prepare the way' for a development plan or local development document. This is reaffirmed by the Framework, which sets out at paragraph 24 that LPAs are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries.

3.83 This EDNA recognises that neighbouring LPAs have pursued individual Local Plans, which currently have progressed at different stages; however, it is understood at the current point that neighbouring LPAs are committed to meet their own objectively assessed need for employment land. It is important to note that this EDNA reflects the district-level approach taken in other

ELRs across the sub-region. Therefore, the focus and spatial extent of the EDNA focusses on Cannock Chase as a District, although its findings must be seen in the context of those other pieces of evidence in neighbouring areas which together will form the overall evidence base for the various FEMAs.

- 3.84 Furthermore, the methodological approach set out and adopted in this EDNA is underpinned by nationally consistent demographic and economic assumptions. This ensures a degree of consistency across the sub-region, in its approach for the determination of the objectively assessed need [OAN] and complements the neighbouring LPA's ELRs. This EDNA therefore ensures a clear picture of housing and employment land need across Staffordshire and beyond.
- 3.85 Notwithstanding this, in accordance with the duty to co-operate, the requirements of the 2011 Localism Act, and the Framework; the Council will need to continue to 'engage constructively, actively and on an on-going basis' (Section 110:2 of the 2011 Localism Act) with its neighbouring authorities to ensure that strategic planning issues, in particular housing and employment land needs, are met.
- 3.86 Throughout the study consultations were held with Council officers as well as officers in neighbouring authorities. This was important to understand the local context and development history as well as Cannock Chase's shared economic and employment space needs with neighbouring LPAs. This reflects the FEMA which identified that Cannock Chase's economy does not neatly match the District's boundary but instead overlaps with multiple neighbouring LPAs, most notably Stafford, Lichfield and Walsall.
- 3.87 Consultation with adjoining Councils is also important to ensure consistency/understanding of cross boundary needs, and to identify any major economic developments which may influence supply and demand for employment space in Cannock Chase District. The current position in each neighbouring Local Authority is summarised below.

Stafford Borough

- 3.88 Stafford Borough is located to the north of Cannock Chase District. Stafford Borough Council [SBC] published its latest Employment Land Review [ELR] in 2012. Whilst it did not identify a FEMA, the ELR reported that Stafford Borough was significantly influenced by and exerts its own influences on surrounding areas. The town of Stafford is placed centrally within the County and has strong links with many of the surrounding areas such as Cannock, Rugeley and northwards towards Stone and the North Staffordshire conurbation. Stafford Borough also has linkages with the West Midlands conurbation to the south.
- 3.89 In terms of employment land requirements, the ELR reported that past trends development in Stafford Borough had been relatively buoyant over recent years (particularly in the B8, distribution and warehousing sector). However, the recession had resulted in a decrease in the demand for employment land which would suggest that previous buoyant levels of local development, particularly in the B8 sector (and the larger amounts of land that this requires) will lessen into the medium and longer term future. The report concluded that the Phase II revision of the West Midlands RSS specifies that 160ha of new employment land is required over the plan period. Taking account of results of the past trends approach (and remaining consistent with the Phase II revision of the West Midlands RSS evidence base), the ELR concluded that the most robust approach is to provide 160ha of employment land over the period 2011-2031.
- 3.90 In response to this, the Local Plan set out an employment land requirement of 160 ha over the plan period, the majority of which will be focused on the main settlements of Stafford and Stone, as well as new employment provision in rural areas. As the largest settlement in the Borough,

Stafford town will accommodate 56% of the new employment land development, with new allocations to the North and East of the town. Stone will accommodate 12% of the new employment land development with a new allocation at Stone Business Park. The rural areas will provide for 32% of new employment land development, with new allocations at Ladfordfields and Raleigh Hall Industrial Estates.

- 3-91 The Council is currently updating its employment land and housing need evidence base to inform the New Local Plan. It is 'going for growth', with emerging proposals for a new garden settlement in the Borough delivering significant levels of housing and employment land in the longer term, as well as strong economic growth prospects likely to arise from HS2, and the Stafford Gateway alongside Stafford Railway station.
- 3-92 The Council considers that there are strong flows between the two districts around Rugeley, given the proximity of that town to the administrative boundary, as well as commuting into and out of Stafford Town.
- 3-93 Stafford Borough is seeking to meet its own housing and economic needs within its own area and is indeed likely to attract more in-migrants as a consequence of its housing and economic growth expansion plans. It does not consider there to be any need for Cannock Chase to take on board any of Stafford's unmet needs, although they do not of course have an issue with Cannock Chase residents continuing to commute into the Borough to service some of the new employment opportunities. SBC would be happy to assist Cannock Chase to take on board any of their unmet housing or employment land needs, although it may not be deemed necessary.
- 3-94 There are no cross-boundary sites between Stafford Borough and Cannock Chase District, with both authorities being members of the Stoke-on-Trent and Staffordshire Local Enterprise Partnership (SSLEP). In line with the emerging Industrial Strategy, SBC is keen to attract more innovative industries to the Borough, although it already has a good base of companies and has been successful in attracting growth in recent years.
- 3-95 In terms of whether Stafford Borough is part of a shared FEMA with Cannock Chase, Officers were of the view that although linkages may increase in the future following the development at junction 14, historically the main economic focus has been northwards, due to historic ties with the North Staffordshire conurbation and particularly highways infrastructure, which is comparatively poor between Stafford Town and Cannock, compared to a greater ease of movement between Stafford Town and the more northerly Staffordshire settlements.

South Staffordshire District

- 3-96 South Staffordshire District adjoins Cannock's western boundary and stretches further to the south, also abutting the administrative boundaries of Wolverhampton and Dudley. Employment sites are generally focussed in the north of the District which benefits from excellent links with the Strategic Road Network.
- 3-97 South Staffordshire commissioned WECD to prepare its EDNA in 2017. The study is part complete, with Part 1 being published alongside an Issues and Options consultation to the Local Plan Review [LPR] in October 2018. Part 1 establishes a FEMA which wholly includes Cannock Chase District as well as all of South Staffordshire District, Walsall Borough, the City of Wolverhampton and Dudley Borough.
- 3-98 The EDNA identifies a future employment land requirement of between 67 ha and 86 ha between 2018 and 2037 and acknowledges that there is an oversupply of around 20 ha. The Issues and Options consultation to the LPR sets out three policy options for employment growth: deallocating the poorest quality sites to reflect the oversupply; maintain current

protections but don't deallocate sites; or allocate additional employment land to meet cross-boundary needs.

- 3.99 Whilst the option to be pursued has not been formally established at the time of writing, it is highly likely that South Staffordshire District Council will seek to allocate additional employment land to meet cross-boundary needs. This has been the case historically, with South Staffordshire previously assisting Wolverhampton City in meeting its employment land needs. Officers reported that developments such as i54 have been hugely successful and they believe that South Staffordshire will continue to play a role in meeting the Black Country's future need for strategic employment sites.
- 3.100 Whilst the LPR is at an early stage and only potential policy options have been presented at this stage, Officers are confident that the surplus 20 ha of identified employment land will be going to help meet the Black Country's significant unmet needs, which is reported to be in the order of around 500 ha, a very significant figure.
- 3.101 It should be noted that South Staffordshire is currently undertaking a joint Green Belt Review with the Black Country Authorities. Around 20 sites have been put forward in South Staffordshire and it is possible that further strategic sites could be identified in South Staffordshire to assist in meeting the unmet employment needs of the Black Country Authorities.
- 3.102 Proposals have been submitted for a Strategic Rail Freight Interchange [SRFI] at land west of Junction 12 of the M6, close to Cannock Chase's District boundary. The project is referred to as the West Midlands Interchange and has been classified as a Nationally Significant Infrastructure Project [NSIP]. A Development Consent Order [DCO] application was submitted to the Planning Inspectorate in August 2018 and is currently subject to an Examination in Public. If consent is granted, the project is likely to create job opportunities for residents living in Cannock Chase, potentially leading to an increase in commuting flows between the two districts.
- 3.103 In summary, South Staffordshire shares a boundary with Cannock Chase and forms part of its FEMA. There is evidence of strong commuting flows between the two districts and this could increase in future if strategic projects such as the West Midlands Interchange proceed. However, South Staffordshire is considered to have a closer relationship with the Black Country authorities whom SSDC is likely to assist in meeting their considerable unmet future employment land needs. It is not envisaged that land in Cannock Chase will be required to meet South Staffordshire's employment needs in the future, or vice versa.

The Black Country Authorities

- 3.104 The Black Country was, and to a large extent remains, the manufacturing heartland of the UK. It remains a major location for numerous sectors, notably the motor industry and technological advances that have arisen from them. Its position at the centre of the UK's motorway network makes it an attractive location for distribution and the service sector. Almost all of England and Wales can be reached within a 4-hour drive.
- 3.105 However, a legacy of the historic nature of industry in the area means that many businesses occupy old premises that no longer meet modern needs and have little or no space to expand. The local road network also suffers congestion and can often be difficult for larger vehicles to use. Notwithstanding this, there remains a large skilled workforce.
- 3.106 Walsall Borough Council updated its ELR in 2017 to assist with the examination of its Site Allocation Document which was adopted in January 2019. At the sub-regional level, the most recent comprehensive ELR was carried out in 2009 for the Black Country Core Strategy. The four Black Country Combined Authority is authorities are now in the process of carrying out a

new employment land review to assist in the preparation of the Black Country Plan that will replace the current Black Country Core Strategy. This review is broken down into three stages:

- 1 EDNA1 (review of the current need for employment land and the supply that is available under existing allocations and permissions). This document was published in May 2017;
- 2 BEAR (Black Country Employment Area Review): This is a review of the quality of all existing occupied employment land to confirm how much remains suitable for long term retention. This review is currently still in progress; and,
- 3 EDNA2 (review of potential new sources of employment land). This review is also currently in progress.

3.107 The Issues and Options Report published in 2017 as the first stage of reviewing relating to the Black Country Core Strategy Review (2016-2036) identified a need for around 800ha of additional employment land for the period to 2036. After allowing for current supply, this results in (in paragraph 3.27) a shortfall of some 300ha of land for B1(b), B1(c), B2 and B8 uses although we understand that this has increased could be higher under current growth scenarios that are being explored (see above commentary relating to South Staffordshire).

3.108 The Black Country has therefore identified a significant scale of unmet need for employment land over the period to 2036. They are aiming to address this unmet need within the Black Country but acknowledge that there are significant constraints in respect of limited physical capacity and Green Belt. It is therefore recognised that meeting their own needs fully will be very challenging. The Black County Authorities consider Cannock Chase to be within an area of 'moderate economic transactions' with themselves (which also includes the districts of Lichfield, Tamworth, Solihull, Bromsgrove and Wyre Forest) and they have asked that the Cannock Chase Local Plan considers opportunities to assist the Black Country in accommodating a proportion of their unmet need for employment land.

3.109 This is summarised in the Black Country EDNA (2017) as follows:

"In summary the Black Country represents a clearly defined geographical unit, with strong employment and labour market links to parts of the hinterland, in particular, Birmingham and South Staffordshire. This would suggest a FEMA comprising of the Black Country Authorities, based on well-established socio-economic, market and administrative relationships, and a wider 'area of strong economic relationships' that consists of an area of strong economic interactions with Birmingham and South Staffordshire, and economic interactions of lesser strength with other areas on the edge of the Black Country." [page 49]

3.110 As discussed above, South Staffordshire District is perceived as a key contributor to the Black Country economic needs, with the adopted Black Country Core Strategy identifying 90 ha of employment land within the District being attributed towards meeting needs arising in the Black Country. It is envisaged that an element of the proposed West Midlands Interchange, which is also in South Staffordshire District, could also contribute to the employment needs of the Black Country.

Lichfield District

3.111 Lichfield District is located immediately to the east of Cannock Chase District. The Lichfield ELR is now somewhat dated having been published in 2012, with a subsequent update published in 2014. Lichfield District Council [LDC] is currently undertaking its Local Plan Review [LPR] and consulted on a Preferred Options & Policy Directions document between January 2019 and March 2019. At this stage, the document considers strategic growth options

but does not provide any detail. A HEDNA has been commissioned to provide the evidence base to support the emerging LPR.

- 3.112 LDC continues to assess its performance against its adopted Core Strategy which requires 79.1 hectares to be delivered between 2008 and 2029, plus a further 10 hectares for flexibility. In this regard, they have advised that they are meeting their current need for employment land within their own boundaries. Whilst the HEDNA remains at an early stage, Officers reported that they believe there is currently some surplus within their own supply although they would seek to retain this to allow for flexibility in their own supply as is specified within adopted Local Plan policy, the council are also providing approximately 6.5 hectares to meet the needs of Tamworth Borough. The current focus is to deliver the adopted Local Plan and officers consider that Lichfield is a pro-growth district. The District comprises approximately 50% Green Belt which is considered to be a constraint to future development.
- 3.113 Fradley Park is the District's key strategic employment location and continues to expand. There are other opportunities for growth at other existing employment locations such as the Britannia Enterprise Park. In the future, officers wish to see an increase in higher skilled jobs in the advanced manufacturing sector, as well as securing growth in the logistics sector.
- 3.114 It is worth noting the site of the former Rugeley Power Station which straddles the Lichfield and Cannock Chase district boundaries and is currently being decommissioned. The site has been identified as a Strategic Development Area and is being brought forward for mixed use development, comprising a substantial element of commercial employment development, by Engie. The employment element is likely to serve residents of both districts in the future.

Staffordshire County Council

- 3.115 Staffordshire County Council [SCC] is responsible for key services such as transport, education and waste management across the wider County. They work closely with the district councils and play a key role in driving strategic growth across the wider county area.
- 3.116 SCC has recently commissioned a Strategic Employment Land Study [SELS] which will seek to identify sites of 25ha and above which are considered to be of regional significance. The purpose of this SELS is to try and address an identified regional shortfall of strategic employment sites and identify new cross-boundary opportunities.
- 3.117 SCC is also preparing a Local Industrial Strategy [LIS] in partnership with the Stoke & Staffordshire LEP. This is currently at an early stage and they are in the process of commissioning evidence. SCC's general approach to securing economic development is to do so in close partnership with the LEP. It is envisaged that all future funding will stream through the LIS and will assist with the delivery of Local Plans.
- 3.118 SCC is of the view that Cannock District's growth is constrained by significant Green Belt and AONB designations, although in recent years there has been an impressive growth in jobs within the advanced manufacturing sector. Both SCC and the LEP have been involved in the delivery of projects at Kingswood Lakeside in Cannock Chase District.

Duty to Co-operate Conclusion

- 3.119 In summary, officers of adjoining districts do not consider Cannock Chase District to be a self-contained FEMA, as it has clear relationships with a number of surrounding authorities, particularly in respect of commuting and migration patterns. However, in respect of the supply of employment land, and the potential for future growth, the district is considered to function in a relatively independent manner. Stafford Borough, South Staffordshire and Lichfield are all considered to have sufficient land to accommodate their own growth requirements and are

unlikely to require Cannock Chase to take on any of their employment land requirements (or vice versa).

- 3.120 The former Rugeley Power Station site is a significant cross-boundary site between Cannock Chase and Lichfield although this is predominately earmarked for residential. Nevertheless, there is likely to be an element of employment land serving both districts requirements. Similarly, if approved, the proposed West Midlands interchange in South Staffordshire is likely to provide significant employment opportunities for Cannock Chase District residents and is likely to increase commuting patterns between the two districts in future.
- 3.121 The Black Country authorities are significantly constrained in respect of employment land and have a very substantial shortfall of at least 300 ha, and possibly as much as 500 ha. It is possible that they may ask Cannock Chase to assist them in meeting some of their own needs in the future. However, South Staffordshire District is expected to play a more significant role in this.
- 3.122 It is therefore considered that Cannock Chase will continue to cooperate with the surrounding local authorities in the future whilst continuing to meet its own employment land needs as a minimum.

Definition of Cannock Chase's FEMA

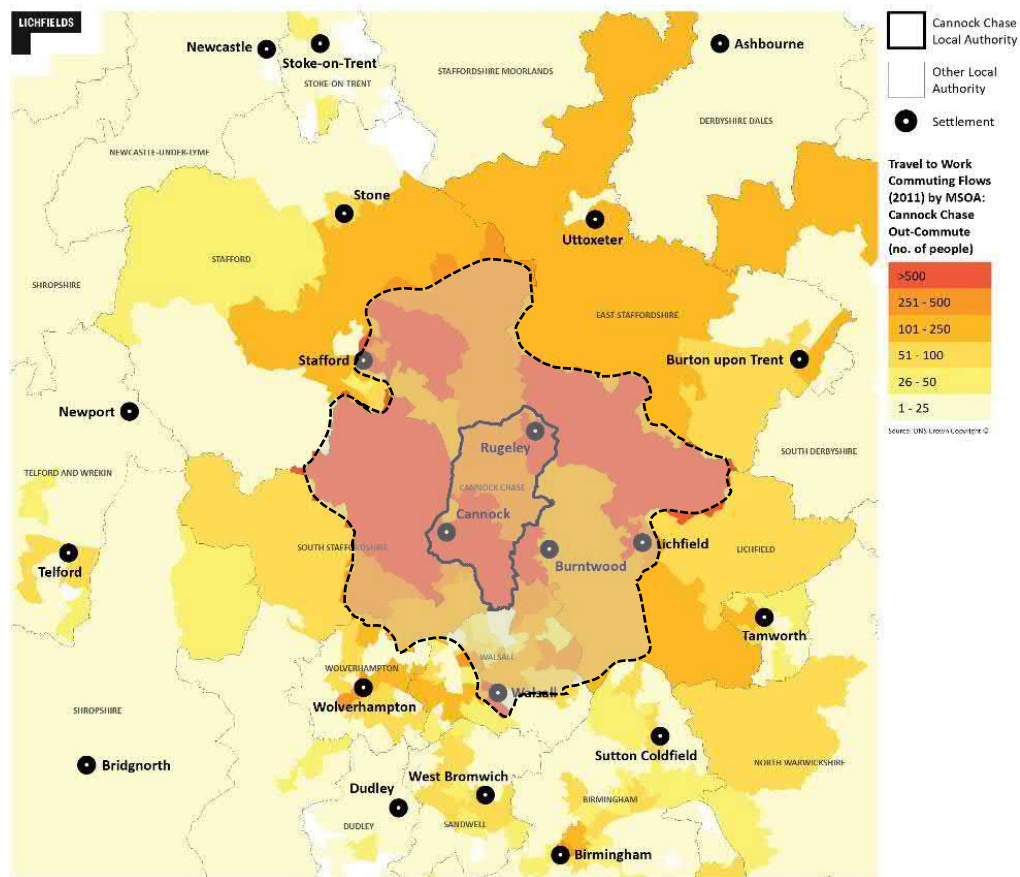
- 3.123 With respect to Cannock Chase's FEMA a variety of data sources have been considered by Lichfields, with each presenting a different picture regarding the extent of the District's economic relationships with the neighbouring authorities:
- **LEP Geography:** Cannock Chase lies within two LEP areas – the Greater Birmingham and Solihull LEP and the Stoke-on-Trent and Staffordshire LEP;
 - **ONS Travel to Work Area:** The ONS Travel-to-Work Area analysis suggests that the District does not have a self-contained TTWA, but looks principally to 'Wolverhampton and Walsall' and to a lesser extent, 'Stafford' TTWA's;
 - **Housing Market Area:** Cannock Chase is considered part of a large strategic HMA alongside 13 other Greater Birmingham authorities. There is therefore a clear acknowledgement that there are a number of close linkages with neighbouring local authorities. This is due to the wider HMA being more strategic in nature and taking less account of localised housing market drivers.
 - **Commercial Market:** Cannock Chase's office and industrial property market is understood to be characterised largely by localised demand. This is driven by the District's industrial property market, with increasing commercial inquiries from local indigenous business population. However, in recent years the recent construction of a number of very large strategic logistics depots clearly suggests that parts of the District are performing a sub-regional (and even regional) role), given its excellent connectivity to the Motorway network;
 - **Service markets for consumers:** The service market for consumers has comparatively weak linkages within Cannock Chase district, with a low level of retention of convenience and particularly comparison goods which demonstrates that is actively part of a wider service market of the West Midlands.
- 3.124 Whilst Cannock Chase initially appears to be part of a much wider, strategic TTWA that includes Wolverhampton, Walsall, South Staffordshire, Lichfield and Stafford, on balance, it is considered that the **FEMA predominantly aligns with Cannock Chase's administrative boundary; an eastwards expansion into Burntwood and Lichfield City itself; a southern expansion towards Walsall Town; a northern expansion into Stafford**

(including Stafford Town) and a western expansion into South Staffordshire that includes Four Ashes.

3.125 The recommended FEMA is largely influenced by major areas of employment located immediately to the west of Cannock Chase’s borders in South Staffordshire; to the south in Walsall; to the east in Burntwood; and Stafford Town Centre/Lichfield City Centre.

3.126 The Figure below seeks to plot this indicative FEMA, with the dotted line encompassing all of Cannock Chase plus 5 MSOAs in Stafford Borough; 10 in Lichfield District; 6 in South Staffordshire and 18 in Walsall. Around 75% of Cannock Chase residents in employment travel to work within this zone on a daily basis. It also encapsulates the TTWA split defined by ONS and reflects the discussions Lichfields has undertaken with key stakeholders and adjoining authorities. Links beyond this area are also clearly important, and there are significant overlaps between other FEMAs across the wider region, particularly with the Black Country FEMA to the south.

Figure 3.15 Cannock Chase Indicative FEMA



Source: ONS (2011) / Lichfields analysis

4.0 Overview of B-Class Employment Space

Introduction

4.1 This section provides an overview of the current stock of B-Class employment space in Cannock Chase, while also summarising recent trends and changes to the supply of this employment space. The amount of employment land and floorspace has been considered across the three main types of employment uses (i.e. office [B1a/b], manufacturing [B1c/B2], and warehousing & distribution [B8]).

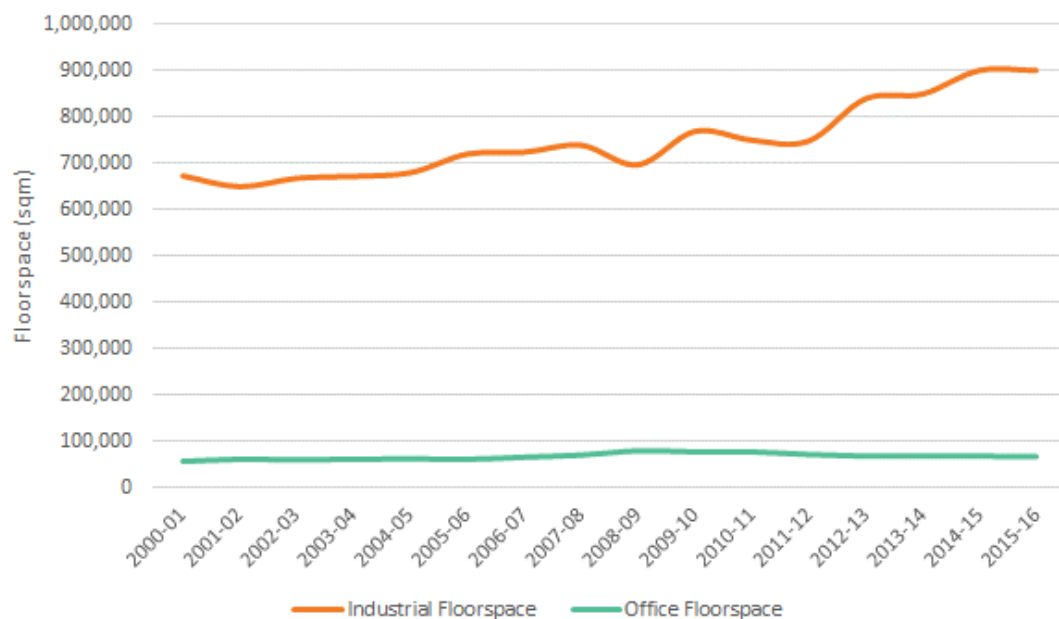
4.2 This analysis uses data from the following sources:

1. Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency [VOA];
2. Monitoring data on commercial space from WFDC; and,
3. EGi Property Link database and other commercial property sources.

Employment Space

4.3 In total, Cannock Chase District has approximately 965,000 sqm of employment floorspace, of which 93% is industrial. Figure 4.1 shows that over the period 2000/01 to 2015/16, commercial office space in Cannock Chase District increased by 16% to approximately 9,000 sqm. In comparison the increase across the West Midlands region was 16.0%. Total industrial space increased by a massive 227,000 sqm, or 34%, to approximately 899,000 sqm over the same period, compared with a decrease of 8.2% across the West Midlands as a whole. Since the previous ELPU, it is evident that the quantum of commercial floorspace within the District has grown considerably, which is likely to be due to the continuing development of largescale logistics sheds in the District, despite the ongoing restructuring of the District’s manufacturing economy.

Figure 4.1 Stock of Employment Space (2000/01 to 2015/16)



Source: Valuation Office Agency (2016) Floorspace Statistics

- 4.4 When compared to the adjacent local authorities of Stafford, Lichfield and South Staffordshire, Cannock Chase has gained proportionally less office floorspace but more in terms of both industrial and retail floorspace than the other authorities (Table 4.1). The reverse is true of Walsall (with the exception of retail floorspace), which has seen much lower levels of growth of office and industrial floorspace than any of the comparator authorities including Cannock Chase District. Cannock Chase has more retail floorspace than either Lichfield or South Staffordshire, but has a lower stock of offices than Stafford and Lichfield, and a lower stock of industrial floorspace than Stafford.

Table 4.1 Employment Floorspace (2001-2016)

		Cannock Chase	Lichfield	South Staffordshire	Stafford	Walsall
Offices	Floorspace (sq.m) (2016)	66,000	91,000	40,000	133,000	181,000
	Absolute Change (2001-2016)	9,000	27,000	9,000	47,000	2,000
	% Change (2001-2016)	15.8%	42.2%	29.0%	54.7%	1.1%
Industrial	Floorspace (sq.m) (2016)	899,000	852,000	655,000	1,111,000	2,160,000
	Absolute Change (2001-2016)	227,000	37,000	31,000	8,000	-664,000
	% Change (2001-2016)	33.8%	4.5%	5.0%	0.7%	-23.5%
Retail	Floorspace (sq.m) (2016)	231,000	138,000	63,000	229,000	504,000
	Absolute Change (2001-2016)	38,000	13,000	-3,000	36,000	55,000
	% Change (2001-2016)	19.7%	10.4%	-4.5%	18.7%	+12.2%

Source: VOA (2016) / Lichfields analysis

Spatial Distribution

- 4.5 Figure 4.2 presents the spatial distribution of B-class employment space across Cannock Chase District using the latest available VOA data. This indicates that the majority of employment sites are located in Cannock, with only smaller business clusters situated outside the town in Rugeley/Brereton and Norton Canes, and isolated factories/distribution centres at key nodes on the strategic highways network.
- 4.6 This underlines the significant concentration of business activity immediately to the south of Cannock Town along the A5 Corridor. This includes a considerable number of established Business Centres and Industrial Estates including:
- To the north of the A5 lies the Cedars Business Centre, with occupiers including TJ Hughes, Kazoo and Trinity Carpets; Avon Business Park, featuring Gestamp and Available Cars (although the former has signalled its intention to relocate 1,000 staff from the site to another in South Staffordshire); Prospect Business Park; and Linkway Retail Park.
 - To the south of the A5, there is Walkmill Business Park, Cannock Industrial Centre, Online Business Centre, Lakeside Plaza, Wyrley Brook and Linkway Retail Parks.
- 4.7 There are several key industrial sites to the south-east of Cannock town, immediately off the M6 Toll Road, including:
- Kingswood Lakeside, a 25 hectare Strategic Employment Site off the A460 that contains some key local employers including Unilever, Briggs and Vauxhall;
 - Important industrial estates off Walsall Road including Green Lane venture Centre; Virage Park; Birch Business Park; Progress Industrial Centre; Brookfield Drive and Rumer Hill Business Centre (and, on the other side of the rail line, the Intermodal site (used as a depot and storage area)).

4.8 In Central Cannock, between the Town and Stoney Lea/Hawks Green, are other clusters of Business Parks/Industrial Estates, particularly along the A460 and the rail line. This includes:

- Hawks Green North, which is made up of Chaseside Industrial Estate (occupiers include Direct Vehicle Disposal and Chase Car Spares), Beechwood Business Park (includes DEUTZ UK & Ireland and MT Mechanical Handling), Image Business Park (includes Pics2Posters and Rogers Marketing), Oakland Business Park (includes Homesmart and Datum Special Fasteners), Ridings Park (includes Fiamm UK and Newcross Healthcare Solutions), Brindleys Business Park (includes Hawkes Green Pet Supplies and Awning Ace Limited) and Hemlock Park (includes Newlife Superstore and McDonald's).
- Bridgtown, on the southern boundary of Cannock along the A5, comprises a large existing general industrial/business area containing a number of industrial/storage units including Thyssen-Krupp engineering works, Gestamp (notwithstanding their intention to relocate into nearby South Staffordshire) and Rhenus Logistics. The A5 Corridor North area includes a number of self-contained estates including Avon Road Business Park, Cedars Business Centre, Prospect Business Park, Delta Way Business Centre and Delta Way Industrial Units. The A5 corridor South area features Walkmill Business Park, Cannock Industrial Centre, Online Business Centre, Lakeside Plaza, Wyrley Brook and Linkway Retail Parks.
- Keys Business Park, which is located further to the east near Wimblebury, which is used for offices and general industrial uses and contains occupiers such as Comms Centre and Centrix, and Anglesey Business Park, an older estate featuring the likes of Weedon Packaging Solution Centre, Intamarble and GKCC.

4.9 Rugeley/Brereton:

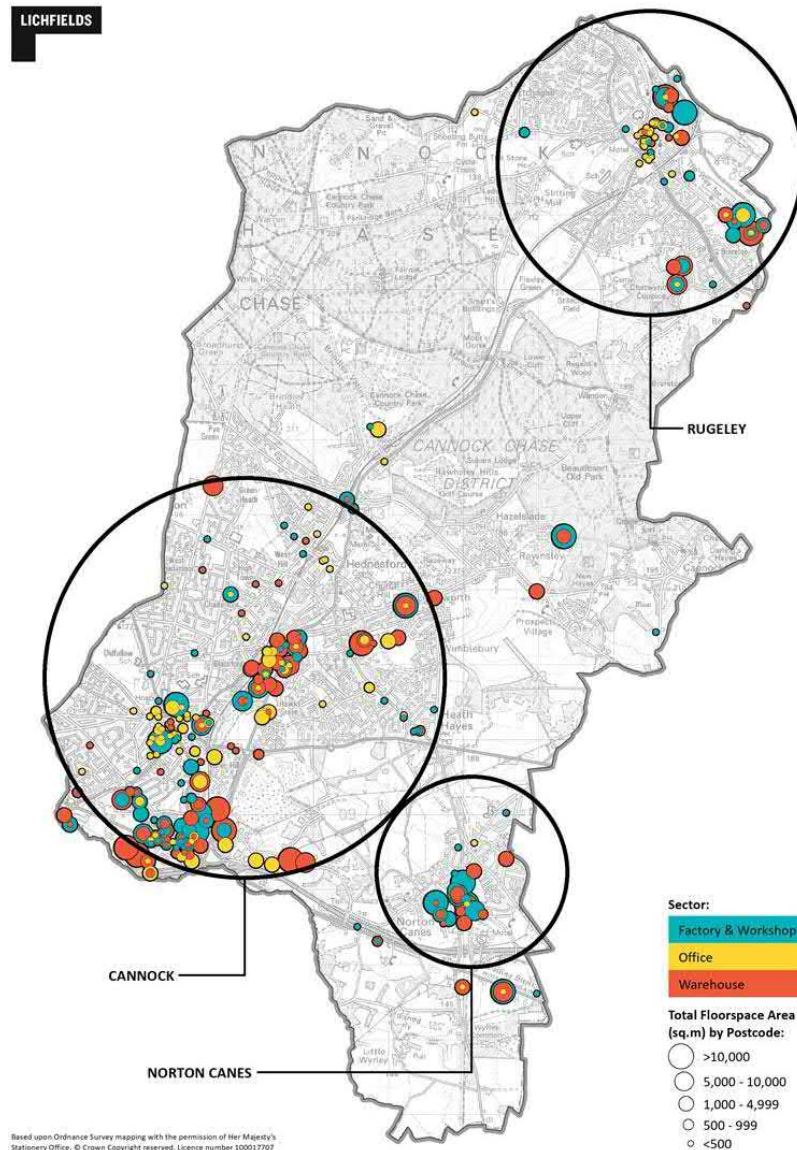
- Power Station Road Business Area, which contains a mixture of uses, primarily for uses such as trade counter, storage, small scale industrials works and a JCB manufacturing site.
- Directly adjacent to the former Rugeley Power Station site, Towers Business Area to the north east of the town contains predominantly B1(a) offices with workshop/smalls scale storage, with light industry in larger units. The site is in a high-profile location, adjacent to the A51 and next to the decommissioned Rugeley Power Station. The 139 ha former Power Station site is currently subject to ambitious redevelopment plans by its owner, Engie, for housing and commercial buildings. A development brief Supplementary Planning Document [SPD] was prepared by the Council and Lichfield District Council in February 2018. This provides guidance to landowners, developers and the local community about expectations with regards to layout, form and quality of development on the site. It is understood that there will be a forthcoming planning application. The EIA scoping application recently submitted to the Councils by Engie sets out their intention to deliver 2,300 homes and some employment land on the site. It is also understood that the site could be entirely supplied by green and renewable energy, up to 50% of which could be generated on site. The Towers Business Area site also contains the vast B8 Amazon Fulfilment Centre.

4.10 Norton Canes:

- Norton Canes Business Area is located immediately to the east of Norton Canes Local Centre and comprises a large site containing approximately 118 units. The area contains a number of distinct industrial areas including Betty's Lane (occupiers include Actemium and Wiltshire Farm Food), Morgans Business Park (includes SK Direct (UK) Ltd and Liebherr GB Ltd), Conduit Road (includes HLB Plastics Limited and Cannock Dairy Ice Cream), Maple House (includes Derwood & Abel and G Mech Fabrications Ltd), Norton Canes Business Park (includes Norton Canes Fireplace Factory and TrackToys Racing) and Apex

Business Park (includes Midland Air Tools and Synatel Instrumentation). Uses include manufacturing, workshops, vehicle servicing, storage and distribution, A1 bulky goods and office provision.

Figure 4.2 Spatial Distribution of Employment Space in Cannock Chase, 2018



Source: VOA Business Floorspace Data / Lichfields analysis

Development Rates

Completions

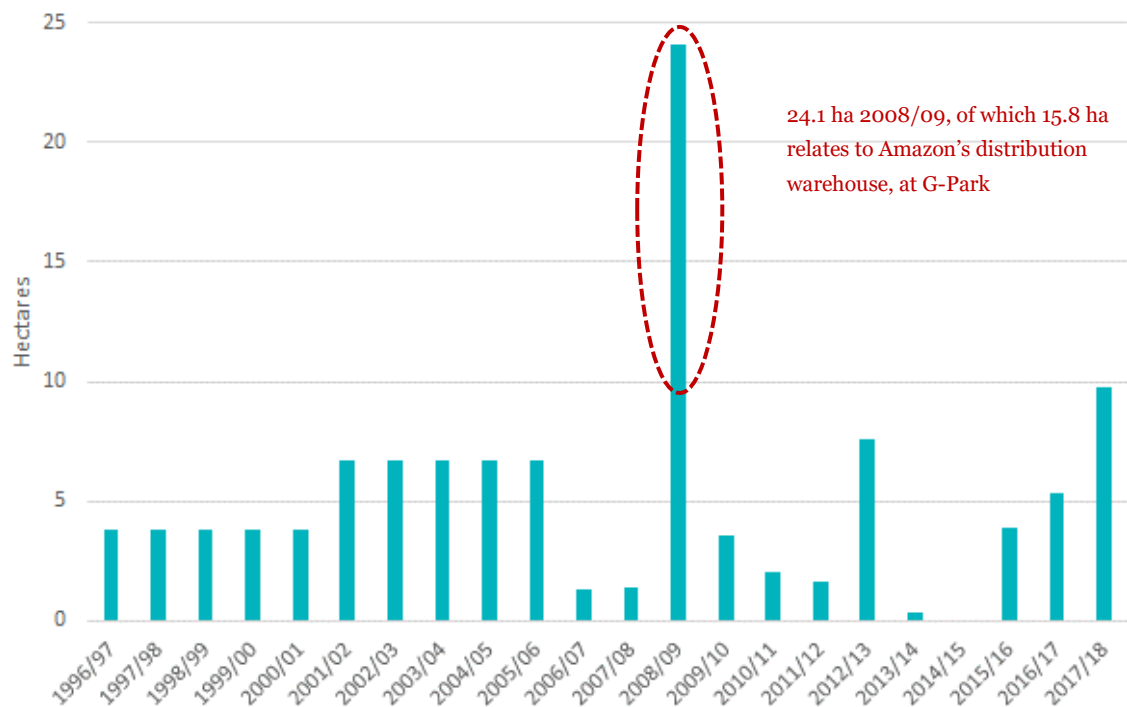
4.11

The Council collates data on the development of employment land for annual monitoring purposes. Take-up (i.e. completions) of floorspace for employment development has been provided between 1996/97 and 2017/18, although prior to 2006/07 the data provided represents an amalgamated figure with no detailed breakdown (see Figure 4.2). Gross completions have totalled an impressive 113.18 ha over the past 22 years stretching back to 1996/97, at an average of 5.14 hectares annually. However, it is worth noting that completions

fluctuated from year to year; the annual average provides a ‘smoothed’ indication of delivery over the whole period.

- 4.12 The standout figure relates to the 24.1 hectares delivered in 2008/09, nearly 16 hectares alone of which relates to just one site – the vast Amazon fulfilment centre at Towers Business Park. This represents almost half of all completions from 2006-2012. If this is removed, then the total gross completions falls to 97.38 ha.

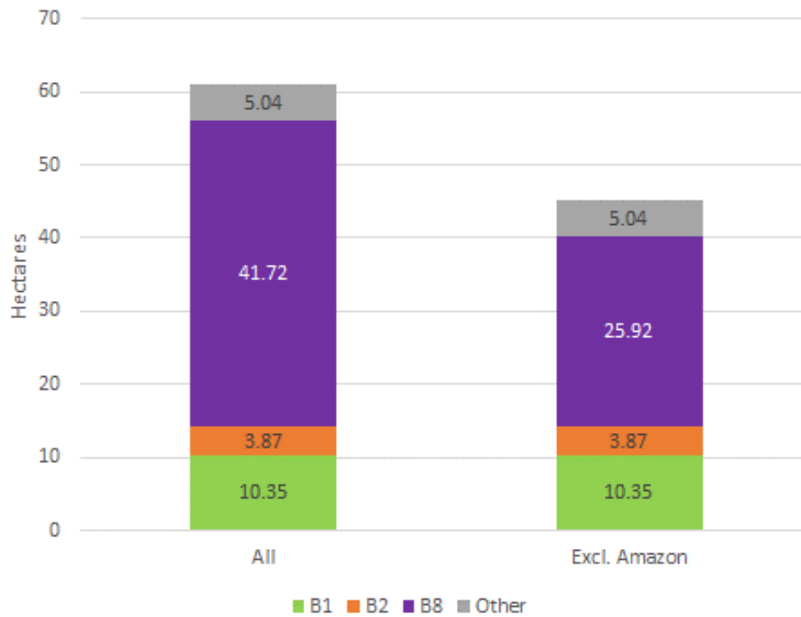
Figure 4.3 Gross Annual Employment Land Completions 1996/97-2017/18



Source: CCDC AMRs / Lichfields analysis. Note – the completions data for 1996-2001, and 20001-2006 is only available as an amalgamation and no annual data was provided by CCDC

- 4.13 In the aftermath of the last recession, development of land for employment uses dropped significantly, so that over the period 2009/10 – 2014/15 just 15.17 ha was developed, at an average of 2.52 hectares per annum. Furthermore, over half of this related to just one year, 2012/13, when 7.58 hectares was delivered (equal to 14,849 sqm).
- 4.14 The 2018 ELAA breaks the employment land take up down to B-Class uses, as summarised in Figure 4.4. It indicates that of the 60.98 ha of employment land delivered since 2006/07, 10.35 ha comprised B1a/b land; 3.87 ha of B1c/B2; 41.72 ha of B8 warehousing and distribution, and 5.04 ha of ‘Other’ employment land. Further examination of the Council’s data (by reviewing individual planning application forms) suggests that the ‘Other’ category includes retail and Sui Generis uses that are not strictly B-Class. Excluding this category reduces the total amount of employment land delivered to 55.94 ha (and 108.14 ha overall).
- 4.15 Again, excluding the Amazon distribution depot on the grounds that this is a ‘one-off’ development unlikely to be replicated for the foreseeable future in the District, would suggest that Cannock Chase has averaged 4.2 ha of employment land since 1996/97.

Figure 4.4 Annual Employment Land Completions by B-Class Use, 2006/07-2017/18



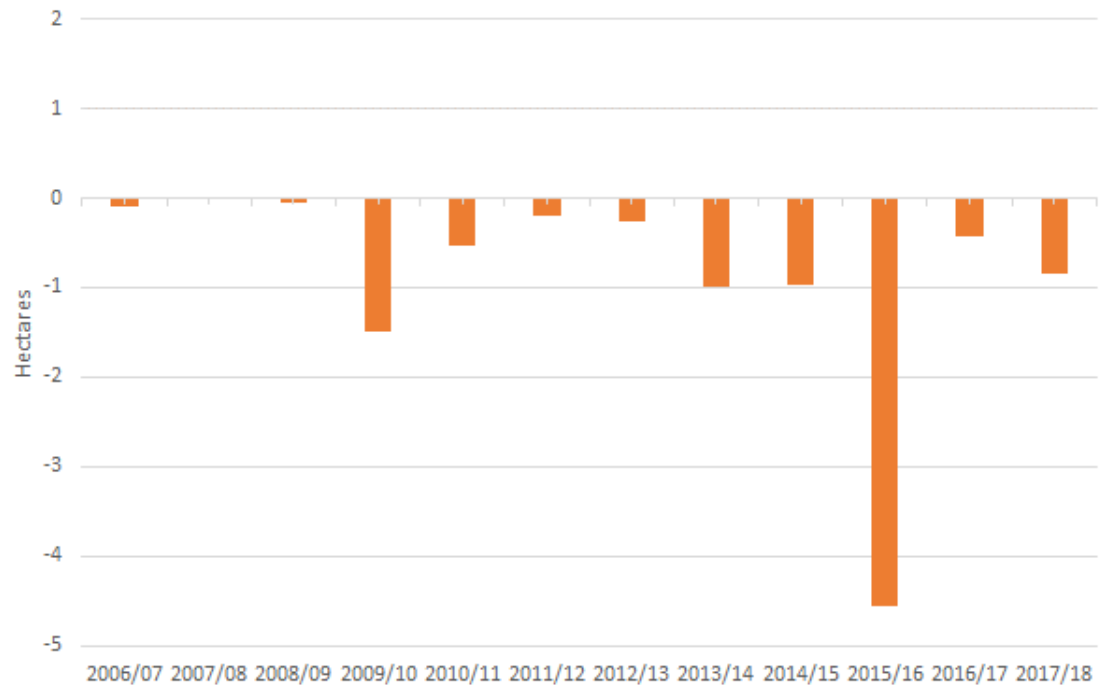
Source: CCDC AMRs / Lichfields analysis

Losses

4.16

Losses are also recorded by the Council, although data stretches back only to 2006/07, whilst a detailed breakdown of the specific B-Class sites lost goes back to only 2011/12 (see Figure 4.5).

Figure 4.5 Annual Employment Land Losses by B-Class Use, 2006/07-2017/18



Source: CCDC AMRs / Lichfields analysis

4.17

In total, some 10.415 ha of B-Class employment land has been lost to alternative uses over the past 12 years at a rate of 0.87 ha annually. Half of these relates to just one year – 2015/16, when

a former industrial site that previously accommodated a large automotive lighting factory was redeveloped for 111 residential dwellings (Application reference CH/13/0323).

4.18 There has been a total of 22 instances of office conversions to residential uses, many under the Permitted Development Rights, in the past 7 years since 2011/12, with a total of 1.87 ha (c.18,700 sqm) lost over that time period.

4.19 Other significant losses of employment land include:

- 2012/13: 110 Mill Street, Cannock: demolition of tyre depot and erection of 10 houses (loss of 1,700 sqm);
- 2013/14: The Timber Yard, Wimblebury Road, Cannock: Demolition of 8 light industrial buildings resulting in the loss of 8,863 sqm;
- 2014/15: Edgemoor Trade Centre, Park Street Cannock: Erection of 129 new dwellings and conversion of parts of a building to 6 dwellings, resulting in the loss of existing industrial units;
- 2014/15: Former Hednesford Court Office, Anglesey Street, Hednesford: Erection of 14 dwellings (loss of 3,541 sqm); and,
- 2017/18: Blocks A-D Beecroft Court, Beecroft Road, Cannock: Change of use from offices to 60 apartments (0.8 hectares lost).

Growth in Non B-Uses

4.20 Reflecting the lack of any distinction between different types of economic growth and development within the Framework, this section considers the current levels of provision and distribution of some non B-Class uses in the District. It also appraises the employment potential of these uses and as far as possible, their future impact on B Class land supply. Reflecting the brief for this study, only non B Class uses which are growing and likely to create pressures on employment land are examined.

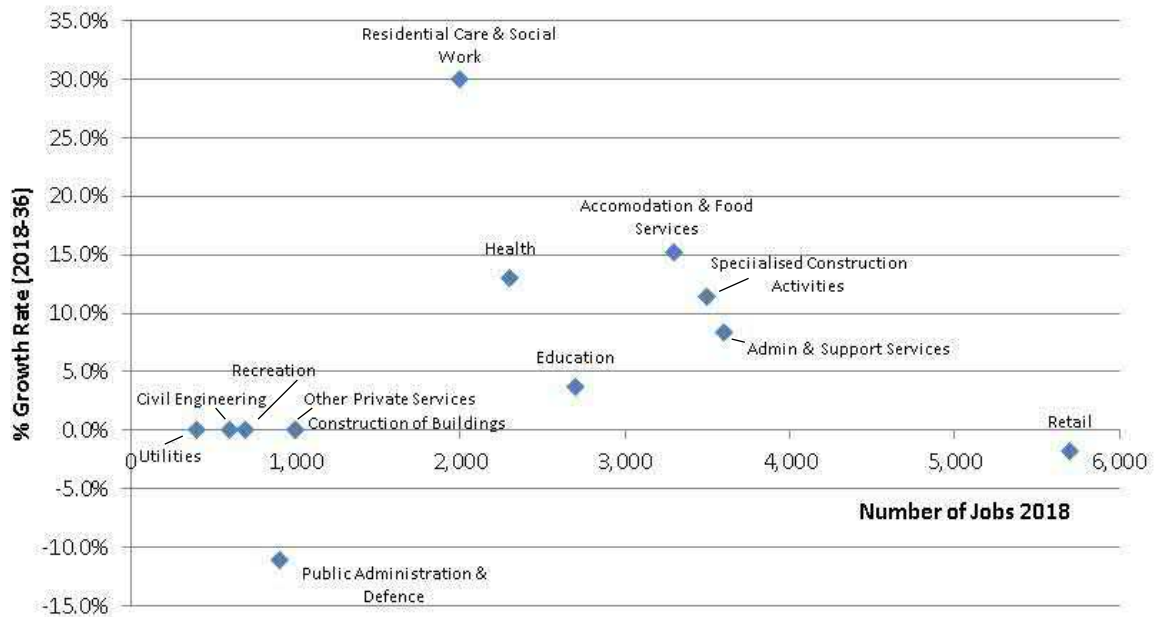
Context

Growth Forecasts

4.21 Drawing on the September 2018 Experian forecasts set out in Section 3.0, non B-Class jobs currently account for around 24,400 jobs in the District, some 53% of all employment. This sector is forecast to increase by around 1,600 jobs over the period to 2036, increasing its overall share to 55%.

4.22 Figure 4.6 compares the size of the main non B-Class sectors (based on their 2018 employment level) and forecast percentage growth rate between 2018 and 2036.

Figure 4.6 Job Growth of Selected Non B-Class sectors in Cannock Chase District, 2018-2036



Source: Experian 2018 / Lichfields analysis

4.23

Table 4.2 indicates that the future fastest growing sectors in Cannock Chase are forecast to be Residential Care and Social Work, Accommodation & Food Services, Specialised Construction Activities; Health; and, Administrative and Support Services. Conversely, job numbers in public administration and retail are projected to fall. In some cases, components of these sectors are already included in the analysis of B-Class sectors (i.e. some of the growth relating to Administrative and Support Services), so the analysis here relates to the rest of employment in the sector that is not assumed to create demand for B-Class space. We have not appraised sectors that are expected to decline in size with the exception of retail, given the significant growth proposals at Mill Green Designer Outlet.

Table 4.2 Job Forecasts for Non B-Class Uses in Cannock Chase District, 2018-2036

Sector	2018 Job Level	Estimated Job Change 2018-36
Residential Care & Social Work	2,000	600
Accommodation & Food Services	3,300	500
Specialised Construction Activities	3,500	400
Health	2,300	300
Administrative & Supportive Services	3,600	300
Education	2,700	100
Construction of Buildings	1,000	0
Other Private Services	1,000	0
Recreation	700	0
Civil Engineering	600	0
Utilities	400	0
Public Administration & Defence	900	-100
Retail	5,700	-100

Source: Experian 2018 / Lichfields analysis

Development Pressure from Non B-Classes

- 4.24 Because the land and space requirements of non B-Class sectors can vary considerably, it is also important to consider the extent to which growth of these activities is having a direct impact through competition with B-Class employment space. From discussions with key stakeholders and the sectors projected to experience significant job growth shifts in future, the following sectors have been identified for specific consideration: retail, health, tourism, residential care and institutional uses and waste.
- 4.25 It is important to note that the employment and space requirements of these sectors are usually estimated and planned for quite differently from the B-Class uses. For example, schools are planned for based on forecast numbers of children and capacity in existing provision; a new hospital or university is likely to have a quite specific land requirement not directly related to job numbers. Many retail or leisure uses will locate within mixed use schemes or in locations of the operator's choice rather than on specified allocated sites.

Retail

- 4.26 Retail growth is related to population change and spending, as well as competing provision. The retail sector within Cannock Chase is over-represented relative to the West Midlands average and has grown by an impressive 43% since 1997. The District's main retail centres are Cannock, Rugeley and Hednesford, with Cannock Town Centre comprising the dominant destination within the District for comparison goods shopping.
- 4.27 As discussed in Section 3.0, the Council's most recent Retail Study³⁸ (2015), which is currently being updated, established that convenience retail retention is quite low, with 63%³⁹ of all trips for convenience goods are directed to retail destinations within the District, falling from 78% in an earlier 2012 Retail Study⁴⁰. Cannock Chase failed to achieve the convenience goods target of £285.7m in 2015, finishing the year with a turnover of £236.2m, which partly explains 15% increase in leakage in convenience goods spending in the year 2015 compared to 2012.
- 4.28 As for comparison retail retention, this varied considerably between zones, with comparison goods retention in zone one being only 3.1%, compared to zone five which had a total retention rate of 69.0%. The District's overall comparison goods retention rate was 43.9%, which is low and reflects leakage to more established centres such as Lichfield Town, Stafford, Wolverhampton, Walsall and Birmingham further afield.
- 4.29 The Retail Study concluded that after taking into account the proposals being built at Cannock Gateway Retail Park, Cannock Chase District can sustain between 15,900 sqm (net) and 26,600 sqm (net) by 2030, which is the equivalent of between 22,700 sqm (gross) and 37,900 sqm (gross) of comparison floorspace. The report also concluded that there was neither a quantitative or qualitative need for new main food convenience goods provision within the district and that the district is well provided for in terms of such facilities mainly as a result of the introduction of facilities in Hednesford and Rugeley. However, there may be rationale to improve the top-up provision in the town centres where small stores can be secured.
- 4.30 Planning policy at national level, as well as the adopted Core Strategy, directs retail uses to town centre locations. Any additional provision would therefore be accommodated primarily within or adjoining the District's main town centres, and particularly Cannock, if the District is to reduce current expenditure to surrounding centres.

³⁸ WYG (2015): Cannock Chase Retail and Leisure Study

³⁹ WYG (2015): Cannock Chase Retail and Leisure Study

⁴⁰ WYG (2012): Cannock Chase Retail Study Update

- 4.31 Of course the situation will change imminently following the opening in 2020 of the Mill Green McArthur Glenn Designer Outlet which is certain to change consumption patterns dramatically in the district (particularly for comparison shopping trips). Located to the east of the Mill Green Nature Reserve near Stoney Lea, it is understood that Phase I will be home to over 80 premium and luxury brands, together with a range of restaurants and cafes, 1,800 car parking spaces, a children's playground, bike parking for cyclists and provisions for guests arriving by coach. Upon completion of Phase II, the Outlet will span a total of 26,500 sqm of retail space with 130 stores⁴¹.
- 4.32 Given the overall scale of the District's negligible retail floorspace requirements as currently identified (taking into account Mill Green), the extent of any retail floorspace pressure on employment sites should be very modest.

Construction

- 4.33 The majority of employment in the sector is 'on-site' and as a result generates little requirement for commercial premises. It does, however, create a requirement for storage depots and wholesale premises supplying construction products and materials. Such uses are particularly cost-sensitive and therefore tend to locate in areas with low values. As a result, any demand is likely to be in well established, low-grade industrial locations.
- 4.34 The construction sector is currently over-represented in Cannock Chase relative to the regional average, accounting for 5,100 jobs, or 11% of the total employment base, compared to just 6% across the region. This equates to a high location quotient of 2.4.
- 4.35 However, growth in construction is likely to be moderate, driven by wider employment and population growth. The availability of low-grade industrial units across Cannock Chase will also support growth, although this will be dependent upon the viability of development. There is overlap here with the B1c/B2-Class requirements, which is considered in further detail in Section 6.0.

Education

- 4.36 Job growth in education is marginal over the next 18 years or so, at only 100 net jobs. Nevertheless, it is likely that demand for new facilities and the jobs that accompanies them is likely to increase further given the housing growth targets the Council is pursuing. CCDC's May 2014 Infrastructure Delivery Plan identified the following requirements:
- **Nursery and pre-school:** *Any new schools required as a result of new housing development will have nursery / pre-school provision. All schools in the District are Extended schools and as such have nursery / pre-school provision;*
 - **Primary:** *In general terms, housing development over 1000 new dwellings within a school catchment will be the trigger for a new primary school. Depending on the development location some extensions to schools will be needed. The County Council have identified a number of projects required to address the needs of developments over the plan period. A number of existing planning consents for the plan period already have S106 agreements in place to address infrastructure needs for education provision, including the potential provision of a new primary school at land west of Pye Green Road and contributions towards primary school provision at Norton Canes.*
 - **Secondary:** *Merger of Hagley and Fair Oak schools incorporating 6th form provision, but on existing sites. A number of existing planning consents for the plan period already*

⁴¹ <https://www.mcarthurglen.com/en/outlets/uk/designer-outlet-cannock/about-us/>

have S106 agreements in place to address infrastructure needs for education provision. Generally, the County Council do not currently envisage any significant further needs for secondary school provision over the plan period.

- **Further Education:** Merger of Cannock, Lichfield and Tamworth colleges: new facilities proposed, forms part of the emerging redevelopment strategy for Cannock. Cannock South Staffs college campus has been recently upgraded.
- **Higher Education:** Staffordshire University: a physical presence in the District is desirable linked to the need to raise skills and aspirations. Possible links to South Staffordshire College campus. There are a number of Higher Education establishments accessible from the District e.g. Wolverhampton, Birmingham and Staffordshire universities. There is a corporate / partnership aspiration to see a physical presence by Staffs University in the District but discussions are at an early stage.

4.37 More recently, CCDC announced in June 2018 that there will be a new further education hub in Cannock Town Centre opening shortly. The Cannock Chase Skills and Innovation Hub, to be based at the same campus location owned by South Staffordshire College, is the result of the Council working with the College to create a new partnership venture. The hub will ultimately deliver courses, training and apprenticeship opportunities across seven new disciplines⁴².

“The move is designed to meet the needs of local and regional employers and a growing economy. It will give the District’s young people access to a range of education and skills opportunities provided locally in the District. Learning opportunities will be provided in engineering / advanced manufacturing, electrical installation and electrical engineering, energy, construction, digital, health and social care and early years, and mathematics and English for employability.

There will also be an apprenticeship hub, as well as incubators for start-up businesses, and space for office use.”

4.38 Staffordshire County Council published a list of sites for potential new free schools across the County in October 2018. Only 2 are identified for Cannock Chase:

- **Cannock – Poppyfield Primary Academy:** a new, 210-place primary free school on The Limes Development in Pye Green, Cannock operated by Victoria Academies trust. It is due to open in September 2019 for Nursery and Reception, with one class per year group, and the aim of growing year-on-year up to Year 6.
- **Rugeley – Primary School (Location TBC):** a 1 Form Entry school will be required in the area over the next 5 years to accommodate new housing and population growth, although at the time of writing its probable location is undetermined.

4.39 Cannock Campus will be located in Cannock Town Centre, whilst the Poppyfield Primary Academy is currently under construction on a cleared site. The location of the potential Rugeley Primary school site mentioned above has yet to be identified. In general therefore, and given the modest growth forecast for this sector, it is considered that future educational needs are unlikely to have a significant impact on wider employment land requirements.

Health

4.40 This sector includes hospitals, medical centres, GP and dental surgeries, both public and privately run. Cannock Chase’s current employment in this sector totals 2,300 jobs and is forecast to grow by 300 jobs, or 13%, by 2036.

⁴² <https://www.southstaffs.ac.uk/news/newsitem/?id=15007>

- 4.41 The only hospital located in the District is Cannock Hospital, a 54-bed community hospital which is run by the Royal Wolverhampton NHS Trust. This has a minor injuries unit, but not an Accident & Emergencies ward, which is provided at New Cross Hospital in Wolverhampton. It has facilities for general surgery, orthopedics, breast surgery, urology, dermatology/plastic surgery and medical day case investigations and treatment (including endoscopy, rheumatology and dermatology)⁴³. There are no publicly available expansion plans at the current time on the site.
- 4.42 Some requirements may arise from primary care activities. Cannock Chase CCG was authorised in April 2013, taking responsibility from the former South Staffordshire Primary Care Trust. CCGs do not currently commission primary care services such as GPs, dentists, pharmacists and opticians. Primary Care services are commissioned by NHS England.
- 4.43 The CCG confirmed that a Staffordshire-wide Estates Plan has been in place since 2016 and is due to be refreshed in 2018. The CCG states that it will continue to support the delivery of the Estates and Technology Transformation Fund and One Public Estates schemes to develop Primary Care services. The CCG is working closely with the pan-Staffordshire Local Estates Forum to identify and progress all necessary schemes ensuring that partners work together to maximise the use and efficiency of public sector estate, this includes working with local councils to identify the health impacts of housing developments and ensure adequate services are available for the increasing population⁴⁴.
- 4.44 There is also an informal health sector, with many small independent practitioners, often self-employed (such as osteopaths) but these tend to operate from dwellings, converted shop units or some former office units but do not typically require significant amounts of space and this is highly unlikely to cause pressure on employment sites.
- 4.45 Regarding growth in the healthcare sector, whilst Cannock Chase District does not appear to have a particular competitive advantage in the healthcare sector, the ageing population and continued high levels of investment in the sector nationally are likely to mean that it will remain a growth area in terms of employment going forward, although clearly there will be only a very limited B-class component to this growth. Overall, fairly limited requirements for new space are expected from this sector and very little requirement for additional land.

Accommodation & Food / Recreation

- 4.46 Employment in accommodation and food services accounts for a slightly higher proportion of jobs in Cannock Chase (7.2%) than across the West Midlands as a whole (5.8%), and has an important role within the local economy. Conversely, recreation-related employment accounts for a slightly lower proportion of jobs in Cannock Chase than at the regional level, which is perhaps unsurprising given that much of the tourist offer relates to natural attractions, notably Cannock Chase AONB.
- 4.47 However, as highlighted in the District's Local Plan, the tourism industry offers a key opportunity to raise Cannock Chase's national profile, including business tourism and opportunities for enhancing the rural economy. The emerging Local Plan states that appropriate tourism development will be promoted, particularly linked to Hednesford's position as a gateway to the Cannock Chase AONB.

⁴³ <https://www.royalwolverhampton.nhs.uk/about-us/>

⁴⁴ Cannock Chase Clinical Commissioning Group Annual Report and Accounts 2017/18

4.48 The Current Tourism offer comprises the following⁴⁵:

- **Visitor Centres:** Marquis Drive; Birches Valley; Museum of Cannock Chase (plus Chasewater, Wolesley Visitor Centre/Staffordshire Wildlife centre outwith the District boundary);
- **Green Spaces:** Hednesford Park; Hednesford Pavilion; Cannock Park; Mill Green Nature reserve; Rugeley Park; Brereton Park; Cannock Chase AONB;
- **Recreation:** Cinema; Ice Rink; Trampoline Zone; Soft Play; Skate Parks;
- **Adventure:** Go Ape; 4x4 Off Road Trails; Mountain Biking; Hednesford Raceway;
- **Leisure:** Leisure Centres; Prince of Wales Theatre; Forest Live; Rose Community Theatre (Rugeley);
- **Nature/The Chase:** Walking Trips; Fishing; AONB; Commonwealth Games 2022;
- **Heritage:** War Museum (German cemetery; Mining History; Tolkien Trail.

4.49 With the opening of the McArthur Glenn Designer Outlet in Cannock during 2020, the Council considers that it needs to be in a better position to take advantage of all new opportunities this investment will bring. In particular the development is likely to introduce linked trips between the outlet and other attractions in the District (including Cannock Town Centre), maximising visitor spend will be crucial to the vibrancy of the town centre and beyond.

4.50 The Outlet is expected to attract over 3.5 million visitors to the District each year. To ensure maximum benefit, The Council considers that it is important to promote the Outlet as only one attraction the District has to offer (part of a package) and to encourage visitors to explore the other locations by promoting linked trips between destinations and the Outlet:

“The current level of tourism provision the Council provides is not sufficient to ensure that the District gets the most from the opening of the Designer Outlet. A new way of working including creating a good working relationship between the Council, Outlet and other attractions within the District is required to reach the full economic benefit and potential of the Outlet.”⁴⁶

4.51 Furthermore, the announcement that Birmingham will host the 2022 Commonwealth Games is also an opportunity for Cannock Chase District as the location for the Mountain and Trail Biking events will be the Cannock Chase Trail Centre, which will see substantial levels of investment into the area. However, this and tourism growth in general needs to be sensitive to the District’s environmental features, particularly the Cannock Chase AONB and Special Areas of Conservation.

4.52 Overall, tourism-related employment in Cannock Chase, which would include recreation, accommodation & food, is expected to grow over time in response to the District’s environmental and leisure assets, with implications for direct employment growth as well as providing a key opportunity to raise the area’s national profile (from the Commonwealth games) and encourage inward investment in associated high-value industries. Other than the indirect implications for the high value industries (as discussed above), direct employment in tourism related uses would, however, have a negligible impact upon demand for B-class premises.

⁴⁵ CCDC (14th March 2019): Report of Head of Economic Prosperity to Cabinet – Review of Tourism Provision

⁴⁶ Ibid

Waste, Recycling and Environmental Technologies

- 4.53 This sector includes waste management and transfer facilities as well as recycling and energy from waste facilities. This sector accounted for around 450 jobs in Cannock Chase District in 2017 according to the Business Register and Employment Survey [BRES] data, with 225 people employed in the collection of non-hazardous waste, 100 people involved in its treatment and disposal, and a further 125 involved in remediation activities and other forms of waste management and recovery of sorted materials. Detailed forecasts of employment growth in this sector are not available, although most efficient modern facilities are not labour intensive, although any ‘spin-off’ industrial activities may support greater employment.
- 4.54 For waste-related activities, key considerations with respect to location decisions include proximity to large population and manufacturing centres. The Stoke and Staffordshire Joint Waste Local Plan 2010-2026 (adopted in 2013) identifies the need for further capacity to manage a range of waste streams across the County and Stoke area. However, whilst the broad level of need is identified, no site-specific allocations are made for new proposals - only current operational facilities are identified as part of the waste management infrastructure.
- 4.55 The Waste Local Plan identified the following Capacity Requirements across Staffordshire and Stoke on Trent over the Plan period:
- Recycling/Material Recovery (mechanical sorting): 389,000 tonnes per annum [tpa] required by 2025/26, equivalent to a minimum of 6-8 facilities;
 - Organic Waste Treatment: 60,000 - 80,000 tpa required by 2020 capable of treating co-collected municipal green and kitchen waste, equivalent to 2 – 3 facilities. 1 facility is specifically required to serve the North Staffordshire Conurbation and Staffordshire Moorlands;
 - Recycling/Material Recovery: Minimum of 200,000 tpa required by 2020/21, equivalent to 2 - 4 facilities. Facilities are required in or close to large areas of development/ construction.
- 4.56 Walsall and Wolverhampton Councils have contracts in place to dispose of bulky residual waste to Cannock Chase’s Poplars landfill.
- 4.57 The First Review of the Staffordshire and Stoke on Trent Waste Local Plan (December 2018) concluded that the Plan does not need to be revised at this time. Given that the population appears to be growing more slowly than originally predicted, the First Review concluded that it is reasonable to anticipate that waste arisings are unlikely to exceed the levels originally predicted in the Waste Local Plan.
- 4.58 There may, therefore, be demand arising for land from waste activities but it is difficult to quantify at this stage and proposals will have to be dealt with on a case-by-case basis through the development management process. In overall terms, it appears that a low rate of jobs growth is likely with minimal land requirement implications.
- 4.59 The likely land requirement for this sector in Cannock Chase is low and it appears that much could be accommodated on established sites n waste related uses. In addition there could be potential synergies between waste / recycling activities and ‘green industry activities that mean co-location of activities could yield economic benefits.
- 4.60 The environmental technologies/energy sector is very limited at present in Cannock Chase, with 0.05% of all jobs based in the energy sector (BRES 2017). The potential for future growth in the District would also appear limited. Although Cannock Chase is located in relatively close proximity to the major population and economic centres of the West Midlands, it does not benefit from the availability of large B2 industrial sites. Furthermore, a number of nearby authorities are actively targeting the sector and have much more land and more specific

advantages or facilities. On balance, the environmental technologies/renewable energy sector appears to have limited potential for future growth in Cannock Chase.

Residential Care

- 4.61 It has been acknowledged for a number of years that the current supply and form of housing nationally does not adequately meet the needs of a rapidly ageing society. This issue is becoming more and more pressing over time due to Britain's ageing population, with substantial gains in life expectancy above the age of 65. According to the latest ONS 2016-based SNPP forecasts, there are currently 19,100 residents living in Cannock Chase District in 2018 (19.3% of all residents), but this will grow by 7,500 residents by 2036 – an increase of 39%, compared to a decrease of 8.3% in the number of residents aged under 65. This closely aligns with the national growth rate of 40% over the same timeframe, and is even higher than the West Midlands average over 65 growth rate (+34.2%). Furthermore, the proportion of 'very elderly' people in Cannock Chase (i.e. over 85 years) is anticipated to double in size from current levels by 2036 (+2,300 elderly residents), compared to a regional increase of 80%.
- 4.62 These improvements in life expectancy are not being matched by commensurate gains in disability-free longevity, leading to a greater absolute number of older people who may need care. There is therefore a clear imperative for a step change in new care home provision / extra care facilities in Cannock Chase over the coming years. This suggests that there is a need for further provision, although existing capacity may be able to accommodate some growth in demand. Despite Government cuts to health spending in real terms in recent years, expansion of the elderly population and possible growth in demand for private health care may require further provision of residential care homes. However, this could be offset to some extent by programmes being progressed in Cannock Chase District to improve the health of elderly residents and help them live independently for longer.
- 4.63 Many care homes utilise former residential or institutional premises and it is possible that some future growth could be achieved by expanding capacity on existing sites without necessarily a large additional land requirement. The prospects of care homes seeking to locate on industrial estates appears unlikely given the particular character and environments of the larger established industrial estates in Cannock Chase and is unlikely to be of a significant scale.

Summary Growth Needs of Non-B Uses

- 4.64 The growth of Non-B Class uses is likely to make an important contribution to employment growth in Cannock Chase to 2036/38, with growth in such sectors forecast to comprise almost 1,600 out of 1,900 total net job growth to 2036 (i.e. 84% of all job growth in the District based on the latest Experian projections). The growth needs of a number of Non B-Class sectors have been considered where job growth is forecast and there is potential for this to create pressures on employment land.
- 4.65 Cannock Chase's future land requirement for waste purposes is likely to be low and from past experience any needs are likely to be able to be accommodated within established waste sites in the District. For retail uses, the vast majority of future comparison requirements will be accommodated in McArthur Glenn Mill Green Retail Village, which is due to open in the near future and is projected to generate 1,000 retail and service jobs overall. Most of future growth needs of the healthcare and education sectors are likely to be met within existing sites in such use and the scale will be limited by continuing constraints on public spending (notwithstanding limited levels of job growth projected for these two sectors in any case). For residential care homes, although there is likely to be an upsurge of demand for such facilities in the coming years due to the ageing population, it is considered that most future needs are likely to be met

through the expansion of existing facilities or the re-use of other institutional facilities rather than Cannock Chase's employment areas where the environment is not always appropriate.

Conclusions

4.66 The following key findings and conclusions can be drawn:

- 1 Employment space in Cannock Chase is dominated by industrial uses (i.e. manufacturing and distribution uses), with long term trends indicating a gradual erosion of industrial space in the District; a gradual growth in office space; and a very strong growth in B8 logistics. These recent development trends have resulted in the stock of B class employment space in Cannock Chase increasing strongly over recent years.
- 2 The existing employment space in Cannock Chase is focused across several large Business Parks and Industrial estates that follow the A5/M6 Toll in the south and have successfully attracted a number of footloose warehousing operators; and more traditional industrial estates to the east of Cannock, and in the vicinity of the decommissioned Rugeley Power Station to the north. The majority of the B class employment space is industrial in nature, with Cannock itself having a modest stock of office floorspace that has been affected by PD Rights to residential uses, although there are a number of successful out of town business parks with modern B1a office floorspace.
- 3 Available monitoring data confirms that the net completion of B class employment space in the District has been positive during recent periods, including a net gain of B8 logistics and B1a office space and a net loss of B1c/B2 industrial space. The level of new development in Cannock Chase was at its highest in 2008/09, due to the anomalous development of the Amazon distribution centre at G-Power. Overall, stripping out the 'other' non B Class use development and the 15;.8 hectare Amazon site, the District has delivered 4.197 ha gross over the long term, and lost 0.87 ha to non B-Class uses, which would suggest a net gain of 3.33 ha of B-Class land (most of which relates to B8).
- 4 The recent introduction of Permitted Development Rights [PDR] for the change of use from office to residential uses has had an effect in the District, with a number of instances over the past few years, although this is likely to have helped remove many of the otherwise redundant premises from the local market.
- 5 Growth in Non-B Class jobs is likely to significantly outstrip office, industrial and warehousing jobs. However the nature of these growth sectors, such as retail, recreation, health and elderly accommodation are unlikely to have a significant impact on Cannock Chase's employment areas where the environment is not always appropriate.

5.0 **Commercial Property Market**

5.1 This section of the report provides an overview of the property market from a national and local perspective. It looks at the key office and industrial employment locations in Cannock Chase District, and provides an opinion on rents and land values. This has been informed by a review of market trends and secondary data, as well as consultations with a number of stakeholders such as commercial agents and developers active in Cannock Chase and the wider market area. Furthermore, this section also provides additional information from the stakeholder discussions and the findings of a Business Survey.

National Economy

5.2 Macro-economic trends are a critical influence on the future performance of the West Midlands economy. These shape the level of demand for the sale of goods and services. In turn this affects business formation and survival, investment decisions, recruitment, wages and productivity.

5.3 According to the International Monetary Fund's [IMF] latest World Economic Outlook [WEO] Update, the global economy is expected to grow by a relatively modest 3.7% in 2018 (despite weaker performance in some economies, notably Europe and Asia), falling to 3.5% in 2019 and 3.6% in 2020, which is a modest 0.2 and 0.1 percentage points below the October 2018 projections⁴⁷.

5.4 According to the IMF, the global growth forecast for 2019 and 2020 had already been revised downward in the last WEO partly because of the negative effects of tariff increases enacted in the United States and China earlier in 2018. The further downward revision since October partly reflects carry over from softer momentum in the second half of 2018—including in Germany following the introduction of new automobile fuel emission standards and in Italy where concerns about sovereign and financial risks have weighed on domestic demand—but also weakening financial market sentiment as well as a contraction in Turkey now projected to be deeper than anticipated.

5.5 The IMF is concerned of further risks to global growth that could arise from an escalation of trade tensions beyond those already incorporated in the aforementioned growth forecast. Financial conditions have already tightened in recent months, and the IMF warns that a range of triggers beyond escalating trade tensions could spark a further deterioration in risk sentiment with adverse growth implications, especially given the high levels of public and private debt. These potential triggers include a 'no-deal' Brexit withdrawal of the United Kingdom from the European Union and a greater-than-envisaged slowdown in China.

5.6 The main shared policy priority is for countries to resolve cooperatively and quickly their trade disagreements and the resulting policy uncertainty, rather than raising harmful barriers further and destabilizing an already slowing global economy. Across all economies, measures to boost potential output growth, enhance inclusiveness, and strengthen fiscal and financial buffers in an environment of high debt burdens and tighter financial conditions are imperatives.

5.7 The IMF forecasts growth of about 1.5% in the United Kingdom in 2019-20, although it warns that this projection comes with substantial health warnings reflecting the negative effect of prolonged uncertainty about the Brexit outcome and the positive impact from fiscal stimulus announced in the 2019 budget. The IMF's baseline projection assumes that a Brexit deal is

⁴⁷ International Monetary Fund (January 2019) World Economic Outlook

reached in 2019 and that the UK transitions gradually to the new regime. However, at the time of writing, the shape that Brexit will ultimately take remains highly uncertain.

- 5.8 The Office for Budget Responsibility's [OBR] latest economic outlook estimates Gross Domestic Product [GDP] growth of 1.3% in 2018 (revised downwards from 1.5% in March 2018) for the UK as a whole⁴⁸. The OBR attributed the unexpectedly weak start in 2018 to 'temporary factors'; as a result, it expects GDP growth to pick up to 1.6% in 2019, which is above the 1.3% forecast in the March 2018 outlook thanks to the Budget giveaway. Growth thereafter is only fractionally higher than was forecast by the OBR in March 2018, picking up from 1.4% in 2020 and 2021 to 1.6% by 2023 as underlying productivity growth improves.
- 5.9 With the economy currently running slightly above potential, the effect of higher public spending on GDP growth is assumed by the OBR to fall to zero as the economy adjusts through wages and prices, as well as changes in monetary policy. Despite the Brexit-related uncertainties that continue to affect the economy, the upward revisions on GDP growth in the medium term from the OBR's latest forecast provided rare good news for the Government.

Cannock Chase District Overview

- 5.10 In terms of what this economic uncertainty means on a micro-level, agents were relatively upbeat regarding the extent to which Cannock Chase's commercial market has recovered from the recession. They considered that this has been spurred on by the very substantial number of modern units constructed and planned over the past 5-10 years and the level of speculative development and inward investment that has attracted new international companies to the District such as Amazon. It was acknowledged that Kingswood Lakeside was the key strategic employment site for the District, having been subject to considerable expansion levels in recent years. At the other end of the scale, agents also advised that there has been considerable demand for smaller units to accommodate indigenous local businesses.
- 5.11 Other notable employment locations include Bridgtown, Hawks Green and the Anglesey Business Park. Demand for premises in these locations tends to be driven by local businesses and there is high demand for smaller units within the region of up to 30,000 sq. ft.
- 5.12 Across the District most premises are industrial, factories or warehousing and there is limited representation from the office market, with what limited provision there is being generally being distributed sporadically across the District in out-of-centre locations and, to a lesser extent, in Cannock Town Centre.

Industrial and Logistics Space

- 5.13 Cannock Chase is characterised by a relatively large supply of industrial and particularly large-scale logistics premises, a legacy of its manufacturing days and reflective of the excellent access to the strategic highways network and central location nationally.
- 5.14 Agents confirmed that significant levels of development have come forward in the industrial and logistics sector over the course of the last five years or more, including a relatively high number of speculative developments coming forwards for B8 units in excess of 10,000 sqm. This has demonstrated a high degree of confidence in the Cannock Chase market which reflects the District's excellent linkages with the M6 and M6 Toll Motorways.
- 5.15 The increase of industrial space reported by agents is supported by data from the VOA which shows that there has been an increase in the amount of industrial floorspace in Cannock Chase by 33.7% between 2000/01 and 2015/16. Similarly, the number of industrial properties which

⁴⁸ Office for Budget Responsibility (October 2018) Economic and Fiscal Outlook – October 2018

have a rateable value has increased modestly from 1,100 to 1,150 properties over the same time period⁴⁹, which further reflects comments from agents.

- 5.16 When Lichfields undertook the previous ELPUs in 2012, we reported a 19% vacancy for industrial and warehousing units' rate which of course reflected the fact that the market was at that time struggling in the immediate aftermath of the recession. Since then, the vacancy rate has reduced somewhat to 13.4% and this reflects the positive discussions we have had with agents in respect of improved market confidence in recent years. However, agents did advise that there are a number of speculative developments that have come forwards in the last few years which are yet to secure occupiers. This is why the vacancy rate remains stubbornly high at a time where nationally the vacancy rate for large scale modern logistics facilities is closer to 5%.
- 5.17 We understand that the following completed schemes have yet to secure occupiers:
- 1 Conneqt, Kingswood Lakeside – Completed in 2018 by Opus Land, Conneqt is a speculative warehousing scheme comprising two units sized at 14,000 (Conneqt Alpha) and 12,000 sqm (Conneqt Beta). Whilst we understand there have been a number of enquiries to date, Opus are yet to secure an occupier for either.
 - 2 Jupiter, A5 Watling Street – Completed in the first quarter of 2018 by Canmoor, Jupiter is a single 13,000 sqm unit suitable for industrial and logistics uses. We understand that Canmoor are yet to secure an occupier.
 - 3 M6DC, Kingswood Lakeside – Completed in 2017 by Graftongate and the Exeter Property Group, M6DC is a purpose built 35,000 sqm unit suitable for industrial and logistics uses. The site is still being actively marketed and we understand it is yet to secure an occupier.
- 5.18 It is important to note that whilst this may initially appear to be concerning, agents did not consider that the slow take up on speculative units is a fair reflection on Cannock Chase's suitability as an industrial and logistics location. Instead, agents consider that the current state of the market was a reflection of the unprecedented macro-economic uncertainty generated by Brexit and associated lack of clarity in respect of the UK's future trading arrangements with the European Union.
- 5.19 We understand from speaking with agents that all of the vacant units listed above have been subject to significant interest, with some enquiries advancing towards completion before stalling. It was reported that businesses are ultimately refraining from making significant decisions until clarity exists in respect of Brexit. This is particularly the case for units exceeding 10,000 sqm, which generally require substantial levels of investment.
- 5.20 Agents reflected that the slow uptake on speculative units was by no means an issue unique to Cannock Chase. For example, we understand that similar situations exist across the wider Midlands region including the Wolverhampton 450 scheme (comprising approximately 40,000 sqm at J12 of the M6) and speculative units in premier locations at both Northampton and Coventry.
- 5.21 Notwithstanding the current economic and political uncertainty, agents were relatively upbeat about the industrial and logistics market in Cannock Chase and considered that once the Brexit uncertainty has passed, the speculative stock has strong prospect of securing occupiers. This confidence and optimism also reflects the position that developers are taking. For example, Opus Land are pressing on with the construction of Conneqt Beta, despite the completed Conneqt Alpha failing to secure an occupier to date.

⁴⁹ Valuation Office Agency (2016): *Non-domestic rating - business floorspace 2000/01 – 2015/16*

- 5.22 On this basis, agents believed that once there is clarity on the outcome of Brexit, there is a reasonable prospect that demand will exist for further industrial and logistics development in Cannock over the next few years.
- 5.23 Returning to the current vacancy rates in the context of the above, whilst the 13.4% vacancy rate is an improvement since 2012, we would typically expect a vacancy rate of between 8-10% to be more sustainable for industrial and logistics generally. The fact that there are an increasing number of unoccupied completed units would usually suggest that the market for this particular type of stock in Cannock Chase is potentially nearing saturation. However, our discussions with agents have highlighted that the market is currently subject to extenuating circumstances and there was a reasonable degree of optimism that things would change once there was some clarity on Brexit. The successful letting of the current vacant stock, particularly the larger units outlined above would bring the vacancy rates in line with a more sustainable level.
- 5.24 In terms of rental values, agents advised that typical rental values being sought for larger scale industrial and logistics units such as those listed above are generally in the region of between £6.00-£7.00 per sq. ft, which is necessary for developers to make a reasonable return on investment. However, they advised that these tend to exceed traditional market values for Cannock Chase and therefore could also be attributed to the apparent delay in the securing of occupiers for a number of units. However, given that the yield margins for rental developments are slim, it does not appear that significant discounts are being offered at this stage. Indeed, a degree of optimism clearly remains that the market will stabilise when there is clarity on Brexit.
- 5.25 Agents advised that significant demand exists for smaller-scale industrial and warehousing units in the region of 1,000-3,000 sqm. Whilst the current industrial property market offers a relatively broad range of units in terms of size and quality, there are relatively high occupation rates and there is an undersupply of modern and new build units due to a supply shortage in recent years.
- 5.26 Agents reported that letting rates for smaller units were excellent which reflects the growing demand for such units. However, much of the existing industrial stock is of average-to-poor quality, which does not meet modern business standards. This can in some instances serve as a barrier to attracting businesses operating in high growth industries such as advanced manufacturing into the District.
- 5.27 Notwithstanding this, significant localised demand still exists and the quality of stock is not constraining investment at the lower level. Agents report that traditional employment sites such as Bridgtown and the Anglesey Business Park remain well let and continue to function well as key employment destinations for the District, albeit generally accommodating indigenous and in some instances, regional, businesses.
- 5.28 Refurbishing units is viable across nearly all sites in Cannock Chase due to reasonably high demand for second-hand stock, but there remains a long-term issue in that refurbished old premises still usually do not meet modern business needs. In this regard, there is clearly a demand for smaller-scale, purpose-built, modern industrial units.
- 5.29 However, agents reflected that developing higher concentrations of smaller units was rarely cost effective and that major investors saw larger scale units as an opportunity to secure high-calibre national occupiers. However, discussions with agents and the evidence presented above suggests that higher levels of demand exist for smaller units in the region of 1,000-3,000 sqm. In order to secure such investments in the future, the Council may wish to consider interventions, working in collaboration with businesses and key stakeholders such as the SSLEP and the GBSLEP.

Office Space

- 5.30 Cannock Chase is not considered to be a significant office location, with relatively limited levels of demand, take-up and supply generally characterising the local market. Supply is fragmented and there are few significant clusters across the District. Agents reported that Morston Court at Kingswood Lakeside is the District's most significant office destination. There are also serviced offices located at the Keys Business Village in Hednesford and Ridings Court located to the east of the A460, between Cannock Town and Hawks Green. Agents advised that the District's office market was generally sustained by local, and to a lesser extent, regional businesses, with limited representation from national firms who are more likely to locate at Wolverhampton Business Park located off Junction 2 of the M54, which offers high quality Grade A serviced office accommodation.
- 5.31 There is a limited provision of office space in and around Cannock Town Centre. Demand is predominantly from local SMEs looking for small office spaces, which often comprises converted premises from other land uses (such as retail). However, agents reported that demand for such premises was still relatively modest across Cannock Chase.
- 5.32 Cannock Chase's office market is predominantly driven by existing local occupiers expanding, resulting in their relocation from elsewhere within the District. Office space that has proven to be successful generally benefits from close-proximity to the major employment corridors within the District, with the most successful locations benefitting from good quality access to the strategic network including Kingswood Lakeside and Cannock Town Centre itself. Historically, the principal office location was centred around Cannock Town Centre, with other towns such as Rugeley providing modest additional (and secondary) office space; it was, however, noted that there has been an increasing shift towards the take up of office space in out-of-centre locations.
- 5.33 There are very few purpose-built Grade A office units, with much of the existing space serving an indigenous market. Much of the stock that does exist in the District tends to be older and the lack of modern, Grade A office space contributes to the generally low rents observed within the District, although this does vary. Poorer quality, tertiary offices tend to achieve a maximum rental value of around £8-10/sq. ft, whereas the higher-quality office accommodation that does exist in the District, notably Morston Court at Kingswood Lakeside, can potentially reach up to £11-12 sq. ft. This latter figure is consistent with rental levels achieved in secondary market locations elsewhere in the West Midlands.
- 5.34 To put this in a wider context, Birmingham City Centre achieved top rents of around £33 per sq. ft during 2018. With upward pressure on rents expected in 2019 and 2020, Birmingham rental growth is forecast to exceed the UK average until 2022⁵⁰. In this regard, the District's modest commercial property rental values create a potential opportunity to attract businesses out of Birmingham City Centre, should suitable Grade A office space be developed in suitable locations with strong connections to the Strategic Road Network E.g. Kingswood Lakeside. Agents also considered that the delivery of high-quality residential developments and the delivery of executive homes in attractive locations across the District could also play a role in attracting businesses to relocate into Cannock Chase District in future.
- 5.35 However, in order to deliver new office development, the expectation would be that rents would need to be at the £20+ per sq. ft mark, alongside a good covenant for the occupier in order to make development viable. As acknowledged above, agents have confirmed that this level of rent is not currently achievable in Cannock Chase. This represents a significant constraint and agents suggested that gap funding would be required for further modern office stock to come

⁵⁰

https://www.savills.co.uk/research_articles/229130/272439-0/market-watch--birmingham-offices---december-2018

forward on a speculative basis in the future. Unlike in the industrial and logistics market, there had been very limited speculative development for B1 uses in Cannock Chase since the recession.

- 5.36 Cannock Chase's local office market is generally driven by smaller occupiers seeking offices of 1,000 to 2,000 sq. ft. Any office requirements exceeding 2,000 sq. ft. are seen as being significant requirements in the local market. Agents' experience is that office spaces above 2,000 sq. ft. generally take longer to occupy than smaller units, but that letting rates are still reasonable, particularly for serviced accommodation.
- 5.37 As was reported in the 2012 Cannock Chase ELPU, similar issues persist in relation to Permitted Development Rights [PD] which allows for change of use from B1 (a) offices to residential, whereby premises can undergo change of use without the need to obtain planning permission. If demand for offices in an area is limited, the owner of the property is incentivised to change its use. Some agents noted that this issue had been particularly prevalent in Cannock Town Centre which has been subject to a number of conversions of properties from offices to residential purposes.
- 5.38 Vacancy rates across the District are estimated to be around 11%, which slightly exceeds what might be considered an 'ideal' level of vacancy, at around 8-10%. However, the previous ELPU reported a vacancy rate for office space of around 19% although it was noted that this was largely attributed to significant vacancies at the Towers Business Park which have subsequently been filled. Nevertheless, the decline in vacancy rates is a positive market signal and demonstrates that the office market in Cannock Chase has slightly improved since the previous ELPU was undertaken, albeit there is clear scope for rates to be reduced still further.

Future Growth Potential

- 5.39 Local property agents considered that in recent years improved market conditions have led to a surge in speculative industrial development for larger-scale B8 units in the region of 10,000 sqm and greater. However, the market is currently experiencing some turbulence due to the uncertainties associated with Brexit, which has led to slow uptake in terms of demand for speculative units. Provided that the UK secures a deal with the EU, agents were relatively confident that this would stabilise in the short-medium term.
- 5.40 Agents also advised that there is evidence of demand shifting towards smaller-scale purpose built industrial units of up to 3,000 sqm. Agents were of the view that this shift in demand is largely driven by indigenous businesses looking to expand. Following the 2008/09 recession, developers required rents to increase to justify the risk of speculatively developing additional B-class premises especially when set against the modest increases in land values.

- 5.41 Much of this of course relates to the fact that speculative development for office development in Cannock Chase is difficult without a degree of state intervention/assistance. The viability of development is dependent on a range of factors including:
- availability and cost of finance;
 - high costs of site preparation;
 - high infrastructure costs;
 - void periods;
 - construction costs;
 - rental levels;
 - yields;
 - ability to secure pre-lets or forward sales; and,
 - availability of gap funding.
- 5.42 Going forward, agents considered that further employment land supply is required within Cannock Chase. There is a particularly strong need for new industrial development of varying sizes and to a lesser extent small-scale move on office development (subject to the office occupier market showing further signs of improvement). Kingswood Lakeside has been the focus of development and this is expected to continue for the foreseeable future, with ongoing occupier demand for more employment space along the Strategic Motorway Corridors which benefit from excellent access to the wider region. In the longer term, whilst take up has been slow on a number of speculative larger scale industrial units, there was optimism that demand for further development will exist once there is clarity on the outcome of Brexit. There is also a need for more smaller-scale units for the foreseeable future.
- 5.43 Regarding the future need for office accommodation, agents were not aware of any significant forthcoming developments for B1 office space. However, agents consider that the emerging development of the Mill Green McArthur Glenn Designer Outlet, whilst predominately retail and leisure driven, could assist in stimulating the District's office market in the future. The political uncertainty surrounding Brexit does, however, raise the prospect of a 'flight to quality' in the short to medium term if economic circumstances worsen, hence the Council will need to be as flexible as possible with regards to new allocations and to 'de-risk' potential sites as much as possible by delivering up front infrastructure investment and assisting with abnormal costs/site decontamination.
- 5.44 Agents considered that in general, future take up is likely to follow similar historic trends, with future development for warehousing and to a lesser extent industrial uses and a need to protect existing B-Class sites in the most accessible locations against further losses to residential or alternative uses. Whilst the market for larger scale industrial/logistic units is currently suffering from Brexit uncertainty, agents were optimistic that this macro-economic outlook will improve in the medium to long term and demand will likely continue to exist for further growth in this sector. At the same time, there is increasing demand for smaller-scale units to accommodate indigenous businesses keen to expand. It is here that CCDC may need to consider a more active role to facilitate the delivery of such units.

Business Survey

- 5.45 This section outlines the findings from the Business Survey which was undertaken by Lichfields between January and February 2019 to gain a better understanding of their current and future employment space needs. The Survey, which was promoted by the Chase Chamber of Commerce via its e-bulletins to its members, obtained responses from 15 businesses across a

range of sectors and locations in the District. The survey was sent to 600 contacts recorded by the Council in its business database. It is accepted that due to the comparatively small response size it is difficult to draw definitive conclusions regarding Cannock Chase's business needs from this source alone.

Profile of Businesses

5.46 Of the 15 respondees, 13 were single, independent operations, whilst the other 2 comprised one of several different workspaces in the UK belonging to the same UK business.

5.47 The profile of businesses that responded are generally smaller than the overall business population within the District. Whilst micro businesses are under-represented, small businesses are significantly over-represented whilst medium and particularly large businesses are not represented at all. Larger businesses require larger employment space so it is disappointing that they did not engage with the survey more than smaller businesses. Table 5.1 compares the profile of businesses that responded to the wider business population in Cannock Chase.

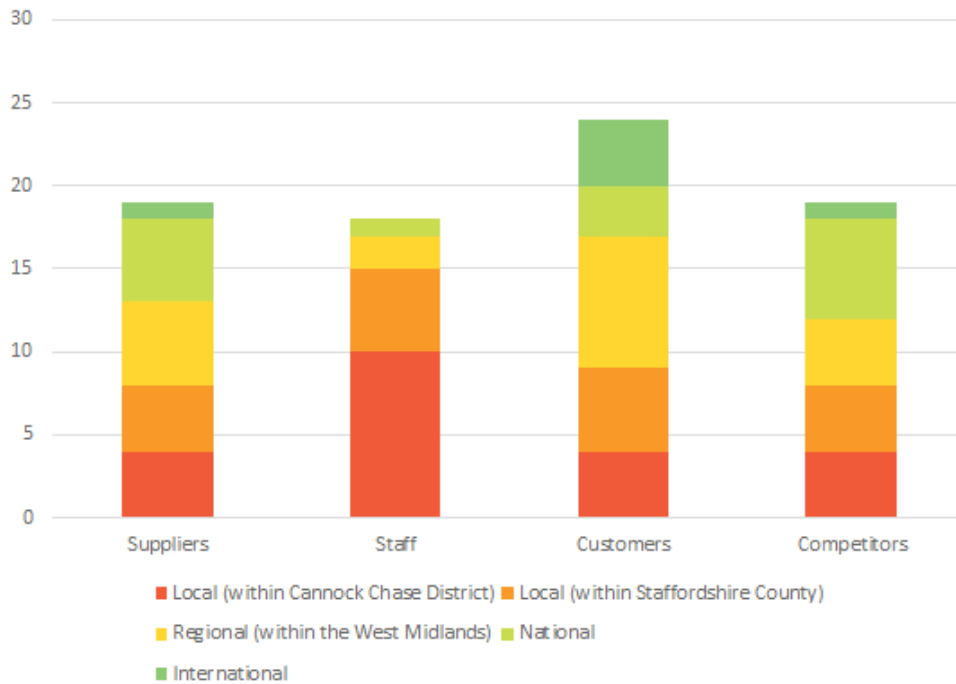
Table 5.1 Size of businesses comparison

Size	Survey respondents	%	Cannock Chase
Micro (0 to 9 employees)	5	33.3%	88.0%
Small (10 to 49)	10	66.7%	10.6%
Medium (50 to 249)	0	0.0%	1.0%
Large (250 +)	0	0.0%	0.3%

Source: Lichfields Analysis. ONS (2016) Inter-Departmental Business Register

5.48 Three of the businesses were in manufacturing, whilst other businesses were from a range of sectors including ICT/Software development; hospitality and tourism and legal and accounting services. Other businesses who responded included 2 security firms, a wholesaler, HGV repairer, a plumbing and heating specialist and an optical and hearcare company.

Figure 5.1 Q7: Where are the majority of your suppliers / customers/staff/competitors from?



Source: 2019 Cannock Chase Business Survey / Lichfields analysis

5.49 Reflecting the higher proportion of local businesses in the sample, 60% of the Businesses surveyed served a local market (District and County-level), whilst 47% served national/international markets. 40% of businesses stated that they were competing with other companies at a national level.

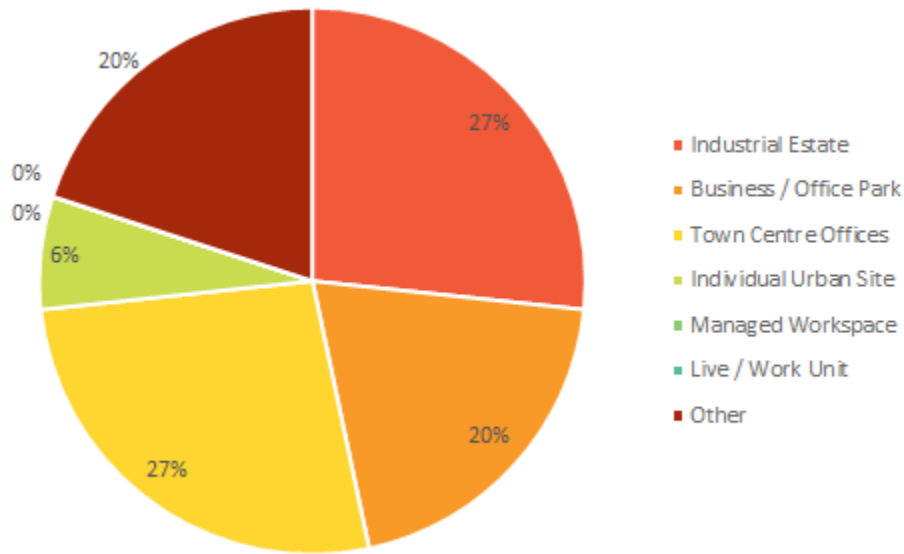
5.50 The vast majority of businesses who responded employed staff from Staffordshire (and Cannock Chase more specifically) – just 2 companies stated that they had recruited from the wider region; just one from elsewhere in the UK and none at all from abroad. This shows the need for planning policies (and corporate functions) to value and support the key role that smaller businesses are playing locally and the need to invest in and value these local connections, particularly given the current political and economic uncertainty.

5.51 Given this uncertainty, particularly concerning Brexit, it is perhaps a positive that only 1 of the companies surveyed relies on the majority of its supply chain to come from abroad; most (a third each) relied on suppliers from elsewhere in the region/England as a whole.

Current Business Premises

5.52 When asked where their company was based, 27% stated that their facility was based in an Industrial Estate, with a similar number stating that they were located in Town Centre offices. A further 20% were based in Business/Office Parks with just 6% stating that they were based on an individual urban site.

Figure 5.2 Q8: Which of the categories best describes where your company is based?



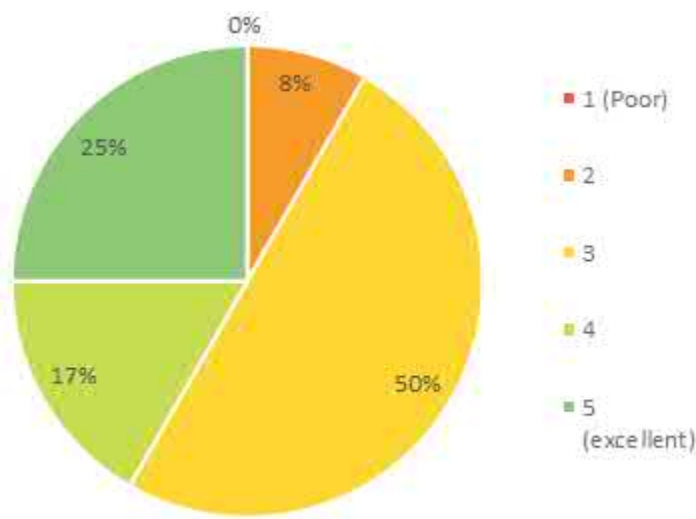
Source: Lichfields analysis

5.53 The respondent businesses were typically local to Cannock Chase with historic ties to the District. Two fifths of businesses that responded to the survey have been based at their current premises for at least 10 years. A further third had been in Cannock Chase for between 3-5 years, and 1 in 5 had been based there for between 5-10 years. None of the businesses had been based in their current premises for less than a year, and none had previously been based outside of Cannock Chase District.

5.54 As can be seen in Figure 5.3, fewer than half of respondents rated the quality of their premises 4 or 5 out of 5 (42%), with half rating them as adequate (a score of 3). 8% of respondents gave the quality of their current premises a rating of 2 (with 1 being the poorest).

5.55 Half of respondents reported that their premises were ‘about right’ for their space requirements. But nearly two fifths reported that they did not have enough space (39%), whilst only 11% reported they had spare space.

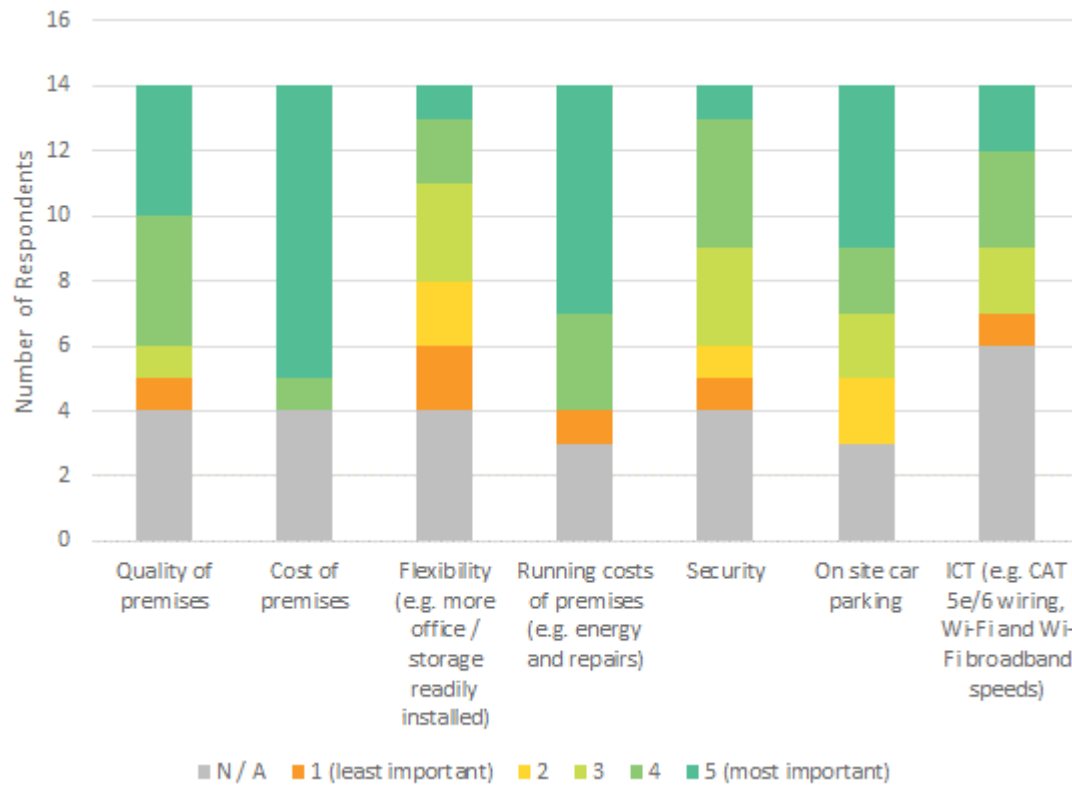
Figure 5.3 Rating the Quality of Current Premises



Source: Lichfields analysis

5.56 The factors most important in determining businesses’ choice of premises and location can be assessed by analysing the proportion of respondents that rated each factor either a 4 or 5 out of five. This is summarised in Figure 5.4.

Figure 5.4 Factors influencing the selection of Current Premises



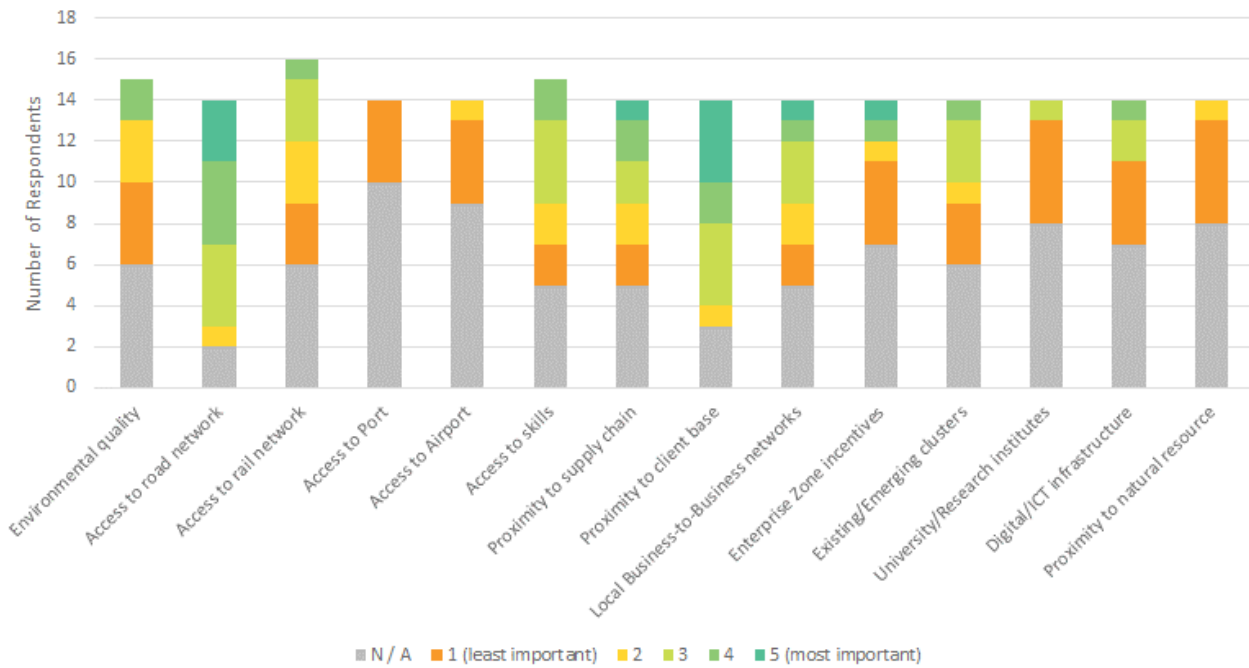
Source: Lichfields analysis

5.57 Based on this the most important factors determining businesses’ choice of premises were (in descending order):

- 1 Cost of premises;
- 2 Running costs;
- 3 On site car parking;
- 4 Quality of premises;
- 5 ICT;
- 6 Security; and,
- 7 Flexibility.

5.58 When asked what factors influenced their current choice of location (Figure 5.5), the most popular answer was the proximity to the client base, followed by access to the road network and the supply chain.

Figure 5.5 Factors influencing the selection of Current Location

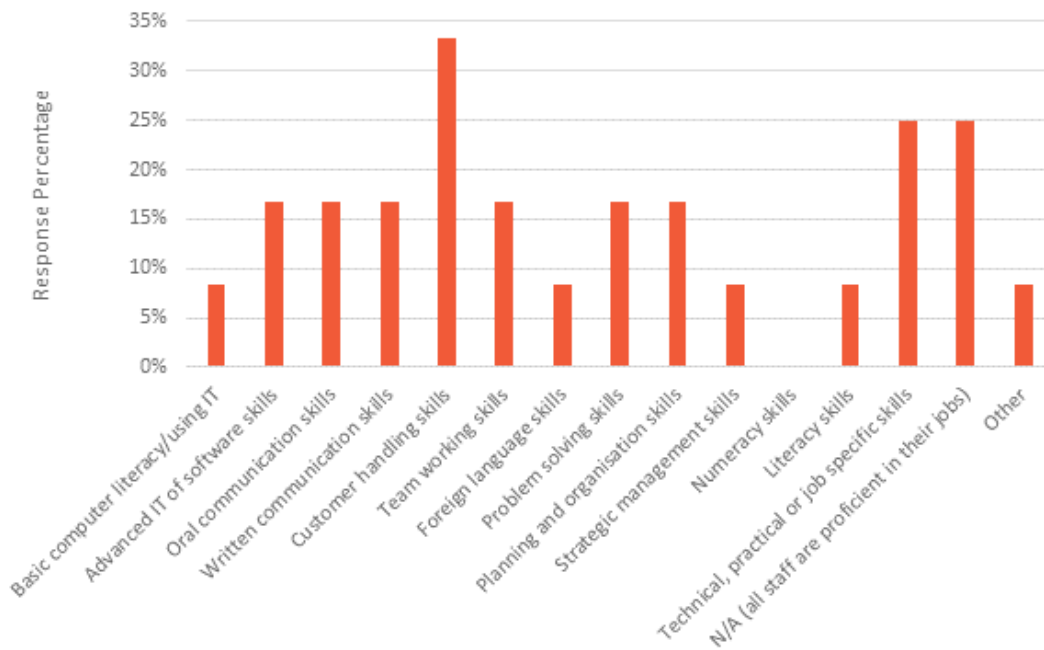


Source: Lichfields analysis

Future Growth Plans

- 5.59 A third of respondents complained that they had previously experienced difficulties in finding suitable business premises / sites to expand, upgrade or relocate within the local area.
- 5.60 Four of the respondents expect to expand the amount of space they need over the next 5 years. Another suggested they were looking to increase the number of jobs without necessary expanding the associated floorspace. Of the respondents who were not intending to expand, a quarter cited the current macroeconomic uncertainty around Brexit; half state that they were operating in a sector with modest growth potential, whilst a quarter had no business appetite for expansion.
- 5.61 One company stated that they were looking to expand by 2,000 sqm, whilst another was looking to expand by around 1,000 sqm. Four of the respondents were looking to expand on their existing site (with one also suggesting they were looking to open another showroom in Stafford as well), whilst another stated that they were looking to relocate to another site in the same town (within a three mile radius).
- 5.62 When asked if there were any barriers that could prevent their firm from expanding locally, 43% suggested a lack of suitable premises; 29% stated a lack of affordable premises, whilst a similar proportion highlighted other factors.
- 5.63 64% of respondents stating that there were likely to be skills gaps facing their business over the next 5 years, with 18% stating that these were likely to be significant. When asked which workforce skills need improving in your business, there was a relatively even spread (as can be seen in Figure 5.6), with the most prominent being customer handling skills (cited by around a third of respondents) and technical, practical or job-specific skills (highlighted by 25% of respondents). To address this, 84% of respondents stated that they were planning to provide new in-house training, whilst a third suggested that they also planned to send staff to an external education provider such as a local College or University.

Figure 5.6 Which of the following workforce skills need improving in your business?



Source: Lichfields analysis

Cannock Chase as a Location for Business

- 5.64 No Businesses expressed dissatisfaction with Cannock Chase as a business location. Two thirds of businesses gave a 4 or 5 out of 5 (where 1 is very dissatisfied and 5 is very satisfied), although a third of respondents were undecided (giving a rating of 3 out of 5).
- 5.65 Respondents reported that there were a range of advantages for Cannock Chase as a place to do business. In particular though the District’s transport links and accessibility to a motorway was stressed as an advantage, as well as being in close proximity to services and amenities. The area is central to where their staff live and a number stressed a strong and loyal customer base as a major asset. Another business highlighted the quiet, rural area as a major benefit for their company.
- 5.66 In contrast, some businesses reported that there was a lack of transport for staff travelling into work, and a lack of shops more generally. Another stated that it would be better if more light engineering units were available from the Council, rather than private landlords. The perennial problem of parking/delivery problems was also raised by a number of respondents. One stated that there were few parking options and onerous time constraints that led to customers clock watching and cutting their shopping time short.
- 5.67 From a retail perspective, one respondent suggested that there was no big ‘pull’ to attract people to Cannock Town Centre, and that whilst it was good that independent traders were in the majority on the High Street, one or two more big clothing multiples would help attract some of the footfall from Lichfield City and elsewhere.
- 5.68 Other weaknesses of Cannock Chase were considered to be expensive rental costs (rising by 35% in a year); competition and costs of supplying the service, and the lack of interest in dealing with the road problems on the Martindale Estate. Another stated that the A5 roadworks and McArthur Glen development roadworks were a problem for their company.

5.69 When asked what future property / land needs Cannock Chase District Council should prioritise, the following points were among those made:

- Cannock Shopping Centre needs better businesses in, rather than charity shops and pound shops;
- There needs to be more small light engineering units available at reasonable rates;
- Better road drainage is required to prevent flooding;
- Better and more accessible parking;
- Industrial Estate rejuvenation; and,
- Modernising Cannock Town, making parking easier and accessibility to businesses.

6.0 Future Employment Land Requirements

Introduction

- 6.1 This section considers the quantitative future economic growth needs in Cannock Chase District. A number of different growth scenarios are considered to test the likely need for employment land generated over the plan period 2018 to 2036. A sensitivity test has been applied to extend the end of the plan period by 2 years, to 2038. These scenarios consider the need for office and industrial (i.e. manufacturing and warehousing) floorspace.
- 6.2 As well as considering the baseline forecast growth, the scenarios take into account past delivery of B-class employment space and aspirational ‘regeneration-led’ growth.
- 6.3 The forecast demand scenarios are based on a quantitative requirement, but we have also taken into account qualitative factors that may influence the actual requirement. For example, this EDNA has involved wide-ranging discussions with local stakeholders, including agents, regarding the quality of existing stock, and whether new facilities are required even if, in quantitative terms at least, there appears to be sufficient stock to meet forecast employment growth. The aspirational ‘regeneration-led’ growth scenario has also involved consultation with key economic development stakeholders, and a review of developments and intervention projects that are likely to generate additional demand for B-class employment space.

Methodology

- 6.4 The Framework requires local authorities’ strategic policies to “*set out overall strategy for the pattern, scale and quality of development, and make sufficient provision for: housing (including affordable housing), employment, retail, leisure and other commercial development*” [§20].
- 6.5 Considering this in evidence-base terms, the Framework states that:
- “*Significant weight should be placed on the need to support economic growth and productivity, taking into both local business needs and wider opportunities for development.*” [§80]
- 6.6 As set out in Section 2.0 of this report, the PPG states that an assessment should be made of “*the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development.*”⁵¹
- 6.7 Lichfields has applied the updated 2019 PPG approach and best practice employed elsewhere, including the former ODPM ‘Brown Book’ Employment Land Review: Guidance Note (2004).
- 6.8 Within this context, a number of potential economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and B-Class employment space requirements in Cannock Chase up to 2036/38:
1. projections of employment growth in the main B-Class sectors (**labour demand**) derived from economic forecasts produced by Experian (September 2018 iteration);
 2. **regeneration-led** econometric model, which factors in the economic aspirations set out in the SSLEP’s SEP and the GBSLEP’s SEP; and key infrastructure projects, notably the potential West Midlands Interchange and the M6/M54/M6 Toll link road; and,

⁵¹PPG: 61-041-20190315

3. consideration of **past trends in completions of employment space** based on monitoring data collected by the Council, and how these trends might change in the future.

- 6.9 All of these approaches have limitations and consideration needs to be given as to how appropriate each is to the circumstances in Cannock Chase. Furthermore, to be robust, the economic growth potential and likely demand for employment space in Cannock Chase needs to be assessed under a variety of future scenarios, to reflect both lower and higher growth conditions that could arise in the future. It should be noted that the data provided by Council Officers relating to past take up is particularly detailed, and hence it is considered that in this instance further weight can be attached to this approach than might ordinarily be the case.
- 6.10 It should be noted that the final decision as to the level of need for which the District should plan for is not purely quantitative as there are qualitative factors that should be considered alongside the modelled scenarios set out in this section. These qualitative aspects are discussed in other sections of this study.

Demographically-derived assessments

- 6.11 The PPG states that alongside sectoral and employment forecasts and projections (labour demand), Strategic policy-making authorities will need to develop an idea of future needs, based on demographically derived assessments of future employment growth (labour supply techniques)⁵². In contrast to the other scenario approaches, this approach emphasises the future supply of labour rather than the demand for labour. It identifies the number of jobs that would be required to match the future supply of economically active persons, as well as the amount of new employment space required to support these new B class jobs.
- 6.12 In this regard, it should be noted that Experian's forecasts which underpin the baseline demand Scenario 1 incorporate the ONS 2014-based SNPP in its model for local authorities, hence there is already an element of the base inputs of population/household projections broadly aligning to Experian base inputs at the outset.
- 6.13 For its local forecasts, Experian begins with ONS population projections along with its own employment forecasts. It then creates and adjusts its own economic activity and unemployment rates to align with both the population and employment figures. Appendix D to the Experian Data Guide (December 2018) states that "*the participation rate is an endogenous variable in all our models. It is not a fixed assumption.*" Hence, if demand for labour is high (i.e. there are a large number of new jobs), the economic activity rate is assumed to increase and/or unemployment to decrease.
- 6.14 Commuting rates are fixed for the local forecasts, although if there is deemed to be insufficient demand or supply for labour after the adjustment of economic activity and unemployment rates, the resulting commuting rate may be different. Therefore, Experian's local forecasts are led and constrained by both the ONS population projections and its own macroeconomic jobs forecasts.
- 6.15 There is therefore an argument, that employment land scenarios arising from demographically-derived forecasts using the Local Housing Need [LHN] figure generated by the standard method (which incorporates the 2014-based SNPP before applying an affordability uplift) may be broadly similar to those employment land scenarios arising from the Experian based forecasts. However, this does not, of course, take into account any housing uplifts for affordability (14% in the case of Cannock Chase District) or address the unmet needs of the wider HMA, which we understand that the Council is currently exploring.

⁵² PPG 2a-027-20190220

- 6.16 For these reasons, Lichfields would ordinarily run a series of labour supply models using outputs for the District. At the time of writing, no decision has yet been made concerning the scale of unmet need from the wider housing market shortfall that can be accommodated in Cannock Chase District. As such, the demographic forecasting outputs that would ordinarily be used to align with employment modelling are unavailable to input into this EDNA. It is recommended that subsequent iterations of this EDNA revisit this analysis once the housing target is better understood and consider any bearing it may have on the employment land range.

Econometric Job Forecasting

- 6.17 Forecasts of total workforce employment growth in Cannock Chase for the period up to 2038 were obtained from Experian's September 2018 Local Market Forecasts Quarterly release. This takes into account recent regional and national macroeconomic trends to estimate future economic growth at the local authority level. It should be noted that there are limitations to the use of economic forecasts of this type, particularly in the context of changes to the economy. The national macroeconomic assumptions are taken as a starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sector make-up of an area. For this reason, data at the local level is less reliable than at the national and regional levels.
- 6.18 Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. However, the forecasts are recognised to be a valuable input to indicate the broad scale and direction of future economic growth for different sectors, which helps to assess the future land requirements for an economy. The September 2018 economic projections generated by Experian post-date the UK referendum on European Union [EU] membership. The wider impact of the UK's departure from the EU has yet to be determined and clearly the nature of the UK's departure is likely to have a significant impact on the reliability of the current forecasts.
- 6.19 As noted above, the forecasts produced by Experian draw upon SNPP developed by ONS to estimate future changes to population profiles in the UK. Such projections are just one of several inputs used to produce economic forecasts in terms of both changes to the working-age population (i.e. generates demand for jobs) and total population (i.e. generates demand for consumption activities). It is important to note that the population forecast data is frequently revised, as are assumptions around the working-age population, economic activity levels and the pension age.
- 6.20 Finally, it should be noted that if there have been significant job losses/gains relating to the previous year, they may not be fully reflected in Experian's forecasts. This is because the BRES survey data which Experian uses is volatile, and hence Experian endeavours to remove sample volatility, but not underlying trends. The downside to this process is that by smoothing the BRES results, sharp movements in the last historical observation period are not always fully taken into account until the following year, where Experian has 2 data points confirming that the movement is a 'real' movement, i.e. it relates to an underlying trend and is not a blip.

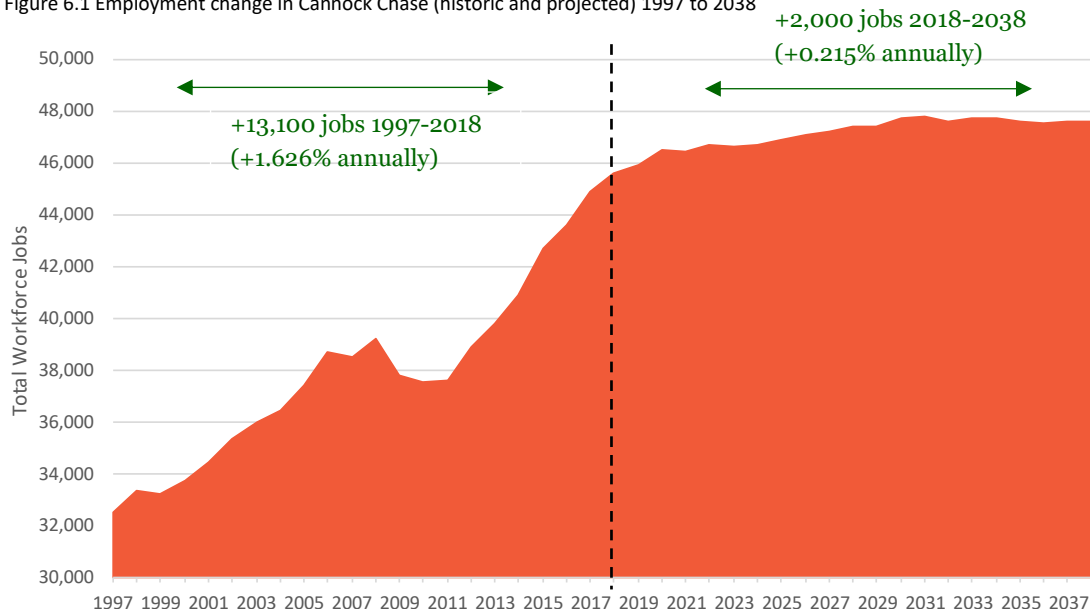
Scenario 1) Experian Economic Forecasts (September 2018)

- 6.21 The forecasts of job growth by sector reflect recent trends and are based upon projections at the regional level and how sectors within Cannock Chase have fared relative to historic growth in the region. For example, where particular sectors have performed well compared with the regional average (i.e. West Midlands) the forecasts generally assume that these sectors will continue to drive growth within the District in the future. These projections also reflect the

current post-recession economic climate (and pre-Brexit uncertainty) and hence these are lower than the previous projections used to inform the 2012 ELPU.

- 6.22 For Cannock Chase, the September 2018 Experian baseline workforce employment projections reported a period of very strong and sustained employment growth between 1997 and 2018 (see Section 3.0). There was a growth of 13,100 workforce jobs over this period, at an impressive rate of 1.6% annually. This overcame the loss of 1,400 jobs in the immediate aftermath of the recession in 2008/09, which has since been followed by annual growth of over 1,200 jobs every year to 2017. In 2018 the number of workforce jobs totalled 45,600 in Cannock Chase District.
- 6.23 In contrast, going forward the local economy is forecast to experience a much more moderate growth in jobs over the 18 years to 2036, with a net growth of 1,900 (2,000 to 2038). This equates to a Combined Annual Growth Rate of 0.23%, or 4.2% in total. In comparison, both the West Midlands and the UK as a whole are projected to experience significant job growth of 8.8% and 10.5% respectively over the same time period.

Figure 6.1 Employment change in Cannock Chase (historic and projected) 1997 to 2038



Source: Experian (September 2018)

- 6.24 Whilst the reasons behind this stark differential are complex, one issue could be the level of population growth forecast for the various areas, which comprises one of the inputs into Experian's modelling. According to the 2014-based SNPP, Cannock Chase's population is projected to grow by just 4,900, or 4.9%, over the 20 years to 2038. In contrast, the West Midlands is projected to grow by 10.3%, whilst England as a whole is projected to grow by 12.4%. This would clearly have a knock-on effect on the District's ability to adequately provide the labour-force necessary to fill these jobs, hence it is likely to be a constraint on growth without an upturn in migration into the District. As Experian's local forecasts are both led and constrained by both the ONS population projections and its own macroeconomic jobs forecasts, this is likely to be part of the explanation behind the much slower rate of job growth forecast.
- 6.25 Table 6.1 summarises those sectors expected to experience the largest absolute increases or reductions in employment over the next 18-20 years in Cannock Chase District, with the sectors forecast to see the highest growth comprising a mix of both B-class and non B-class sectors.
- 6.26 This analysis indicates that Residential & Social Care, Land Transport, Storage & Post, Accommodation & Food Services and Specialised Construction Activities sectors are expected to

be key drivers of economic growth within the District over the next 18-20 years. Sectors forecast to incur the largest employment losses during this period include elements of Manufacturing (specifically Metals Products, Wood & Paper, Non-Metallic Products and Other Manufacturing) as well as Wholesale, Retail and Public Administration & Defence.

Table 6.1 Fastest growing and declining sectors in Cannock Chase District

Sector	Use Class	Job Change (2018 to 2036)	Job Change (2018 to 2038)
Fastest Growing Sectors			
Residential Care & Social Work		+600	+600
Land Transport, Storage and Post		+500	+600
Accommodation & Food Services		+500	+500
Specialised Construction Activities		+400	+400
Health		+300	+400
Administrative & Supportive Services		+300	+300
Fastest Declining Employment Sectors			
Manufacture of Metal Products		-400	-400
Manufacture of Wood and Paper		-200	-200
Manufacture of Non-Metallic Products		-100	-100
Other Manufacturing		-100	-100
Wholesale		-100	-100
Retail		-100	-100
Public Administration and Defence		-100	-100

Source: Experian (September 2018) / Lichfields analysis

Key: PURPLE = B-Class sector ORANGE = Part B-Class sector RED = Non-B-Class sector

- 6.27 The overall employment change in Cannock Chase resulting from these forecasts is set out in Figure 6.2 and Table 6.2, broken down by B-Class uses and non-B Class uses. The former includes an allowance for jobs in other non B class sectors that normally would occupy some office or industrial space, such as in construction, vehicle repairs, courier services, road transport and cargo handling, and some public administration activities.
- 6.28 This analysis indicates very limited employment growth in B class sectors in Cannock Chase District between 2018 and 2036/8, with a modest growth in office and warehousing jobs expected to be largely offset by a decline in manufacturing jobs (+301/295 over the 18/20-year plan period). These growth forecasts for B class sectors are in the context of total employment growth of 1,900 in Cannock Chase between 2018 and 2036 and +2,000 by 2038, which outside B class sectors are mainly expected to be in residential care & social work, accommodation & food services and health (+1,599/+1,705 non B-Class jobs in total). It should be noted that these key growth sectors will also require additional floorspace to accommodate an increase in employment over the period to 2036 (including some conventional office space), although the spatial implications of this growth are considered using different methodologies and other forms of technical evidence.

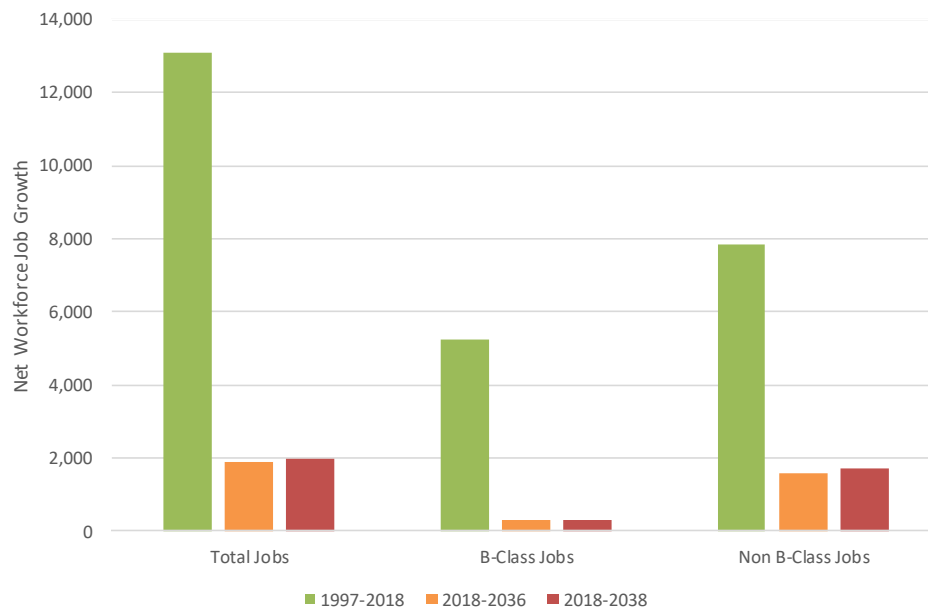
Table 6.2 Forecast workforce jobs change in Cannock Chase 2016-2036/38

Use class	Cannock Chase Workforce Jobs			Change	Change
	2018	2036	2038	2018-36	2018-38
Offices (B1a/b)	3,826	4,242	4,242	+417	+417
Industrial (B1c/B2)	9,519	9,007	8,907	-512	-612
Distribution (B8)	7,860	8,256	8,351	+396	+490
Total B-class Jobs	21,205	21,506	21,500	+301	+295
Non B-Class Jobs	24,395	25,994	26,100	+1,599	+1,705
Jobs in All Sectors	45,600	47,500	47,600	+1,900	+2,000

Source: Experian September 2018 / Lichfields Analysis

6.29 The projected growth in B-Class jobs is much lower than has been experienced over the past 20 years or so, whereby there was a net growth of 5,267 B-Class jobs between 1997 and 2018, 4,744 of which related to B8 warehousing and 1,365 B1a office – there was still a loss of 843 manufacturing jobs in recent years.

Figure 6.2 Workforce Job Growth implied by the Experian Baseline forecasts (versus historical data)



Source: Experian September 2018 / Lichfields Analysis

6.30 To translate the resultant job forecasts into estimates of potential employment space, it is necessary to allocate the level of employment change forecast for office, industrial, and wholesale / distribution uses as follows:

- 1 The office floorspace requirement is related to job growth / decline in the financial and business service sectors⁵³;
- 2 The industrial floorspace requirement is related to job growth / decline in the manufacturing sectors⁵⁴; and,

⁵³ i.e. BRES Sectors 58-75, Office administration and support and 10% of Public Administration and Defence

⁵⁴ Manufacturing sectors, plus car repair, some construction and waste and remediation activities.

- 3 The wholesale / distribution floorspace requirement is related to job growth / decline in the industrial sectors of wholesale and land transport, storage and postal services.⁵⁵
- 6.31 In order to translate the resulting figures into employment land projections standard employment densities have been applied to the forecast job change figures (based upon the latest HCA⁵⁶ Guidance on employment densities). These translate FTEs into workforce jobs, and plot ratios by use class.
- 6.32 For the purposes of this EDNA it has been assumed that:
- 1 One B1a/b general office workforce job requires 12.5 sqm of employment floorspace (Gross External Area [GEA])⁵⁷;
 - 2 One B1c light industrial job requires 53.5 sqm of employment floorspace [GEA];
 - 3 One B2 industrial workforce job requires 36 sqm of employment floorspace [GEA];
 - 4 A combined B1c/B2 factor of one job per 45 sqm was obtained by averaging the aforementioned B1c/B2 GEA equivalents; and,
 - 5 One job per 65 sqm for general, small scale warehouses (assumed to account for 50% of all requirements) and 1 job per 75 sqm for large scale, lower density warehouses (assumed to account for the remaining 50% of all requirements).
- 6.33 This guidance takes account of recent trends in terms of the changing use of employment space, the main change being the more efficient utilisation of office space due to increased flexible working and hot-desking. This has resulted in a decrease in the amount of floorspace per office worker compared to the previous guidance.
- 6.34 These assumptions are based on the latest Homes and Communities Agency [HCA] 3rd Edition guidance on employment densities produced in 2015. The guidance takes into account recent trends in changes of employment space usage, with the main change being the more efficient use of office space through flexible working and hot-desking. This has resulted in a reduction in the amount of floorspace per office worker assumed when compared to earlier guidance.
- 6.35 An adjustment has been made to reflect the fact that vacancy rates in Cannock Chase District are currently around 11% for office floorspace and around 13% for industrial/warehousing floorspace⁵⁸. On the basis that a figure of around 8-10% better reflects ‘normal’ market conditions, the model has assumed that where current rates are higher, the future supply should be adjusted so that the stock is brought back into balance and achieves a vacancy rate of 10% overall by 2036. This way the model ensures that slightly less land is provided to reduce vacancy rates to a more sustainable level.
- 6.36 Where a reduction in jobs is forecast (e.g. manufacturing), the associated negative floorspace was halved (in line with common methodological practice amongst EDNAs undertaken elsewhere across the country), to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term, due in part to companies being locked into leasing agreements etc.
- 6.37 The resultant floorspace estimates are provided in Table 6.3. They indicate an overall net gain in B-Class floorspace in Cannock Chase of 841 sqm between 2018 and 2036, rising to 6,168 sqm by 2038 (the difference reflecting the increased demand for B8 logistics between 2036 and

⁵⁵ Wholesaling less car repairs, retail car sales, plus post/couriers and land transport

⁵⁶ HCA (November 2015): *Employment Densities Guide, 3rd Edition*

⁵⁸ On the basis of an assessment of commercial property websites in February 2019 and compared with the Valuation Office Agency records of business floorspace and rateable values for Cannock Chase District.

2038, where the net increase of 100 jobs in the 'Land Transport and Storage' sector forecast for the two intervening years are compounded by the employment density conversion rates). Overall, the employment floorspace need is driven by a decreasing demand for B1c/B2, countered by stronger demand for B1a/b office space and to a lesser extent, B8 warehousing.

- 6.38 Where a reduction in jobs is forecast (e.g. manufacturing), the associated negative floorspace was halved (in line with common methodological practice amongst ELRs undertaken elsewhere across the country), to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term, due in part to companies being locked into leasing agreements etc.

Table 6.3 Experian workforce job growth net employment floorspace requirements 2018-2036/38

Use class	2018-2036 (sqm)	2018-2038 (sqm)
Offices (B1a/b)	5,308	5,308
Industrial (B1c/B2)	-11,518	-13,768
Distribution (B8)	7,051	14,628
Total	841	6,168

Source: Experian / Lichfields Analysis

Scenario 2) Past Trends Job Growth

- 6.39 This scenario trends forward past jobs growth experienced in Cannock Chase District over the long term and trends the Compound Annual Growth Rate [CAGR] over the Plan period from 2018-2036/38.
- 6.40 As set out above, over the long term, Cannock Chase's economy has experienced strong growth levels over the past 20 years or so, with the understandable blip in the immediate aftermath of the recession in 2009/10-2010/11. Over that period, the number of office-based jobs increased by 1,365; warehouse/distribution jobs by 4,744; and 'other', non B-Class jobs by 7,833. The restructuring of the B1c/B2 industrial sector saw a decline in jobs of 843 over those 21 years. This equates to an overall growth in workforce jobs by 13,100 over that 21-year period, at a CAGR of 1.626% annually.
- 6.41 Applying the CAGR of 1.626% annually from 2018 equates to a net job growth of 15,359 to 2036, and 17,357 to 2038. Assuming the same sectoral representation for each industry in 2036/38 as the Experian baseline, constrained to the aforementioned overall net job growth figures, would result in a very strong B-Class job growth of 6,394 to 2036, and 7,231 to 2038 as summarised in Table 6.4.

Table 6.4 Forecast workforce jobs change in Cannock Chase 2016-2036/38 – Past Trends

Use class	Cannock Chase Workforce Jobs			Change 2018-36	Change 2018-38
	2018	2036	2038		
Offices (B1a/b)	3,826	5,444	5,611	+1,618	+1,785
Industrial (B1c/B2)	9,519	11,560	11,781	+2,040	+2,262
Distribution (B8)	7,860	10,596	11,045	+2,736	+3,184
Total B-class Jobs	21,205	27,600	28,437	+6,394	+7,231
Non B-Class Jobs	24,395	33,359	34,520	+8,964	+10,126
Jobs in All Sectors	45,600	60,959	62,957	+15,359	+17,357

Source: Experian September 2018 / Lichfields Analysis

- 6.42 The resultant floorspace estimates are provided in Table 6.3. They indicate a significant overall net gain in B-Class floorspace in Cannock Chase of around 300,800 sqm between 2018 and 2036, rising to c. 350,400 sqm by 2038 (the difference primarily reflecting the increased demand for industrial and B8 logistics between 2036 and 2038). Overall, the employment floorspace need is driven by a strong past growth in B8 logistics jobs and to a lesser extent, a recovery in the manufacturing sector in the District in recent years.

Table 6.5 Past Trends workforce job growth net employment floorspace requirements 2018-2036/38

Use class	2018-2036 (sqm)	2018-2038 (sqm)
Offices (B1a/b)	22,002	24,317
Industrial (B1c/B2)	83,323	94,402
Distribution (B8)	195,501	231,650
Total	300,827	350,369

Source: Experian / Lichfields Analysis

Scenario 3) Regeneration

- 6.43 An alternative job-based estimate of future needs has been compiled which was termed the Regeneration, scenario. Discussions were undertaken with the Council's Economic Development Officers, informed by a review of the target growth sectors set out in the SEPs prepared by the SSLEP; the GBSLEP and the WMCA.
- 6.44 There are several core growth sectors that Officers confirmed should be promoted and supported in the years ahead across the various SEP areas, as summarised in Table 6.6.

Table 6.6 SEP Growth Sectors covering Cannock Chase District

Stoke on Trent & Staffordshire LEP	Greater Birmingham & Solihull LEP	West Midlands Combined Authority
<i>Five Advanced Manufacturing Sectors:</i>		<i>Transformational Sectors:</i>
Applied Materials	Advanced Manufacturing	Advanced Manufacturing
Agri-tech		Logistics and transport technologies
Aero-Auto		Construction (building technologies)
Medical Technology	Life Sciences	Lifesciences and social care
Energy	Energy	Low carbon and environmental technologies
<i>Cross-cutting sector:</i>		Business, professional and financial sectors
Digital	Disruptive and Emerging Technologies	Digital and creative
<i>Other Sector Strengths:</i>		<i>Enabling Sectors:</i>
Business and Professional Services	Financial and Professional Services	Public sector including education
Tourism and Leisure	Cultural and Creative Economy	Cultural economy including sport
Construction		Retail

Source: SSLEP SEP (April 2018) / GBSLEP SEP 2016-30 / WMCA SEP / Lichfields analysis – sectors in red cut across all 3 SEPs

- 6.45 Cannock Chase shows growth in certain sectors which one or more of the SEPs have highlighted as being target sectors within which the region has an opportunity to develop a competitive

advantage in. For instance, there is forecast to be an increase in land transport, storage and post (WMCA) and specialised construction industries (SSLEP, WMCA).

6.46 The WMCA has also produced a Technical Appendix on Growth Sectors that underpins its SEP. This examines 7 transformational sectors and concludes that over the period to 2030, job growth will proceed at the following rates:

- Advanced Manufacturing and Engineering: 10.9%
- Business, Professional and Financial Services: 47.6%
- Construction (Building Technologies): 40.0%
- Digital and Creative: 40.2%
- Life Sciences and Healthcare: 30.1%
- Logistics and Transport Technologies: 16.5%
- Low Carbon and Environmental Technologies: 3.4%

6.47 Detailed classifications used in the Experian workforce projections were reassessed to test whether there were any concrete policy justifications for modifying any of the categories in the light of these growth sectors targets. The Councils Economic Development Officer's knowledge of current opportunities/threats in the District over the coming years was also factored into the analysis.

6.48 As there is considerable overlap with some of the sectors and the standard industrial classifications used by Experian, it was assumed that the 9 broad categories would broadly align as set out in Table 6.7.

Table 6.7 Comparison between WMCA, GBSLEP and SSLEP Target Growth Sectors and SIC2 sectors

SSLEP/GBSLEP/WMCA SEP Target Growth Sectors	Approximate Comparable Standard Industrial Classifications (Baseline Experian Cannock Chase growth 2018-36 in brackets)
Advanced Manufacturing / Engineering	Key Growth sector across all 3 SEPs. Manufacture of Computer & Electronics Products (0%)/ Machinery & Equipment (-100%)/ Other Manufacturing (-20%): Ultra Electronics created an R&D team in Cambridge because Cannock lacks the infrastructure and University linkages that others can offer. Ultra Electronics still manufactures in Rugeley. 10.9% WMCA region-wide growth considered reasonable.
	Manufacture of Transport Equipment (0%): Key Growth Sector across the region. However, one major supplier (Gestamp) is due to relocate outside of the District, with the possible relocation of around 1,000 jobs (although part of the site could potentially be redeveloped for 0.64 ha B1c/B8), plus uncertainty over JLR – 2018 figure (700 jobs) held constant to 2036/38, and no net growth projected.
	Manufacture of Pharmaceutical Products (0%): Limited pharmaceutical presence in Cannock Chase – no growth projected.
Energy / Low carbon and environmental technologies	Utilities (0%): WMCA SEP forecast is underpinned by 3.4% growth in this sector; however, given Cannock Chase's weak representation in this sector following the closure of Rugeley Power Station no growth is projected between 2018 and 2036/38.
Construction	Construction of Buildings (0%) / Civil Engineering (0%) / Specialised Construction Activities (+11.4%): WMCA SEP underpinned by 40% growth. Former Rugeley Power station site and HS2 development will provide some construction employment as will housing growth uplift –

SSLEP/GBSLEP/WMCA SEP Target Growth Sectors	Approximate Comparable Standard Industrial Classifications (Baseline Experian Cannock Chase growth 2018-36 in brackets)
	<p>considered more than likely 20% rather than 40%. Discussions with Officers indicate that 40% seemed high, notwithstanding significant construction projects are in the pipeline including HS2, as will a housing growth uplift.</p> <p>For example, the Former Rugeley Power Station site is a significant example of a major construction project likely to come forward over the course of the Plan period. The redevelopment of the 139 ha site for a sustainable mixed-use neighbourhood including residential, community facilities, employment hubs and parks, aims to be one of the lowest carbon mixed use developments of its size in the UK. This has clear potential to generate substantial numbers of jobs during both construction and operation, directly and indirectly.</p> <p>The 20% uplift was considered to be more realistic, which is half the projected WMCA SEP growth of 40%, but closer to the national rate for certain construction sectors (notably the 15% growth projected 2018-38 across the UK for Specialised Construction activities). It is also around double the level of baseline growth for this sub-sector in Cannock Chase District.</p>
Logistics and transport technologies	<p>Wholesale (-1.9%) / Land Transport, Storage & Post (+12.2%):</p> <p>WMCA SEP underpinned by 16.5% job growth in logistics and transport technologies. This appears reasonable given the excellent strategic position of Cannock Chase District regarding the Motorway network. In particular, there are two major proposals that may come forward just beyond the District boundary, which should nevertheless further improve Cannock Chase's desirability as a logistics' destination further down the supply chain (although Officers consider that the main implications are likely to be on the demand on labour supply from the Council rather than generating demand for warehousing space in Cannock Chase):</p> <ul style="list-style-type: none"> • A planning application has been submitted for the development of the West Midlands Interchange (Strategic Rail Freight Interchange), which lies within South Staffordshire District at Four Ashes Industrial Estate and is in close proximity to Cannock District. If approved, it would provide up to 743,200 sq. m of new rail-served and rail-linked warehousing. • The M6/M54/M6 Toll link road which is due to be completed in 2024 and will support local economic growth for Cannock (and other nearby towns) by improving traffic flow and enhancing east-west and north-south routes. <p>For these reasons it was considered that the regional growth rate of 2.8% for wholesale / 15.0% for land transport, storage and distribution respectively could be achieved to 2036, rising to 3.1% / 17.2% to 2038. This equates to the WM regional growth rate and is broadly comparable with the UK figures of 2.4% for wholesale / 15.1% for land transport, storage and distribution. It is also broadly comparable with the 16.5% figure for logistics and transport technologies in the WMCA SEP.</p>
Retail	<p>Retail (-1.8%):</p> <p>Significant development with Mill Green McArthur Glenn Designer Outlet due to open shortly; and a second phase highly likely to come forward soon. The Planning Statement suggests an overall growth of around 1,000 jobs overall.</p> <p>It was considered that this sector should therefore incorporate Cannock Chase's baseline growth (-1.8% to 2036), plus 1,000 retail jobs additional from the Outlet development as per the official website.</p>
Tourism and Leisure / Cultural and Creative Economy	<p>Recreation (0%):</p> <p>WMCA SEP targets growth of 44.2%. District has ambition to tap potential of tourism related activities- linked to accommodation and food services. Cannock Chase will appear on the map as a leisure destination due to mountain biking at the Commonwealth Games. However, the WMCA growth rate is considered too high. The UK benchmark growth of 11.4%/13.2% to 2036/38 is considered to be more realistic.</p>
Digital & Creative Industries	<p>Media Activities (0%); Telecoms (0%); Computing & Information Services (14%):</p> <p>The WMCA SEP targets growth of 40.2%. The Councils EDO considered this was far too</p>

SSLEP/GBSLEP/WMCA SEP Target Growth Sectors	Approximate Comparable Standard Industrial Classifications (Baseline Experian Cannock Chase growth 2018-36 in brackets)
	high for Cannock Chase. Much lower Experian baseline growth rates for Cannock Chase District. (0%, 0% and 14.3% respectively to 2036) have been retained.
Business and Professional Services / Financial Services	<p>Finance (0%); Insurance & Pensions (0%); Real Estate (+50%); Professional Services (+9.5%); Other Private Services (0%):</p> <p>The WMCA SEP targets growth of 47.6%. The Councils EDO considered this was far too high for Cannock Chase, particularly as there has been a considerable amount of office floorspace lost in recent years through Permitted Development Rights. Retained much lower Experian baseline growth rates for Cannock Chase District with the exception of Other Private Services. Experian does not project any growth in this sector for Cannock Chase, which appears to be pessimistic given the growth in other sectors that would see a boost in the induced/indirect employment in this sector, which is currently under-represented. 4.2%/4.6% UK growth rate applied to 2036/38.</p>

Source: Lichfields Analysis / CCDC EDO /WMCA SEP

- 6.49 As set out in Section 2.0, the importance of boosting productivity is identified as a core objective by both the Government (in the Framework) the WMCA (in its SEP) and the Council more generally. In this regard, the Target Growth sectors are, by and large, in industries that tend to be highly productive. As set out in Table 6.8, the GVA per workforce job is very high for most of the target growth sectors, particularly the advanced manufacturing sectors (ranging from £57,000 to £75,000, compared to an overall average of just £39,518 for all sectors); Utilities (more than 2-5-times the average); ICT (£58,143 per capita) and Finance (£60,750). With the exception of Specialised Construction Activities, Civil Engineering and Construction of Buildings sectors tend to have very high productivity levels per job. Sectors that tend to have much lower levels of productivity relate to Retail, Recreation, Professional Services and Other Services.
- 6.50 In general, however, this suggests that boosting job creation in the target growth sectors for Cannock Chase would align well with the overall aspiration to boost productivity in the area more generally.

Table 6.8 Cannock Chase District – GVA per capita, Growth Sectors (2018)

	Cannock Chase 2018		
	GVA	Workforce Jobs	GVA per capita
Manufacture of Computer & Electronics Products	£21,400,000	300	£71,333
Machinery & Equipment	£7,500,000	100	£75,000
Other Manufacturing	£28,500,000	500	£57,000
Manufacture of Transport Equipment	£45,100,000	700	£64,429
Manufacture of Pharmaceutical Products*	n/a	-	-
Utilities	£40,700,000	400	£101,750
Construction of Buildings	£62,400,000	1,000	£62,400
Civil Engineering	£44,800,000	600	£74,667
Specialised Construction Activities	£119,100,000	3,500	£34,029
Wholesale	£248,900,000	5,400	£46,093
Land Transport, Storage & Post	£121,500,000	4,100	£29,634
Retail	£151,000,000	5,700	£26,491

	Cannock Chase 2018		
	GVA	Workforce Jobs	GVA per capita
Recreation	£16,600,000	700	£23,714
Media Activities*	n/a	-	-
Telecoms*	n/a	-	-
Computing & Information Services	£40,700,000	700	£58,143
Finance	£24,300,000	400	£60,750
Insurance & Pensions*	n/a	-	-
Real Estate*	n/a	-	-
Professional Services	£63,800,000	2,100	£30,381
Other Private Services	£34,400,000	1,000	£34,400
TOTAL	£1,802,000,000	45,600	£39,518

Source: Experian / Lichfields Analysis

*Insufficient workforce jobs based in Cannock Chase District to calculate GVA per capita robustly

6.51 The adjustments to the Experian forecasts outlined above result in an overall increase of 4,302 jobs to 2036 (2,402 higher than the baseline) and an increase in B-Class jobs of 1,220 (1,323 to 2038). This compares to a forecast net increase of 301 B-Class jobs in the baseline Experian scenario to 2036. Most notably however, the forecast growth in non B-Class jobs is much higher in the policy on scenario compared to the baseline Experian scenario (+3,082 compared to +1,599 previously). Table 6.9 summarises the forecast job growth in the Regeneration Scenario.

Table 6.9 Regeneration workforce job change in Cannock Chase 2018-36/38

Use class	Cannock Chase Workforce Jobs			Change	Change
	2018	2036	2038	2018-36	2018-38
Offices (B1a/b)	3,826	4,242	4,242	+417	+417
Industrial (B1c/B2)	9,519	9,635	9,637	+116	+118
Distribution (B8)	7,860	8,548	8,649	+688	+788
Total B-class Jobs	21,205	22,425	22,528	+1,220	+1,323
Non B-Class Jobs	24,395	27,477	27,602	+3,082	+3,207
Jobs in All Sectors	45,600	49,902	50,130	+4,302	+4,530

Source: Experian / Lichfields Analysis

6.52 These employment forecasts were then converted to floorspace requirements in the same manner as the Experian baseline forecast. The resulting forecasts are more optimistic in terms of warehousing job growth and less pessimistic regarding industrial decline⁵⁹. These are set out in Table 6.10.

⁵⁹ Although there is a modest net increase in manufacturing employment of 116 workforce jobs to 2036 under this scenario, it equates to a negative floorspace requirement as an adjustment has been made to reflect the fact that the vacancy rate, at 13.4%, is higher than the level that might be ideally required for a properly functioning market (8-10%). Providing high levels of new floorspace in an area that already has a surplus of stock (reflected by a high vacancy rate) risks exacerbating the situation.

Table 6.10 Regeneration jobs based (net) employment space requirements in Cannock Chase 2018-2036/38

Use class	2018-2036 (sqm)	2018-2038 (sqm)
Offices (B1a/b)	+5,308	+5,308
Industrial (B1c/B2)	-6,447	-6,393
Distribution (B8)	+30,528	+38,654
Total	+29,389	+37,569

Source: Lichfields Analysis

Estimating the Land Requirement

- 6.53 The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. Land requirements have been calculated by applying appropriate plot ratio assumptions to the floorspace estimates (40%). The resulting net land requirements for the labour demand scenarios are set out in Table 6.11.

Table 6.11 Cannock Chase net land requirements by labour demand and supply led scenarios (ha) 2018-36/38

Scenario	Offices (B1a/b)		Industrial (B1c/B2)		Warehousing (B8)		Total B-Class	
	2018-36	2018-38	2018-36	2018-38	2018-36	2018-38	2018-36	2018-38
1) Experian Baseline	+1.33	+1.33	-2.88	-3.44	+1.76	+3.66	+0.21	+1.54
2) Past Trends Job Growth	+5.50	+6.08	+20.83	+23.60	+48.88	+57.91	+75.21	+87.59
3) Experian Job Growth: Regeneration	+1.33	+1.33	-1.61	-1.60	+7.63	+9.66	+7.35	+9.39

Source: Lichfields Analysis

Past Development Rates

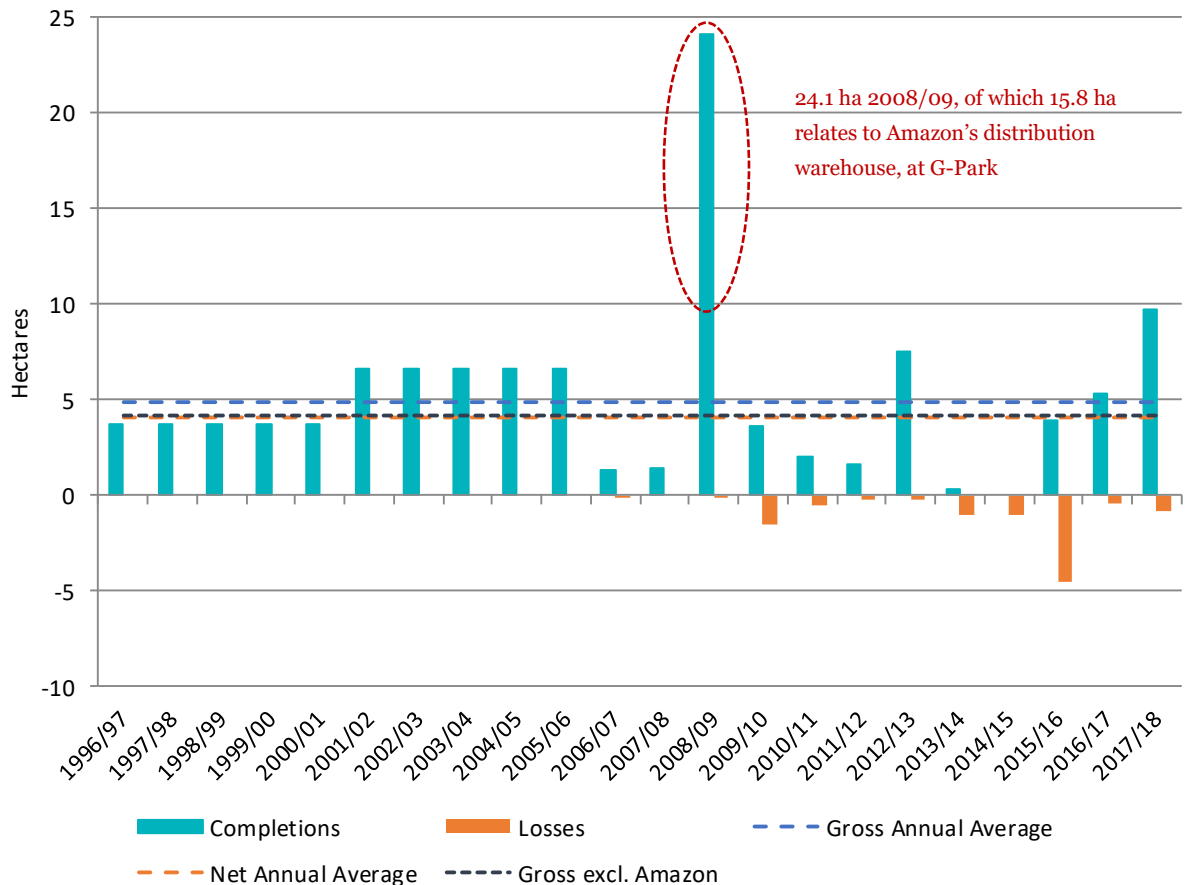
- 6.54 Because they reflect market demand and actual development patterns on the ground, in some situations long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not necessarily reflect past trends and some adjustments may be needed.

Scenario 4) Past Developments Rates

- 6.55 Monitoring data on past completions by B-Class uses between 1996/97 and 2017/18 was provided by the Council and illustrated in Figure 6.3 below. Between 1996/97 to 2000/01, a total of 18.84 ha was delivered, rising to 33.36 ha over the subsequent 5-year period to 2005/06. No annual breakdown was provided. For the 12-year period 2006/07-2017/18, a total of 60.98 ha of employment land was delivered, although subsequent analysis of the Annual Monitoring Report [AMR] data suggests that 5.14 ha relates to Sui Generis uses that are not strictly B-Class.
- 6.56 Excluding the 5.14 ha from the figures results in a total of 108.14 ha of B-Class employment land having been delivered over the past 22 years, at an annual average of 4.915 ha. Since 2006/07, a total of 10.35 ha of B1a office land has been delivered, alongside 3.87 ha of B1c/B2 industrial land and 41.721 ha of B8 warehousing land.
- 6.57 However, it is clearly apparent from Figure 6.3 that there was a spike in delivery in 2008/09 of 24 ha, which is 14 ha higher than any other year in the monitoring period. Within the 24.1 ha, 15.8 ha relates to a single development – the vast Amazon strategic distribution warehouse at G-Park Business Park, Rugeley.

- 6.58 There is a clear argument to suggest that the Amazon distribution depot is something of an anomaly to the figures. As with the previous ELPUs, if this development is excluded from the take up data, the overall figure reduces by 15.8 ha down to 92.34 ha – a long term annual average of 4.197 ha. This is slightly higher than the medium-term average (2006/07-2017/18) of 3.345 ha, although this of course includes the recessionary period and has the 15.8 ha Amazon site removed.
- 6.59 Data is available on employment land that has been lost to alternative uses from 2006/07 onwards. As has been summarised earlier in this report, the bulk of this has related to small office-to-residential permitted development rights conversions, and fewer, but larger scale, redevelopments of older industrial sites in the District. In total, 10.415 ha of employment land has been lost to alternative uses over the past 12 years, of which c. 26% has formerly been B1a office; 72% B1c/B2 industrial land and the remainder (2%) B8 warehousing/storage land. This equates to around **0.87 ha** of land lost annually over the years.
- 6.60 Deducting this from the annual average gross figure of 4.197 ha, this equates to **3.329 ha net** take up annually as shown in Figure 6.3.

Figure 6.3 Take-Up of B-Class employment land in Cannock Chase District, 1996/97 - 2017/18



Source: CCDC / Lichfields Analysis

- 6.61 Table 6.12 presents the net annual take-up for the District by B-use class and projects this rate forward over the 18/20-year plan period. The data suggests that if past trends were to be replicated in future, this could justify the provision of around 45-60 ha (net) in Cannock Chase District to 2036, rising to between 50-67 ha (net) to 2038.

Table 6.12 Net Employment Space Requirements Based on Past Completions Trends, 2018-2036/38

		Annual Net Land Change (ha)	Total Net Land Requirements (2018-2036) (ha)	Total Net Land Requirements (2018-2038) (ha)
Long Term (1996/97- 2017/18)	Offices (B1a/b)	0.854	15.376	17.085
	Industrial (B1c/B2)	-0.217	-3.911	-4.346
	Warehousing (B8)	2.693	48.464	53.849
	Total	3.329	59.929	66.588
Medium Term (2006/07- 2017/18)	Offices (B1a/b)	0.635	11.421	12.689
	Industrial (B1c/B2)	-0.300	-5.390	-5.989
	Warehousing (B8)	2.142	38.558	42.843
	Total	2.477	44.589	49.543

Source: CCDC / Lichfields Analysis

- 6.62 This approach assumes that past trends of development would continue unchanged, which may not fully reflect changes in the economy going forward. On the other hand, future development rates for industrial space may be lower than has been achieved historically as the sector rationalises and/or makes more efficient use of space. Clearly the last recession and prolonged economic downturn and decline in manufacturing have had a significant effect on the development of B-Class space in Cannock Chase in recent years. There has also been a total of 22 instances of office conversions to residential uses, many under the Permitted Development Rights, in the past 7 years since 2011/12, with a total of 1.87 ha (c.18,700 sqm) lost over that time period. Although many of the most attractive residential conversion sites are likely to have been progressed, discussions with the Councils EDO suggested that this is likely to continue.
- 6.63 Nevertheless, the Experian modelling work demonstrates limited prospects for growth for the B-class employment sectors (and indeed negative for B1c and B2).
- 6.64 In addition, all of the following suggest that past take up rates may not significantly increase in the future:
- 1 The move towards a more Business Services-orientated economy with significantly higher employment densities;
 - 2 The continued restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites;
 - 3 The Government's measures to facilitate the change of use from B1a office, B1c light industrial and B8 warehousing to residential without the need for planning permission;
 - 4 The long-term impacts of the economic downturn and considerable uncertainty surrounding Brexit;
 - 5 The significant reduction in public sector spending available to deliver difficult brownfield sites; and,
 - 6 The need to consider alternative uses for existing B-class sites (i.e. for waste and recycling).
- 6.65 Furthermore, at the time of writing, there were a number of available sites with extant planning permission for B-Class employment, including⁶⁰:
- **Ridings Park (plots 8-10), Eastern Way, Hawks Green, Cannock:** Outline planning permission for the business park was granted in March 1998 (CH/96/0566). Net

⁶⁰ CCDC (2018): Employment Land Availability Assessment 2018

developable area adjusted from 0.97 to 0.69 hectares, to exclude landscaping and existing car parking on site. Currently being marketed for design and build opportunities (Andrew Dixons). Current application CH/18/020 is full planning application for the erection of 2 industrial units, approved 14th May 2018.

- **Kingswood Lakeside, Blakeney Way, Cannock:** CH/16/465 is full planning permission for the erection of 2 Distribution warehouses with associated offices, granted February 2017. 6 hectares of B8 land are currently under construction.
- **Kingswood Lakeside-zone E, Kingswood Lakeside, Cannock:** Whole site is now subject of full planning permission CH/17/150 for the erection of a B2/B8 industrial unit with associated offices, granted November 2017 – 2.3 ha.
- **Former Hawkins Works, Watling Street, Bridgtown, Cannock:** CH/17/164 is full planning permission for the demolition of existing substation housing and erection of a storage facility (B8 use) and ancillary offices/workspace and two unloading bays, granted August 2017: 0.5 ha.
- **Former Hawkins Works, Watling Street, Bridgtown, Cannock:** CH/16/156 is full planning permission for the erection of an industrial unit for B1/B2/B8 use covering 0.8 hectares, granted September 2016.
- **Former Hawkins Works, Watling Street, Bridgtown, Cannock:** CH/16/457 is full planning permission for the erection of a warehouse with ancillary office on 0.5 ha of land, granted April 2017.
- **Former Bowmur Haulage Site, Watling Street, Cannock:** CH/16/260 is full planning permission for the erection of an industrial unit for B1/B2/B8 use on 2.6 ha of land, granted March 2017. Discharge of conditions approved March 2018.
- **Land adjacent to, Unit 2, West Cannock Way, Cannock Chase Enterprise Centre, Hednesford:** CH/15/0162 is full planning permission for the erection of vehicle repair garage to accommodate mot testing, spray area, workshop and office on 0.07 hectares of land, granted August 2015.
- **Northwood Court, Hollies Avenue, Cannock:** CH/16/374 is full planning permission for the demolition of existing building and erection of new light industrial unit and offices on 0.1 hectares of land, granted April 2017.
- **ATP Industries Group Ltd, Cannock Wood Industrial Estate, Cannock Wood:** CH/17/328 is full planning permission for the erection of an extension to an existing warehouse on 0.07 hectares of land, granted November 2017.
- **Land at Lakeside Boulevard, Cannock:** CH/17/430 is full planning permission for the erection of motorhome showroom and workshop with associated car parking and landscaping on 0.72 hectares of land, granted March 2018.
- **Towers Business Park Phase II, Wheelhouse Lane, Rugeley:** Site remaining from Towers Business Park development. Currently being marketed for employment development. CH/17/255 is full planning permission for the Erection of a transport workshop on 1.4 hectares of land, granted October 2017.
- **Land off Norton Hall Lane, Butts Lane, Norton Canes:** Outline Planning Permission for mixed use development (residential and employment) granted May 2015 (CH/10/0294) for 2.2 hectares. Site owners are also promoting land for potential residential use. Developers have submitted reserved matters application for residential part of site, but not the employment part.

- **Unit 12, Conduit Road, Norton Canes:** CH/15/0102 is full planning permission for the refurbishment of an existing warehouse (B8) and the construction of no.5 industrial units (B2) on 0.7 hectares of land, granted June 2015.
- **Norton House, Norton Canes Business Park, Norton Green Lane, Norton Canes:** CH/18/027 is full planning permission for part demolition of existing building and erection of one pair of industrial/warehouse units for B1 and B8 use on 0.18 hectares of land, granted March 2018.
- **A J Sellman Funeral Director, 70, Church Street, Cannock:** CH/15/0306 is full planning permission for a single storey office extension (0.001 hectares), granted September 2015.
- **The Royal British Legion, Bow Street, Rugeley:** CH/15/0491 is full planning permission for the erection of an office building (0.07 ha), granted February 2016.

6.66 As of April 2018, there was a total of circa 9 hectares under construction, 3 hectares with outline planning permission, and 6 hectares with full planning permission – circa 18 hectares available for B-Class Use in total (with a further 6 hectares identified as being suitable but with no planning permission at present, giving a total available of circa 24 hectares). However, this does not include the former Rugeley Power Station site, which comprises 139 hectares of predominately brownfield land (cross boundary with Lichfield District) that is currently proposed for mixed use redevelopment following closure of the power station, which could provide a further B-Class employment land element.

6.67 On balance, for Cannock Chase, it is suggested that the (lower) medium-term 2.477 ha net annual past take up rate represents the more robust figure going forward over the remainder of the plan period, particularly given that less accurate and detailed B-Class records are available from CCDC before 2006/07. This should be regularly monitored by Council Officers and amended as necessary. Nevertheless for the purposes of this report, the higher long-term figure has also been modelled as one of the scenarios.

Convert Net to Gross Floorspace Requirements

6.68 To convert the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non- B-Class uses in future. This is a widely accepted approach in planning for future employment land needs.

6.69 A judgement was therefore made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on the consultants' understanding of supply-side deliverability factors in Cannock Chase and current trends in the market. Not all losses need necessarily to be replaced as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. However, some replacement is needed to refresh the quality of the stock and to avoid the employment land supply continually declining.

6.70 There is an argument that not all such losses of employment land should necessarily be replaced or reflected in an increased gross land requirement. This would be on the basis that the stock of employment land in Cannock Chase contains some older sites less likely to meet future needs and is of a scale that reflects past industrial patterns, rather than the amounts of land needed in future.

6.71 However, against this argument is the likelihood that other sites may also be lost by 2036/38, and these will represent losses to the overall land portfolio, reducing choice within the market. The Permitted Development Rights streamlining 'office to residential' conversion has had a

significant impact on the quantum of office floorspace in the District (see above), and this is expected to continue for the foreseeable future which may exacerbate losses over the long term.

6.72

Aside from sites with planning permission, there are numerous existing/former employment sites identified in the Council's 2018 Strategic Housing Land Availability Assessment that are identified as being developable for housing over the next 5-15 years, including:

- **County Grounds Depot, Cannock Road, Cannock (0.44 ha):** Currently forms the County Grounds Depot which supports a building and open area where operational material is kept. Site now identified as surplus to requirements and County will be seeking disposal.
- **Former Parker Hannifin Factory Site, Walkmill Lane, Cannock (2.90 ha):** CH/15/0080 is outline planning application for the erection of up to 93 dwellings, refused May 2016 primarily on the grounds of no affordable housing provision - under appeal. The site has since been purchased by the Homes and Communities Agency who are pursuing residential development of the site, including affordable housing provision. CH/17/452 is an outline application including access for up to 116 dwellings, now approved.
- **Gestamp, Wolverhampton Road/A5 Watling Street, Cannock (4.5 ha):** As discussed above, the site owners have confirmed relocation of the company to alternative site in South Staffordshire District and plans for mixed use redevelopment of current premises. Relocation expected to be complete by 2020. CH/17/323 is outline planning application for demolition of existing factory and offices and erection of up to 180 dwellings and up to 30,000 square foot of employment floor space (B1(c) and B8 Use Class), access and associated works. Approved subject to s106.
- **Former Exterior Profiles Ltd, Gregory Works, Armitage Road, Brereton (0.43 ha):** Site previously benefited from full planning permission (CH/07/0215) for the demolition of the industrial unit and the erection of 18 apartments and 5 houses, granted March 2007. Landowner has expressed continued interest in taking forward redevelopment of the site in the medium term.
- **Site A - Oaklands Industrial Estate, Lower Road, Hednesford, Cannock (0.9 ha):** Would involve demolition of existing manufacturing/storage properties and land acquisition. Pre-application discussions undertaken.
- **Site B - Image Business Park, East Cannock Road, Hednesford, Cannock (0.7 ha):** Would involve demolition of existing manufacturing/storage properties and land acquisition. Pre-application discussions undertaken.
- **Former Kodak Processing Site and Transport Depot, Redbrook Lane Industrial Estate, Brereton (1.7 ha):** Site comprises the former Kodak Finishing Works and a Transport Depot. Identified as low-quality employment area.
- **Former Milk Depot, Redbrook Lane Industrial Estate, Brereton (0.7 ha):** Site comprises the former Kodak Finishing Works and a Transport Depot. Currently occupied by business. Identified as low-quality employment area.
- **Sites at Redbrook Lane Industrial Estate, Brereton (0.7 ha):** Site forms part of current industrial estate- buildings partly occupied. Multiple landowners. Identified as low-quality employment area.
- **Land at Redbrook Lane, Brereton (0.6 ha):** Site forms part of current industrial estate- buildings partly occupied. Identified as low-quality employment area.

6.73

These 10 major sites could potentially result in the loss of **13.57 hectares** of employment land from the District's portfolio to residential uses (recognising that the Gestamp proposal would

also see some B-Class employment land provided, albeit at a much smaller scale (30,000 sq ft) than is currently present on the site).

- 6.74 On balance, it is considered that, given the uncertainties involved, it is considered that a replacement figure equal to the past rate of losses (0.87 ha annually). Consequently, allowance has been made for the replacement of **0.87 ha** of employment land annually in Cannock Chase District. This should be monitored by the Council over the coming years and adjusted as necessary. Should the rate of losses be greater or less than this assumed allowance, then the employment land requirements should be adjusted accordingly.

Safety Margin

- 6.75 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. This margin is a contingency factor, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.⁶¹
- 6.76 The former South-East England Planning Partnership Board [SEEPB] guidance on employment land assessments recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Cannock Chase District, the net margin set out in Table 6.13 (based on medium-term trends excluding Amazon) and the 0.87 ha annual loss replacement were added for B-Class uses. This equates to two-years of average gross take-up and is considered to be an appropriate level relative to the estimated scale of the original requirement.

Table 6.13 Cannock Chase Safety Margin Allowances

Uses	Gross Average Annual Take-up (ha)	2-year Safety Margin Added 2018-2036/38
Offices (B1a/b)	0.863	1.725
Industrial (B1c/B2) & Warehousing (B8)	2.483	4.965
Total	3.345	6.690

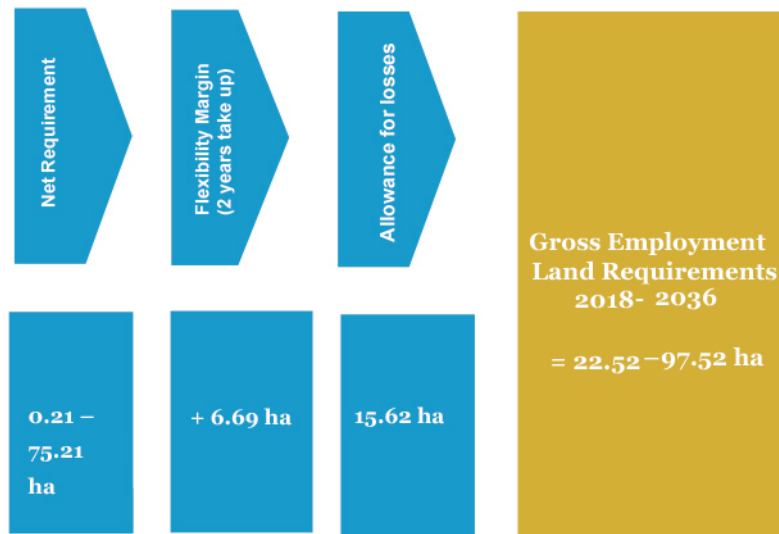
Source: Lichfields Analysis

Findings

- 6.77 The model steps are summarised in Figure 6.4. The same steps described above to convert the net employment projections from net to gross (with a 2-year margin of choice) have been applied to the net historic take up figures described above for consistency.

⁶¹ This safety margin is separate from the consideration of vacancy rate.

Figure 6.4 Staged Approach to Employment Land Requirements (2018-2036)



6.78 In summary, the demand-led range of total gross land requirements to 2036, factoring in a 2-year margin of choice, results in the following demand projections for Cannock Chase:

- 1 Econometric demand led projections: 22.5 ha – 97.5 ha;
- 2 Past Take Up: 66.90 ha – 82.24 ha.

Table 6.14 Cannock Chase District Gross Employment Land Comparisons 2018-2036

		B1a/b	B1c/B2	B8	TOTAL
1) Experian Baseline	2018-2036 (net)	1.33	-2.88	1.76	0.21
	2018-2036 (gross)	5.43	8.31	2.09	15.83
	+ Flexibility factor	7.16	8.96	6.41	22.52
2) Past Trends Job Growth	2018-2036 (net)	5.50	20.83	48.88	75.21
	2018-2036 (gross)	9.61	32.03	49.20	90.83
	+ Flexibility factor	1.33	32.67	53.52	97.52
3) Regeneration	2018-2036 (net)	1.33	-1.61	7.63	7.35
	2018-2036 (gross)	5.43	9.58	7.95	22.97
	+ Flexibility factor	7.16	10.23	12.27	29.66
4) Past Take Up Rates – Long Term	2018-2036 (net)	15.38	44.55		59.93
	2018-2036 (gross)	19.48	56.07		75.55
	+ Flexibility factor	21.21	61.04		82.24
5) Past Take Up Rates – Medium Term	2018-2036 (net)	11.42	33.17		44.59
	2018-2036 (gross)	15.53	44.68		60.21
	+ Flexibility factor	17.25	49.65		66.90

Source: Lichfields Analysis

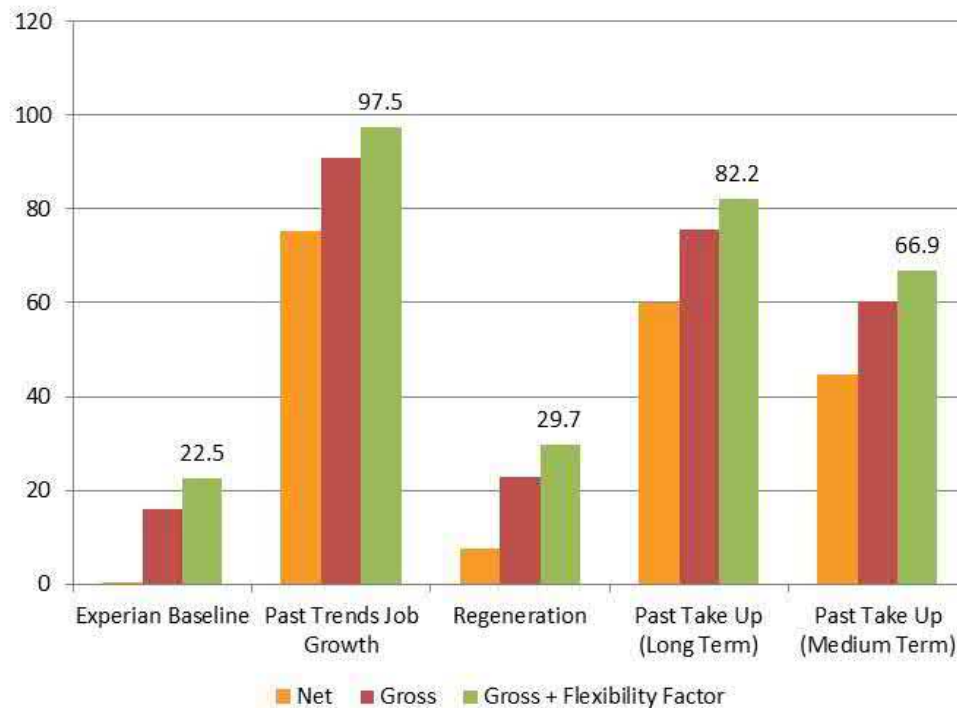
6.79 This rises to between 26 ha to 112 ha if the Plan period is extended to 2038, as can be seen in Table 6.14.

Table 6.15 Cannock Chase District Gross Employment Land Comparisons 2018-2038

		B1a/b	B1c/B2	B8	TOTAL
1) Experian Baseline	2018-2038 (net)	1.33	-3.44	3.66	1.54
	2018-2038 (gross)	5.89	9.00	4.02	18.90
	+ Flexibility factor	7.61	9.64	8.34	25.59
2) Past Trends Job Growth	2018-2038 (net)	6.08	23.60	57.91	87.59
	2018-2038 (gross)	10.64	36.04	58.27	104.95
	+ Flexibility factor	12.37	36.68	62.59	111.64
3) Regeneration	2018-2038 (net)	1.33	-1.60	9.66	9.39
	2018-2038 (gross)	5.89	10.84	10.02	26.75
	+ Flexibility factor	7.61	11.49	14.34	33.44
4) Past Take Up Rates – Long Term	2018-2038 (net)	17.08	49.50		66.59
	2018-2038 (gross)	21.65	62.30		83.95
	+ Flexibility factor	23.37	67.27		90.64
5) Past Take Up Rates – Medium Term	2018-2038 (net)	12.69	36.85		49.54
	2018-2038 (gross)	17.25	49.65		66.90
	+ Flexibility factor	18.98	54.64		73.59

Source: Lichfields Analysis

Figure 6.5 Comparison of scenario requirement for B-Class land 2018 to 2036 (hectares)



Source: Lichfields Analysis

Conclusions

- 6.80 This report has appraised a range of employment land projections for Cannock Chase District using a variety of methodologies in accordance with the PPG.
- 6.81 It is important to identify an appropriate level of need that achieves a balance between realism and economic and planning policy objectives. A range of factors have been considered within this report that can help to inform a judgment on the appropriate level of need.
- 6.82 In interpreting the outputs of this section, regard should be had to the PPG which states that LPAs should assess the need for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period. It is also important to recognise that there are inevitable uncertainties and limitations associated with modelling assumptions under the future growth scenarios considered. For example, there are some inherent limitations to the use of local level economic forecasts, particularly in the context of significant recent changes in the economy and the unforeseeable issues concerning Brexit. Economic forecasts are regularly updated and the resulting employment outputs will change over the plan period.
- 6.83 Five different scenarios of future employment space requirements have been considered based on a range of lower and higher growth conditions that could arise in the future. The Experian baseline scenario (Scenario 1) forecasts a comparatively low level of job growth over the period to 2036/38, of just 1,900-2,000 respectively. Furthermore, the bulk of this net job growth is in non B-Class uses, in sectors such as Accommodation & Food Services and Residential Care & Social Work. As such, the net B-Class job growth is minimal – just +301 to 2036. Furthermore, as vacancy rates are slightly higher than the ‘ideal’ level of a smoothly functioning market, this results in a comparatively low level of employment land required, of just 23 ha of land to 2036 (rising to 26 ha to 2038).

- 6.84 On the face of it, this appears a pessimistic level of growth, particularly given the rapid growth of the local economy over an extended period of time, and the comparatively high levels of employment land that have been delivered in recent years, not to mention the growth opportunities likely to be forthcoming from major infrastructure investment that will benefit the local logistics market over the next few years such as the potential West Midlands Interchange in South Staffordshire and the M6/M54/M6 Toll link road. Furthermore, as summarised above, as of April 2018 there was a total of 9 hectares of B-Class employment land already under construction, with a further 3 hectares of B-Class land with extant outline planning permission and 6 hectares with full planning permission – equating to a potential boost of 18 ha to the employment land supply in the next few years alone, notwithstanding a further 6 hectares identified as being suitable for B-Class uses but with no planning permission at present – 24 ha in total. Although we cannot say at this stage whether it will all come forward, it represents more than 100% of the total Scenario 1 requirement of 23 ha to 2036, which would suggest that this level of need is insufficient.
- 6.85 At the other end of the scale, the past jobs growth trends (Scenario 2) trends forward the CAGR calculated from the 1997-2018 time period, when the number of workforce jobs based in Cannock Chase increased very rapidly, by 13,100 (1.626% annually). Trending this forward across the Plan period to 2036 results in a similarly high level of job growth, totalling 15,359 to 2036 (17,357 to 2038). This equates to between 98 ha and 112 ha of employment land needed to 2036/38. This represents a level of growth that would be in excess of past delivery rates, is significantly in excess of the level of development that has been achieved in recent years and does not factor in the potential effect of Brexit.
- 6.86 The Regeneration Scenario accelerates certain key industrial growth sectors identified in the various Strategic Economic Plans, refined following discussions with the Council’s EDO and prospective infrastructure projects which are likely to have a positive impact on employment growth in the District, notably the potential West Midlands Interchange and the M6/M54/M6 Toll link road. This resulted in a net job growth of 4,302 to 2036 (4,530 to 2038) which remains below the past trends job growth, but represents a more realistic balance between the Council’s growth aspirations and the baseline Experian projections. The latter forecast in particular looks totally out of step with the current scale of development in the immediate pipeline and would risk restricting development in the District. This has had a knock-on effect on the regeneration scenario which has been influenced by the weak Experian forecasts⁶².
- 6.87 Past take up, which aligns with the former ‘predict and provide’ approach to identifying employment land needs, indicates that the Council has been very successful in attracting new companies to the District, with a total of 108 ha of B-Class employment land delivered over the past 22 years (92.34 ha adjusting down for the Amazon distribution depot at G-Park). Lichfields’ analysis suggests that this equates to 3.329 ha (net) over the long term, and 2.477 ha over the medium term. Trended forward, this results in a range of 67-82 ha of B-Class land needed to 2036, rising to 74-91 ha to 2038, with the long term take up representing the upper end of the range. As set out in Paragraph 6.9, it should be noted that the data provided by Council Officers relating to past take up since 2006/07 is particularly detailed, and hence it is considered that in this instance further weight can be attached to the medium term past take up scenario than might ordinarily be the case.

⁶² It is noted that the land requirement associated with the 2012 Experian projections that underpinned the 2012 ELP Update indicated a net job growth of 1,779 2006-2028, compared to Experian’s new 2018 projections, which forecast job growth of 1,900 2018-36. On the face of it, it might seem perverse that the baseline scenario in the 2012 ELPU identified a B-Class need for 48 ha, compared to 23 ha in this update. This is because the balance of job growth has shifted away from land hungry B8 growth. The 2012 ELPU Experian baseline indicated a very substantial net B8 job growth of 2,122; the latest, just 396. Given that the employment density per job ranges from 65 sqm to 80 sqm depending on whether it is modern, high bay logistics depots or smaller scale warehousing, this has a substantial impact on needs.

- 6.88 **Consequently, on the basis of these considerations, it is recommended that Cannock Chase District’s B-Class employment land OAN should comprise a range of between 30 ha to 67 ha between 2018 to 2036, and between 33 ha and 74 ha to 2038.**
- 6.89 This equates to the Regeneration Scenario (3) at the lower end of the range, and the Medium-term Past Take Up Scenario (5) at the upper end. These land requirements are driven in particular by strong land requirements for B8 logistics, which is consistent with both past completions, sectors forecast to grow reasonably strongly in the Experian projections (and key target growth sectors in the SEPs), whilst the bulk of extant planning permissions for B-Class employment sites relate to B8 warehousing (see, for example, Kingswood Lakeside and the Former Hawkins Works).
- 6.90 By their very nature, these are land-hungry designations with low densities of employment, hence the employment land requirements are particularly sensitive to changes in B8 forecasts (a modest increase/decrease in employment can lead to much greater impacts on land requirements than, say, B1a office jobs). Furthermore, the discussions with commercial agents painted a variable picture of future needs for B8 logistics, with some suggesting that the B8 logistics market may have peaked for the foreseeable future (with demand starting to tail off and large units becoming increasingly difficult to let), whilst others suggested that this was largely attributed to uncertainties associated with Brexit and that Cannock Chase’s logistics market remained strong with good prospects for future growth.
- 6.91 For these reasons, it is strongly recommended that the logistics market is regularly monitored by the Council to test the extent to which demand/provision continues to drive employment land requirements going forward, and to plan accordingly if this is not proving to be the case.
- 6.92 By way of comparison, the Cannock Chase Local Plan (Part 1) 2014 makes provision for a total of 88 ha of primarily B-Class employment land over a slightly longer 22-year period (2006-28), whilst the previous 2012 ELPU considered that a range of 60 ha to 110 ha of employment land would be appropriate between 2006 and 2028 (rising to between 70 and 130ha to 2031). The 2012 ELPU looked at a slightly longer time period than this EDNA, although the scale of need identified is still higher when compared with this latest update.
- 6.93 In terms of how the 30 ha-67 ha employment land requirement for Cannock Chase District could be split between the B1a/b, B1c/B2 and B8 uses, the following quantitative and demand-based factors can be taken into account:
- 1 Historical changes to the stock of existing employment space show that the level and share of office space has increased by 15.8% in recent years to 66,000 sqm between 2000/01 to 2015/16, whilst the level of industrial space has increased at a faster rate of 33.8% over the same period. Almost 900,000 sqm of industrial floorspace is located in Cannock Chase District according to VOA figures for 2015/16, which is almost 14-times higher than the volume of B1a/b office space.
 - 2 Vacancy rates for industrial premises are slightly higher than that of office premises, at 13.4% compared to 10.8% for the latter. Both figures are lower than the 19% vacancy rate figure reported in the immediate aftermath of the recession (in the previous 2012 Cannock Chase District ELPU);
 - 3 By 2036 just 20% of B-Class jobs are projected to be in the higher employment density B1 office space (up from 18% currently), compared to 80% in lower density industrial space (B1c, B2 and B8);
 - 4 Around 30% of the employment land needed based on the Experian projections (Scenario 1) is needed for B1a/b office, compared to c.70% B1c/B2/B8 land. This falls to 24% for office

land based on the Regeneration Scenario 3, with the remaining 76% of need identified for B1c/B2/B8 (primarily warehousing and distribution);

- 5 The prioritised sectors identified in the review of key growth drivers suggests that demand will be particularly focussed towards advanced manufacturing and logistics-based sectors, although it is noted that office-based sectors such as Creative & Digital and Business Services are also targeted;
- 6 Excluding the 2008/09 Amazon distribution centre, since 2006/07 25.8% of B-Class land completions has related to office space, compared to 9.6% for B1c/B2 industrial land, and 64.6% for B8 warehousing and logistics;
- 7 Since 2011/12, 26.3% of B-Class employment floorspace losses have related to B1a/b offices; 71.7% B1c/B2 industrial and just 2.1% for B8 warehousing.

6.94 Taking the above factors into account, it is suggested that the following indicative split of B-Class employment space could be appropriate for Cannock Chase District over the period 2018 to 2036/38:

- 1 25% for B1a/B1b office; and,
- 2 75% for B1c/B2/B8 industrial/distribution.

This report does not seek to make a planning or policy judgement; this is a matter for the Council when taking account of the information before them. The report therefore represents a first stage for further consideration of all relevant factors through the Local Plan process.

On this basis, the recommended employment land need for the Council is:

30-67 ha between 2018 and 2036

33-74 ha between 2018 and 2038

Of this range, it is suggested that around 75% should be identified for B1c/B2/B8 industrial/warehousing, and the remaining 25% for new office space.

6.95 The selection of the final employment land requirement will depend upon the preferred level of employment growth for Cannock Chase District and the extent to which Officers consider that this aligns with the Council's growth aspirations, including the need to reduce net out commuting and taking account of the forthcoming Economic Prosperity Strategy. The level of employment growth will be based upon the identification of policy aspirations relating to the promotion of key sectors in accordance with the economic and spatial vision for the area.

7.0 Growth Recommendations

- 7.1 This report forms part of the evidence base to inform the Council's emerging Local Plan. In line with the revised Framework and PPG, it addresses the requirement set out in paragraph 20 which states that strategic policies should set out an overall strategy for the pattern, scale and quality of development, making sufficient provision for employment. The updated PPG now states that a robust evidence base should be prepared to understand existing business needs, which will need to be kept under review to reflect local circumstances and market conditions⁶³. The estimates of future B-Class employment land requirement provide the Council with the objective evidence necessary for it to determine whether the emerging Local Plan target delivery needs to be revised.

Overview of the Economy

- 7.2 Cannock Chase is positioned in the County of Staffordshire, with the District bound by Stafford to the north, Lichfield to the west; South Staffordshire to the west and south-west; and Walsall to the south. Its central location at the heart of the West Midlands means that the District benefits from excellent strategic transport links to the Greater Birmingham Conurbation and the Black Country more generally via the M6 and M6 Toll which link directly into the Greater Birmingham urban area, providing further linkages onto the M42, M54, M40, and M5, whilst the District also benefits from three rail stations in Rugeley, Hednesford and Cannock that have benefitted from the recent Network Rail electrification programme of the Chase Line to Birmingham New Street.
- 7.3 In particular, these strategic transport connections benefit Cannock, which is the largest settlement in the District and represents the main hub for economic and business activity in Cannock Chase District. Broadly, the District can be characterised as having three distinct economic and market sub-areas: Cannock and Hednesford; Norton Canes; and Rugeley to the north, whilst other parts of the District can be characterised as being mostly rural in nature, with more limited opportunities for new economic developments.
- 7.4 There have been widespread changes to the local economy and business base of the District following the decline of traditional manufacturing and mining-related activities in the 1980s, which has had a particular impact upon communities such as Rugeley and Brereton. However, whilst the industrial restructuring remains ongoing, in recent years Cannock Chase has seen impressive levels of job growth and inward investment, predominantly related to logistics, seeking to build on the benefits of the District's proximity to the regional and national highway network. Hence since 1997 there has been an increase of 13,100 jobs to 2018, an increase of 1.6% annually. Recent employment growth in Cannock Chase has largely been driven by B class sectors, such as Wholesale and Transport (+5,700 jobs 1997-2018) and Professional Services (+3,300); alongside non-B class sectors such as Hospitality and recreation (+1,800), Retail (+1,700) and Public Services (+1,600) The historic growth in B8 warehousing jobs in Cannock Chase have been offset, to a degree, by losses in local industrial jobs, with a decline of 2,400 manufacturing jobs since 1997. Rather more unusually, the District has lost over 700 jobs in Computing and ICT, a sector which has been buoyant elsewhere in England and Wales.
- 7.5 An analysis of Location Quotients has indicated that the District has a strong employment representation in construction (2.4) and wholesale and transport (2.1), as well as a high representation of jobs in retail (1.7), manufacturing (1.3) and utilities (1.1). It is important to

⁶³ 2a-025-20190220

note however, that a number of these sectors account for relatively low levels of employment in absolute terms (notably utilities).

- 7.6 An over-representation of lower value employment sectors in the District (e.g. retail, wholesale and transportation and utilities) has contributed to Cannock Chase's economy being less productive compared to the regional and national average, with GVA per head in Cannock Chase estimated at £18,441 in 2016 – below Staffordshire (£19,138), West Midlands (£21,823) and UK (£26,621) averages. However the gap is narrowing, with the District experiencing strong levels of GVA growth in recent years, of 27% since 2011 compared to 20% nationally.
- 7.7 The lower value employment base in Cannock Chase aligns with a less skilled resident workforce capturing lower levels of earnings compared to other parts of the West Midlands, while the existing employment mix in the local economy is likely to have contributed to a proportion of the resident workforce choosing to commute outside the District for their employment. Nevertheless, Cannock Chase District's labour market is characterised by having a higher share of the working-age population being economically active and fewer claiming out-of-work benefits compared to the West Midlands and Great Britain as a whole.
- 7.8 In this context, one of the key drawbacks of Cannock Chase as a business location relates to a shortage of skilled labour in the District to support the requirements of local businesses. Other identified weaknesses of the local economy include a lack of good quality commercial space that meet modern occupier needs and the need for better quality units on existing Industrial Estates. These drawbacks, aligned to the District's central location, proximity to large neighbouring towns and cities and excellent highways infrastructure, have contributed to the District having a comparatively low level of self-containment, with high levels of net out commuting to areas such as Stafford, Walsall, Lichfield, Burntwood and Birmingham.
- 7.9 The District has been very successful at attracting new companies to locate in Cannock Chase, with large units available in highly accessible locations beside the strategic highways network. The area also benefits from relatively low business and rental costs compared to many other locations in the West Midlands, which brands the District a relatively cost-competitive location for occupiers.
- 7.10 Overall, these recent conditions and trends in Cannock Chase's economy will have had a significant effect on how the commercial property market in the District has performed over recent years. In this context, the long-term trends for the District suggest a gradual decline in manufacturing space and a very significant increase in warehouse and distribution space since 2000. Gross completions have totalled an impressive 113.18 ha over the past 22 years stretching back to 1996/97, at an average of 5.14 hectares annually. However, this has been distorted somewhat due to the huge Amazon fulfilment centre at Towers Business Park, of which nearly 16 hectares was delivered in 2008/09, which represents almost half of all completions from 2006 to 2012. Since 2006/07, Council records indicate that 10.35 ha of B1a/b land was delivered; 3.87 ha of B1c/B2 land; and 41.72 ha of B8 warehousing and distribution.
- 7.11 These development trends in Cannock Chase sit in contrast to recent employment trends which indicate growth in office jobs and a decline in industrial jobs. This divergence in trends is likely to reflect a more efficient use of the existing office space in the District, as well as the delivery of some new industrial space in the District supporting fewer jobs in industrial sectors (e.g. the trend towards automation reduces the traditional number of jobs supported by industrial space).
- 7.12 As noted in Section 3.0, Cannock Chase District lies within two LEP areas - the Greater Birmingham and Solihull LEP [GBSLEP] and the Stoke-on-Trent and Staffordshire LEP [SSLEP], and is also located within the WMCA area. All three bodies have produced Strategic

Economic Plans for their areas, and whilst these are tailored to the needs of their particular areas, all three have a number of common themes that apply to Cannock Chase. This involves seeking to boost productivity through improving the skills of local residents and attracting high value growth sectors into the area. There are also a number of common growth sectors that are particularly applicable to Cannock Chase moving forward, including advanced manufacturing; creative and digital; environmental technologies; life sciences; and logistics.

- 7.13 The Council has identified actions to boost the local economy in terms of growth sectors and increase local job opportunities through a number of actions including increasing the supply and quality of employment land within the District. A more active programme of intervening in the market would help address some of the issues which have traditionally acted as a barrier to commercial development in Cannock Chase but also potentially help stimulate greater levels of market demand as business growth increases. Alongside this, the proposed mixed use development at the Former Rugeley Power Station which is currently subject to master-planning proposals provides a major opportunity to deliver a new focus for well-located strategic employment development within the District, whilst the ongoing HS2 route planning also provides significant opportunities for growth. The significant development proposed at the McArthur Glenn Mill Green Retail Village, Phase 1 of which is due to open in 2020, could generate another 1,000 jobs overall.

Approach to Meeting Future Needs

- 7.14 The future growth scenarios considered in this study indicate the broad scale and type of growth associated with a range of approaches to modelling B-class employment space requirements for Cannock Chase District over the period 2018 to 2036, and beyond to 2038. To varying degrees, these future scenarios reflect both indigenous growth needs in the District and the potential for some footloose demand in the sub-region to be captured by Cannock Chase over the Local Plan period (as has already happened with strategic B8 logistics). In the context of the Framework and PPG, the policy approach by the Council should aim to positively plan to support the employment needs in Cannock Chase so that the economy is not unduly constrained, but also recognising the issues around increasingly limited land supply and the competing pressure on available development sites from other non B class uses.
- 7.15 In order to ensure a flexible and responsive policy framework for the District it will be necessary to concentrate not just on meeting the forecast quantitative requirements for office and industrial space in Cannock Chase, which will fluctuate over time, but also to reflect on the opportunities and risks that flow from particular regeneration policy approaches. This could include how the delivery of B class employment land can be prioritised in particular areas and for particular uses, or how scope can be created to deliver new inward investment opportunities for Cannock Chase with the overall intention of boosting productivity and the quality of jobs provided in the area. In this context, the Council should also consider the scope to which existing legacy employment areas or allocations in the District are no longer productive for employment use, and could be better placed to support other non B class uses in the future.
- 7.16 To meet the future requirements for office and industrial space in Cannock Chase it will be necessary for the Council to make choices in its emerging Local Plan around which employment sites to protect or allocate for employment developments or which to bring forward as mixed-use sites either in part or in full. These judgements by the Council must ultimately take into account the following:
- 1 the local benefits of B class employment sectors and the need to sustain a diversified and resilient economy that is able to capitalise on economic growth opportunities as they arise, and particularly if the Council proposes to intervene in the market to assist delivery;

- 2 the economic and market outcomes that would arise if particular sectors become displaced from the economy, or are otherwise constrained from expanding in the District;
- 3 the need to promote growth in high value sectors in Cannock Chase that meet the aspirations of local workers and helps improve productivity levels of the local economy as set out in the Council's emerging Economic Prosperity Strategy; and
- 4 the requirement to set targets for the delivery of new B-class employment space, particularly on large employment sites to provide more clarity and certainty for developers, which requires a practical assessment of what the market can deliver at employment sites across the District at any one time.

7.17 The policy choices ultimately adopted by the Council should, as far as possible, seek to plan for a choice of employment sites and locations within the District to support the requirements of particular businesses and sectors. In this context, some further commentary around the potential options for supporting the needs of the local office and industrial market in Cannock Chase during the period to 2036, and beyond to 2038, is set out in turn below.

Office Market

Current Position

- 7.18 Cannock Chase is not considered to be a particularly significant office location, with relatively limited levels of demand, take-up and supply generally characterising the local market. The volume of office floorspace has increased by just 16% between 2000/01 to 2015/16, and comprises just 7% of all employment space in the District. It also has a vacancy rate of around 11% which is slightly higher than the ideal 8-10% level that is usually necessary for the proper functioning of the commercial property market. The existing supply of office space in the District is predominantly concentrated in Cannock, the largest settlement in Cannock Chase, with limited major demand or supply of office space identified in the rest of the District.
- 7.19 Although Cannock and its immediate environs supports a reasonable cluster of office space relative to the rest of the District, the town still generally lacks the necessary critical mass to attract and sustain sizeable office occupiers. This is particularly given the increasing competition facing the town from larger established office centres in Stafford, Lichfield, Walsall and, further afield, Birmingham and Solihull, which have a much greater provision of large, modern office space that is able to attract and retain significant office occupiers.
- 7.20 Generally the supply of office space in Cannock comprises small-to-medium sized offices of older stock, with a limited supply of new office accommodation available in the local market to meet the demand for higher quality office space. Agents reported that Morston Court at Kingswood Lakeside is the District's most significant office destination. There are also serviced offices located at the Keys Business Village in Hednesford and Ridings Court located to the east of the A460, between Cannock Town and Hawks Green. Agents advised that the District's office market was generally sustained by local, and to a lesser extent, regional businesses, with limited representation from national firms.
- 7.21 In this context, the feedback from agents suggested that there is a limited provision of office space in and around Cannock Town Centre. Demand is predominantly from local SMEs looking for small office spaces, which often comprises converted premises from other land uses (such as retail). However, agents reported that demand for such premises was still relatively modest across Cannock Chase.
- 7.22 Cannock Chase's office market is predominantly driven by existing local occupiers expanding, resulting in their relocation from elsewhere within the District. Office space that has proven to

be successful generally benefits from close-proximity to the major employment corridors within the District, with the most successful locations benefitting from good quality access to the strategic network including Kingswood Lakeside and Cannock Town Centre itself. There are very few purpose-built Grade A office units, with much of the existing space serving an indigenous market. Much of the stock that does exist in the District tends to be older and the lack of modern, Grade A office space contributes to the generally low rents observed within the District, although this does vary. Poorer quality, tertiary offices tend to achieve a maximum rental value of around £8-10/sq. ft, whereas the higher-quality office accommodation that does exist in the District, notably Morston Court at Kingswood Lakeside, can potentially reach up to £11-12 sq. ft.

- 7.23 Overall, Cannock Chase's local office market is generally driven by smaller occupiers seeking offices of 1,000 to 2,000 sq. ft. Any office requirements exceeding 2,000 sq. ft. are seen as being significant requirements in the local market. Agents' experience is that office spaces above 2,000 sq. ft. generally take longer to occupy than smaller units, but that letting rates are still reasonable, particularly for serviced accommodation.

Industrial Market

Current Position

- 7.24 Cannock Chase has traditionally recorded very strong levels of demand for industrial space, predominantly for B8 logistics, reflecting its excellent accessibility and proximity to the strategic highways infrastructure at the heart of the West Midlands. However, whilst take up has been strong, and whilst there exists a large pipeline of B1c/B2 and B8 land with extant planning permission, discussions with agents suggests that demand is starting to tail off somewhat, with warehousing taking longer to let and remaining vacant.
- 7.25 Cannock Chase is characterised by a relatively large supply of industrial and particularly large-scale logistics premises, a legacy of its manufacturing days and reflective of the excellent access to the strategic highways network and central location nationally.
- 7.26 Agents confirmed that significant levels of development have come forward in the industrial and logistics sector over the course of the last five years or more, including a relatively high number of speculative developments coming forwards for B8 units in excess of 10,000 sqm. This has demonstrated a high degree of confidence in the Cannock Chase market which reflects the District's excellent linkages with the M6 and M6 Toll Motorways.
- 7.27 In terms of rental values, agents advised that typical rental values being sought for larger scale industrial and logistics units such as those listed above are generally in the region of between £6.00-£6.50 per sq. ft, which is necessary for developers to make a reasonable return on investment.
- 7.28 Agents reported that letting rates for smaller units were excellent which reflects the growing demand for such units. However, much of the existing industrial stock is of average-to-poor quality, which does not meet modern business standards. This can in some instances serve as a barrier to attracting businesses operating in high growth industries such as advanced manufacturing into the District.
- 7.29 Notwithstanding this, significant localised demand still exists and the quality of stock is not constraining investment at the lower level. Agents report that traditional employment sites such as Bridgtown and the Anglesey Business Park remain well let and continue to function well as key employment destinations for the District, albeit generally accommodating indigenous and in some instances, regional, businesses.

Future Requirements

- 7.30 Local property agents considered that in recent years improved market conditions have led to a surge in speculative industrial development for larger-scale B8 units in the region of 10,000 sqm and greater. However, agents reported that market signals suggest that this has peaked, with demand shifting towards smaller-scale purpose built industrial units of up to 3,000 sqm. Opinion was divided as to whether this was just symptomatic of wider macro-economic uncertainties arising from Brexit, or more fundamental issues in the Cannock Chase market. Agents were of the view that this shift in demand is largely driven by indigenous businesses looking to expand.
- 7.31 Agents also considered that in general, future take up is likely to follow similar historic trends, with future development for warehousing and to a lesser extent industrial uses and a need to protect existing B-Class sites in the most accessible locations against further losses to residential or alternative uses.
- 7.32 In quantitative terms, the EDNA modelled a range of employment land growth scenarios in accordance with the revised Framework and PPG. Having modelled these scenarios, and taking on board the qualitative commentary above, it is recommended that Cannock Chase District's B-Class employment land OAN comprises a range of **30 ha to 67 ha** between 2018 and 2036, and between **33 ha and 74 ha to 2038**. This equates to the Regeneration Scenario (3) at the lower end of the range, and the Medium-term Past Take Up Scenario (5) at the upper end.
- 7.33 These land requirements are driven in particular by land-hungry B8 logistics, which is consistent with past completions and those sectors forecast to grow strongly in the Experian projections (as well as the key target growth sectors in the SEPs), whilst the bulk of extant planning permissions for B-Class employment sites relate to B8 warehousing (see, for example, Kingswood Lakeside and the Former Hawkins Works).
- 7.34 By their very nature, these are land-hungry designations with low densities of employment. Furthermore, the discussions with commercial agents suggested that the B8 logistics market may have peaked for the foreseeable future, with demand starting to tail off and large units becoming increasingly difficult to let. It is therefore recommended that this should be monitored by the Council to test the extent to which demand/provision for this will continue to drive employment land requirements going forward, and to plan accordingly if this is not proving to be the case.
- 7.35 In terms of how the 30 ha-67 ha employment land requirement for Cannock Chase District could be split between the B1a/b, B1c/B2 and B8 uses to 2036, it was considered that the following split would be appropriate:
- 1 25% for B1a/B1b office; and,
 - 2 75% for B1c/B2/B8 industrial/distribution.

Policy Implications

- 7.36 To meet the future requirements for office and industrial space in Cannock Chase, it will be necessary for the Council to make choices about which employment sites to protect or allocate for employment development or which to bring forward as mixed-use schemes either in part or whole.
- 7.37 For mixed-use allocations (notably the former Rugeley Power Station site), masterplans and delivery strategies should be developed to help ensure that the indicative quantum of employment floorspace/land suggested is delivered in practice over the plan period. Without

this additional clarity, these sites could present a higher risk in terms of their ability to meet business needs in Cannock Chase.

- 7.38 The future growth scenarios considered in this study indicate the broad scale and type of growth associated with different approaches to modelling employment space requirements for Cannock Chase over the period 2018 to 2036/38. To varying degrees, these scenarios reflect both the indigenous growth needs in Cannock Chase as well as a degree of footloose demand for B8 logistics in particular that operates within a wider sub-regional market. In the context of the revised Framework and PPG, the policy approach adopted by the Council should aim to positively plan to support the employment needs of Cannock Chase so that the local economy is not unduly constrained over the plan period, but also recognises the issues around land supply and competing pressures on available development sites.
- 7.39 Given that Cannock Chase District does not comprise a self-contained FEMA, and has strong linkages with Lichfield, South Staffordshire, Stafford and Walsall, the Council should ensure that dialogue is maintained between these areas to ensure that any unmet employment land requirements can be addressed. This is relevant particularly for the Black Country authorities to the south, which have a very substantial shortfall of employment land of between 300 ha – 500 ha.
- 7.40 In order to ensure a flexible and responsive policy framework for the District, it will be necessary to not just concentrate on meeting the forecast quantitative requirements for office and industrial space in Cannock Chase, which will fluctuate over time, but to reflect on the opportunities and risks that flow from particular policy approaches. This could include how the delivery of B-class employment land can be prioritised in particular areas and for particular uses, or how scope can be created to deliver inward investment opportunities for Cannock Chase, in particular by drawing and capitalising upon the growth opportunities provided by the former Rugeley Power Station mixed use site and other, large, strategic sites with good access to the strategic road network such as Kingswood Lakeside. The Council should also consider the scope to which existing legacy estates and sites in the District are no longer productive for employment use and could be better placed to support non-B class employment uses in the future.
- 7.41 In this context, it is important that planning for B class employment growth in the District is balanced against pressures from other land uses. This is arguably less relevant for Cannock Chase as although the latest Experian projections suggest that the bulk of net employment growth over the next 20 years or so will be in non B-Class sectors, our analysis has indicated that there will be a relatively low level of impact on employment sites. This is because the bulk of growth will be in sectors that are unlikely to be a good ‘fit’ for locating on B-class industrial sites, such as residential care & social work, or in sectors such as retail where future growth will primarily be accommodated on sites already identified for that purpose (i.e. Mill Green Designer Outlet). B-class employment space also competes with a wide range of other non B-class uses, much of which may also generate benefits to the Cannock Chase economy or have identified needs that the Framework indicates should also be duly supported.
- 7.42 The revised Framework supports the need to make provision for clusters or networks for higher value-added industries which are linked to the SSLEP, WMCA and GBSLEPs’ priority sectors (as identified in Section 2.0) and for storage and distribution operations at a variety of scales and suitably accessible locations [§82]. This supports the case for the Council needing to make future provision for industrial premises.
- 7.43 It is recommended that the Council should evidence how its portfolio of allocations and other development opportunities will support delivery of new space over the short, medium and long-

term (structured broadly in five-year periods). This accords with the approach set out in the former SEEPB guidance on employment land assessments which encouraged local authorities to demonstrate a five-year rolling supply of employment land.

- 7.44 The recommended OAN for employment land is between 30-67 ha to 2036 (33-74 ha to 2038). To meet the future requirements for office and industrial space in Cannock Chase over the period to 2036/38 the Council will need to make choices in the emerging Local Plan about which employment sites to protect or allocate for employment or which to bring forward as mixed-use schemes either in part or whole. These judgements must ultimately take account of the following:
- 1 the local benefits of B-class employment sectors and the need to **sustain a diversified and resilient economy** that is able to capitalise on economic growth opportunities as they arise;
 - 2 the economic and market outcomes that would arise if particular sectors become displaced from the economy, or are otherwise **constrained from expanding** in the District;
 - 3 the need to **promote growth in higher value employment roles** in Cannock Chase to help boost productivity to regional/national levels, that meet the aspirations of resident workers and reduce levels of net-out commuting to Stafford, Lichfield, South Staffordshire and the Black Country, which can meet the Council's objective of maximising employment, skills and training opportunities;
 - 4 The **uncertainty concerning the future growth prospects of B8 logistics** in the District and whether the recent weakening of demand is symptomatic of wider Brexit uncertainty or a more fundamental over-supply in the local market. This should be carefully monitored by CCDC given the sector's disproportionate impact on B-Class land requirements;
 - 5 The need to provide a **flexible portfolio of sites** that can respond quickly to currently unforeseen inward investment opportunities should they materialise; and,
 - 6 the requirement to set targets for delivery of new B class employment space particularly on strategic sites to **provide clarity and certainty for developers**, which will require a practical assessment of what the market can deliver at any point in time.
- 7.45 In particular, the Business Survey has identified that businesses are recruiting mostly from Staffordshire. This is a positive, particularly in the light of the considerable uncertainty regarding future EU migration relating to Brexit. This indicates that there is a clear need for planning policies (and corporate functions) to value and support the key role the smaller businesses are playing locally and the need to invest in and value this. This will help add resilience to Cannock Chase's economy in these highly uncertain economic and political times. We have discussed at length the extent to which Cannock Chase District has benefited from inward investment from the logistics industry in recent years, which has been very important in growing the local economy and reducing unemployment to very low levels.
- 7.46 It is still important to provide large sites attractive to strategic end-users that are well connected to the strategic motorway network. However, we must not forget that much of the economy is indigenous and highly localised, particularly with regards small scale manufacturing and business services. The Council must continue to value, nurture and support the companies that Cannock Chase already has, to ensure that the loyal customer base helps insulate the District from any future economic downturns. The enhancement and support of existing companies

should therefore be placed on an equal footing with attracting new growth in any future economic growth strategy for the District.

- 7.47 The policy choices ultimately adopted by the Council should therefore (as far as possible) seek to plan for a choice of employment sites and locations. This will support the various needs of particular businesses and sectors, for example ensuring that both large and smaller premises are provided to meet the needs of local SMEs and larger businesses.
- 7.48 Where any gaps are identified, the Council will want to consider options for how this can be addressed (potentially in the form of new allocations). It is helpful for sites to be assessed on a consistent basis in order to determine at broadly what point in the Plan period they may become available, and how important any individual site is for meeting either office or industrial needs within any rolling five-year period. It will also be important in establishing any potential mismatch between identified allocations and those areas of the District that attract the strongest levels of market demand.
- 7.49 In determining the likely timing and availability of land, this delivery trajectory should have regard to:
- 1 the planning status of sites (extant planning permission, allocation etc.);
 - 2 the next stage of the EDNA process which will comprise a review of existing employment sites and establishing where land exists for expansion;
 - 3 development constraints/costs and known requirements for infrastructure (more detailed assessment work may be required);
 - 4 current developer/landowner aspirations; and,
 - 5 market delivery and viability factors.
- 7.50 The assessment provides the opportunity to identify and map out the Local Plan's 'when', 'whom' and 'how' employment space delivery actions for each site. In turn, it will also offer a basis to continually assess the potential role of a site in meeting employment land and other Local Plan objectives (and, inter alia, the policy benefits that would accrue if earlier delivery of the site was encouraged). The trajectory should be linked to the annual monitoring process and periodically updated to ensure the rolling supply of employment land during the new Local Plan period.
- 7.51 It is also possible this process indicates that some of the existing undeveloped employment allocations in the District are most likely to be available to meet business needs over a longer term period, which would place additional pressure on existing employment allocations to accommodate demand over the short to medium term. The potential demand and supply mismatch resulting from the removal of any of the employment space in Cannock Chase over the Local Plan period would require a comprehensive review of the land delivery trajectory for the District.

Monitoring

- 7.52 Reflecting guidance set out in the PPG, it will be important to monitor future change in the demand and supply of employment space to identify changing patterns in the District, and inform any policy responses that will be required. This is particularly significant given the scale of industrial losses in Cannock Chase in recent years, and the further losses that could result from the Permitted Development Rights (PDR) in the market converting B-Class uses to residential.

7.53

In this way, some specific items that could be useful to monitor in the future are identified below:

- 1 levels of future demand for office and industrial space, and which of the estimates of future requirements produced in this study this best relates;
- 2 how much of the identified supply of employment space are likely to come forward, and whether any new sites are subsequently identified;
- 3 the extent and type of any losses of existing employment land to non B-uses, particularly residential (part of the on-going monitoring of prior approvals under PDR) and in a more detailed format than existing monitoring arrangements (i.e. recording the quantum of office floorspace lost); and
- 4 any on-going deficiencies in provision for specific types of employment premises (e.g. small, low cost, business or industrial units).

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