

Cannock Chase Market Intelligence Report Final Report

Cannock Chase District Council

30th August 2019

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Executive Summary

This Market Intelligence Report provides commentary on the appropriateness of the employment land site options in CCDC's emerging Local Plan to meet the land requirements set out in the accompanying Economic Development Needs Assessment [EDNA], also undertaken by Lichfields, in April 2019. It expands on the market analysis outlined in the EDNA, informed by discussions with local agents and other key stakeholders, to feed into the Council's Employment Land Availability Assessment [ELAA] process. This comprises a 'policy-off' exercise identifying future growth needs across Cannock Chase within the national and local planning policy context.

The EDNA concluded that against a current supply of c.25 ha, there is an additional need for between 5 ha and 42 ha of additional B-Class employment land. The market signals analysis confirmed that whilst the previously buoyant market for large-scale logistics has slowed, future prospects remained good, with Kingswood Lakeside the key location in the District. There remains a need for smaller-scale, purpose built, industrial units of 1,000-3,000 sqm in size. However the existing portfolio of employment land is performing reasonably well; whilst there are a number of qualitative issues with the stock, the existing employment areas perform a valuable role in maintaining local jobs with the main issue relating to a lack of expansion land. Office needs are much more restrained, and generally restricted to small-scale move-on office development as Cannock is not considered to be a significant office location in comparison to much larger, well-established locations nearby.

Whilst the current distribution of available sites is of a reasonable quality; broadly follows past delivery patterns; and reflects, in broad terms, where the market is keen to locate (i.e. Kingswood Lakeside and the A5 Corridor), there is potentially a need to identify further employment land to meet B-Class needs in full, and significantly more if the upper-end of the OAN employment range is pursued by the Council.

Lichfields analysed the site locations in the 2018 ELAA (grouped as per the emerging Local Plan Employment Land Options) from a market perspective to test how appropriate they were to meet the overall requirements. The conclusions are as follows:

- Option A: Existing Supply, Urban Areas:** this involves meeting employment land needs identified for the District by using sites already identified for employment developments within the urban areas and exploring opportunities for further supply on urban sites. The ELAA identifies 57 sites which could fall into this broad category. Of this, 25 sites are considered to be available, in that they are either existing undeveloped B-Class employment land allocations and/or have extant planning permission/are under construction for employment uses. These collectively total around 25 ha of land and are in areas of high demand (Kingswood Lakeside, A5 Corridor) and are generally of a high/average quality.
- Option B: comprises the Urban Areas in Option A, plus the employment-led / mixed use redevelopment of the former Rugeley Power Station site:** Development at the former Rugeley Power Station is currently being progressed by Engie. The latest Masterplan identifies a residential-led development with a modest quantum of employment land (approximately 5 ha). From a market perspective, the indicative location of employment land within the site means that it is unlikely to be suitable for industrial and logistics development. Commercial agents were of the view that B1 could potentially be suitable at the site and that this could be supported by a high-quality residential offer. Commercial agents considered that around 5-10 ha of employment land could be a suitable quantum of B-Class development at this location .

- 3 **Option C1: comprises the Urban Areas in Option A and the former Rugeley Power Station mixed use site Option B, plus prioritisation of Green Belt extensions to Kingswood Lakeside, followed by extensions to other employment sites.** The 2018 ELAA identifies 3 potential Green Belt sites that adjoin Kingswood Lakeside, Watling Street Business Park and Norton Canes. This includes 2 extensions to Kingswood Lakeside totalling 12.95 ha. Commercial agents consistently identified Kingswood Lakeside as the District's premier employment destination. It is our view that from a policy off perspective, there is clearly a strong market case to prioritise Green Belt releases for the industrial and logistics growth sectors at Kingswood Lakeside before considering other Green Belt sites elsewhere. The proposed 5.5 ha Watling Street Business Park extension would also comprise a good quality and high-profile enhancement to a successful commercial facility. Such a strategy would align well with the assessment of growth sector site typologies requirements.
- 4 **Option C2: Consideration of Option A Urban Areas, Option B Rugeley Power Station and all Green Belt sites within the District:** Commercial agents reported that Green Belt land adjoining existing employment areas is likely to be more attractive to operators who typically seek land within established locations. However, it is considered that the release of these sites should be considered as a last resort if the necessary employment land need cannot be addressed within the urban area; as part of a wider mixed-use development at Rugeley Power Station; or as an extension to existing successful employment areas (notably Kingswood Lakeside and Watling Street Business Park). From a market perspective, any release of Green Belt sites in Cannock Chase should be considered in accordance with the following broad hierarchy:

 - a Green Belt sites adjoining Kingswood Lakeside (i.e. CE17 and CE18); then,
 - b Green Belt sites adjoining or located in close proximity to successful existing employment areas in the south of the District along the A5 Corridor, specifically Watling Street Business Park; then,
 - c Green Belt sites adjoining or located in close proximity to other existing employment areas across the District; and finally, if no other options to meet economic growth needs are deliverable; then,
 - d Other identified Green Belt sites where market demand can be demonstrated.

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1.0 Introduction

- 1.1 Cannock Chase District Council [the Council / 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. This aligns with the requirement in the National Planning Policy Framework (2019) [the Framework] which requires Local Plan policies to provide a clear strategy to bring sufficient land forward at a sufficient rate to address needs over the plan period.
- 1.2 As part of the evidence for the new Local Plan (2018-2036/38), this Market Intelligence Report will assist the Council in updating its Employment Land Availability Assessment [ELAA] for 2018/19. The Council already undertakes an assessment of the suitability of its land portfolio for B-Class employment uses (taking into account physical and planning constraints such as flood risk or Green Belt designations) and has regard to their attractiveness to the market in relation to current Local Plan (Part 1) employment land requirements and recent trends. This Market Intelligence Report is intended to feed into CCDC's site assessment process. It will provide commentary on the appropriateness of the employment land site options in CCDC's emerging Local Plan to meet the land requirements set out in the accompanying Economic Development Needs Assessment [EDNA] and the Existing Employment Areas Study Update, also undertaken by Lichfields in Spring/Summer 2019.
- 1.3 The 2019 EDNA concluded that Cannock Chase District's Objectively Assessed Need [OAN] for B-Class employment land ranged from 30 hectares [ha] to 67 ha between 2018 and 2036, increasing to between 33 ha and 74 ha to 2038. As set out below, the Council's latest Annual Monitoring Report [AMR] (2017/18) identifies that the Council presently has a supply of around 25 ha of B-Class employment land; hence there is a quantitative shortfall of between 5 ha and 42 ha of employment land for the remainder of the Plan period.
- 1.4 This Market Intelligence Report expands on the market analysis outlined in the EDNA, informed by discussions with local agents and other key stakeholders, to feed into the Council's ELAA assessment process. This comprises a 'policy-off' exercise.
- 1.5 This Report 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 B-Class employment land.

Scope

- 1.6 The purpose of the EDNA was 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 Report comprises the second element of this analysis and should be read in conjunction with the EDNA. Its scope is confined to providing the market intelligence information to feed into the Council's ELAA assessment process 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).
- 1.7 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 Report utilises a combination of both quantitative and qualitative analysis to explore these market 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 and opinions derived from third party sources has not been checked or verified by Lichfields.

- 1.8 As part of the wider study, and to ensure it reflects local characteristics and issues, consultation was undertaken with a range of stakeholders including commercial agents and business organisations via a Business Survey.
- 1.9 CCDC's main project requirements for this second stage study are as follows:
- Comment on the appropriateness of the employment land site options within the ELAA to meet the identified employment land site options to meet the identified employment land requirements from a market perspective.
 - Provide advice relating to the employment land requirements identified in the 2019 Cannock Chase EDNA in order to assist the Council in identifying any gaps in its employment land portfolio. This will help fulfil the Framework's requirements to provide sufficient land to meet employment needs, recognising the requirements of different sectors.
 - Engage with all relevant stakeholders including the Local Enterprise Partnership [LEP], developers, land promoters and local property agents to provide market intelligence and information on business trends, occupier requirements and identify any issues arising in the local property market that may affect the delivery of the Council's employment land requirements. This will help address the Framework's requirement to identify and address any barriers to investment, such as infrastructure or a poor environment.

Structure

- 1.10 The Market Intelligence Report is structured as follows:
- **Section 2.0 provides an overview of market signals and employment space in Cannock Chase**, including the mix of uses, development rates, completions and losses, supply and demand.
 - **Section 3.0 summarises the 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 4.0 examines the appropriateness of the various ELAA land options** including a review of each option and commentary on market perceptions, potential gaps in the portfolio, occupier requirements and other issues arising in the local property market that may affect delivery.
 - **Section 5.0 makes key recommendations** for the study along with policy-off market recommendations to inform the Council's subsequent ELAA update for 2018/19.

2.0 Market Signals and Land Supply Analysis

Introduction

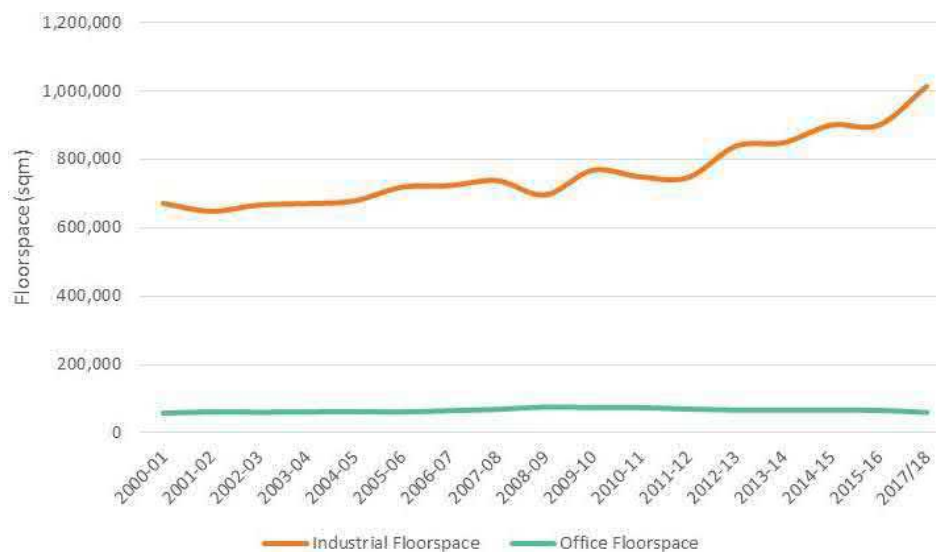
2.1 This Section expands on the analysis undertaken in Section 4.0 of the accompanying EDNA and provides an overview of the current supply of employment space and stock in Cannock Chase based on the work undertaken by the Council, as well as recent trends in development and supply, such as losses to other uses and emerging space in the development pipeline.

Quantum, Mix and Spatial Distribution of Stock across the District

2.2 In total, Cannock Chase District has c.1,070,000 square metres [sqm] of employment floorspace, of which 94.5% is industrial. Figure 2.1 shows that over the period 2000/01 to 2016/17, commercial office space in Cannock Chase District increased by 4% to approximately 59,400 sqm. Total industrial space increased by an impressive 340,000 sqm, or 50%, to c.1,011,000 sqm over the same period, compared with a decrease across the West Midlands as a whole.

2.3 It is therefore evident that the quantum of commercial floorspace within the District has grown considerably, driven in the main by the development of large-scale logistics warehousing, which has helped the local economy to adjust to the ongoing restructuring of the manufacturing sector.

Figure 2.1 Stock of Employment Space (2000/01 to 2016/17)



Source: Valuation Office Agency (2018) Floorspace Statistics

2.4 Figure 2.2, Figure 2.3 and Figure 2.4 present the spatial distribution of existing B-class employment space across Cannock Chase District using the latest available VOA data. These three maps indicate that the majority of employment sites are located in Cannock Town and its immediate environs, with smaller (but still important) 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. In particular, there are few large office developments located outside Cannock Town, and none in Norton Canes which instead accommodates a number of large logistics facilities/industrial units.

2.5 The distribution of the existing supply of employment land is analysed in further detail below.

Existing Industrial/Commercial Stock in Cannock Town, Hednesford and Heath Hayes

- 2.6 According to the 2018 VOA database of industrial/commercial floorspace in Cannock Chase District, the main built up areas of Cannock, Hednesford and Heath Hayes (and the areas immediately to the south and east of Cannock Town) accommodate the bulk of the District's employment land portfolio. As can be seen from Table 2.1, this area contains 80% of the District's entire office floorspace (47,415 sqm in total); 58% of its industrial floorspace; and almost two thirds of its logistics/storage floorspace (totalling an impressive 390,650 sqm).

Table 2.1 Total Employment Floorspace in Cannock Town, Hednesford and Heath Hayes, 2018

| Use | Number of Units | Total Floorspace | % Of CCDC Total |
|-----------------------------|-----------------|------------------|-----------------|
| B1a/b Office | 388 | 47,415 | 80% |
| B1c/B2 Factory and Workshop | 394 | 230,170 | 58% |
| B8 Warehouse | 310 | 390,647 | 64% |
| TOTAL | 1,092 | 668,231 | 62% |

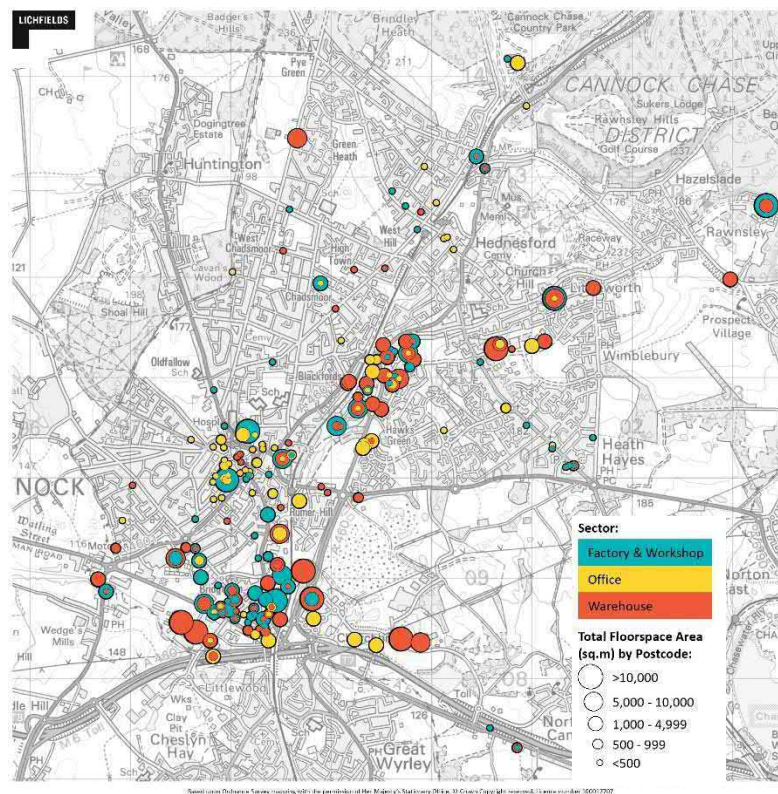
Source: VOA 2018 / Lichfields' analysis

- 2.7 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.
- 2.8 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.
- 2.9 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.
- 2.10 A number of these larger units on Business Parks are currently available to let and are being actively marketed. For example, Watling Court, on Orbital Plaza, Watling Street immediately to the south of Cannock and adjacent to the A34/M6 Toll, has a serviced office to let for up to 450 sq. ft. (41 sqm), which is being marketed with unrestricted access to over 2,000 sq. ft. (186 sqm) of shared space.
- 2.11 Similarly, on Ash Park Industrial Estate (part of the sprawling area of industrial estates and business parks at Hawks Green North), a number of serviced office suites are currently available to let at Trademark House, a unit constructed in 1994 with 3 separate suites available totalling 780 sq. ft. (73 sqm). Advertised rents are around £16 per sq. ft.
- 2.12 The distribution of offices reflects the significant concentration of business activity immediately to the south of Cannock Town along the A5 Corridor Watling Street. As can be seen from Figure

2.2, this includes a considerable number of established Business Centres and Industrial Estates including:

- To the north of Watling Street lies the Cedars Business Centre, with occupiers including TJ Hughes, Kazoo and Trinity Carpets; Avon Business Park, featuring Available Cars and Gestamp (although the latter 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 Watling Street lies Walkmill Business Park; Cannock Industrial Centre; Online Business Centre; Lakeside Plaza; Wyrley Brook and Linkway Retail Parks. To take an example, on the site of the Former Hawkins Works (just off Watling Street), Sure Store have developed a new storage rental facility offering storage to suit all business sizes, from 50 sq. ft. units to space over 12,000 sq. ft. The company is currently marketing 2 new offices at the site, of 650 sq. ft. and 1,400 sq. ft. respectively, offering flexible terms with 90-day rolling agreements, at £22 per sq. ft.

Figure 2.2 Spatial Distribution of Employment Space in Cannock, Hednesford and Heath Hayes, 2018



Source: VOA Business Floorspace Data / Lichfields analysis

2.13

There are several key industrial sites to the south-east of Cannock Town immediately off the M6 Toll Road, including:

- Kingswood Lakeside, Cannock Chase’s 25 ha Strategic Employment Site off the A460 that contains key local employers including Unilever, DHL, Veolia, First Choice, APC, Briggs Equipment and Vauxhall. Part of Kingswood Lakeside is marketed as CONNEQT Alpha or CONNEQT Beta, which contain two large logistics units that are currently to let. These comprise logistics/warehouse/industrial units of 153,635 sq. ft. (14,273 sqm) and 129,550 sq. ft. (12,035 sqm) respectively – available either on a lease or as an owner-occupier¹.

¹ <https://www.rightmove.co.uk/commercial-property-to-let/property-64975048.html>

- Also at Kingswood Lakeside is RAPIDA, a new speculative industrial / warehouse unit comprising 102,750 sq. ft. (9,545 sqm) that is also currently available on a freehold or leasehold basis. Furthermore, Kingswood Lakeside also accommodates the biggest available speculatively built warehouse in the UK, M6DC, a 48 dock, 372,000 sq. ft. (34,560 sqm) warehouse beside Unilever and Veolia that is currently being marketed at £6 per sq. ft.²
- A number of other important industrial estates are located off Walsall Road including Green Lane Venture Centre; Virage Park (containing, for example, Point East warehouse (5,984 sq. ft., or 556 sqm) currently being marketed at the site at £6 per sq. ft. and Virage Point, one of Cannock's tallest office buildings with a 1,700 sq. ft. serviced office suite (157 sqm) currently being marketed at the reduced rate of £10 per sq. ft.³; 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).

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

- Hawks Green North, which comprises 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 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.

Existing Industrial/Commercial Stock in Rugeley / Brereton

2.15 According to Table 2.2, the northern settlements of Rugeley and Brereton contain around a quarter of the District's overall floorspace, although this is heavily skewed by the vast 113,950 sqm Amazon Fulfilment Centre, previously known as Gazeley's 'Flair' building at G-Park, Rugeley. This speculative development is one of the largest logistics facilities in the region and it is rumoured that the online retailer took the unit for well under the £4.75 per sq. ft. asking rent. This facility alone comprises almost half of Rugeley's/Brereton's entire commercial/industrial floorspace stock.

2.16 Elsewhere, just 8,500 sqm of office floorspace is based in this northern part of the District, and 65,795 sqm of industrial floorspace.

² <https://lc.zoocdn.com/552cfb19acd14c1f79429eee1ae7068c649f3623.pdf>

³ <https://www.rightmove.co.uk/commercial-property-to-let/property-54454629.html>

Table 2.2 Total Employment Floorspace in Rugeley and Brereton, 2018

| Use | Number of Units | Total Floorspace | % Of CCDC Total |
|-----------------------------|-----------------|------------------|-----------------|
| B1a/b Office | 109 | 8,523 | 14% |
| B1c/B2 Factory and Workshop | 132 | 65,795 | 17% |
| B8 Warehouse | 94 | 177,707 | 29% |
| TOTAL | 335 | 252,024 | 24% |

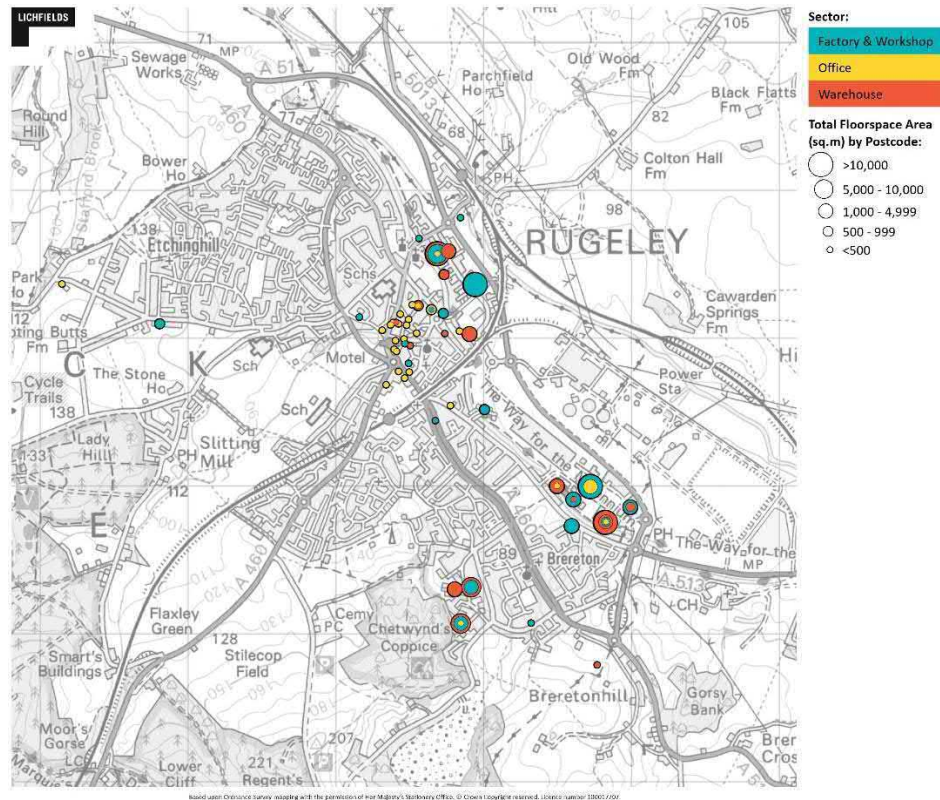
Source: VOA 2018 / Lichfields' analysis

- 2.17 As can be seen from Figure 2.3, one of the main employment locations in Brereton comprises the Towers Business Park to the north east of the town and directly adjacent to the former Rugeley Power Station site. This predominantly contains B1(a) offices with workshop/small 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 largest office unit in this location comprises Edric House, Wolseley Court on Towers Business Park, which formerly accommodated the NHS and is now available to let for c. 470 sqm (5,100 sq. ft.) @ £7.50 per sq. ft. Similarly, Towers Plaza, located on a prominent gateway site immediately off the A51 is advertising 1,500 sq. ft. of office space for £8 per sq. ft. on long term leases⁴. More prestigious office locations in the vicinity of Rugeley/Brereton can attract higher rental prices (although still well below the level of Grade A office space in more prestigious City Centre locations elsewhere in the region), with Hawkesyard Hall offering several office suites on the 14th Century Hawkesyard Estate for around £16 per sq. ft.
- 2.18 Industrial Units on the Towers Business Park that are currently available to let include Units 219 - 220 Wolseley Court, comprising 472 sqm of modern industrial units (5,080 sq. ft.), which is being marketed at £6.15 per sq. ft.
- 2.19 The largest existing industrial unit in Rugeley comprises JCB Cab Systems Ltd, an 18,650 sqm unit based on Power Station Road, Riverside, Rugeley. It is understood, however, that a new factory at Beamhurst on the A50, near Uttoxeter, will replace Rugeley's existing JCB Cab Systems site, where more than 400 people currently work⁵. JCB has been quoted as stating that it has outgrown its Riverside Rugeley site and has tried unsuccessfully to find a suitable replacement plot in the Rugeley area, hence its proposed relocation. It is understood that a phased programme of moving production to the new site will be implemented from July 2019 onwards.
- 2.20 By far the biggest opportunity site in Rugeley/Brereton comprises the 139 hectares [ha] former Power Station site, which 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 CCDC 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. An outline planning application was submitted in May 2019 [CH/19/201]. The Environmental Impact Assessment [EIA] Scoping Request application recently submitted to the Councils by Engie sets out their intention to deliver 2,300 homes and around 5 hectares of B-Class 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.

⁴ <https://www.rightmove.co.uk/commercial-property-to-let/property-70113622.html>

⁵ <https://www.expressandstar.com/news/business/2018/06/28/jcbs-50m-investment-in-new-plant/>

Figure 2.3 Spatial Distribution of Employment Space in Rugeley/Brereton, 2018



Source: VOA Business Floorspace Data / Lichfields analysis

Existing Industrial/Commercial Stock in Norton Canes

2.21 According to Table 2.3, Norton Canes contains around 11% of District’s total floorspace, although this is almost entirely dominated by large industrial units (a fifth of Cannock Chase’s total), with very limited, and largely ancillary, office floorspace.

Table 2.3 Total Employment Floorspace in Norton Canes, 2018

| Use | Number of Units | Total Floorspace | % Of CCDC Total |
|-----------------------------|-----------------|------------------|-----------------|
| B1a/b Office | 16 | 1,228 | 2% |
| B1c/B2 Factory and Workshop | 84 | 81,337 | 20% |
| B8 Warehouse | 54 | 34,722 | 6% |
| TOTAL | 154 | 117,286 | 11% |

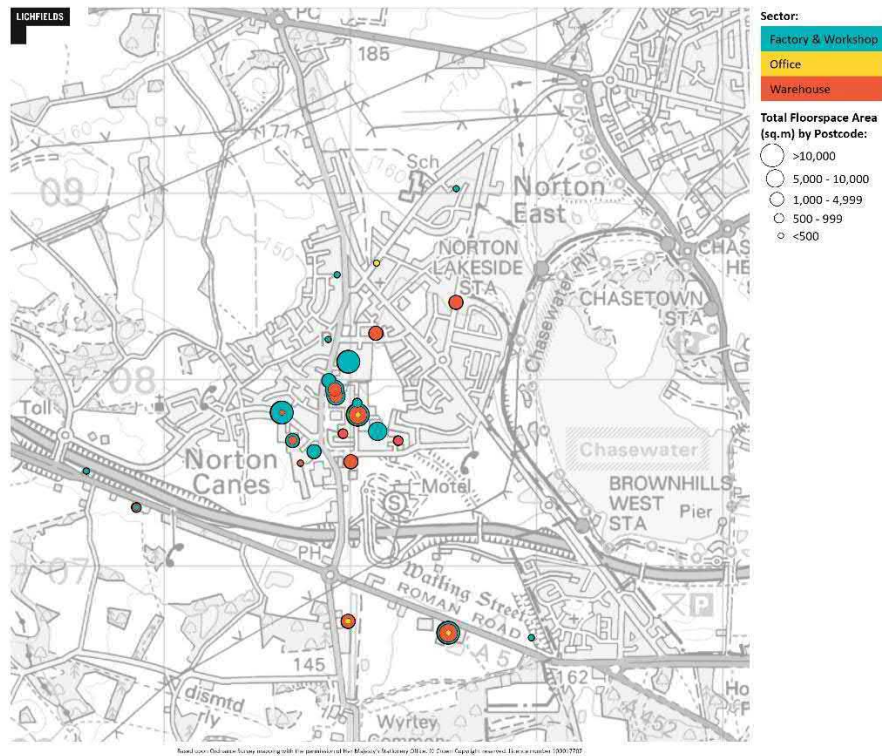
Source: VOA 2018 / Lichfields’ analysis

2.22 As can be seen from Figure 2.4, Norton Canes Business Area is located immediately to the east of Norton Canes Local Centre and comprises a large site with 118 units. It contains a number of distinct industrial areas including Betty’s Lane (occupiers include Stakapal Ltd, which accommodates a large 6,445 sqm industrial unit; Actemium and Wiltshire Farm Food); Morgans Business Park (includes Avon Engineering Rubber, based in a 8,500 sqm industrial unit, 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 the large 8,230 sqm industrial unit for Norton Aluminium Products, 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.

- 2.23 There are few office/industrial units available to let in and around Norton Canes, with a small office unit at Betty’s Lane, between Junctions T6/T7 of the M6 Toll, and a 2,382 sq. ft. warehouse on Norton Canes Business Park available for £4 per sq. ft.

Figure 2.4 Spatial Distribution of Employment Space in Norton Canes, 2018



Source: VOA Business Floorspace Data / Lichfields analysis

Existing Industrial/Commercial Stock in Surrounding Rural Areas

- 2.24 Just 33,400 sqm of employment land is located in the rural areas beyond the main settlements, which is unsurprising given the extent of the Cannock Chase Area of Outstanding Natural Beauty [AONB] and land that is afforded Green Belt policy protection. The vast majority of these units comprise very small workshops meeting localised needs. Most of the office floorspace outside the urban areas is located at the Cannock Chase New Enterprise Centre, Walkers Rise, Hednesford. The main industrial area is Cannock Wood Industrial Estate, Cannock Wood Street, which accommodates a number of B1c/B2/B8 industrial units.

Table 2.4 Total Employment Floorspace in Rural Cannock Chase, 2018

| Use | Number of Units | Total Floorspace | % Of CCDC Total |
|-----------------------------|-----------------|------------------|-----------------|
| B1a/b Office | 33 | 2,246 | 4% |
| B1c/B2 Factory and Workshop | 70 | 21,308 | 5% |
| B8 Warehouse | 25 | 9,873 | 2% |
| TOTAL | 128 | 33,427 | 3% |

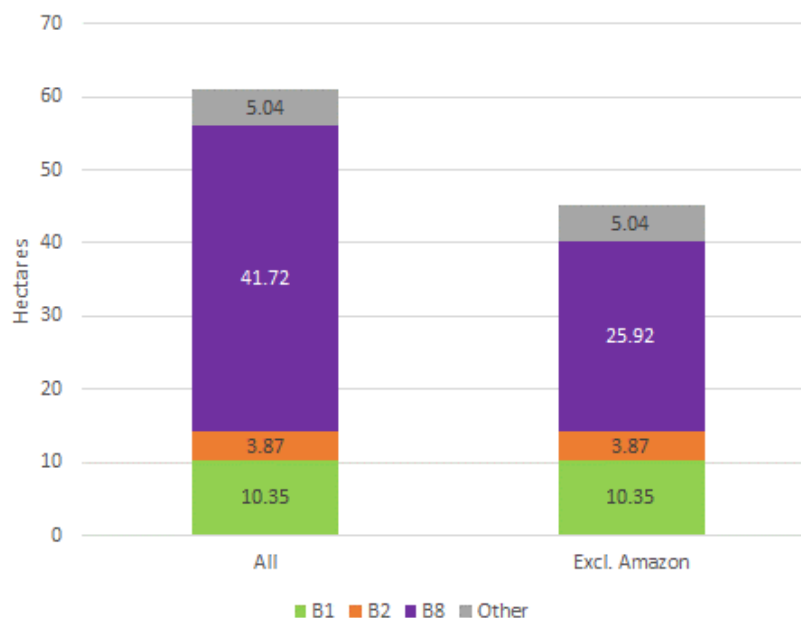
Source: VOA 2018 / Lichfields’ analysis

Development Rates

Completions

- 2.25 Section 4.0 of the Cannock Chase EDNA analysed data on the development of employment land in the District. Take-up (i.e. completions) of floorspace for employment development has been provided by CCDC between 1996/97 and 2017/18, although prior to 2006/07 the data provided represents an amalgamated figure with no detailed breakdown. Gross completions 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.
- 2.26 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.
- 2.27 The 2018 ELAA breaks the employment land take up down to B-Class uses, as summarised in Figure 2.5. 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).

Figure 2.5 Annual Employment Land Completions by B-Class Use, 2006/07-2017/18



Source: CCDC AMRs / Lichfields analysis

- 2.28 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 delivered an average of 4.2 ha of B-Class land annually since 1996/97.

2.29 More detail on the **mix and type** of those B-Class completions is available from 1st April 2006 onwards. Over the past 11 years (and including Amazon):

- 18.5% of development has been for B1a office (10.351 ha);
- 6.9% has been for B1c/B2 industrial (3.87 ha); and
- 74.6% has been for B8 logistics (41.72 ha).

2.30 In terms of **where** this development has taken place in the District, the 2018 ELAA indicates that the vast majority has taken place in Cannock (two thirds of which has come forward at Kingswood Lakeside), followed by Towers Business Park in Rugeley and Brereton. This can be summarised as follows:

- 1 Take up in **Cannock**: 35.23 ha of B-Class land (63% of the District's total), including:
 - 24.53 ha at Kingswood Lakeside, of which 3.0 ha relates to B1, 8.53ha to B8, 11 ha to B8/B1a and 2.0 ha to B1/B2/B8;
- 2 Take up in **Rugeley and Brereton**: 20.48 ha of B-Class land (37% of the District's total), including:
 - 19.95 ha at Towers Business Park, 15.8 ha of which relates to the Amazon Fulfilment Centre;
- 3 Take up in **Norton Hayes**: 0.226 ha of B-Class land (0.4% of the District's total), relating to 2 sites at Norton Green Lane, one for B1/B8 (0.14 ha) and the other for B2 (0.086 ha). There has been no new development in this sub-area since 2013/14.

Losses

2.31 The EDNA also examined losses of employment land in detail. 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).

2.32 There has been a total of 22 instances of office conversions to residential uses (many under 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.

2.33 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: Edgemead 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).

Conclusions

2.34 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), with long term trends indicating a gradual erosion of B1c/B2 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. Other, more traditional, industrial estates can be found 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 Town 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 providing modern B1a office floorspace.
- 3 In total, 62% of the District's existing employment floorspace is located in and around Cannock, Hednesford and Heath Hayes. The area contains the District's main office location (Cannock Town Centre) and Cannock Chase's key industrial/logistics locations, at Kingswood Lakeside, Watling Street Business Park, the A5 Corridor and Walsall Road. Kingswood Lakeside has seen the vast majority of completions in recent years, including a number of speculative 'big box' B8 logistics schemes, some of which remain unoccupied such as RAPIDA, CONNEQT and M6DC, a 372,000 sq. ft. warehouse that is the largest available spec-built warehouse in the UK. This latter scheme is currently being marketed for £6 per sq. ft. (with similar rents being marketed for less prestigious and much smaller units off Walsall Road further north). Office rents tend to be around £10 per sq. ft., although there are examples whereby £16 per sq. ft. and even £22 per sq. ft. are being advertised.
- 4 Rugeley and Brereton have around a quarter of Cannock Chase's existing B-Class stock, although this is heavily skewed by the presence of the vast 113,950 sqm Amazon Fulfilment Centre, which comprises almost half of all the employment space in the town. It is understood that Amazon took the building for well under the £4.75 per sq. ft. asking rent. The majority of other employment land in the area is located at the nearby Towers Business Park, to the north east of the town and directly adjacent to the former Rugeley Power Station site. This predominantly contains B1(a) offices with workshop/small scale storage, with light industry in larger units. Office rents are lower in this part of the District, at around £7-£8 per sq. ft., although the prestigious Hawkesyard Hall office conversion to the south-east of Brereton is seeking rents around double that range. By far the biggest opportunity site in Rugeley/Brereton comprises the 139 ha former Power Station site, which is currently subject to ambitious redevelopment plans by its owner, Engie, for a mix of housing-led uses with some commercial buildings.
- 5 Norton Canes contains around 11% of the District's employment floorspace, although this is almost entirely dominated by large industrial units (a fifth of Cannock Chase's total), with very limited, and ancillary, office floorspace. Norton Canes Business Area is located immediately to the east of Norton Canes Local Centre and comprises a large site with 118 units. There are few office/industrial units available to let.
- 6 Since 2006/07, around 56 ha of employment land has been developed in the District, of which 63% has taken place in Cannock and 24.5 ha at Kingswood Lakeside alone. 15.8 ha

relates to the Amazon Fulfilment Centre at G-Park in Rugeley, whilst Norton Canes has seen very little development over the past 11 years or so.

3.0 **Commercial Property Market**

- 3.1 This section of the Report summarises the Commercial Property Market section of the EDNA. 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.

Cannock Chase District Overview

- 3.2 Despite economic uncertainty at a macro-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.
- 3.3 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.
- 3.4 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 distributed sporadically across the District in out-of-centre locations and, to a lesser extent, in Cannock Town Centre.

Industrial and Logistics Space

- 3.5 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.
- 3.6 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.
 - this includes 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.
 - there are a number of speculative developments which are yet to secure occupiers. This is why the industrial vacancy rate remains stubbornly high (13.4%) at a time where nationally the vacancy rate for large scale modern logistics facilities is closer to 5%.
- 3.7 We understand that the following completed schemes have yet to secure occupiers and are still being marketed:
- 1 Connegt, Kingswood Lakeside – Completed in 2018 by Opus Land, Connegt is a speculative warehousing scheme comprising two units sized at 14,000 (Connegt Alpha) and 12,000 sqm (Connegt Beta).

- 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.
- 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.

- 3.8 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. This is particularly the case for units exceeding 10,000 sqm, which generally require substantial levels of investment.
- 3.9 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.
- 3.10 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.
- 3.11 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.
- 3.12 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. In addition, given that staff retention is always a key priority, firms are usually keen to ensure that their employees can travel easily and quickly to their place of work, and that when they are there, they are within easy reach of local services and facilities. These factors, coupled with the ongoing need for smaller units and move-on space, helps favour many of Cannock Chase's urban sites in terms of indigenous market demand.
- 3.13 Along these lines, 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.
- 3.14 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.
- 3.15 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.

- 3.16 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.

Office Space

- 3.17 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.
- 3.18 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.
- 3.19 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.
- 3.20 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.
- 3.21 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. This level of rent is rarely 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 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.
- 3.22 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.

- 3.23 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.

Future Growth Potential

- 3.24 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.
- 3.25 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.
- 3.26 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.
- 3.27 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.
- 3.28 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

- 3.29 A Business Survey 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.

3-30 Key findings from the Business Survey (reported in detail in the EDNA), are as follows:

- 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.
- Businesses were typically local to Cannock Chase and had 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.
- 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).
- 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.
- When asked what factors influenced their current choice of location, the most popular answer was the proximity to the client base, followed by access to the road network and the supply chain.
- 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.
- Four of the respondents expected 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 stated that they were operating in a sector with modest growth potential, whilst a quarter had no business appetite for expansion.
- 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, whilst another stated that they were looking to relocate to another site in the same town;
- 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. 64% of respondents stating that there were likely to be skills gaps facing their business over the next 5 years.
- Respondents reported that there were a range of advantages for Cannock Chase as a place to do business. In particular, the District's excellent road and rail transport links and particularly its accessibility to the motorway network was stressed as an advantage, as well as being in close proximity to services and amenities.
- 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.
- 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.

4.0 ELAA Land Options

Introduction

- 4.1 This section of the Report summarises the appropriateness of the employment land site options contained within the ELAA to meet the identified employment land requirements from a market perspective.
- 4.2 This Report has been drafted on the basis of the quantitative needs set out in the 2019 EDNA, where a need for between 30 ha and 67 ha was identified over an 18-year Plan period 2018-36. As the Council currently has only 25 ha of employment land remaining (according to its most recent AMR 2017/18), this results in a quantitative shortfall of between 5 ha and 42 ha, although there may also be an additional qualitative need for certain types of land, and/or specific locations, that are currently deficient.

Current Supply of Employment Land

- 4.3 The Cannock Chase Local Plan Part 1 was adopted in 2014. Policy CP8 sets out a requirement for a minimum of 88 ha of new and redeveloped employment land up to 2028. As set out in Section 2.0, the 2018 ELAA identifies that the total employment land supply (2006-2028) was 85.95 ha, some 2.05 ha below the Local Plan target.
- 4.4 This total is broken down in Table 3 of the 2018 ELAA as follows:
- 1 **Completions 2006 - 2017: 60.98 ha** (of which 50.77 ha relates to new sites, and 10.21 ha to redevelopments);
 - 2 **Available supply as at August 2018: 24.97 ha** (of which 14.74 ha relates to new sites, and 10.23 ha to redevelopments);
 - 3 Of this 24.97 ha available supply, **9.1 ha is currently under construction**; and,
 - 4 **Total supply (2006/2028): 85.95 ha** (of which 65.51 ha relates to new sites and 20.44 ha to redevelopments).
- 4.5 The ELAA 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.
- 4.6 This leaves 24.97 ha of employment land to be developed for B-Class uses, of which 9.1 ha is already under construction. To this, 0.15 ha should be added relating to three small town centre office sites that have planning permission for office use. This results in a current employment land supply (as of August 2018) of **25.12 ha**.
- 4.7 Table 4.1 provides a breakdown of this supply by sub-area and type of B-Class use. It indicates that 70% of the District's entire forward land supply is located in and around Cannock, almost all of which is at Kingswood Lakeside (10.3 ha) or along the Watling Street/A5 Corridor at Bridgtown (6.32 ha).
- 4.8 Furthermore, of the 10.3 ha supply at Kingswood Lakeside:
- 6.0 hectares relates to the erection of 2 distribution warehouses with associated ancillary offices, car parking and landscaping, which has full planning permission (CH/16/465) and is under construction; and,
 - 2.3 hectares relates to the erection of building for B2 & B8 use with integral B1 offices and associated services, which also has full planning permission (CH/17/150).

- 4.9 Therefore, only one site (comprising 2 hectares, LP reference CE4 (a)) remains available at Kingswood Lakeside that is not already under construction or does not have extant planning permission for employment use.
- 4.10 As for the remaining parts of the District, Rugeley and Brereton has only 4.41 ha (18% of the total), whilst Norton Canes has even less, with 3.08 ha.
- 4.11 Therefore, as of August 2018, just 6.22 ha of employment land is available across the whole District that does not have extant planning permission for employment use.

Table 4.1 Remaining Employment Land Supply in Cannock Chase District (August 2018)

| | | B1 | B2 | B8 | B1/B2 | B1/B8 | B2/B8 | B1/B2/B8 | Sui Generis | TOTAL |
|--|--------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|--------------|--------------|
| Cannock, Hednesford and Heath Hayes | Hawks Green South | | 0.69 | | | | | | | 0.69 |
| | Kingswood Lakeside | | | | | 6.00 | | 4.30 | | 10.30 |
| | Cannock Enterprise Centre | 0.07 | | | | | | | | 0.07 |
| | Cannock Town | 0.08 | | | | | | | | 0.08 |
| | A5 Watling Street, Bridgtown | | | | 0.80 | 1.30 | | 3.50 | 0.72 | 6.32 |
| | Hollies Business Park | 0.10 | | | | | | | | 0.10 |
| | Cannock Wood Industrial Estate | | | 0.07 | | | | | | 0.07 |
| | Sub-Total | 0.25 | 0.69 | 0.07 | 0.80 | 7.30 | 0.00 | 7.80 | 0.72 | 17.63 |
| Rugeley and Brereton | Towers Business Park | | 1.40 | | | | | 0.84 | | 2.24 |
| | Rugeley Town | 0.07 | | | | | | | | 0.07 |
| | Adjacent Towers Business Park | | | | | | | 2.10 | | 2.10 |
| | Sub-Total | 0.07 | 1.40 | 0.00 | 0.00 | 0.00 | 0.00 | 2.94 | 0.00 | 4.41 |
| Norton Canes | Norton Canes Business Centre | | | | | 0.18 | 0.70 | | | 0.88 |
| | Norton Hall Lane (NE2) | | | | 2.20 | | | | | 2.20 |
| | Sub-Total | 0.00 | 0.00 | 0.00 | 2.20 | 0.18 | 0.70 | 0.00 | 0.00 | 3.08 |
| TOTAL | 0.32 | 2.09 | 0.07 | 3.00 | 7.48 | 0.70 | 10.74 | 0.72 | 25.12 | |

Source: Cannock Chase ELAA 2018 / Lichfields' analysis

Demand / Supply Balance

Current Supply Summary

- 4.12 It is apparent that Cannock Chase District has only 25.12 ha of employment land remaining, of which 11.4 ha is already under construction and a further 9.801 ha has extant planning permission for B-Class uses (either full or in outline), which leaves just 6.22 ha of allocated employment land.
- 4.13 Furthermore, the ELAA notes that of this total, around 2 ha of land at Norton Canes (site NE2, Norton Hall Lane in Table 4.1) is also being promoted for potential re-allocation to residential development; however, the ELAA notes that the site is the subject of an extant outline consent for Mixed use development of up to 450 houses and up to 6,300 square metres of employment floorspace (class B1 and B2 uses); formal and informal open space and new highway access (ref: CH/10/0294) and no further assessment work for residential development has been undertaken to date.

4.14 The ELAA states that:

“Nevertheless, this may necessitate further flexibility within the employment land supply. Timescales for the delivery of Site RE3 (2.1ha) may also be impacted by redevelopment plans for Rugeley Power Station. In relation to town centre offices, there continue to be a number of sites to be monitored as part of sequential test requirements, however these are limited.” [page 12]

4.15 It is also worth noting that of the current supply, the ELAA rates 6 sites as being of a ‘high’ quality. This totals 14.64 ha (i.e. 58% of the total supply) and are all located at either Kingswood Lakeside or Towers Business Park, Rugeley. Of the remaining sites, 11 are rated as being of ‘average’ quality (totalling 7.99 ha), the bulk of which are located along Watling Street, Bridgtown and Norton Canes Business Centre, whilst only 2 sites (totalling 0.14 ha) are rated as being of ‘low’ quality (located at the Cannock Enterprise Centre and Cannock Wood Industrial Estate). The remaining 4 sites were not rated.

4.16 There is therefore a good quantum of high-quality employment sites, albeit these are concentrated at 2 prestigious locations where supply is running low.

4.17 In terms of size, of the 19 current employment commitments that are either under construction or benefit from extant planning permission (either in full or in outline) for B-Class employment use (totalling 74,463 sqm):

- 5 sites have extant planning permission for less than 500 sqm of B-Class floorspace;
- 3 sites have extant planning permission for between 500 sqm and 1,000 sqm of B-Class floorspace;
- 7 sites have extant planning permission for between 1,000 sqm and 5,000 sqm of B-Class floorspace;
- 2 sites have extant planning permission for between 5,000 sqm and 10,000 sqm of B-Class floorspace; and,
- 2 sites have extant planning permission for over 10,000 sqm of B-Class floorspace (comprising 13,223 sqm B1/B2/B8 floorspace at the Former Bowmur Haulage site, Watling Street, Bridgtown, Cannock, and 26,308 sqm of B8/B1a at Kingswood Lakeside).

4.18 There is therefore a good mixture of small and medium sites, albeit relatively few sites for over 5,000 sqm of employment floorspace, given that there have been a considerable number of large logistics developments that have come forward in the District in recent years.

Demand Summary

4.19 A number of different growth scenarios were considered in the 2019 Cannock Chase EDNA to test the likely need for employment land generated over the plan period 2018 to 2036. Due to the nature of the data available, this was not broken down at a sub-district level, and therefore related to Cannock Chase District as a whole.

4.20 Five different scenarios of future employment space requirements were considered based on a range of lower and higher growth conditions that could arise in the future. The Experian baseline scenario (Scenario 1) forecast 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 was 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. 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).

- 4.21 On the face of it, whilst this aligns with the current supply of land currently available, 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 link road. Furthermore, as of August 2018 there was a total of 9.1 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 7 hectares identified as being suitable for B-Class uses but with no planning permission at present – 25 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 suggested that this level of need is insufficient.
- 4.22 The Regeneration Scenario accelerated 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 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.
- 4.23 Past take up 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 suggested that this equates to 3.3 ha (net) over the long term, and 2.5 ha over the medium term. Trended forward, this resulted 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.
- 4.24 **Consequently, on the basis of these considerations, it was 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.** This equated 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.
- 4.25 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 also relate to B8 warehousing (see, for example, Kingswood Lakeside and the Former Hawkins Works).
- 4.26 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.

This indicates that to 2036, and against a current supply of c.25 ha, in purely quantitative terms there is an additional need for between 5 ha and 42 ha of additional B-Class employment land.

4.27 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 were considered:

- 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 26% of B-Class land completions has related to office space, compared to 10% for B1c/B2 industrial land, and 64% for B8 warehousing and logistics.
- 7 Since 2011/12, 26% of B-Class employment floorspace losses have related to B1a/b offices; 72% B1c/B2 industrial and just 2% for B8 warehousing.

Taking the above factors into account, the EDNA concluded that 25% of the employment land requirement should be for B1a/B1b office, with the remaining 75% for B1c/B2/B8. This was not split between the different settlements in the District. It is difficult to compare this need with the current supply, as 90% of it relates to a mix of B-Class uses. This means that there remains a reasonable degree of flexibility for the existing portfolio to respond to the demand of the market, although going forward there will be a clear need for further allocations capable of delivering high quality B8 logistics floorspace.

4.28 From a qualitative perspective, the EDNA concluded the following:

- 1 **Kingswood Lakeside is 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, there has been considerable demand for smaller units to accommodate indigenous local businesses.

- 2 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 units within the region of up to 3,000 sqm.**
- 3 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 distributed sporadically across the District in out-of-centre locations and, to a lesser extent, in Cannock Town Centre.
- 4 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 forward for B8 units in excess of 10,000 sqm** (although a number remain unoccupied, with some agents considering this to be a reflection of the Brexit uncertainty rather than a loss of confidence in Cannock Chase as a logistics location).
- 5 Once there is clarity on the outcome of Brexit, stakeholder considered that there is a **reasonable prospect that demand will exist for further industrial and logistics development** in Cannock over the next few years.
- 6 **Significant demand exists for small to mid-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.**
- 7 Letting rates for smaller units are 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. There is clearly a demand for smaller-scale, purpose-built, modern industrial units.
- 8 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.
- 9 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.
- 10 Cannock Chase's local office market is generally driven by smaller occupiers seeking offices of **90 to 180 sqm.** Any office requirements exceeding 200 sqm are seen as being significant requirements in the local market.
- 11 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.

To inform future employment land options therefore, the key takeaway considerations from a qualitative perspective are that whilst the previously buoyant market for large-scale logistics has slowed, stakeholders considered that its future prospects remained good, with Kingswood Lakeside the key location in the District. There is a particular need for smaller-scale, purpose built, industrial units of up to 3,000 sqm. Office needs are much more restrained, and generally restricted to small-scale move-on office development.

Overview of the emerging Local Plan Employment Land Options

- 4.29 The emerging Cannock Chase Local Plan (Issues and Options, 2019) accepts that because all land outside Cannock Chase's existing urban areas is Green Belt, there will come a point in the near future where under-used or brownfield land will be exhausted and alternative options will need to be explored. In this regard, the emerging Plan refers to the 2018 version of the ELAA, which notes (in Table 3 of that document) that of the 88 ha of B-Class employment land required in CCDC's Local Plan (Part 1), 85.95 ha was allocated for the period 2006-2028 (i.e. a modest shortfall of 2.05 ha). Of this total, 60.98 ha has been completed between 2006 and 2017, at a rate of 5.54 ha annually. **This leaves just 24.97 ha of available employment land, of which 9.1 ha was under construction** (as of August 2018).
- 4.30 The 25 ha of B-Class land is split as follows:
- Cannock, Hednesford and Heath Hayes: 18 ha (72% of the remaining supply);
 - Rugeley and Brereton: 4 ha (16%); and,
 - Norton Canes: 3 ha (12%).
- 4.31 Furthermore, the emerging Local Plan notes that there is some potential for a further reduction in this supply, with sites at Norton Canes and Rugeley potentially being considered for other uses at the time of writing. For this reason, we consider that it is likely that 25 ha will be the maximum amount of B-Class land available, with the actual amount coming forward ultimately being lower than this.
- 4.32 Given the land requirement identified in the EDNA, there is therefore a clear need to identify new locations for B-Class development. The options identified are based on the supply of sites set out in the 2018 ELAA and, based on the emerging Local Plan Options ,are as follows:
- **Option A: Urban Areas** – use sites already identified for employment developments within the urban areas and explore opportunities for further supply on urban sites.
 - **Option B: Rugeley Power Station** – relating to option B1 of the emerging Plan only in this context, which comprises the Urban Areas in Option A, plus the employment-led / mixed use redevelopment of the former Rugeley Power Station site.
 - **Option C1: Green Belt Sites in combination** with the options for the Urban Areas and former Rugeley Power Station, considering Green Belt sites. This Option prioritises **extensions to Kingswood Lakeside**, followed by extensions to other existing employment sites.
 - **Option C2: Green Belt Sites in combination** with the options for the Urban Areas and former Rugeley Power Station, considering all Green Belt site options across the District with **no prioritisation to Kingswood Lakeside**.
- 4.33 The appropriateness of these employment land site options presently contained within the 2018 ELAA from a market perspective are each considered below.

Emerging Local Plan Option A: Urban Areas

- 4.34 The Cannock Chase Issues and Options Local Plan [page 78] advises that this Employment Land Option involves meeting employment land needs identified for the District by using sites already identified for employment developments within the urban areas and exploring opportunities for further supply on urban sites.

- 4.35 This option would therefore include identifying additional urban sites from sources such as redeveloped employment land (to generate higher density of development) or open spaces. This could involve reassessing sites that are not considered appropriate for development at present and seeking to identify additional sites that are not currently being considered for employment development. The emerging Plan notes that there would be a need to consider the balance between losses of other uses to employment land.
- 4.36 Under this option therefore, there would be a reliance on redeveloping existing employment land or open spaces to make up the 5 ha-42 ha B-Class employment land shortfall.
- 4.37 The Council's latest 2018 ELAA identifies 57 sites within the urban area which are potentially suitable to assist with the delivery of Option A. However, 34 of these sites are not considered to be available which leaves a balance of 23 sites as summarised in Table 4.2. The 25 ha of available employment land identified in the Table is distributed across the 23 available sites.

Table 4.2 OPTION A Employment Land Supply in Cannock Chase District (August 2018)

| | Site | Net Developable Area (ha) |
|--|--|---------------------------|
| Cannock, Hednesford and Heath Hayes | Plots 8-10, Ridings Park, Eastern Way, Hawks Green, Cannock | 0.690 |
| | Kingswood Lakeside, Blakeney Way, Cannock | 2.000 |
| | Kingswood Lakeside, Blakeney Way, Cannock | 6.000 |
| | Kingswood Lakeside- Zone E, Kingswood Lakeside, Cannock | 2.300 |
| | Land adjacent to Unit 2, West Cannock Way, Cannock Chase Enterprise Centre, Hednesford | 0.070 |
| | AJ Sellman Funeral Director, 70 Church Street, Cannock | 0.001 |
| | Gestamp, Watling Street/Wolverhampton Road, Cannock | 0.800 |
| | Northwood Court, Hollies Avenue, Cannock | 0.100 |
| | Chenet Court, Allport Road, Cannock | 0.080 |
| | ATP Industries Group Ltd, Cannock Wood Industrial Estate | 0.070 |
| | Land at Lakeside Boulevard, Cannock | 0.720 |
| | Former Hawkins Works, Watling Street, Bridgtown, Cannock | 0.500 |
| | Former Hawkins Works, Watling Street, Bridgtown, Cannock | 0.800 |
| | Former Hawkins Works, Watling Street, Bridgtown, Cannock | 0.500 |
| | Former Hawkins Works, Watling Street, Bridgtown, Cannock | 0.400 |
| Former Bowmur Haulage site, Watling Street, Bridgtown, Cannock | 2.600 | |
| Sub-Total | 17.631 | |
| Rugeley and Brereton | Towers Business Park Phase 2, Wheelhouse Lane, Rugeley | 1.400 |
| | The Royal British Legion, Bow Street, Rugeley | 0.070 |
| | Former Power Station off A51 (adjacent to Towers Business Park), Rugeley | 2.100 |
| | Towers Business Park, Phase 2, Wheelhouse Road, Rugeley | 0.840 |
| | Sub-Total | 4.410 |
| Norton Canes | Norton House, Norton Green Lane, Norton Canes | 0.180 |
| | Land off Norton Hall Lane, Butts Lane, Norton Canes | 2.200 |

| | | |
|--------------|-------------------------------------|---------------|
| | Unit 12, Conduit Road, Norton Canes | 0.700 |
| | Sub-Total | 3.080 |
| TOTAL | | 25.121 |

Source: Cannock Chase ELAA 2018 / Lichfields' analysis

- 4.38 The Table indicates that 17.6 ha could be available in Cannock, Hednesford and Heath Hayes, of which 10.2 ha relates to three sites at Kingswood Lakeside and a further 6 sites (5.6 ha) in the vicinity of Watling Street in Bridgtown. The Kingswood Lakeside Employment Park is recognised as a key strategic site in Staffordshire's portfolio of industrial assets and has seen very significant levels of delivery in recent years. Most of this space has been taken up by occupiers serving a wider market than Cannock Chase District.
- 4.39 There is a mixed picture surrounding the Employment Park's available stock of land however, as although 8.69 ha is available, 6 hectares is currently under construction for a mix of B1a/B8 [application ref: CH/16/465], whilst 0.69 ha has outline planning permission (ref: CH/96/0566) for B2 industrial. Just leaves just 2 ha remaining to be developed as part of future supply.
- 4.40 Furthermore, as noted earlier in this document, three very large units are currently available at Kingswood Lakeside: 102,750 sq. ft. Industrial/Distribution for rent at RAPIDA; 129,550 - 153,635 sq. ft. Industrial/Distribution for rent at CONNEQT; and 375,465 sq. ft. at M6DC, which is one of the largest vacant units in the West Midlands suitable for industrial and logistics uses.
- 4.41 These units will not meet demand from smaller, indigenous occupiers requiring more modest workshops and light industrial floorspace. This will, however, be met on some of the other, smaller, sites in the urban area, many of which have extant planning permission for B-Class employment use. These include:
- Ridings Park (plots 8-10), Eastern Way, Hawks Green, Cannock (0.69 ha): Outline planning permission for the business park was granted in March 1998 (CH/96/0566). Current application CH/18/020 is full planning application for the erection of 2 industrial units, approved 14th May 2018.
 - Former Hawkins Works, Watling Street, Bridgtown, Cannock (0.5 ha): 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.
 - Former Hawkins Works, Watling Street, Bridgtown, Cannock (0.8): CH/16/156 comprises 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 (0.5 ha): 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 (2.6 ha): CH/16/260 is full planning permission for the erection of an industrial unit for B1/B2/B8 use, granted March 2017. Discharge of conditions approved March 2018.
 - Land adjacent to, Unit 2, West Cannock Way, Cannock Chase Enterprise Centre, Hednesford (0.07 ha): 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 (0.1 ha): CH/16/374 is full planning permission for the demolition of existing building and erection of new light industrial unit and offices, granted April 2017.
- ATP Industries Group Ltd, Cannock Wood Industrial Estate, Cannock Wood (0.07 ha): CH/17/328 is full planning permission for the erection of an extension to an existing warehouse, granted November 2017.
- Land at Lakeside Boulevard, Cannock (0.72 ha): CH/17/430 is full planning permission for the erection of motorhome showroom and workshop with associated car parking and landscaping, granted March 2018.
- Towers Business Park Phase II, Wheelhouse Lane, Rugeley (1.4 ha): 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, granted October 2017.
- Land off Norton Hall Lane, Butts Lane, Norton Canes (2.2 ha): Outline planning permission for mixed use development (residential and employment) granted May 2015 (CH/10/0294). 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 (0.7 ha): CH/15/0102 is full planning permission for the refurbishment of an existing warehouse (B8) and the construction of 5 industrial units (B2), granted June 2015.
- Norton House, Norton Canes Business Park, Norton Green Lane, Norton Canes (0.18 ha): 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, granted March 2018.
- A J Sellman Funeral Director, 70, Church Street, Cannock (0.001 ha): CH/15/0306 is full planning permission for a single storey office extension, granted September 2015.
- The Royal British Legion, Bow Street, Rugeley (0.07 ha): CH/15/0491 is full planning permission for the erection of an office building, granted February 2016.

4.42 Whilst these sites may be considered available, it is not a given that they will all come forward for employment development. For example, the Former Power Station site off the A51 adjacent to Towers Business Park, Rugeley (ELAA ref. RE3) was granted outline planning permission (ref. CH/03/0378) for residential and employment development in May 2003. However, to date, it is only the residential development that has come forward and the outline planning permission has now expired without reserved matters ever being approved for the employment element. Whilst it is noted that this site could potentially form part of the wider strategic former Rugeley Power Station site, it is omitted from the current Masterplan boundary.

4.43 However, in general, agents considered that of the 23 committed employment sites in the urban area that are considered to be available to contribute around 25 ha of land, these are (predominantly) in areas of high demand (the aforementioned Kingswood Lakeside, A5 Corridor) and are generally of a high quality.

4.44 Not all of these sites may come forward for B-Class uses due to competing (and higher value) residential development proposed and we would still have a substantial shortfall even if 25 ha was delivered. Under this option, brownfield sites in urban areas would need to be explored to make up the shortfall.

4.45 The ELAA includes 34 Urban (unavailable) sites, which could, in theory, be capable of contributing 35.3 ha of B-Class employment land. This is split as follows across the District:

- **Cannock, Hednesford and Heath Hayes:** 22 sites, 27.56 ha;
- **Rugeley and Brereton:** 11 sites, 7.15 ha; and,
- **Norton Canes:** 1 site, 0.56 ha.

- 4.46 Whilst sites located within the urban area are often favoured by indigenous SMEs, they often do not meet the requirements of larger businesses e.g. logistics operators, who typically favour more accessible sites in close proximity to the strategic road network. Furthermore, whilst commercial agents considered that there could potentially be a demand for another logistics development within the urban area of the size and scale of Amazon, we were advised that no available committed site exists to accommodate such a scheme and agents were of the view that in general there remained a qualitative deficiency in terms of sites suitable to accommodate B2 and B8 uses within the urban area.
- 4.47 To provide some examples of the larger sites in the ELAA list that are likely to remain unavailable, this includes CE2 (the 7.6 ha Mill Green site) which is currently being redeveloped for a designer outlet village; CE35, the former automotive site covering 1.2 ha which is now being redeveloped for housing; and a number of sites that are now included in the Council's SHLAA as potential housing sites. Another large site, CE41 (land rear of Civic Offices, Cannock, which covers 1 ha and potentially 5,738 sqm of floorspace), is currently occupied by Council offices with no current plans for redevelopment. The ELAA notes that the site is subject to an application for an extension to the Council Offices car park to act as a public car park for visitors to the adjacent Cannock Hospital.
- 4.48 Other sites which may come forward, such as the Former Rumer Hill Industrial Estate (CE63), may ultimately be utilised for B8 storage, but as this would not involve the construction of any new buildings for employment use it is not considered to contribute to employment land requirements target. Similarly, the former ATOS site (site reference CE42) is the largest unavailable site which has the potential to go back to B-Class use (as former offices) and is located along the Walsall Road employment land corridor, which is recognised as a key employment location with a concentration of B-Class uses nearby.
- 4.49 Clearly the situation may change with some of these sites and they could have a role to play in meeting indigenous needs, particularly for the current shortfall in 1,000-3,000 sqm B2/B8 industrial land and/or the modest B1 office requirements. However, in general terms it is not considered that these sites will contribute significantly to addressing the substantial employment land shortfall at the upper end of the range. This is because few of these sites are likely to provide the type of high quality floorspace in accessible locations required by the types of companies that align with the Council's target B-Class growth sectors.
- 4.50 These target growth sectors were set out in Section 6.0 of the EDNA and Regeneration Scenario 3), which informed the employment land requirement range. Of the 9 transformational growth sectors identified in Table 6.7 of the EDNA, five are likely to be based predominantly on B-Class employment land. These are:
- Advanced Manufacturing/Engineering;
 - Life Sciences;
 - Logistics and transport technologies;
 - Digital and Creative Industries; and,
 - Business and Professional Services/Financial Services.

4.51 It is critical that the right type of site and business accommodation is made available to the market. Table 4.3 summarises how the above growth sectors might translate into specific types of employment site requirements.

4.52 The types of premises required by these sectors can vary greatly with the range of different activities within each sector. However, there are certain types of sites and property products with a specific scale, form and environment, which can accommodate many of the needs of these sectors, and locations which provide the space to maximise the potential to attract mobile investment in those sectors. These include an office / business park, industrial / advanced manufacturing park, science / R&D park, strategic logistics hub and mixed employment / hybrid area.

Table 4.3 Potential Site Typologies of Target Growth Sectors in Cannock Chase District

| Growth Potential Sector | Indicative Sector Requirements | Indicative Space Requirements | Site Typology |
|---|--|--|---|
| Advanced Manufacturing / Engineering | <ul style="list-style-type: none"> • Workshops for research and design • Testing facilities (e.g. wind tunnels) | Wide range of premises – from small industrial flexible units to high specification B1/B2 units with high office content | <ul style="list-style-type: none"> • Science/R&D park • Industrial/advanced manufacturing park • Mixed employment area |
| Life Sciences | <ul style="list-style-type: none"> • Availability of skilled labour • Reasonable links to R&D centres and defence Institutions | Range of premises – from large laboratories and workshops to small B1/B2 units for start-ups; Larger high specification units to provide move on space. Secure facilities may be required. | <ul style="list-style-type: none"> • Science/R&D park • Secure self-contained facility • Office/business park • Mixed employment area |
| Logistics and transport technologies | <ul style="list-style-type: none"> • Access to strategic transport routes • Access to technology / e-commerce connectivity • Available workforce | Large-scale high-tech B8 units on large sites for parking / storage | <ul style="list-style-type: none"> • Strategic logistics hub • Mixed employment area • Aviation business park |
| Digital and Creative Industries | <ul style="list-style-type: none"> • Skilled workers • Fast links to Birmingham / airport • Fast broadband access • Quality of life / image of location | Wide range of premises: high quality offices to small-scale studios, industrial and incubator units | <ul style="list-style-type: none"> • Office/business park • Mixed employment area |
| Business and Professional Services / Financial Services | <ul style="list-style-type: none"> • Access to clients/markets • Availability of skilled labour • High quality transport links and telecommunications • Good quality of life | High quality office space at range of unit / floorspace sizes, requiring large footplates | <ul style="list-style-type: none"> • Office/business park • Mixed employment area |

Source: Lichfields Analysis

4.53 The 33 ‘unavailable’ urban sites identified in the ELAA generally perform poorly against these potential site typologies due to their constrained nature, smaller scale (Mill Green aside, none of the urban sites are greater than c4 ha in size), and in many cases, a lack of direct connectivity to the strategic road network.

4.54 The five employment site typologies that would be best placed to attract industries in Cannock Chase District’s target B-Class growth sectors have been analysed below in terms of their key characteristics. An overall assessment has been made of their potential to accommodate strategic employment growth in Cannock Chase District based on the ELAA site Options. This

should also be seen from the perspective that Cannock Chase's economy is very much driven by industrial and warehousing uses, which are projected to continue to grow strongly as opposed to the much weaker office market; hence there is a greater need for a Logistics hub/AMP/mixed employment area than the Science R&D Park / Business Park typologies set out below.

Table 4.4 Assessment of Site Typologies and alignment with ELAA / Emerging Local Plan Options A and B

| | Science / R&D Park | Office / Business Park | Industrial / AMP | Logistics Hub | Mixed employment area / hybrid uses |
|---|---|---|---|--|--|
| Indicative Size | 5-10 ha | 5-10 ha | 5-10 ha | 20 ha+ | 5-10 ha |
| Use Classes | B1a/B1b/B1c | B1a | B1c/B2 | B8 | B1/B2/B8 |
| Example target sectors | Life Sciences Digital and Creative Industries | Business and Professional Services / Financial Services | Advanced Manufacturing / Engineering | Strategic Logistics | Business and Professional Services / Financial Services AMP / Engineering Digital and Creative Industries Small-scale logistics |
| Design specification | High-quality landscaped setting; scope for separation of 'clean' uses and relevant regulatory design standards Potential for secure facilities | High-quality landscaped setting; provision of car parking | Serviced plots for design and build opportunities; flexibility to accommodate supply chains | Large plots with potential for open storage and yards | Separation of uses; design code to maintain quality standards |
| Infrastructure requirements | Proximity to university/higher education provider or research institute and/or major corporate tenant | Access to road, rail and air connections; broadband connectivity; on site amenities | Access to strategic road network | Access to strategic road network; scope for 24 hr operations; broadband connectivity | On-site amenities (i.e. small-scale retail and leisure provision) |
| Alignment with Option A: Urban Areas | Low | Medium | Medium | Low | Medium |
| Alignment with Option B: Rugeley Power Station | Medium | Medium | Low | Low | High |

Source: Lichfields

- 4.55 This indicates that the Option A Urban Area sites do not align well with the site typologies required (with the exception of the three Kingswood Lakeside sites), as most do not benefit from the combination of high quality landscaped settings, provision of ample car parking, lack sufficient scale or have appropriate access to the strategic road network. There is a better alignment with these sites to Mixed employment areas/hybrid, albeit the likely proximity to sensitive uses adjoining some of the urban sites may reduce the opportunity to bring forward small scale logistics/AMP/Engineering on such sites. It is also suggested that site RE3 (which adjoins the Former Rugeley Power Station site to the south east) also has the potential to contribute to site typologies as part of a wider Power Station redevelopment.
- 4.56 This does not preclude a situation in which the Council pro-actively seeks a step change in the local economy or from elements of these typologies being included within a mixed employment area on one or more of the urban sites identified, but it should be noted that current market evidence is less supportive of these sites being suitable to come forward for the types of industries identified above.

- 4.57 Fundamentally, commercial agents advised that whilst sites located within the urban area are often favoured by indigenous SMEs, they do not always meet the requirements for larger businesses e.g. logistics operators who typically favour sites located on Motorway junctions or in close proximity to the strategic road network. Clearly the development of the Amazon Fulfilment Centre at Rugeley deviated from this trend. Whilst it took some time to come forward, it was completed immediately prior to the recession in 2008, and it is understood that this scheme benefitted from significant fiscal incentives and public sector interventions. Agents were of the view that, in general, there is a qualitative deficiency in terms of sites suitable to accommodate B2 and B8 uses within the urban area.
- 4.58 On the basis of the above, whilst the importance of redeveloping brownfield sites is accepted, from a market perspective, commercial agents considered there to be significant risks associated with the sole pursuit of Option A. The 33 urban sites considered by CCDC to be 'unavailable' in the ELAA are generally identified for alternative (usually higher value) non B-Class uses or otherwise constrained. They are often (but not exclusively) removed from the strategic road network; are of too small a scale to meet the needs of land hungry logistics operators; and represent a relatively poor fit with the site typologies that could accommodate industries operating in Cannock Chase's key growth sectors.
- 4.59 That is not to say that the 'right' brownfield site could not have a role to play in helping to drive Cannock Chase's economy forwards, and there remains a moderate need for a supply of smaller, sustainably located sites to accommodate indigenous needs right across the District, particularly for small-scale workshops and storage. Should some of the ELAA urban sites overcome the identified constraints and come forward for economic development, then clearly the Council should reassess their deliverability and treat each case on its merits. Nevertheless, based on the pattern and scale of development that has been achieved in recent years, and the type of industrial growth targeted by CCDC, then from a market perspective, such urban sites are unlikely to overcome the shortfall in B-Class land requirements and therefore alternative sites will need to be found.

Emerging Local Plan Option B: Rugeley Power Station

- 4.60 The Rugeley Power Station site comprises two former coal-fired power stations located to the east of Rugeley, adjacent to the River Trent, traversing the boundary between Cannock Chase District and Lichfield District. Rugeley Power Station A was decommissioned in 1994 and is subject to ongoing residential development to replace the facility. It was subsequently announced in 2016 that the Rugeley Power Station B would also close. In February 2018, CCDC and Lichfield District Council adopted a joint Development Brief SPD for the Rugeley Power Station B site which sets out an indicative vision for the redevelopment of the site.
- 4.61 The SPD identifies the site as being suitable to accommodate employment development, although it advises that the scale and quantum of employment floorspace will need to be subject to a more detailed market assessment at the planning application stage.
- 4.62 The emerging Cannock Chase Local Plan (Issues and Options, 2019) [§8.29] states that options to identify additional urban capacity, including the former Rugeley Power Station site, will be explored before any consideration is given to meeting employment land needs on Green Belt sites. It is acknowledged that the quantum of employment land that can be delivered on the former Rugeley Power Station site will clearly inform the need for additional employment land sites in the District.

Table 4.5 OPTION B Employment Land Supply in Cannock Chase District (August 2018)

| | Site Name | Net Developable Area (ha) |
|--|--------------------------------|---------------------------|
| Cannock, Hednesford and Heath Hayes | Option A Sites | 17.631 |
| Rugeley and Brereton | Rugeley Power Station, Rugeley | 55.00* |
| | Option A Sites | 4.410 |
| | Sub-Total | 59.410 |
| Norton Canes | Option A Sites | 3.080 |
| TOTAL | | 80.121 |

Source: Cannock Chase ELAA 2018 / Lichfields' analysis

*Note: the planning application subsequently submitted [ref: CH/19/3201] suggests that only 5ha of employment land would be delivered on the site. Therefore, the whole of the 55 ha site is not expected to come forward for B-Class uses in isolation.

4.63

The site is identified as site RE24 in the 2018 ELAA and is earmarked for 55 ha (Table 4.5). It is owned by Engie who are progressing development proposals at the site. An outline planning application was submitted in May 2019 [ref: CH/19/201] and Engie has undertaken extensive pre-application consultation. An illustrative Masterplan was sent to Lichfields in April 2019 by the site's promoters and is reproduced in Figure 4.1.

Figure 4.1 Illustrative Masterplan of the Former Rugeley Power Station site (2019)



Source: Engie / JTP Studios (2019)

- 4.64 The emerging Masterplan comprises a predominantly residential led, mixed use scheme with an element of employment land totalling approximately 5 hectares. As can be seen in Figure 4.1, the employment land is currently located to act as a buffer between the residential development and a 400kv substation which is retained under the current proposals. Given the proximity of the sensitive C3 uses, the masterplan as currently envisaged clearly anticipates the employment land component to comprise B1 uses. Furthermore (whilst indicative), the quantum of employment land currently proposed would only be sufficient to meet the very bottom of the 30-67 ha identified range if combined with the current 25 ha supply. However, if the whole site were to come forward for employment use, then clearly it would meet the entire shortfall on its own.
- 4.65 There are a number of reasons why from a market perspective, this would not be recommended. In particular, agents were generally of the view that as an employment destination, Rugeley is less attractive than elsewhere in the District, and particularly those southern areas that benefit from stronger connectivity with the strategic road network. This is reflected in rental values for industrial floorspace, which are typically between £6-7 per sq. ft. in the south of the district as opposed to around £4 per sq. ft. in Rugeley. This is of course relative; the Amazon Fulfilment Centre is located immediately to the south of the Power Station site, which demonstrates that Rugeley Town does have the ability to attract major international companies and to retain these for a number of years.
- 4.66 Nevertheless, when this site was discussed with commercial agents operating in the area, the general view was that the site was better suited for a mixed use, residential-led development, noting that there were significant barriers to overcome in respect of ground remediation given its development history. Residential development typically achieves significantly higher land values than employment land and this, as well as weaker commercial property market conditions in Rugeley, has clearly driven the landowner's decision to progress the residential-led redevelopment of the site.
- 4.67 Government policy is clear that there needs to be a broad balance between housing and job growth to minimise the need for commuting and promote inclusive, sustainable communities. In order for locations like Rugeley Power Station to be able to maintain a sustainable economic base, they need to be able to offer a level of employment that matches the area's population growth and that allows the local economy to expand, albeit recognising that some degree of in and out-commuting is part of a functioning labour market.
- 4.68 **As set out above, the site is already adjacent to a significant existing employment area. It is our view that the site represents a sustainable location for mixed use development, and that any employment use needs to be of a scale and magnitude that is sensitive to these uses, whilst recognising the need for additional B-Class land to meet the District's wider shortfall.**
- 4.69 Delivery of employment space at the Rugeley Power Station will go some way towards addressing the identified need for additional space within the District over the plan period and will help to support the wider development of the site through creating a more sustainable development.
- 4.70 Theoretically any size of employment site can be successful, but agents considered that a site of c.5-10 hectares at this location offers the opportunity to create a mix of small and medium size units which can be attractive to a wider market.
- 4.71 Given the relatively poor links with the strategic road network (when considered in the context of the wider District) and the other mix of uses proposed at the site, agents considered that B1 uses would be more appropriate. They advised that this would be influenced to a degree by the

quality and mix of housing that is ultimately provided on the site, with high quality residential development having the potential to attract businesses into the location.

- 4.72 Agents considered that the majority of demand at this site is likely to come from indigenous companies seeking to expand/relocate from outdated premises elsewhere in the District and financial incentives or assistance from CCDC or other public bodies may be necessary to unlock the site for employment use.
- 4.73 To maximise the success of any scheme at this site, it is recommended that any future iteration of the Masterplan would need to ensure that any B-Class development needs to be visible, and a location on the periphery of the Power Station site, with direct access to a main road, will be essential. This visibility will ensure that prospective occupiers and their customers will become aware of the site more readily. Ideally the site would be separate from the residential and Riverside Park, with links (if possible) to the local centre and sports facilities. By delivering separate access points for the employment space, this would help to give it a separate identity, whilst still linking to the wider Power Station development. As noted above, it may be appropriate to consider an extended employment zone that incorporates site RE3 (which adjoins the former Power Station site to the south-east) to help ensure the wider site's market attractiveness and viability going forward.

Emerging Local Plan Option C: Green Belt Sites

Emerging Local Plan Option C1: Prioritise extensions to Kingswood Lakeside

- 4.74 As discussed above, commercial agents have indicated that even if a modest degree of employment land growth was to be pursued (e.g. 30-40 ha), it is unlikely that there is sufficient available land located within the urban area to meet this requirement. Furthermore, agents considered that the current proposals for the residential-led redevelopment of the former Rugeley Power Station site (incorporating a modest level of employment land of c. 5ha) represents a reasonable strategy when reflecting on the current market conditions in this part of Rugeley/Brereton. As such, if a higher level of economic growth is to be pursued in accordance with the upper end of the B-Class land recommendations in the EDNA, it is likely that additional employment land will need to be released from the Green Belt.
- 4.75 This option (C1) of the emerging Local Plan explores, in combination with the options for Urban Areas and the former Rugeley Power Station, the release of Green Belt sites. Specifically, it prioritises extensions to Kingswood Lakeside, followed by extensions to other employment sites such as Watling Street Business Park:

“Site options at Kingswood Lakeside would be prioritised followed by site options for extensions to other employment sites and then any stand alone employment site options would be considered lastly (i.e. those that are not connected to an existing employment site). The current site extent of Kingswood Lakeside lies outside of the Green Belt. Some other existing employment areas, such as Watling Street Business Park, lie within the Green Belt. Site options at these locations would therefore need to consider if the removal of the whole existing employment site from the Green Belt was necessary, not just the suggested extension. In line with the NPPF, first consideration to be given to ‘land which has been previously-developed and/or is well-served by public transport’. Consideration would also need to be given to ways in which the ‘impact of removing land from the Green Belt can be offset through compensatory improvements to the environmental quality and accessibility of remaining Green Belt land.”
[Emerging Local Plan, page 79]

4.76 The 2018 ELAA identifies 3 potential Green Belt sites that are in close proximity to Kingswood Lakeside and other existing employment sites. These comprise:

- **Kingswood Lakeside Extensions:** 2 sites, 12.95 ha; and,
- **Watling Street Business Park and immediate environs:** 1 site, 5.5 ha.

Table 4.6 OPTION C1 Employment Land Supply in Cannock Chase District (August 2018)

| | Site Name | Net Developable Area (ha) |
|-------------------------------------|--------------------------------|---------------------------|
| Cannock, Hednesford and Heath Hayes | Option A+B Sites | 17.631 |
| | Kingswood Lakeside Extension 1 | 3.800 |
| | Kingswood Lakeside Extension 2 | 9.150 |
| | Watling Street Business Park | 5.500 |
| | Sub-Total | 36.081 |
| Rugeley and Brereton | Option A+B Sites | 59.410 |
| Norton Canes | Option A+B Sites | 3.080 |
| TOTAL | | 98.571 |

Source: Cannock Chase ELAA 2018 / Lichfields' analysis

4.78 These 3 sites have the potential to contribute a further 20.75 ha to the employment land supply.

4.79 It is of course stressed that this report does not attempt a formal Green Belt Review; this is a separate piece of work for the Council to undertake. Nevertheless, it is a 'policy-off', market driven piece of analysis that summarises the attractiveness of some of these parcels of land from a commercial perspective.

4.80 In this regard, the 2 main extensions to Kingswood Lakeside comprise the most obvious land releases from a commercial perspective. As set out extensively in this report, 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.

4.81 Throughout our discussions, commercial agents consistently identified Kingswood Lakeside as the District's premier employment destination. As set out earlier in this Report, the Business Park has been extremely successful in delivering high levels of development in recent years, delivering 24.5 ha of predominantly B8 land – 44% of the District's total B-Class completions, and it boasts a range of internationally renowned companies including Unilever, DHL, Veolia and Vauxhall. Although 3 large allocations remain at the Business Park totalling 10.3 ha, 6 ha (ref: CH/16/465) is currently under construction and another 2.3 ha site has extant planning permission for B-Class uses (ref: CH/17/150). Since 2006/07, Kingswood Lakeside has delivered, on average, around 2 ha per annum. At this rate of delivery, **the remaining 10.3 ha would last for a little over 5 years** into the Plan period.

4.82 Although further to the east of the nearest M6 Toll Motorway junction, the two Kingswood Lakeside Extension sites are still well positioned in relation to the strategic road network and are likely to remain attractive to the market as a consequence. Furthermore, with advertised rental levels at around £6 per sq. ft. for high quality logistics floorspace, these are significantly in excess of levels that are achievable in most other locations in the District.

4.83 Clearly at the time of writing there are three large, vacant, speculatively-built logistics warehouses that are being actively marketed at Kingswood Lakeside (at CONNEQT Alpha/Beta and M6DC – totalling around 60,870 sqm). Whilst it may seem perverse to suggest that further

land releases at this location are desirable given the presence of these very large warehouses that are currently lying vacant, agents suggested that this 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. 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 (as exemplified by Opus Land pressing ahead with the construction of CONNEQT Beta, despite the completed CONNEQT Alpha failing to secure an occupier to date).

It is our view that (from a policy off perspective) there is clearly a strong market case to prioritise Green Belt release for the industrial and logistics sectors at Kingswood Lakeside before looking at Green Belt sites elsewhere in the District.

- 4.84 Agents made it clear that they continue to receive significant enquiries in respect of the speculative units at Kingswood Lakeside but that businesses are simply awaiting clarity in respect of Brexit before making investment decisions.
- 4.85 In the event that demand exists to identify further Green Belt land for release under this scenario, then after the two Extension sites at Kingswood Lakeside (which is regarded by the market as being the premier location for commercial and industrial premises in Cannock Chase, with a highly accessible and visible position set within well landscaped grounds), agents advised in the first instance that there was also an opportunity to release well-appointed land in close proximity to a number of existing employment sites, including the Watling Street Business Park where around 5.5 ha of land has been identified to the south and west of the Park.
- 4.86 The Business Park is performing well, containing a mix of B2 and B8 uses and is fully occupied. The site has a reasonably high profile, accessible location on the A5 with units in a good state of repair and of a high quality. It is considered that it could be suitable for expansion to the south, subject to meeting the requirements of other planning policies relating to development in the Green Belt. The whole site is owned by St Modwen including the existing Watling Street Business Park along with the expansion land situated immediately to the south and west. According to St Modwen, the expansion land would comprise B1, B2 and B8 uses, and that an additional 15,000 sqm GEA could be accommodated. The developer suggests that the existing access into Watling Street Business Park would be utilised and improved as required to serve the proposed development:
- 4.87 *“This site is available now and could be developed for B1, B2 and B8 use development within 1-5 years, therefore contributing towards the employment needs of the District within the current plan period. The site is wholly controlled by St Modwen who own the adjacent Business Park and wish to develop the site immediately, being confident of the site’s market attractiveness, with there being significant market demand for modern, high quality commercial units in this area.”⁶*
- 4.88 Further economic expansion in these two areas would help to raise the economic profile of the area and thereby increase economic growth and productivity. To justify such significant incursions into the Green Belt, this is likely to mean a focus on high-growth business sectors and high-skilled jobs that draw from a wider labour catchment area, and potentially be characterised by leading national or international businesses. As discussed, this should focus on the 5 key B-Class growth sectors discussed under Option A above. This means key employment sites can support the expansion or diversification of the economic base of the prime employment sites in the District such as Kingswood Lakeside and Watling Street Business Park, which can provide

⁶St Modwen (March 2017): *Watling Street, Cannock: Vision Document* Page 60

the capacity and flexibility to respond rapidly to development needs such as an inward investment opportunity or expansion / consolidation of an existing business or industry.

- 4.89 Again, we have provided an overall assessment of the key growth sectors potential to accommodate strategic employment growth in Cannock Chase District based on ELAA site Options C1 and C2 (Table 4.7). This indicates that the Option C1 Green Belt sites (also incorporating Options A and B) Kingswood Lakeside prioritisation followed by Watling Street Business Park, align well with most of the site typologies required, due to the potential to deliver strategic sites within an accessible, high quality landscape setting. The Kingswood Lakeside extension Option C1 would score more highly with regards to its alignment with the Science / R&D Park typology if it was in closer proximity to higher education facilities. It is also suggested that the Watling Street Business Park extension in isolation (for Option C1) would score 'medium' rather than 'high' under the Logistics Hub typology, given its size (below 20ha).

Table 4.7 Assessment of Site Typologies and alignment with ELAA / Emerging Local Plan Options C1 and C2

| | Science / R&D Park | Office / Business Park | Industrial / AMP | Logistics Hub | Mixed employment area / hybrid uses |
|---|---|---|---|--|---|
| Indicative Size | 5-10 ha | 5-10 ha | 5-10 ha | 20 ha+ | 5-10 ha |
| Use Classes | B1a/B1b/B1c | B1a | B1c/B2 | B8 | B1/B2/B8 |
| Example target sectors | Life Sciences Digital and Creative Industries | Business and Professional Services / Financial Services | Advanced Manufacturing / Engineering | Strategic Logistics | Business and Professional Services / Financial Services AMP / Engineering Digital / Creative Industries. Low Bay logistics |
| Design specification | High-quality landscaped setting; scope for separation of 'clean' uses and relevant regulatory design standards. Potential for secure facilities | High-quality landscaped setting; provision of car parking | Serviced plots for design and build opportunities; flexibility to accommodate supply chains | Large plots with potential for open storage and yards | Separation of uses; design code to maintain quality standards |
| Infrastructure requirements | Proximity to university/higher education provider or research institute and/or major corporate tenant | Access to road, rail and air connections; broadband connectivity; on site amenities | Access to strategic road network | Access to strategic road network; scope for 24 hr operations; broadband connectivity | On-site amenities (i.e. small-scale retail and leisure provision) |
| Alignment with Option C1: Prioritise Extensions to Kingswood Lakeside followed by other extensions | Medium | High | High | High | Medium |
| Alignment with Option C2: Consider all Green Belt Options – no prioritisation | Medium | Medium | Medium | Medium | Medium |

Emerging Local Plan Option C2: Consideration of all Green Belt options

- 4.90 The Cannock Chase Issues and Options Local Plan [page 78] advises that this Option involves meeting employment land needs identified for the District by using sites identified under Options A and B, as well as considering **all** Green Belt sites across the District without giving prioritisation to Kingswood Lakeside or extensions to other existing employment sites (notably Watling Street Business Park). There are 13 additional sites identified under Option C2 in the 2018 ELAA, comprising c.149 ha. The quantum of land is distributed as follows:

- Cannock, Hednesford & Heath Hayes** – 73.1 ha, 5 sites;

- 2 **Rugeley and Brereton** - 48 ha across 2 sites; and,
 3 **Norton Canes**: 27.7 ha across 6 sites.

4.91 These 13 sites are summarised in Table 4.8 below:

Table 4.8 OPTION C2 Employment Land Supply in Cannock Chase District (August 2018)

| | Site Name | Net Developable Area (ha) |
|--|--|---------------------------|
| Cannock, Hednesford and Heath Hayes | Option A+B+C1 Sites | 36.081 |
| | Former Severn Trent Plc Land, Wedges Mills | 2.300 |
| | Site between A5 and M6 Toll | 9.400 |
| | Land at Court Bank Farm, Cannock Wood | 37.000 |
| | Land south of Cannock Road, Norton Road and Wimblebury Road, Heath Hayes | 4.400 |
| | Land to the west of Beaudesert Golf Club, off Rugeley Road, Hednesford | 20.000 |
| | Sub-Total | 109.181 |
| Rugeley and Brereton | Option A+B+C1 Sites | 59.410* |
| | Former Brereton Colliery, Colliery Road, Rugeley | 38.000 |
| | Land at Coalpit Lane, Brereton, Rugeley | 10.000 |
| | Sub-Total | 107.410 |
| Norton Canes | Option A+B+C1 Sites | 3.080 |
| | Land South of A5, Norton Canes | 8.800 |
| | Former Grove Colliery, Little Wyrley | 8.100 |
| | Turf Field, Watling Street/Walsall Road, Norton Canes | 2.120 |
| | Jubilee Field, Lime Lane/Watling Street, Norton Canes | 5.080 |
| | Wyrley Grove, Little Wyrley | 3.300 |
| | Land at Norton Canes between the A5 and M6 Toll | 0.300 |
| | Sub-Total | 30.780 |
| TOTAL | 247.371 | |

Source: Cannock Chase ELAA 2018 / Lichfields' analysis

*Note: this 59.4 ha figure includes the 55 ha Former Rugeley Power Station site. As noted in the footnote to Table 4.5 above, the planning application subsequently submitted [ref: CH/19/3201] suggests that only 5ha of employment land would be delivered on the site. Therefore, the whole of the 55 ha site is not expected to come forward for B-Class uses in isolation.

4.92 As discussed above, agents were of the view that sites within the vicinity of existing employment destinations, most notably Kingswood Lakeside, were most attractive from a market perspective. Notwithstanding this, agents also considered that there could potentially be demand for industrial land releases on other Green Belt sites elsewhere within the District as long as they were well connected with the strategic road network and were not in an isolated location divorced from key services where the market was untested. For example, from a market perspective, site ref CE19, located on the opposite side of the M6 Toll from Kingswood Lakeside beside the A5, was considered to be a potentially suitable location for B2/B8 development given its close proximity to the junction. However, it is noted within the ELAA that there are a number of constraints that could hinder development including access, a Coal

Authority High Risk Development Area designation, whilst the southern part of the site is located within Flood Zones 2/3.

- 4.93 Similarly, a further site is identified in the ELAA adjoining the A5 Corridor South, on Former Severn Trent land (immediately south of the existing JCB facility and the new, speculatively-built 'Jupiter' industrial/warehouse unit on Watling Street). The A5 Corridor South is in a good strategic location and is considered attractive for employment uses, containing some excellent quality modern units. There has been significant investment across A5 Corridor South with the recent development of industrial/warehouse units. Whilst the Former Severn Trent land would appear to be one of the few areas of substantive land available for expansion in this general area, it is understood that there are likely to be development constraints relating to flood risk given that the site is predominantly located in Flood Zone 3, whilst there may also be potential contamination issues given its proximity to a former effluent lagoon. Access issues may also prove problematic, therefore this site is likely to be less attractive to the market than the sites at Kingswood Lakeside and Watling Street Business Park.
- 4.94 It is not considered to be an extension to an existing site comparable to Kingswood Lakeside and Watling Street (i.e. Scenario C1) as it is severed from the existing employment development along the A5 by Wyrley Brook and the Hatherton Canal Restoration line. The Council considers that there is effectively no readily identifiable access from the A5, or developments adjacent to it that front on to the A5.
- 4.95 A number of the other ELAA Green Belt sites, such as CE55 (Land at Court Bank Farm, Cannock Wood) and RE23 (the Former Brereton Colliery, Rugeley) were very isolated, poorly related to the strategic road network and in areas of generally weaker market demand. In general, it is not recommended that such sites be released from the Green Belt based on commercial market demand alone.
- 4.96 It is our view that if CCDC were to conclude that additional Green Belt land releases were required to address an employment land shortfall, then from a (policy off) market perspective, Green Belt sites should be considered in accordance with the following broad hierarchy:
- 1 Green Belt sites adjoining Kingswood Lakeside (i.e. CE17 and CE18); then,
 - 2 Green Belt sites adjoining or located in close proximity to successful existing employment areas in the south of the District along the A5 Corridor, specifically Watling Street Business Park; then,
 - 3 Green Belt sites adjoining or located in close proximity to other existing employment areas across the District; and finally, if no other options are deliverable, then,
 - 4 Other identified Green Belt sites where market demand can be demonstrated.
- 4.97 It is important to reiterate once more that this study has provided recommendations in the context of market attractiveness only; consideration of the suitability of the sites from a policy perspective, or the purposes of Green Belt designation as set out in the Framework [§134], is outside the scope of this study and should be the subject of a separate Green Belt Review to be undertaken by CCDC. The Council's policy considerations would also include taking into account sustainability appraisal evidence.

5.0 Conclusions

- 5.1 This Market Intelligence Report has been drafted to assist the Council in updating its ELAA for 2018/19. It has provided commentary on the appropriateness of the employment land site options in CCDC's emerging Local Plan, to meet the land requirements set out in the accompanying EDNA (dated April 2019).
- 5.2 A number of different growth scenarios were considered in the Cannock Chase EDNA (2019) to test the likely need for employment land generated over the plan period 2018 to 2036. It was 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. Against a current supply of c.25 ha, in purely quantitative terms there is an additional need for between 5 ha and 42 ha of additional B-Class employment land.
- 5.3 In terms of what type of land is required, we concluded that there is a clear need for industrial land going forward, and that the strong logistics growth that has been experienced in recent years in the District is likely to continue for the foreseeable future. Around 26% of previous completions have been for office space, compared to 10% for B1c/B2 and 64% for B8 warehousing and logistics.
- 5.4 The EDNA concluded that 25% of the employment land requirement should be for B1a/B1b office, with the remaining 75% for B1c/B2/B8. It is difficult to compare this need with Cannock Chase District's current 25 ha supply, as 90% of it relates to a mix of B-Class uses. This means that there remains a reasonable degree of flexibility for the existing portfolio to respond to the demand of the market, although going forward there will be a clear need for further allocations capable of delivering high quality B8 logistics floorspace.
- 5.5 In terms of what form this additional supply might take, the market signals analysis confirmed that whilst the previously buoyant market for large-scale logistics has slowed (with a number of very large speculative developments remaining unoccupied), future prospects remained good, with Kingswood Lakeside the key location in the District. There remains a need for smaller-scale, purpose built, industrial units of 1,000-3,000 sqm in size. The existing portfolio of employment land is performing reasonably well; whilst there are a number of qualitative issues, the existing employment areas perform a valuable role in maintaining local jobs with the main issue relating to a lack of expansion land. .
- 5.6 Office needs are much more restrained, and generally restricted to small-scale move-on office development as Cannock is not considered to be a significant office location in comparison to much larger, well-established locations nearby. Cannock Chase's local office market is generally driven by smaller occupiers seeking offices of around 100 to 200 sqm.
- 5.7 The 2018 ELAA notes that of the 88 ha of B-Class employment land required in CCDC's Local Plan (Part 1), 86 ha was allocated for the period 2006-2028 (i.e. a modest shortfall of 2 ha). Of this total, 61 ha was completed between 2006 and 2017, at a rate of 5.54 ha annually. This leaves just 25 ha of available employment land, of which 9 ha is under construction. 18 ha of the current supply is located in Cannock, of which 10.3 ha is in Kingswood Lakeside. 4.4 ha remains at Rugeley and Brereton, almost all of which is in or adjacent to Towers Business Park, whilst just 3 ha is located in Norton Canes. Almost all of this is rated by the Council as being of high, or at least average, quality and there is a reasonable spread of small to medium-sized sites there are albeit relatively few sites with over 5,000 sqm of employment floorspace available.
- 5.8 The issue, then, is that whilst the current distribution of available sites is of a reasonable quality, broadly follows past delivery patterns, and reflects, in broad terms, where the market is keen to locate (i.e. Kingswood Lakeside and the A5 Corridor), there is potentially a need to identify

further employment land to meet B-Class needs in full, and significantly more if the upper end of the OAN employment range is pursued by the Council.

5.9 Lichfields analysed the site locations in the 2018 ELAA (grouped as per the emerging Local Plan Employment Land Options) from a market perspective to test how appropriate they were to meet the overall requirements. The conclusions are as follows:

- 1 **Option A: Existing Supply, Urban Areas:** this involves meeting employment land needs identified for the District by using sites already identified for employment developments within the urban areas and exploring opportunities for further supply on urban sites. The ELAA identifies 57 sites which could fall into this broad category. Of this, 25 sites are considered to be available, in that they are either existing undeveloped B-Class employment land allocations and/or have extant planning permission/are under construction for employment uses. These collectively total around 25 ha of land and are in areas of high demand (Kingswood Lakeside, A5 Corridor) and are generally of a high/average quality.

In contrast, the remaining 'unavailable' Option A Urban Area sites do not align well with the site typologies required by industries in Cannock Chase's key growth sectors, as most do not benefit from high quality landscaped settings, provision of ample car parking, lack sufficient scale or have appropriate access to the strategic road network. There is a better alignment with these sites to Mixed employment areas/hybrid, albeit the likely proximity to sensitive uses adjoining many of the urban sites may reduce the opportunity to bring forward small scale logistics/AMP/Engineering on such sites.

This does not preclude a situation in which the Council pro-actively seeks a step change in the local economy or from elements of these typologies being included within a mixed employment area on one or more of the urban sites identified, but it is stressed that current market evidence is less supportive of these sites being suitable to come forward for the types of industries identified above.

- 2 **Option B: comprises the Urban Areas in Option A, plus the employment-led / mixed use redevelopment of the former Rugeley Power Station site.** Development at the former Rugeley Power Station is currently being progressed by Engie. The latest Masterplan identifies a residential-led development with a modest quantum of employment land (approximately 5 ha). From a market perspective, the indicative location of employment land within the site means that it is unlikely to be suitable for industrial and logistics development. Commercial agents were of the view that B1 could potentially be suitable at the site and that this could be supported by a high-quality residential offer. However, there was a degree of scepticism that significant B1 development could be achieved without financial incentives.

Commercial agents considered that around 5-10 ha of employment land could be a suitable quantum of B-Class development at this location, albeit at a level that would not meet the shortfall in current supply against requirements (particularly if the upper end of the range were to be pursued by CCDC).

- 3 **Option C1: comprises the Urban Areas in Option A and the former Rugeley Power Station mixed use site Option B, plus prioritisation of Green Belt extensions to Kingswood Lakeside, followed by extensions to other employment sites.** The 2018 ELAA identifies 4 potential Green Belt sites that are in close proximity to Kingswood Lakeside, Watling Street Business Park, Norton Canes and the A5 Corridor South. This includes 2 extensions to Kingswood Lakeside totalling 12.95 ha. Commercial agents consistently identified Kingswood Lakeside as the District's premier employment destination. The Business Park has been extremely successful in delivering

high levels of development in recent years, delivering 24.5 ha of predominantly B8 land. At current rates of development, the remaining 10.3 ha of B-Class allocations at the Business Park would last for a little over 5 years into the Plan period. It is our view that from a policy off perspective, there is clearly a strong market case to prioritise Green Belt releases for the industrial and logistics growth sectors at Kingswood Lakeside before considering other Green Belt sites elsewhere. It is also considered that the proposed 5.5 ha Watling Street Business Park extension would also comprise a good quality and high-profile enhancement to a successful commercial facility. Such a strategy would align well with the assessment of growth sector site typologies requirements.

Option C2: Option A Urban Areas, Option B Rugeley Power Station and Consideration of all Green Belt sites within the District: Commercial agents reported that Green Belt land adjoining existing employment areas is likely to be more attractive to operators who typically seek land within established locations. However, it is considered that the release of these sites should be considered as a last resort if the necessary employment land need cannot be addressed within the urban area; as part of a wider mixed use development at Rugeley Power Station; or as an extension to existing successful employment areas (notably Kingswood Lakeside and Watling Street Business Park). From a market perspective, any release of Green Belt sites in Cannock Chase should then be considered in accordance with the following broad hierarchy:

- a Green Belt sites adjoining Kingswood Lakeside (i.e. CE17 and CE18); then,
- b Green Belt sites adjoining or located in close proximity to successful existing employment areas in the south of the District along the A5 Corridor, specifically Watling Street Business Park; then,
- c Green Belt sites adjoining or located in close proximity to other existing employment areas across the District; and finally, if no other options to meet economic growth needs are deliverable, then
- d Other identified Green Belt sites where market demand can be demonstrated.