Employment Land Projections Update

Cannock Chase District Council

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1.0 Introduction

1.1 NLP has been commissioned by Cannock Chase District Council (CCDC) to provide an update of the Council’s Employment Land projections. This Technical Appendix will form part of the evidence base for CCDC’s emerging Local Plan; assist the delivery of employment sites (with specific information provided on office sites in the town centres); and aid the formulation of a clear economic strategy.

1.2 The methodology reflects the Council’s main objectives and issues identified in the study brief. These are twofold:

1. To complete an up-to-date analysis of projected employment forecasts and identify implications for ‘B class’ employment land provision for 2006-2028 and the immediate period beyond this by testing a range of scenarios (based upon ‘labour demand led’ and ‘labour supply led’ forecasts). Employment land and floorspace requirements are to be broken down by B-Class use and a commentary provided on the relationship of employment land completion figures to date to these projections. A commentary should also be provided on the patterns of growth and decline of key sectors identified by the forecasts.

2. To complete an up to date analysis of projected office floorspace requirements which identifies future demand for ‘B’ class offices (in accordance with 1 above) and also identifies further demand from A2 office uses. A commentary should be provided on how these requirements compare with those previously projected.

1.3 This Employment Land Projections Update (ELPU) builds upon the work already undertaken by the Council in the 2009 Employment Land Study [ELS] and subsequent economic development documentation, whilst complying with recent guidance on such studies.

1.4 This document is structured as follows:

- **Study Context (Section 2.0)**: An overview of Cannock Chase District from a planning policy perspective, including an analysis of relevant regeneration studies and employment land contextual research.

- **Economic Context and Future Growth Potential (Section 3.0)**: A brief assessment of current economic conditions and recent trends in the District that may affect the need for employment space. The section also considers the potential future economic role of the District and specific sectors with growth potential.

- **The Current Stock of Employment Space (Section 4.0)**: A brief assessment of the current stock of employment space in the District, including levels and types of provision and recent changes in supply as well as major developments and employment land supply in nearby areas.
• Future B-Class Employment Space Requirements (Section 5.0)
  This section translates estimates of net employment land requirements into gross requirements.

• Recommendations for Local Plan Policy Development (Section 6.0)
  Discusses the policy choices available to Cannock Chase District Council, alongside the needs of non-B uses and delivery mechanisms.

• Summary Conclusions (Section 7.0)
  Summarises the study’s main findings and recommendations.
2.0 Context

Introduction

2.1 This Section of the report provides a summary of the relevant policy documents relating to employment land issues within Cannock Chase District.

Policy Review

2.2 National and local planning policy places a particular emphasis on sustainable development through a process of:

- reviewing employment and housing land allocations to ensure the supply meets identified needs;
- proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and
- encouraging the effective use of land by reusing land that has been previously developed (brownfield land), with a view to promoting regeneration.

National Planning Policy Framework (March 2012)

2.3 The National Planning Policy Framework (The Framework) sets out the Government’s economic, environmental and social planning policies for England and replaces the suite of national Planning Policy Statements, Planning Policy Guidance notes and some Circulars within a single document.

2.4 The Framework states that the purpose of the planning system is to contribute to the achievement of sustainable development, which should be seen as a ‘golden thread’ running though both plan-making and decision taking. The document states that there are three dimensions to sustainable development: economic, social and environmental. The economic role that the planning system must perform involves contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and co-ordinating development requirements, including the provision of infrastructure [paragraph 7].

2.5 Within the overarching ‘presumption in favour’ of sustainable development, the Framework identifies 12 core land use planning principles that should underpin both plan-making and decision taking, which includes proactively driving and supporting sustainable economic development, identifying and then meeting the housing, business and other development needs of an area, and responding positively to wider opportunities for growth.
2.6 The Framework states that ‘significant weight’ should be placed on the need to support economic growth through the planning system. To help achieve economic growth, Local Plans should:

- set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate flexible working practices such as the integration of residential and commercial uses within the same unit [paragraph 21].

2.7 The Framework also highlights that allocated employment sites for which there is no reasonable prospect of development should not be protected in the long term. Proposals for alternative uses on such sites should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities [paragraph 22].

2.8 The Framework confirms that offices are a ‘main town centre use’, and as such, LPAs must allocate a range of office sites that meet identified needs in full. LPAs should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance with an up-to-date Local Plan.

2.9 In addition, the Framework requires planning policies to support economic growth in rural areas in order to create jobs and prosperity. In promoting a strong, rural economy, local and neighbourhood plans should, inter alia:-

- Support sustainable economic growth and expansion of all types of business and enterprise in rural areas, both through the conversion of existing buildings and well designed new buildings;
- Promote the development and diversification of agricultural and other land-based rural businesses;
- Support sustainable rural tourism and leisure developments that benefit businesses in rural areas, communities and visitors, and which respect the character of the countryside. This should include supporting the provision and expansion of tourist and visitor facilities in appropriate locations where identified needs are not met by existing facilities in rural service centres [paragraph 28].
West Midlands Regional Spatial Strategy

2.10 The West Midlands Regional Spatial Strategy Phase One Revision (RS) was issued in January 2008. Work on Phase Two of the RS, which related to housing and employment issues, was abandoned following the abolition of the Regional Assembly in March 2010. However, the document reached a relatively advanced stage of preparation, with Preferred Option Policy PA6A identifying employment land requirements for the region.

2.11 Policy PA6A sets out a requirement for Local Authorities to make provision for a five year rolling supply of employment land outside of town centres. For the West Midlands as a whole, this requirement is 1,055ha, 28ha of which should be located within Cannock Chase. The indicative longer term employment land requirement for the West Midlands region is 3,165ha, 84ha of which should be located within Cannock Chase.

2.12 Policy PA13A states that the Council should plan for the construction of 30,000 sq. m of new office development within or on the edge of the town centre for the period 2006-2026.

Cannock Chase Local Plan (1997)

2.13 The Cannock Chase Local Plan (CCLP) was adopted in 1997. The relevant policies of the Local Plan have been ‘saved’ following the requirements of the Planning and Compulsory Purchase Act 2004 and continue to represent Development Plan policy.

2.14 Of relevance is Policy E1, which requires that an adequate supply of good quality, serviced employment land is maintained throughout the plan period.


2.15 The Local Plan Part 1 brings together the former emerging Core Strategy and Rugeley Town Centre Area Action Plan into one document. Once adopted, the Local Plan will constitute the Development Plan for Cannock Chase up to 2028.

2.16 The Council’s priorities to meet District Wide Objective 4 (encourage a vibrant local economy and workforce) are as follows:

- To maximise the strategic location of the District and provide a continuous supply of good quality accessible employment land to attract more new businesses.
- To help support improvements in workforce skills, a broader economic base and training opportunities to enhance local recruitment.
- To provide for the employment needs of existing local businesses.
- To facilitate a range of sizes and types of employment sites to meet modern business needs.
- To provide employment opportunities in locations which best respond to market demands and which will attract inward investment.
To ensure that business locations and centres are accessible by public transport from all areas of the District, reducing travel needs where possible.

To ensure the land based economies of the District, including agriculture and forestry, can continue to operate, diversify and prosper.

To enable the growth of sustainable tourism balanced with the protection of the AONB and the District’s two SACs.

The Local Plan sets out the strategic approach for employment distribution [para 5.15]. A requirement for 88ha of employment land for the District has been identified for the plan period (2006-2028), of which 86ha is available for the early years. This will be distributed as follows: Cannock/Hednesford/Heath Hayes 58ha (68%), Rugeley and Brereton 25ha (29%) and Norton Canes 3ha (3%). Of this total, 34ha has been developed in the first six years of the plan period leaving a requirement for 52ha at 1 April 2012.

Local Plan Policy CP8 sets out the ways in which CCDC will support the delivery of an appropriate employment land supply. There is an emphasis upon providing high quality employment locations to assist with the diversification of the local economy, on the basis that such environments provide an attractive offer to modern industry, targeted growth sectors and/or high profile investors. The redevelopment and modernisation of existing employment sites and other appropriate previously developed land for employment purposes will also be encouraged and supported in order to provide an ongoing supply of available land and premises.

Local Plan Policy CP9 makes clear that its priority aim is to achieve economic resilience and restructuring. The Council recognises a need for more professional, financial and out-sourced public sector opportunities alongside support for niche high quality manufacturing and research and development sectors, whilst meeting requirements of existing business. In addition, proposals which contribute to broad diversification of the economy overall, including retail (to be primarily catered for within town centres) and tourism growth will be supported.

Employment and Economy Evidence Base

Employment Land Study (March 2009)

King Sturge LLP prepared the Cannock Chase ELS in 2009. The Study assessed the quantity and quality of allocated and/or committed employment land, appraised its suitability and deliverability, and sought to determine whether further employment sites should be identified for the Core Strategy plan period (then 2006-2026).

The Study identified 87.12ha of completed and outstanding employment land, 54.2ha of which was readily available. The take-up of 23.54ha of employment land since 2006 equated to 7.85ha per annum, albeit this is distorted by the 65,000 sqm Gazeley warehouse at Towers Business Park, Rugeley.
In terms of spatial distribution, 64% of employment land identified for plan period was situated in the Cannock, Kingswood Lakeside and Bridgtown area, 31% in Rugeley, 3% in Norton Canes and 2% in Hednesford, which was broadly in line with Council objectives.

Of 63.49ha of outstanding employment development land identified, 50.92ha (80%) is for B1/B2/B8 uses and 12.57ha (20%) for office developments.

Employment Land Availability Assessment (2012)

The Employment Land Availability Assessment [ELAA] identifies an employment land supply of 86.29ha, a minor shortfall against the Local Plan (Part 1) target of at least 88ha. However, CCDC assumes that there is some flexibility in the ‘not available’ sites and anticipates that further windfall sites will come forward, which will contribute to the minimum requirement over the plan period.

Much of this identified provision is concentrated around Kingswood Lakeside (Cannock) and Towers Business Park (Rugeley). The A5 corridor is the next most significant concentration of available employment land, and is comprised of largely redeveloped sites.

Summary

The key messages from this section can be summarised as follows:

- National planning policy requires local authorities to take a positive approach towards economic development, and makes it clear that applications seeking to secure sustainable economic growth should be treated favourably. LPAs should plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- The WMRS Phase One Revision recommended that Cannock Chase should provide around 84ha, or just under 3% of the regional total;
- Cannock Chase’s emerging Local Plan (Part 1) makes provision for 88ha of employment land across the plan period 2006-28, of which 68% of this would be located in Cannock/Hednesford/Heath Hayes; 29% in Rugeley and Brereton and the remaining 3% at Norton Canes;
- The emerging Local Plan emphasises the need to provide high quality employment locations to help diversify the local economy, with a particular focus on the need for more professional, financial and outsourced public sector opportunities alongside support for niche high quality manufacturing and research and development sectors.
3.0 **Economic Context**

### Introduction

3.1 This section establishes the economic context of the study by reviewing recent economic conditions and trends within Cannock Chase. This analysis is important in identifying the existing strengths and weaknesses of the District’s economy, as well as those factors likely to influence the nature and level of future demand for employment land to 2028.

### Overview

3.2 Cannock Chase is situated in the central southern part of Staffordshire and contains a number of urban settlements and small villages set within attractive countryside, much of which is protected by environmental designations (Cannock Chase AONB) or planning policy constraints (Green Belt).

3.3 There have been widespread changes to the local economy and business base of the District following the decline of traditional manufacturing and mining-related activities in the 1980s, which has had a particular impact upon communities such as Rugeley and Brereton. However, over the last decade Cannock Chase has experienced a period of sustained growth, due in part to the completion of the M6 toll in 2003. Proximity to the regional and national highway network has stimulated major economic investment, attracting companies such as Amazon, DHL, Ultra Electronics, Gestamp Tallent and Rhenus Logistics to the District. Planning permission was also recently granted for a new 11,900 sqm National Logistics Hub for APC Overnight at Kingswood Lakeside, which is now recognised as a key strategic site in Staffordshire’s industrial and commercial property portfolio.

3.4 In addition to growth along and around the M6 corridor, a number of office developments have also recently been completed in the District, with Veolia Environmental Services and Aggreko locating their respective offices at Kingswood Lakeside.

### Economic Trends

#### Economic Activity

3.5 Following a tentative recovery from what was arguably the worst recession since records began, 2011 and 2012 (to date) have seen weak economic growth and continuing economic uncertainty, especially in the Eurozone where the sovereign debt crisis has had a significant impact and affected global business confidence.

3.6 This, combined with austerity measures in the UK, has hit the West Midlands hard. For example, although claimant levels in Cannock Chase for Job Seekers Allowance [JSA] appear relatively low, at around 3.7% compared to a national
rate of 3.8% and a regional rate of 4.7%, this headline figure does not accurately reflect the current job situation in the District. The ONS model-based unemployment figure, which is often taken as being a more accurate reflection of the jobs market than JSA claimant counts, suggests a current unemployment rate of 9.3% in Cannock Chase, comparable with the West Midlands average of 9.1%, but well above the national average of 8.1%.

Furthermore, Cannock Chase has suffered from sharp rises in unemployment in short periods of time. For example, in April 2009 the District recorded a year on year percentage increase for claimants seeking JSA of 193% - the highest for any District in Staffordshire and over twice that of the national increase of 86.4%. The District has also been flagged up in a study by the West Midlands Leaders Board as being a particularly vulnerable area in ‘immediate economic risk’ because of the recession, with ongoing structural weaknesses in the local economy (particularly regarding the nature of employment and skills levels). This issue is examined in further detail below.

Date from June 2012 shows that there were 2.4 claimant unemployed workers for every notified job centre vacancy in the District. This was significantly lower than the ratio for the West Midlands (4.4) and that of Great Britain (4.6), which indicates that the District’s unemployment residents have comparatively good prospects of obtaining work in the local area than elsewhere in the country. However, discussions with CCDC Economic Development officers highlight that many of these jobs tend to be temporary, short term and low paid/skilled opportunities typifying the overall employment structure of the District.

Cannock Chase has actually seen sustained growth, both in terms of its population and its business base, in recent years. In 2010, the residential population of Cannock Chase was estimated at 94,700, up from 90,600 in 1997. This represents a change of 4.5%, which is broadly in line with national growth of 4.9%. Furthermore, the number of jobs in Cannock Chase has also grown in line with the national average. Over the period 1998-2008, the number of employee jobs in the authority area grew by 16.1%, from 30,500 to 35,400.

Much of this growth was related to the wholesale and distribution industrial sectors, reflecting the excellent competitive advantages the area has due to its excellent strategic highways connectivity, with the M6, M6 (Toll), M54, A5 and the A34 all either in or within close proximity to the District. However, as exemplified by the rapid growth in JSA claimants referenced above, despite this apparently strong growth, the local economy remains vulnerable and has started from a relatively low base due to historical losses of employment in

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1 NOMIS JSA Claimant Counts, July 2012
2 ONS Annual Population Survey, March 2012
3 West Midlands Leaders Board (2009): Cannock Chase and the Recession: Case Study
mining/manufacturing which have disproportionately impacted upon the local economy. The very low job density figure of 0.62 is a further example of the vulnerability of the local economy.

3.11 Furthermore, Experian’s Index of Resilience report\(^4\), which essentially demonstrates how vulnerable local authority economies are to cuts in public spending, identified Cannock Chase as being ranked 293\(^{rd}\) from 324 Councils overall. The Index also identifies Cannock Chase as being within the 10 least resilient areas in the Country under the Business theme index (which assesses business density, business start ups and employment sectors). This demonstrates the continued need for the District to diversify its employment base and in particular to attract more high ‘added-value’ sectors in order to reduce its overall vulnerability.

3.12 Cannock Chase has an estimated 48,200 economically active residents, which equates to an economic activity rate of 76.6%. This is slightly above the corresponding figure for both the West Midlands (74.3%) and Great Britain (76.5%). This would suggest that there is some scope for further growth in the local economy.

Industry of Employment

3.13 As can be seen in Figure 3.1, Cannock Chase’s key industrial sectors are Wholesale and Retail Trade (26% collectively, compared to the regional average of 18%); Manufacturing (14%); Construction (9%); Education and Health (20%) and Business Services, although at 12% of the total number of employees based in the District, this is well below the regional rate of 18%. Within this broad sector, the proportion of employees in the typically dynamic sectors of Finance and Insurance and Professional, Scientific and Technical Activities are well below regional averages.

\(^4\) Experian (2010): Local Economic Resilience
The proportion of working age residents with no qualifications is estimated at 12.3% in Cannock Chase, which is lower than the corresponding figure at the regional level (14.0%) but higher than that at the national level (10.6%). Additionally, only 16.7% of the District’s working age population is qualified to degree level or above, which is markedly below the levels recorded across the West Midlands (26.3%) and Great Britain (32.9%). There is a need to improve the skills base of the population further to come in line with the regional and national average if Cannock Chase is to attract more knowledge based businesses.

Knowledge-based Industries

All industries are, to some extent, dependent on knowledge inputs. However, some industries rely more on ‘knowledge’ than others. The term ‘knowledge-based industries’ usually refers to those industries which are relatively intensive in their inputs of technology and/or human capital. Table 3.1 indicates that only 12.9% of firms within Cannock Chase operate in knowledge-based sectors. This is below the national (21.8%) and regional (14.8%) and is the lowest of the surrounding local authority areas. Cannock Chase also has one of the poorest rankings of any district in England, ranked 331st out of 380. This reflects the fragility of the local economy in terms of the lack of high added-value employment in more stable or secure positions.
Table 3.1  Percentage of Knowledge Based Industries in Cannock Chase and Surrounding LA Areas

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2010 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannock Chase</td>
<td>12.9</td>
</tr>
<tr>
<td>South Staffordshire</td>
<td>17.7</td>
</tr>
<tr>
<td>East Staffordshire</td>
<td>18.8</td>
</tr>
<tr>
<td>Stafford</td>
<td>18.8</td>
</tr>
<tr>
<td>Lichfield</td>
<td>21.0</td>
</tr>
<tr>
<td>West Midlands</td>
<td>14.8</td>
</tr>
<tr>
<td>Great Britain</td>
<td>21.8</td>
</tr>
</tbody>
</table>

Source: UK Competitiveness Index 2010

Deprivation

3.16  Cannock Chase suffers from moderate levels of deprivation, being ranked in the English Indices of Deprivation as the 128th most deprived of 326 English local authorities (2010). It has risen 7 places since the publication of the 2007 Deprivation Indices, where it was ranked 135th. Based on this ranking, Cannock Chase is the most deprived District of the nine in Staffordshire (excluding the City of Stoke-on-Trent).

Figure 3.2  Cannock Chase Indices of Multiple Deprivation 2010

Source: CLG 2010

3.17  Analysis at a more local level, as illustrated in Figure 3.2, shows that higher levels of deprivation are concentrated in the Chadsmoor area, with pockets also found around Rugeley and Brereton. Government policy specifically seeks to encourage sustainable economic growth by prioritising regeneration in those parts of the country with high levels of deprivation.
Commuting Flows

3.18 In 2001, approximately 21,950 residents commuted out of Cannock Chase District daily (49.8% of all employed residents) with 12,860 in-commuters (accounting for 36.8% of jobs in the District). Around 22,100 residents live and work in the District. This results in a net total of 9,090 out-commuters.

3.19 An illustration of commuting flows is presented in Figure 3.3. The main destinations for out-commuters in 2001 were the surrounding authorities of Lichfield and Walsall. Cannock Chase has a net loss of 1,740 commuters to Lichfield; 2,530 to Walsall; 1,640 to Birmingham; 1,040 to Wolverhampton and 880 to Stafford, with only South Staffordshire contributing substantially to Cannock Chase’s net in-commuting rate (+1,142 net commuters).

Future Potential

3.20 In order to identify the economic potential of Cannock Chase, it is important to consider which industrial sectors are best placed to drive future growth. This is informed by an understanding of which sectors are under or over-represented in terms of local employment and their recent growth performance.

3.21 Figure 3.4 assesses the District’s current sectoral strengths through the use of location quotients, which measure the concentration of employment in an industry at the local authority level relative to the regional average. In the graph, the location quotients are shown using yellow bar. A value above 1.0 denotes a higher local representation of a sector compared to the West Midlands average, whilst anything below 1.0 signifies an under-representation. The further the yellow bar is from 1.0, the greater the extent of any over or
under-representation. In addition, the blue bars show the absolute level of employment within Cannock Chase accounted for by each sector.

3.22 The graph indicates that the District has a strong employment representation in a number of manufacturing sub-sectors including: metal-based, non-metallic mineral products, rubber and plastic products and wood and waste products. It should be noted, however, that these sectors account for relatively low levels of employment in absolute terms. Perhaps more significantly, transport, construction, wholesaling and the retail trade are strongly represented within Cannock Chase, both in absolute and relative terms.

3.23 It can be seen from the graph that the wholesaling and service sector supports the largest number of jobs in the District, at levels well above what might be expected given the size of the labour market in Cannock Chase. Health and social work, education and the retail trade account for particularly high levels of employment in the service sector, although levels are paradoxically lower than might be expected in relative terms.

3.24 The over-representation of the wholesale and distribution sectors within the local economy is an indication that Cannock Chase offers some competitive advantage to these sectors that enables them to flourish by locating here.
Figure 3.4 Location Quotients of Economic Sectors in Cannock Chase

3.25 Figure 3.5 presents the relative representation of sectors in Cannock Chase as well as levels of employment change over the period 2000–2010. The relative size of the ‘bubble’ for each sector represents the level of absolute employment within Cannock Chase.

3.26 It is also important to understand the direction of employment change. The chart indicates those sectors where employment growth in the District; those which have out-performed the West Midlands average are highlighted in green, whilst those shown in red have under-performed relative to regional growth.
3.27 The top-right quadrant indicates sectors which are likely to drive future economic growth. These sectors have a high representation and have experienced growth above the West Midlands average, and notwithstanding the current economic climate, might be expected to enjoy continued strong growth within Cannock Chase. The particularly high level of growth in the wholesaling and transport sectors, coupled with an above average representation in the sector, indicates the existence of some competitive advantage for these sectors within Cannock Chase.

3.28 The top-left quadrant contains those sectors that are under-represented relative to the regional average but have exhibited recent positive job growth. These sectors, which include health and social work and other business activities, offer opportunities for future growth.

3.29 The potential for office-based sectors to drive future growth would appear to be mixed. As noted above, the ‘other business services’ sector grew by 36% from 2000 to 2008, but banking and insurance and public administration experienced negative growth during the same period. Banking and insurance has been the worst affected office-based sector in Cannock Chase over the last 10 years, experiencing a 71% decline, which is significantly worse than the West Midlands region as a whole (declining by 9.8% over the same period), although the magnitude of the decline is a function of the relatively low number of people actually employed in this sector to begin with.
Future Growth Potential of A2 Sectors

3.30 The brief for this study required the specification of separate requirements for A2 office floorspace. This broad use classification, under the umbrella heading ‘Financial and Professional Services’, includes a range of town centre uses including banks, building societies, estate and employment agencies, professional services (excluding health and medical services) and betting shops.

3.31 At present, around 640 people are employed in Cannock Chase District in the banking, real estate and financial sectors; this has declined from 1,090 in 2008 and 780 in 2009 (BRES). Furthermore, the Experian Baseline data for 2012 suggests that job growth in the Finance, Insurance and Real Estate sectors will be relatively sluggish up to 2028, in the order of around 90 new jobs across the District as a whole. This growth, at around 11%, is lower than the regional rate estimated by Experian for these financial services categories (around 16%).

3.32 The 2007/08 global crisis in the banking sector, which has resulted in continued restrictions in lending practices and the part nationalisation of institutions such as Northern Rock, Royal Bank of Scotland and Lloyds Banking Group, has led to considerable uncertainty with regards future floorspace requirements. The recent mergers of many of the larger banks and building societies, and the pressing need to cut costs and waste, has led to many of the High Street Banks embarking on widespread closures and consolidations. To give a local example, a high profile mortgage broker firm, the Black and White Group, went into liquidation in 2009, resulting in the loss of between 80 and 90 jobs in Rugeley.

3.33 It is understood that the closures are disproportionately located in rural areas, rather than the larger towns and cities. Other threats to banks and building societies retaining current levels of fascias on the High Street include:

- **New entrants into the market**: The major supermarkets, notably Tesco, M&S, Sainsbury’s and Asda, offer financial services including insurance, credit cards, loans, mortgages and savings accounts.

- **Online Banking**: Two thirds of UK residents between the ages of 25 and 44 use internet banking services (increasingly via their smartphone), reducing the need for face-to-face interactions at a high street branch for most day-to-day transactions. However, this rate drops to around one in three for the over 65s, whilst concerns over internet security and the desire for ‘flagship’ stores in key locations is likely to mean that there will remain an underlying demand for a physical presence in most towns and cities;

5 http://conversation.which.co.uk/money/bank-branch-closure-high-street/

6 Payments Council Survey, 2011
• **Continued exposure to financial risk:** the five main UK High Street banks are thought to have £160 billion\(^7\) tied up in loans, mortgages and government debt in troubled Eurozone countries including Portugal, Italy, Ireland, Greece and Spain. Any further escalation of the economic crisis in the Eurozone could place further pressure on those High Street Banks most exposed to further cut back on the less profitable elements of their retail banking arm, which in practice could result in further bank closures on the High Street.

3.34 In terms of estate agents, clearly the property market has suffered greatly during the recession and consequent economic downturn. The number of house sales has fallen dramatically, with concurrent job losses for many employed in the sector. While the market has recovered substantially in London and some hotspot areas, the future for the UK property market remains uncertain and will continue to be highly susceptible to changes in economic conditions and several underlying factors. Particularly outside London, estate agents are increasingly involved in letting and management, property maintenance and repair. As a result, the prospects for additional office space servicing this sector in Cannock Chase appear limited.

3.35 There may potentially be some limited demand for A2 office space arising from growth in the wider professional services sector dependent upon the nature of the specific businesses (i.e. legal services may be more likely to require A2 accommodation as opposed to scientific research and development operations). This is likely to reflect existing patterns of offices distribution across the District, reflecting the existing roles of town centres and out of centre business parks. However, it should also be noted that regarding accountancy and legal services, national trends suggest limited demand for new town centre office space moving forward. The major accountancy firms announced substantial layoffs in the aftermath of the 2007/08 recession and continue to face very challenging market conditions.

3.36 Similarly, the large legal firms particularly suffered from the meltdown in the financial sector, traditionally one of their major sources of income. Whilst the burgeoning growth of smaller, personal injury claims solicitors, has been a feature of the high street in recent years, the sector is set to face tougher rules and regulations as the Claims Management Regulator launches a consultation which proposes, amongst other things, enforcing a written contract before any fee can be taken. Such measures, if adopted, are likely to deter market entry for the more unscrupulous businesses and it is possible that a saturation point has been reached in terms of the number of companies requiring town centre office space.

Clearly, these macro-economic trends will be played out in miniature in Cannock Chase District’s towns and high streets with potential limited demand for A2 uses going forward. In 2006, Cannock Town Centre had 12 banks and other financial services, which comprised 6% of the total number of outlets in the town centre (a rate slightly above the national average of 4.5%). The town also had 2 building societies and 10 estate agents/auctioneers. Barclays, Santander, Halifax, HSBC, Lloyds TSB, NatWest, Nationwide and Yorkshire Bank are all represented in the town.

Similarly, Rugeley town centre had 8 banks and financial services (4.7% of the total number of units in the town centre, compared to 4.5% nationally). The town had one building society and 6 estate agents/auctioneers. The High Street banks and building societies present in the town centre include Barclays; Halifax; HSBC; Lloyds TSB; Nat West; and Nationwide.

The other significant town centre in the District, Hednesford, also contains some high street banks and building societies including Dudley Building Society; Lloyds TSB; and Santander.

A2 Betting Offices

In contrast with the challenges facing the high street banks and financial services, other A2 uses - notably betting shops - have experienced rapid growth in the past few years due to market changes and the use of new and more sophisticated technologies.

The increase in visitors and the number of bets are encouraging betting shop operators to expand, and with the increasing number of vacant units on the main high street, there is an opportunity to relocate in higher-footfall areas. However, the A2 office component of these uses would be very limited.

Summary

In summary, it is considered that the sector, particularly from observing potential trends in the financial services sectors, has relatively limited prospects for further expansion, both at a macro and at a more fine grained level, in the town centres of Cannock, Rugeley and Hednesford. Indeed there is a very real risk that the sector could decline further in the years ahead, although proposals such as the ‘Victoria Park’ mixed use redevelopment at the western end of Market Street/Rugeley Road could provide 840 sqm of A2 use space. This scheme is part of the wider regeneration of Hednesford which will also include a new Tesco store at the northern end of Market Street.

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8 GOAD Centre Report: Cannock, February 2006
9 WYG (2009) Cannock Chase Retail Study
10 GOAD Centre Report: Rugeley, May 2006
3.43 However, should the current economic downturn revert to one of strong growth, there may be some demand for A2 office space for those professional services directly related to the housing market. However, this appears unlikely for the foreseeable future and is wholly dependent on trends in the wider economy.

**Growth in Key Sui Generis Uses**

**Waste, Recycling and Environmental Technologies**

3.44 This sector includes waste management and incorporates facilities for waste transfer, recycling and treatment. This sector accounted for around 164 jobs in Cannock Chase District in 2010, up from 119 in 2008 (BRES) and has a similar proportion of all jobs compared to the West Midlands average. However, as this sector comprises part of a wider Experian industrial sector, the forecasts do not provide a specific indication of likely future growth.

3.45 For waste-related activities, key considerations with respect to location decisions include proximity to large population and manufacturing centres. Discussions with CCDC indicate that the Stoke and Staffordshire Waste Local Plan (recently having undergone examination) identifies the need for further capacity to manage a range of waste streams across the County and Stoke area. However, whilst the broad level of need is identified, no site-specific allocations are made for new proposals - only current operational facilities are identified as part of the waste management infrastructure. There may, therefore, be demand arising for land from waste activities but it is difficult to quantify at this stage and proposals will have to be dealt with on a case-by-case basis through the development management process. In overall terms, it appears that a low rate of jobs growth is likely with minimal land requirement implications.

3.46 The environmental technologies/energy sector is very limited at present in Cannock Chase, with less than 0.1% of all jobs based in the energy sector; this compares to around 0.5% of the total jobs for the West Midlands as a whole (BRES 2010). The potential for future growth in the District would also appear limited. Although Cannock Chase is located in relatively close proximity to the major population and economic centres of the West Midlands, it does not benefit from the availability of large B2 industrial sites. Furthermore, a number of nearby authorities are actively targeting the sector and have much more land and more specific advantages or facilities. On balance, the environmental technologies/renewable energy sector appears to have limited potential for future growth in Cannock Chase.

**Car Showrooms**

3.47 Car dealerships have also suffered significantly from the economic downturn. The car scrappage scheme in 2009 helped to ameliorate the worst of the impacts, with new car dealerships benefitting significantly from the financial incentives provided by the UK government encouraging drivers to trade in their nine-year old plus car for a new vehicle. The incentive provided little benefit to
second-hand cart dealerships and very challenging trading conditions remain. However, the first half of 2012 saw growth in car sales across the UK, indicating that sales are relatively resilient in the face of a return to recession for the broader economy, partly driven by the low cost of financing. UK industry leader Pendragon Plc (whose 250-plus retail outlets trade as Stratstone, Evans Halshaw and Chatfields) reported a 15.7% increase in new car market registrations on a like-for-like basis. Used car sales also rose strongly with an 11% jump in volumes at Lookers for the first three months of 2012.  

3.48 In terms of future prospects and land requirements, whilst the likes of Arnold Clark are continuing their expansion plans in the north of England, growth for the sector as a whole remains highly volatile. Recent years have seen a trend away from numerous small dealerships scattered across industrial estates and road junctions towards a consolidation of fewer, larger, dealerships in highly visible and accessible locations. The huge car supermarkets off key Motorway junctions in the Midlands are the clearest example of this, although the agglomeration of main dealers on the frontage of modern industrial estates, and particularly prestige business parks on the edge of urban areas, are another example of the consolidating nature of the sector.

3.49 Whilst the over-concentration of car showrooms on individual business parks can result in the dilution of the B-class employment offer and should be avoided, their presence is generally seen as a positive example of diversification and market confidence (particularly where this involves main dealers/prestige marques). Future growth prospects for Cannock Chase appear relatively limited given the current array of dealerships already in place, although the District’s accessible location and proximity to the West Midlands conurbation are likely to ensure that the major car dealerships will retain a presence in the area.

Growth Opportunities of Other Relevant Non-B Class Employment Uses

Public Administration and Defence

3.50 This sector includes local and central government activities, along with social services, job centres, the police, courts, defence, fire and other emergency services. Although some of this activity occurs within buildings classified as use class B1a, only a very small proportion actually occurs in commercially available offices. It is only this generally-available and non-purpose built space which matters for estimating B-class future requirements and as a result the remainder (and vast majority) is considered here under non-B class uses.

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11 Reuters, May 10th 2012: ‘UK car dealers defy downturn with growing sales’
With approximately 1,100 workers (3% of the District’s total jobs in the 2010 BRES statistics), this sector is strongly represented in Cannock Chase in absolute job terms, although when compared with the regional average of 5.2%, it is apparent that it actually has a locational quotient of less than 1.0. Furthermore, there has been a gradual decline in employment since 2006. Given planned Government public sector expenditure cuts, it appears unlikely that there will be any significant job growth in this sector in the short/medium term, and probably some decline, as forecast in the latest Experian Baseline forecasts. Overall, no job growth can be expected in this sector and no requirement for additional land, with the potential for some site and premises releases resulting from budget cuts and service rationalisation.

Healthcare/Biotechnology

The primary locational driver for the biotechnology sector is access to relevant research and development activity, with many business start-ups requiring close university links. Additionally, access to a pool of suitable graduate labour and proximity to existing bioscience clusters can also be important to businesses, whilst large, lower-cost sites are often sought for production facilities. Locations with good access to major metropolitan centres are often viewed as preferable. This sector also includes activities such as health and social care.

There are no existing clusters of research and development in biotechnology and natural sciences within Cannock Chase as demonstrated by the fact that no-one was employed in this sector in 2010. The area has limited infrastructure for a science and research base and for these reasons any future growth in this sector is expected to be limited.

Regarding growth in the healthcare sector, whilst Cannock Chase District does not appear to have a particular competitive advantage in the healthcare sector, the ageing population and continued high levels of investment in the sector nationally are likely to mean that it will remain a growth area in terms of employment going forward, although clearly there will be only a very limited B-class component to this growth.

Residential Care

It has been acknowledged for a number of years that the current supply and form of housing nationally does not adequately meet the needs of a rapidly ageing society. It has been estimated that more than 3 million people over the age of 65 receive public funded services such as home care, home improvement and/or housing related support services, and community alarm/telecare services to help them live well in the home.\(^\text{12}\)

\(^{12}\) All Party Parliamentary Group on Housing and Care for Older People (July 2011): Living Well at Home Inquiry
This issue is becoming more and more pressing over time due to Britain’s ageing population, with substantial gains in life expectancy above the age of 65. According to the latest ONS 2010-based population forecasts, the number of people over the age of 65 in Cannock Chase District will grow by a massive 73% (+11,100 residents) between 2010 and 2035, compared to the regional growth of 58%. Furthermore, the proportion of ‘very elderly’ people in Cannock Chase (i.e. over 85 years) is anticipated to quadruple from current levels by 2035 (+3,500 elderly residents), compared to a regional increase of 150%.

These improvements in life expectancy are not being matched by commensurate gains in disability-free longevity, leading to a greater absolute number of older people who may need care. There is therefore a clear imperative for a step change in new care home provision / extra care facilities in Cannock Chase over the coming years.

Retail

Retail growth is related to population change and spending, as well as competing provision. The retail sector within Cannock Chase is overrepresented relative to the West Midlands average and has grown by 16% since 2000. The District’s main retail centres are Cannock, Rugeley and Hednesford.

The 2009 Cannock Chase Retail Study acknowledged that across the District there was a reasonable provision of main food shopping destinations, although specific needs were identified for the improved distribution of facilities within Cannock Chase to provide more sustainable shopping patterns and greater consumer choice. In this respect, the Study considered that there was a need for improved convenience goods provision within the District in order to alleviate current overtrading and reduce the need for local residents to travel to facilities elsewhere, particularly within Rugeley and Hednesford.

Cannock Town Centre is the dominant destination within the District for comparison goods shopping. The Retail Study suggested that whilst Cannock Town Centre appeared to be performing relatively well, there was scope for its role to improve in the future through appropriate improvements in provision.

Given current shopping patterns and the current commercial activity within the retail warehouse sector, the Study also confirmed that there was no clear qualitative need for further bulky goods retail floorspace within the District. However, the Study concluded that should opportunities come forward in the future for further retail warehousing, the Council should seek to find opportunities within the Rugeley area in order to both improve the distribution of facilities and address a deficiency of these types of facilities in the northern part of the District.

It is therefore considered that the retail sector provides moderate future potential for growth.
Tourism

Tourism-related employment accounts for a slightly lower proportion of jobs in Cannock Chase than at the regional level, which is perhaps unsurprising given that much of the tourist offer relates to natural attractions, notably Cannock Chase AONB. However, as highlighted in the District’s emerging Local Plan, the tourism industry offers a key opportunity to raise Cannock Chase’s national profile, including business tourism and opportunities for enhancing the rural economy. The Staffordshire Destination Management Partnership’s Delivery Plan (2011) advocates developing business tourism opportunities and the rural, countryside and heritage tourism offer within the County. In the District context the Cannock Chase AONB is a recognised significant asset in this regard alongside the town centres of Hednesford and Rugeley which could act as tourist gateways to the Chase and complement the existing Visitor Centres within and around the AONB. Other assets which could also enhance the tourism offer include the Trent and Mersey Canal at Rugeley/Brereton. Tourism growth potential needs to be sensitive to the District’s environmental features, particularly the Cannock Chase AONB and Special Areas of Conservation.

As a consequence, tourism-related employment is expected to grow over time, although this would have a negligible impact upon demand for B class premises.

Policy Growth Aspirations

In addition to the analysis set out above, it is important to identify those employment sectors that CCDC is seeking to promote and develop over the LDF period and beyond.

CCDC has formed alliances with both the Stoke-on-Trent and Staffordshire Local Enterprise Partnership [LEP] and Greater Birmingham and Solihull LEP. The priorities of CCDC, as articulated in the emerging Local Plan for the District, reflect those of both LEPs in that there is a focus on a growth in knowledge based employment such as professional services and research and development, as well as the diversification of the traditional manufacturing sector into advanced/high-technology growth sectors.

Summary

Table 3.2 summarises Cannock Chase’s particular strengths, weaknesses, opportunities and threats. Many of these issues will have a significant bearing on the future employment land requirements of the District.
Table 3.2 Analysis of Strengths, Weaknesses, Opportunities and Threats in Cannock Chase

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Prime location at the heart of the national motorway network and proximity to the M6 toll road</td>
<td>• Limited employment sector diversity with some reliance on warehousing and distribution and legacy manufacturing sectors</td>
</tr>
<tr>
<td>• Locational advantages of the District are attractive to the distribution and logistics sector</td>
<td>• Very low proportion of firms operating in knowledge-based industries</td>
</tr>
<tr>
<td>• Success of strategic high quality employment areas at Kingswood Lakeside and Towers Business Park/G.Park</td>
<td>• Professional business services are underrepresented</td>
</tr>
<tr>
<td>• Recent investment from high profile companies such as Amazon and DHL</td>
<td>• Relatively few highly skilled workers in comparison with West Midlands and national average</td>
</tr>
<tr>
<td>• Growth of office based developments including regional headquarters for Aggreko and Veolia</td>
<td>• Pockets of severe deprivation, particularly in the Cannock area</td>
</tr>
<tr>
<td>• Cannock Chase Area of Outstanding Natural Beauty is a significant natural asset and has the potential to boost the District’s national profile and tourism in the area generally</td>
<td>• High levels of out-commuting to Lichfield and Walsall and low self containment as a result</td>
</tr>
<tr>
<td>• Environmental and planning policy designations within the District may act as a constraint on the release of employment land</td>
<td>• Lack of overall economic resilience and low job density in the District.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Potential to attract high growth and emerging manufacturing sectors to the area by capitalising on identification of A5/M6 Toll as a ‘Growth Corridor’</td>
<td>• Continued economic downturn and decline of traditional manufacturing employment</td>
</tr>
<tr>
<td>• Building on improvements to regional and sub-regional economic competitiveness brought about by i54 South Staffordshire and its award of Enterprise Zone status</td>
<td>• Limited opportunities for growth in financial services sectors and concurrent limited need for new A2 town centre floorspace</td>
</tr>
<tr>
<td>• Increase profile of Cannock town centre as a location for office development. Town centre regeneration schemes in Hednesford and Rugeley (and potentially Cannock) will provide additional non B-class employment opportunities</td>
<td>• Growth of Cannock Town Centre office development potentially limited by viability of schemes</td>
</tr>
<tr>
<td>• Future electrification of the Rugeley to Walsall Chase railway line will improve access to Birmingham, London and South East</td>
<td>• Limited high quality B1/B2 inward investment to counterbalance the continuing attractiveness of the location for distribution and logistics</td>
</tr>
<tr>
<td>• Possible future expansion of Kingswood Lakeside</td>
<td>• Further reduction in public spending could undermine growth in some sectors</td>
</tr>
<tr>
<td>• Growth and diversification of sectors with strong representation i.e. construction, transport and wholesaling</td>
<td>• Growth of Cannock town centre office development may be limited by needs of operators</td>
</tr>
<tr>
<td>• Further development of tourist offer associated with Cannock Chase AONB</td>
<td>• Competition for inward and domestic investment from neighbouring economic centres, e.g. Wolverhampton and Walsall</td>
</tr>
</tbody>
</table>
4.0 The Current Stock of Employment Floorspace

Introduction

4.1 This section provides an overview of the current stock of employment space in the Borough, as well as recent trends in and changes to supply. The future pipeline of development in Cannock Chase and historic losses of employment land to alternate uses are also examined.

Existing Employment Land Availability

4.2 In July 2012 CCDC produced an Employment Land Availability Assessment [ELAA] to identify sites that have the potential for employment development within the District.

4.3 The results are summarised in Table 4.1. It indicates that there is currently around 52ha of ‘available’ B-class employment land across the District, of which:

- 42ha is available in Cannock, Hednesford and Heath Hayes;
- 7ha is available at Rugeley and Brereton; and
- Just under 3ha at Norton Canes.

4.4 According to the ELAA, the bulk of this available land is located at existing employment locations at Kingswood Lakeside, Towers Business Park and along the A5 Corridor. Most of these are considered ‘high’ or ‘average’ quality locations. According to the ELAA, whilst the size of available sites ranges from <0.1ha to 20ha, the most common size of site available is within the 2-3ha range. The 52ha available supply almost entirely comprises new/complete redevelopment sites which can cater for new bespoke schemes. 43ha has been identified as appropriate for a range of B1/B2/B8 uses, with c6ha suitable for B1 uses only.

4.5 Of the 56ha which is considered unavailable at present, 36ha relates to Green Belt sites (20ha of which relates to sites at Kingswood Lakeside). There are a number of non B-class uses associated with the B-class land identified, totalling around 4ha. These represent a mixture of types of development including hotels, restaurants and other complementary employment supporting facilities (such as a crèche proposed as part of a mixed use scheme at Mill Green, Eastern Way, Cannock).
Table 4.1  Cannock Chase Employment Land Supply

<table>
<thead>
<tr>
<th></th>
<th>All Sites (ha)</th>
<th>New Sites (ha)</th>
<th>Redevelopments (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completions 2006-12</td>
<td>34.11</td>
<td>27.68</td>
<td>6.43</td>
</tr>
<tr>
<td>Available Supply:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Outstanding</td>
<td>47.17</td>
<td>41.08</td>
<td>11.1</td>
</tr>
<tr>
<td>• Under construction</td>
<td>5.01</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Supply (2006-28)</td>
<td>86.29</td>
<td>68.75</td>
<td>17.54</td>
</tr>
<tr>
<td>Less Local Plan Part 1 Target (2006-28)</td>
<td>88.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance</td>
<td>-1.71</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Land ‘Not Available’</td>
<td>55.7</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

CCDC Employment Land Availability Assessment (July 2012)

The ELAA concludes that there is a minor shortfall of available employment land against the Local Plan (Part 1) target of providing for at least 88ha of new and redeveloped B-class employment land (2006-08). However there is flexibility identified in land currently considered ‘not available’ and it is appropriate to assume that further windfall commercial sites will come forward, contributing to meeting the minimum requirement in the short to medium term.

Development Rates

CCDC collates data on the development of employment land for Annual Monitoring purposes. Take-up of sites for employment development is held for 1996 onwards. As Table 4.2 illustrates, take-up of employment sites over the full 16 year period totalled 118.7 ha, or 5.4ha per annum. The total amount of land taken up over the past 6 years, however, at 34.11ha, has actually been delivered at a higher annual rate (5.7ha per annum) despite the onset and subsequent fallout from the recession. This is in large part due to the large scale development of G-Park at Towers Business Park. This single development, a large-scale 65,000 sqm distribution warehouse occupied by Amazon, represents almost half of all completions from 2006-12.

CCDC considers that this can be considered a unique, one-off, scale of development that is unlikely to be repeated for the foreseeable future. Stripping this out from the figures in Table 4.2 suggests that a more realistic level of take up would have been around 4.4ha per annum over the past 16 years.
Table 4.2  Employment Land Completions 1996-2012

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Completions (ha)</th>
<th>Total Completions (excluding Amazon) (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996-2001</td>
<td>18.84</td>
<td>18.84</td>
</tr>
<tr>
<td>2001-2006</td>
<td>33.36</td>
<td>33.36</td>
</tr>
<tr>
<td>2006/07</td>
<td>1.35</td>
<td>1.35</td>
</tr>
<tr>
<td>2007/08</td>
<td>1.4</td>
<td>1.4</td>
</tr>
<tr>
<td>2008/09</td>
<td>24.1</td>
<td>8.3</td>
</tr>
<tr>
<td>2009/10</td>
<td>3.59</td>
<td>3.59</td>
</tr>
<tr>
<td>2010/11</td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td>2011/12</td>
<td>1.67</td>
<td>1.67</td>
</tr>
<tr>
<td>TOTAL</td>
<td>86.31</td>
<td>70.51</td>
</tr>
<tr>
<td>Average Build Rate (past 6 yrs)</td>
<td>5.685</td>
<td>3.052</td>
</tr>
<tr>
<td>Average Build Rate (past 16 yrs)</td>
<td>5.394</td>
<td>4.407</td>
</tr>
</tbody>
</table>

Source: Cannock Chase District Council (July 2012): Employment Land Availability Assessment

4.9 Over the past 6 years, data provided by CCDC (see Table 4.3) indicates that around 6ha was developed for B1 use alone, and around 52% for general B-class uses, although it is presumed that a significant proportion of this mixed use scheme relates to the B8 Amazon distribution warehouse. This 15.8ha development took place in the Rugeley sub-area and accounted for 86% of all completions in this area over the past 6-years, with the vast majority of the remainder taking place in the Cannock, Hednesford and Heath Hayes sub-area, and specifically around Kingswood Lakeside and the A5 Corridor (Table 4.4).

4.10 It is understood that whilst completions have been dominated by new land/complete redevelopment schemes, there have been a number of smaller scale conversions of properties to B-class uses, such as former education buildings being converted into office use. There have been a limited number of B2 uses coming forward in recent years.

Table 4.3  Total Completions, by B-Class Use, 2006-2012

<table>
<thead>
<tr>
<th>B-Class Completions</th>
<th>Total Completions (ha)</th>
<th>Total Completions (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1</td>
<td>6.024</td>
<td>17.7%</td>
</tr>
<tr>
<td>B2</td>
<td>0.245</td>
<td>0.7%</td>
</tr>
<tr>
<td>B8</td>
<td>3.825</td>
<td>11.2%</td>
</tr>
<tr>
<td>B1/B8</td>
<td>4.44</td>
<td>13.0%</td>
</tr>
<tr>
<td>B1/B2</td>
<td>1.86</td>
<td>5.5%</td>
</tr>
<tr>
<td>B2/B8</td>
<td>0.045</td>
<td>0.1%</td>
</tr>
<tr>
<td>B1/B2/B8</td>
<td>17.67</td>
<td>51.8%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>34.11</td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: Cannock Chase District Council (July 2012): Employment Land Availability Assessment
Table 4.4  Total Completions, by Area, 2006-2012

<table>
<thead>
<tr>
<th>Area</th>
<th>Total Completions (ha)</th>
<th>Total Completions (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cannock, Hednesford and Heath Hayes</td>
<td>15.657</td>
<td>45.9%</td>
</tr>
<tr>
<td>Rugeley and Brereton</td>
<td>18.312</td>
<td>53.7%</td>
</tr>
<tr>
<td>Norton Canes</td>
<td>0.140</td>
<td>0.4%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>34.11</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: Cannock Chase District Council (July 2012): Employment Land Availability Assessment

Losses of Employment Land

4.11 CCDC did not monitor the annual loss of employment floorspace prior to 2005/06. The figures set out in Table 4.5 from 2008 onwards include not only losses to residential use, but also conversions of B-class use to non-B class uses such as gyms and children’s play centres.

Table 4.5  Employment Land Losses 2006/07-2011/12

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Losses (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006/07</td>
<td>0.09</td>
</tr>
<tr>
<td>2007/08</td>
<td>0.00</td>
</tr>
<tr>
<td>2008/09</td>
<td>0.05</td>
</tr>
<tr>
<td>2009/10</td>
<td>1.50</td>
</tr>
<tr>
<td>2010/11</td>
<td>0.54</td>
</tr>
<tr>
<td>2011/12</td>
<td>0.51</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2.69</strong></td>
</tr>
</tbody>
</table>

**Average Losses (past 6 yrs)** | 0.45

Source: Cannock Chase District Council (July 2012)

4.12 Data has also been provided in respect of two major pre-2006 planning permissions relating to the change of use of employment land to alternative uses. These comprise 4.2ha at the former Automotive Lighting Premises and 3.06ha at the former Ultra Electronics Premises. Although both sites were granted permission before 2006, they remain under construction.

Vacancy Rates

4.13 An assessment of the District’s existing employment areas was undertaken in February 2011 to complement other employment-land related evidence base studies for Cannock Chase District Council\(^\text{13}\). The study identified vacancy rates for existing employment areas, accurate as of January 2011. Table 4.6 indicates that vacancy rates varied widely across the District, with certain areas, such as the A5 Corridor North and the single-use TNT sites having virtually no vacancies, whilst areas such as Towers Business Park and Watling Street Business Park having vacancy rates of over 69% (by floorspace). The

\(^{13}\) Cannock Chase District Council (February 2011): Existing Employment Areas Study
former area also had the largest amount of vacant floorspace available, at over 68,800 sqm (45% of the entire District’s total); however, this was dominated by a single large unoccupied 65,000 sqm unit. Without this, the floorspace vacancy level would be closer to 11%.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>A5 Corridor North</td>
<td>80,830</td>
<td>1,510</td>
<td>2%</td>
<td>6%</td>
</tr>
<tr>
<td>A5 Corridor South</td>
<td>85,510</td>
<td>9,230</td>
<td>11%</td>
<td>12%</td>
</tr>
<tr>
<td>Anglesey Business Park</td>
<td>23,990</td>
<td>1,050</td>
<td>4%</td>
<td>13%</td>
</tr>
<tr>
<td>Berenkon Business Parks</td>
<td>31,000</td>
<td>10,410</td>
<td>34%</td>
<td>17%</td>
</tr>
<tr>
<td>Bridgton Business Area</td>
<td>37,920</td>
<td>3,830</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Cannock Enterprise Centre</td>
<td>8,510</td>
<td>1,160</td>
<td>14%</td>
<td>unknown</td>
</tr>
<tr>
<td>Cannock Wood Industrial Estate</td>
<td>15,890</td>
<td>unknown</td>
<td>unknown</td>
<td>unknown</td>
</tr>
<tr>
<td>Hawks Green (North)</td>
<td>65,130</td>
<td>8,590</td>
<td>13%</td>
<td>unknown</td>
</tr>
<tr>
<td>Hawks Green (South)</td>
<td>20,820</td>
<td>340</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>Hollies Park</td>
<td>11,810</td>
<td>2,680</td>
<td>23%</td>
<td>41%</td>
</tr>
<tr>
<td>Keys Park</td>
<td>24,640</td>
<td>2,720</td>
<td>11%</td>
<td>16%</td>
</tr>
<tr>
<td>Kingswood Lakeside</td>
<td>73,340</td>
<td>11,930</td>
<td>16%</td>
<td>7%</td>
</tr>
<tr>
<td>Lime Lane</td>
<td>5,110</td>
<td>200</td>
<td>4%</td>
<td>unknown</td>
</tr>
<tr>
<td>Norton Canes Business Area</td>
<td>79,390</td>
<td>5,530</td>
<td>7%</td>
<td>12%</td>
</tr>
<tr>
<td>Park Plaza/Heritage Park</td>
<td>4,390</td>
<td>990</td>
<td>23%</td>
<td>unknown</td>
</tr>
<tr>
<td>Power Station Road Business Area</td>
<td>43,030</td>
<td>4,250</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>TNT Site, Wimblebury Road</td>
<td>2,160</td>
<td>0</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Towers Business Area</td>
<td>99,680</td>
<td>68,840</td>
<td>69%</td>
<td>15%</td>
</tr>
<tr>
<td>Walsall Road</td>
<td>64,990</td>
<td>6,170</td>
<td>10%</td>
<td>11%</td>
</tr>
<tr>
<td>Watling Street Business Park</td>
<td>14,290</td>
<td>11,980</td>
<td>83%</td>
<td>60%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>792,440</strong></td>
<td><strong>151,420</strong></td>
<td><strong>19%</strong></td>
<td>unknown</td>
</tr>
</tbody>
</table>

Source: Cannock Chase District Council (February 2011): Existing Employment Areas Study

*Total floorspace measures ground floor only

4.14 In total, Cannock Chase District had an overall vacancy rate of around 19%. This is somewhat higher than the ‘ideal’ level of vacancy that might be expected on general B-class employment sites. A level of vacancy at around 10% is generally considered typical of a ‘normal’ market. However, the large vacant unit at Towers Business Park was occupied shortly after this survey, therefore resulting in vacancy rates closer to normal market conditions.

Conclusions

- Cannock Chase District has over 86ha of employment land that is considered to be ‘available’. Of this supply, 34ha has been developed over the early part of the plan period (2006-12), with a further 5ha under construction. This leaves 47ha remaining to be developed. This level of provision is slightly below the 88ha Local Plan (Part 1) Target of 88ha;

- A further 56ha of potential employment land remains unavailable due to a variety of environmental and planning policy constraints, notably Green Belt restrictions at Kingswood Lakeside;
• The District has seen relatively high and sustained levels of take up of employment land, averaging some 5.4ha over the past 16 years. However, whilst take up post recession has remained high, this has primarily been due to a very large warehouse distribution depot development by Amazon in 2008/09 – stripping this ‘one-off’ strategic development out of the figures, the revised average take up rate falls to around 4.4ha over the 16 years from 1996-2012.

• Losses of employment land have not been monitored pre 2006/07 by CCDC; since that time, it appears around 2.7ha has been lost to non-B class uses, at a rate of just 0.45ha per annum. However, two large employment sites totalling 7.3ha that were granted permission pre-2006 are also now under construction for alternative uses;

• It is estimated that around 19% of Cannock Chase’s employment stock is currently vacant. However, a large vacant unit at Towers Business Park was occupied shortly after this survey, therefore resulting in vacancy rates closer to normal market conditions.
5.0 Future B Class Employment Space Requirements

Factors Affecting Future Employment Space Needs

5.1 This section of the report assesses the projected demand for employment land likely to be required in Cannock Chase District from 2006 to 2028/31, equating to the Local Plan period and also 25 years hence. Consideration is also given to the type of employment space likely to be required over the study period.

5.2 To estimate the broad scale and type of further employment land required, a number of different indicators and factors have been considered. The principal approaches most commonly used when assessing future employment land needs are based on:

a forecasts of employment growth in the main B class sectors;
b considering population forecasts and future growth of local labour supply and the amount of jobs and employment space that this can support.

5.3 Both approaches have some limitations and need to be considered together along with other indicators to give a robust view of future employment space needs. In addition, the economic growth potential and likely demand for employment space in Cannock Chase needs to be assessed under a range of different future scenarios.

5.4 Given the differing pictures indicated by the employment-based estimates, a range of other indicators have also been reviewed to inform a judgement of where the best estimate of future needs should lie. Some of these factors pull in different directions and a balance has to be drawn between them.

5.5 Trends in the national economy will clearly be a significant factor affecting future demand for employment space. The UK is currently experiencing an economic slowdown and financial credit shortage which has culminated in a ‘double-dip’ recession. As yet, there is no agreement amongst economists as to when we are likely to see a recovery. However, this study estimates employment space requirements over a 22-year period over which short term fluctuations should even out.

5.6 The need to replace land or premises lost (or released) to other uses to maintain the level of the current stock of employment space has been considered. Since 2006/07, there has been an average annual loss of just 0.45ha of employment land to other uses. Much of this relates to small sites and there is a need to ensure adequate space exists for relocation of displaced firms. Two further more substantial losses were granted permission pre-2006, and are only now under construction for residential use, resulting in a further
loss of around 7.3ha. Some replacement of space lost to housing or other uses may also be needed if the current level of stock is to be maintained, or if any further large sites are to be released to other uses, although use of net take-up rates would assume some losses anyway. As will be discussed further in this section, the current SHLAA document for Cannock Chase District identifies some 30 existing employment sites, equating to 24.94ha, which could be suitable, available and achievable for housing over the plan period.

5.7 **Vacancy levels** and floorspace availability provide another indicator of the balance between current supply and demand for employment space. A typical vacancy rate in a normal market would be around 8/10% to allow for movement and expansion of firms and a choice of locations. Evidence suggests that vacancy rates for industrial/commercial properties in the District currently stand at around 19%, which could indicate levels of oversupply in the market, although as a large vacant unit at Towers Business Park was occupied shortly after this survey, vacancy rates are now closer to normal market conditions.

5.8 Looking at commuting patterns, there is currently a low level of employment self contained in the District. A high proportion of local residents commute out of Cannock Chase on a daily basis to work, primarily to the nearby authorities of Walsall, Lichfield, Birmingham, Stafford and Wolverhampton. As of 2010, there were 35,320 jobs based in the District, yet 49,400 residents in employment, suggesting a ratio of 1.4 (the comparable ratio for Staffordshire as a whole is 1.2). In order to redress this balance, it would be necessary to provide local residents with more opportunities to work closer to home, and hence the supply of good quality employment land could help to reduce levels of out-commuting in future. This would also help to raise the current low job density rate in the District.

5.9 Other factors which could impact upon future levels of employment space needed include the growing trend to relocate certain business operations to lower-cost locations overseas, often referred to as “off-shoring”. The industries with the highest propensity for this have typically included communications, banking and finance, and some business services, in which Cannock Chase has a very modest representation. The District also has a very low representation of other important knowledge based industries. At the same time, the highly accessible nature of the District and its proximity to the strategic Motorway network has seen strong and sustained demand for large **B8 warehouse developments** in the District, as exemplified by a number of developments in recent years, with parcel companies and pallet hubs being particularly land hungry. CCDC has regeneration ambitions to increase knowledge-based industries, which could then have a positive impact on these sectors. Similarly, the exponential growth in internet shopping in recent years has also stimulated further distribution developments of variable size and scale to serve the Black Country and wider West Midlands conurbation.

5.10 Another factor which would tend to reduce the amount of additional employment space needed in the future is the ability to achieve economic
growth without corresponding increases in demand for employment space or labour, known as ‘smart’ or ‘landless’ growth. This could reflect increased automation, increased floorspace densities/plot ratios, labour productivity improvements, hot-desking, working from home, or more overtime working by current staff. It is difficult to quantify the extent of this effect.

5.11 **Competition** to economic growth in Cannock Chase from surrounding districts and regional centres such as Wolverhampton, Walsall and Birmingham could also constrain future demand and hence the scale of employment land provision. Major developments and land supply in adjoining areas and the new Enterprise Zones such as at i54 in South Staffordshire, could compete for larger office or industrial relocations. This factor may moderate the levels of growth and industrial/office relocations that Cannock Chase could expect to attract. Conversely, there are potential positive benefits from linkages with other centres, particularly in terms of potential supply chain benefits and wider economic growth arising from these centres creating demand for employment land locally.

5.12 Whilst the ELAA has demonstrated that development constraints are not overly restrictive to the provision of sufficient employment land over the short to medium term, the significant proportion of land in the District designated as either Green Belt or part of the Cannock Chase AONB may limit the choice of potential employment locations over and above the 86ha identified as being ‘available’.

**Growth Scenarios**

A. Job Forecasts Model

**Methodology**

**Experian Econometric Modelling**

5.13 To help inform the Employment Land Review Update, the latest local area based econometric job forecasts were obtained for Cannock Chase District from Experian Business Strategies in July 2012. Job growth was forecast over the plan period from 2006-2028 and beyond, to 2031. Experian’s sub-regional economic model takes account of the existing economic structure of each Local Authority (broken down by economic sector) and the historical relationship between the regional performance of an industry and the performance observed at the Local Authority level. The Experian model suggested that the District would grow by around 1,780 workforce jobs between 2006 and 2028, and by around 2,140 to 2031.

5.14 An additional scenario was developed which took the actual level of employment growth observed in the District over the period 2000-2010 (using ABI and BRES data, with an adjustment made to ensure that the two datasets are comparable) and projecting these forward to 2028/31. Whilst factoring in
the impact of the recession and continued economic downturn, it essentially adopted a predict-and-provide approach, assuming that those sectors that have grown strongly over the past ten years (or, as with certain manufacturing sectors, declining) will continue along their past trajectory over the plan period. This approach suggested a total jobs growth of around 14,490\(^{14}\) between 2006 and 2028, with sectors such as wholesaling, transport, health and other business activities exhibiting particularly strong growth, compared to continued decline in certain traditional manufacturing sectors, as is apparent in Figure 3.5 (albeit over a different time period). It should be noted that the figures used in this scenario relate to ‘employee’ jobs, rather than total employment, as this latter figure is unavailable via the ABI historic database. Employee jobs excludes self-employed, government-supported trainees and HM Forces, hence the overall figure in 2006 will be lower than the Experian baseline figure (which is based on total employment).

5.15 A third and final econometric modelling scenario was termed the Regeneration, or ‘Policy-On’, scenario. Following detailed discussions with CCDC Planning and Economic Regeneration Officers, the individual industrial classifications used in the Experian Baseline forecasts were reassessed to test whether there were any concrete policy justifications for modifying any of the categories. It is recognised that limited conclusions can be drawn from the results of such an approach, as Experian’s forecasts for Cannock Chase are complex and internally consistent with those of other authorities in the region. With this caveat in mind, the following adjustments were made to the forecasts to provide an estimation of the amount of employment that could be achieved in the District should certain policy initiatives or developments come forward as planned:

- **Computer and Electronic Products Sector:** Experian forecasts indicate a fall of around 82% in the number of jobs in this sector in the District between 2006 and 2028. CCDC Officers officer highlighted a key company (Ultra Electronics) that specialise in providing electronics/computing software (particularly to the defence industry) that has recently expanded operations in the area. As such, the decision was taken to hold the level of jobs constant between 2006-28;

- **Transport Equipment:** The Experian projections suggested an increase of around 37% from 2006 levels; however, given the new Jaguar Land Rover plant at i54 in South Staffordshire, Officers considered that job growth could be expected to at least double in this field due to the growing automotive supply chain within the sub-region;

\(^{14}\) Note: in calculating the future job growth for this scenario, 1,000 jobs recorded under the ‘warehousing’ industrial sector were removed from the 2010 BRES figures, as it is understood that most of these were likely to relate to the large G-Park B8 development occupied by Amazon. This is considered to be a one-off strategic development that is unlikely to occur again for the foreseeable future. Keeping the Amazon jobs in the equation would potentially double the B8 land requirement.
• **Construction of buildings:** The Experian projections suggest a decline of around 16%; however, Officers consider that such a decline is unlikely given the sector’s current strong representation and potential linkages to promoting skilled/high technology construction methods;

• **Retail:** Jobs in this sector are forecast to remain virtually constant between 2006 and 2028. Officers considered that retail-led regeneration of town centres could, however, deliver up to 1,000 jobs due to a number of major schemes coming forward (specifically Hednesford town centre under construction (potentially around 500 jobs) and Rugeley Tesco store to commence shortly (c500 jobs), with further jobs potentially arising from Cannock town centre’s future regeneration). As a result, job growth was increased in line with the regional trend (+4.2%).

• **Recreation:** despite forecasts suggesting job decline of around a quarter 2006-28, CCDC has a policy ambition of tapping the potential of tourism-related activities linked to accommodation and food services, hence job growth in this sector was held at 2006 levels going forward.

• **Real Estate, Computing & Information Services, Media Activities, Finance, Professional Services, Admin and Support Services, and Other Private Services:** For these seven service sectors, job growth was held at rates commensurate with the (higher) regional rates on the grounds that CCDC has policy ambitions to expand the office sector given present under-representation, particularly as they are linked to other expanding sectors and the wider growth of the District. For example, the recently released Greater Birmingham and Solihull LEP Strategy for Growth White Paper (October 2012) specifically refers to the growth of a strong Business, Financial and Professional Services sector as a key priority across the LEP area.

5.16 The adjustments to the Experian forecasts outlined above increase the overall job growth by around 13%, or 5,210 (3,070 higher than the Experian baseline). However, much of these job growth adjustments are in sectors not directly related to B class employment (i.e. retail).

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

- The office floorspace requirement is related to job growth/decline in the financial and business service sectors\(^\text{15}\);
- The industrial floorspace requirement is related to job growth/decline in the manufacturing sectors\(^\text{16}\); and

\(^\text{15}\) i.e. Media Activities, Computing & Information Services, Telecoms, Finance, Insurance & Pensions, Real Estate, Professional Services, some Administrative & Supportive Services (BRES (SIC 82.1, 82.2, 82.3, 82.9) as % of (SIC 77, 78, 79, 80, 81, 82)) and 10% of Public Administration and Defence.
The wholesale/distribution floorspace requirement is related to job growth/decline in the two SIC sectors of wholesale and land transport, storage and post\textsuperscript{17}.

5.18

In order to translate the resulting figures into employment land projections, employment densities (as recommended in the HCA Employment Densities Guide\textsuperscript{18}) and plot ratios by use class were then applied to the job change figures to translate these into employment land projections.

5.19

The Experian forecasts provide head count figures (i.e. total employment), rather than Full Time Equivalents [FTEs], with the latter required for conversion purposes. As such, it was necessary to translate the head count figures generated by the econometric forecasters into FTEs. It is generally accepted that 1 FTE equals one full time job or two part time jobs. Following a review of the latest BRES 2011 forecasts for Cannock Chase, it was apparent that on average, 87% of jobs in B1 related industries were full time, compared to 96% in B2 related industries and 94% in B8 related industries. Hence it was assumed that 1 job equates to 0.85 FTEs for B1 and 0.95 for B2/B8.

5.20

It was thereafter assumed that:

- One FTE B1a general office job requires 14sqm of employment floorspace (GEA);
- One FTE B1c light industrial job requires 50sqm of employment floorspace (GEA);
- One FTE B2 industrial job requires 37sqm of employment floorspace (GEA);
- A combined B1c/B2 factor of one FTE job per 44sqm was obtained by taking an average of the aforementioned B1c/B2 GIA equivalents;
- One FTE warehousing/distribution job requires 70sqm of employment space (GEA)\textsuperscript{19}.

5.21

It has been assumed that a gross area of 1ha is required to develop 4,000sqm of out-of-centre office, industrial or warehousing/distribution space (equal to a plot ratio of 40%). For town centre office space, previous studies elsewhere in the country (see Arup/Donaldsons’ Demand for Employment Land in Greater Manchester, 2006) use 200% as an appropriate plot ratio when calculating employment land requirements in City Centres. This latter figure necessarily assumes an office building of four stories in height, with 50% plot coverage.

\textsuperscript{16} Experian Manufacturing sectors, plus car repair, some construction and waste and remediation activities.

\textsuperscript{17} Experian wholesaling less car repairs retail car sales, plus post/couriers and land transport.

\textsuperscript{18} HCA OffPAT (2010), Employment Densities Guide, 2\textsuperscript{nd} Edition

\textsuperscript{19} In the absence of robust data relating to the likely split between high bay/low bay warehousing going forward in Cannock Chase, the ‘general’ warehousing jobs ratio of 1 job per 70 sqm has been used from the HCA guidance.
However, given that there are few high density office developments in Cannock Chase District generally, a standard plot ratio of 40% was used for the B-class uses.

5.22

The demand projections generated via this employment forecasting technique represent a net future requirement for employment levels and do not take into account any future losses to non-employment uses. It is therefore necessary to adjust these figures in order to reconcile them against gross projections generated by analysing historic take up rates.

Sectoral Employment Growth

5.23

Before presenting the job growth outcomes from the scenarios it is worth highlighting, in broad terms, limitations in how these outcomes were generated:

1. they are predominantly trend-based estimates projecting historic growth patterns into the future;
2. the forecasts don’t take into account policy influences and unforeseen impacts of individual business decisions, e.g. the potential effects of Jaguar Land Rover’s decision to locate at nearby i54;
3. they do not reflect job growth across the rest of the economy, e.g. in sectors such as retail, health and education sectors which, in many instances (particularly health) are key growth sectors for the future.
4. such forecasts tend to be most reliable at regional and national scales than at the local economy level, but can indicate the broad scale and direction of economic growth in different sectors and provide some guidance to assess future land requirements.
5. It is important to recognise that there is not always a clear cut relationship between employment change and employment land needs. Additional employment space can be needed even if employment itself is falling, for example if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.

5.24

The Experian Baseline 2012 employment projections for Cannock Chase indicate that overall, there will be moderate growth in employment in the 30 defined sectors for the period 2006-28 of around 1,780 (4%), although this growth masks significant decline in a number of existing sectors including manufacturing (-2,613, or -43% overall), construction (-33%) recreation (-25%), finance (-17%), other private services (-33%) and public administration and defence (-34%) sectors anticipated to experience the greatest proportional and absolute decline. However, these losses are more than outweighed by strong increases in sectors including agriculture (+52%); wholesale (+36%); land transport (+58%); Accommodation and food services (+28%); Professional Services (+21%), Education (+10%), Health (+30%) and Residential Care & Social Work (+43%).
### Table 5.1  Projected Employment Change 2006-28, Experian Baseline (2012)

<table>
<thead>
<tr>
<th>Industrial Sector</th>
<th>Total Job Growth 2006-28</th>
<th>% Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry &amp; Fishing</td>
<td>120</td>
<td>52%</td>
</tr>
<tr>
<td>Extraction &amp; Mining</td>
<td>-17</td>
<td>-84%</td>
</tr>
<tr>
<td>Food, Drink &amp; Tobacco</td>
<td>-40</td>
<td>-36%</td>
</tr>
<tr>
<td>Textiles &amp; Clothing</td>
<td>-180</td>
<td>-95%</td>
</tr>
<tr>
<td>Wood &amp; Paper</td>
<td>-140</td>
<td>-44%</td>
</tr>
<tr>
<td>Printing and Recorded Media</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Fuel Refining</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Chemicals</td>
<td>-20</td>
<td>-67%</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>-3</td>
<td>-91%</td>
</tr>
<tr>
<td>Non-Metallic Products</td>
<td>-330</td>
<td>-29%</td>
</tr>
<tr>
<td>Metal Products</td>
<td>-1,120</td>
<td>-50%</td>
</tr>
<tr>
<td>Computer &amp; Electronic Products</td>
<td>-540</td>
<td>-82%</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>-360</td>
<td>-77%</td>
</tr>
<tr>
<td>Transport Equipment</td>
<td>220</td>
<td>37%</td>
</tr>
<tr>
<td>Other Manufacturing</td>
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<td>-48%</td>
</tr>
<tr>
<td>Utilities</td>
<td>50</td>
<td>28%</td>
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<tr>
<td>Construction of Buildings</td>
<td>-210</td>
<td>-16%</td>
</tr>
<tr>
<td>Civil Engineering</td>
<td>-70</td>
<td>-17%</td>
</tr>
<tr>
<td>Specialised Construction Activities</td>
<td>120</td>
<td>4%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>1,430</td>
<td>36%</td>
</tr>
<tr>
<td>Retail</td>
<td>40</td>
<td>1%</td>
</tr>
<tr>
<td>Land Transport, Storage &amp; Post</td>
<td>1,340</td>
<td>58%</td>
</tr>
<tr>
<td>Air &amp; Water Transport</td>
<td>-2</td>
<td>-39%</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>100</td>
<td>25%</td>
</tr>
<tr>
<td>Recreation</td>
<td>-170</td>
<td>-25%</td>
</tr>
<tr>
<td>Media Activities</td>
<td>-10</td>
<td>-6%</td>
</tr>
<tr>
<td>Telecoms</td>
<td>-10</td>
<td>-20%</td>
</tr>
<tr>
<td>Computing &amp; Information Services</td>
<td>10</td>
<td>2%</td>
</tr>
<tr>
<td>Finance</td>
<td>-110</td>
<td>-17%</td>
</tr>
<tr>
<td>Insurance &amp; Pensions</td>
<td>0</td>
<td>0%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>-140</td>
<td>-30%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>200</td>
<td>21%</td>
</tr>
<tr>
<td>Administrative &amp; Supportive Services</td>
<td>200</td>
<td>9%</td>
</tr>
<tr>
<td>Other Private Services</td>
<td>-300</td>
<td>-33%</td>
</tr>
<tr>
<td>Public Administration &amp; Defence</td>
<td>-360</td>
<td>-34%</td>
</tr>
<tr>
<td>Education</td>
<td>100</td>
<td>10%</td>
</tr>
<tr>
<td>Health</td>
<td>500</td>
<td>30%</td>
</tr>
<tr>
<td>Residential Care &amp; Social Work</td>
<td>600</td>
<td>43%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,779</strong></td>
<td><strong>4%</strong></td>
</tr>
</tbody>
</table>
Table 5.2 and Figure 5.1 summarise the level of total net employment change forecast over the period 2006 to 2028/31 for Cannock Chase District under each of the growth scenarios.

Table 5.2  Projected Employment Change 2006-28/31

<table>
<thead>
<tr>
<th>Scenario</th>
<th>2006-28</th>
<th></th>
<th>2006-31</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% Growth</td>
<td>Total</td>
<td>% Growth</td>
</tr>
<tr>
<td>Experian Baseline</td>
<td>+1,779</td>
<td>+4.5%</td>
<td>+2,143</td>
<td>5.4%</td>
</tr>
<tr>
<td>Past Trend Job Growth</td>
<td>+14,490</td>
<td>+43.6%</td>
<td>+17,948</td>
<td>+54.1%</td>
</tr>
<tr>
<td>Regeneration Policy On</td>
<td>+4,633</td>
<td>+11.7%</td>
<td>+5,209</td>
<td>+13.2%</td>
</tr>
</tbody>
</table>

As might be expected, the total amount of net employment growth over the period 2006-28 is strongest under the earlier Past Trends Job Growth Scenario, with a substantial increase of 14,490 to 2028, and almost 17,950 by 2031. This reflects the strong growth in jobs, particularly in the transport and distribution sectors pre-recession, as well as in health. The contrast is particularly stark compared with Experian baseline forecast, with levels of growth more than 8 times as high.

Table 5.2 and Figure 5.2 set out the projected change in employment within the B-class categories in the period 2006-2028/31 for the three scenarios.
Overall, the econometric forecasts are broadly consistent in terms of the sectors forecast to grow/decline, with only the scale of magnitude differing across the scenarios, hence B1a office growth ranges from +2 employees to +2,284 (2006-28); manufacturing forecast to decline (ranging from -2,189 to -118 2006-28); and wholesaling expected to experience continued strong growth, from +2,122 under the Experian Baseline and Regeneration Policy On scenarios, to +4,100 under the past trends job growth scenario. The table demonstrates the extent to which the economy will be particularly reliant on employment growth in sectors not traditionally associated with B-class employment land (particularly health).

Table 5.3  B-Class Employment Growth Forecast 2006-31

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Experian Baseline</td>
<td>+2</td>
<td>-2,189</td>
<td>+2,122</td>
<td>+1,845</td>
<td>+2,284</td>
<td>+1,779</td>
<td></td>
</tr>
<tr>
<td>Past Trend Job Growth</td>
<td>+2,284</td>
<td>-118</td>
<td>+4,100</td>
<td>+8,224</td>
<td>+2,322</td>
<td>+2,143</td>
<td></td>
</tr>
<tr>
<td>Regeneration Policy On</td>
<td>+775</td>
<td>-1,016</td>
<td>+2,322</td>
<td>+3,128</td>
<td>+4,633</td>
<td>+5,209</td>
<td></td>
</tr>
</tbody>
</table>

Source: Experian / NLP analysis

It is again stressed that whilst econometric forecasts can provide a helpful starting point as to the likely future requirements for employment space, some degree of caution needs to be applied, due to the wide range of factors that
shape economic outcomes locally. Clearly, the starting point for this assessment, 2006, represents a time when productivity in the economy was approaching a high point, and hence the forecasts have had to factor in the impact of the recession(s) and continued economic slowdown (albeit recognising that all three scenarios assume that the economy will recover in the medium to long term).

5.30 These adjusted job growth forecasts were subsequently translated into employment land requirements through the translation of jobs to FTEs; and the application of standard employment densities, vacancy rates and plot ratios, using the methodology set out earlier in this section. For Cannock Chase, this generates a net employment land requirement of between 12.7ha and 73.7ha for the period 2006-2028 as indicated in Table 5.4.

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Experian Baseline</td>
<td>0.01</td>
<td>-22.62</td>
<td>35.27</td>
<td>12.7</td>
<td>0.11</td>
<td>-24.55</td>
<td>38.60</td>
</tr>
<tr>
<td>Past Trend Job Growth</td>
<td>6.79</td>
<td>-1.22</td>
<td>68.16</td>
<td>73.7</td>
<td>8.70</td>
<td>2.67</td>
<td>80.59</td>
</tr>
<tr>
<td>Regeneration Policy On</td>
<td>2.02</td>
<td>-8.67</td>
<td>35.27</td>
<td>28.6</td>
<td>2.31</td>
<td>-10.50</td>
<td>38.60</td>
</tr>
</tbody>
</table>

Source: Experian / NLP analysis

Gross Employment Space/Land Projections

5.31 It is necessary to adjust the net employment land projections in order to reconcile them against gross projections generated by analysing the likely amount of land that could be lost for planning purposes. An alternative approach would be to analyse historic losses for planning purposes and taking a judgement regarding the extent to which these are likely to continue in future; however, data collated by CCDC is patchy in this regard and is unavailable pre-2007/08.

5.32 On this basis, an assessment has been undertaken with CCDC Officers of the most recent SHLAA for Cannock Chase District (2012). This highlighted the

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Note: it is generally recognised that there is a complex relationship between job decline in manufacturing sectors and how this reduces the need for factory floorspace over time. In certain circumstances, it has been appropriate for ELRs to assume that the decline in B2 jobs will not directly translate into a comparable decline for B2 floorspace, and a suitable adjustment is made to the forecasts. However, in Cannock Chase, comparison between the Experian job forecasts and the Commercial and Industrial Floorspace and Rateable Value Statistics suggests that both jobs and floorspace grew at a similar (low) rate between 2006 and 2008, hence no adjustment was made to offset B2 job decline with comparable B2 floorspace loss.
potential for around 30 existing employment sites to be redeveloped for residential uses over the next 15 years; this includes losses that have taken place post 2006 (the start of the plan period). This includes two sites, the former Automotive Lighting premises (4.2ha) and the former Ultra Electronics Premises (3.06ha) that were granted permission for alternative uses pre-2006, but which have only recently begun construction on site. In total, it is considered that the losses could total 24.94ha to 2028, an annual average rate of 1.13ha.

5.33 There is an argument that not all such losses of employment land should necessarily be replaced or reflected in an increased gross land requirement. This would be on the basis that Cannock Chase’s stock of employment land contains some older sites less likely to meet future needs and is of a scale that reflects past industrial patterns, rather than the amounts of land needed in future. However, against this argument is the likelihood that other ‘windfall’ sites are also likely to be lost over the next 22 years that have yet to be picked up in the SHLAA, and these represent losses to the overall land portfolio, reducing choice within the market (see paragraph 5.36 below). It is suggested that the SHLAA’s planned rate of losses, 1.13ha, remains a reasonable basis to go forward, although this should be monitored by CCDC over the next few years and adjusted as necessary. A judgement has been made regarding the B-class use type of the existing land to be lost.

5.34 In summary, by factoring in the likely net losses of employment land to the job-forecast-based net projections presented above would generate a gross employment land requirement of between 37.6 and 98.7ha for the period 2006-28 (excluding a margin of choice – see below).

Adjusting the Margin of Choice

5.35 Even where the identified demand for employment land is likely to decrease, it is considered that allowance should be made for new development coming forward to reduce the risk of stagnation and further decline in the market and cater for unforeseen requirements. Consequently, it is desirable to allocate more land than is likely to be used, as some land may not come forward for development in the short to medium term (if at all). This is particularly the case for those sites which have been carried over from past plan periods and those with significant constraints to overcome.

5.36 It is standard practice to allow for a degree of flexibility, or ‘margin of choice’, in the allocations by applying a stated factor in the demand calculations. This reflects the need for a fairly generous additional allowance on top of the initial estimate of employment space needs for a number of reasons, including:

- as a margin for error given the uncertainties in the forecasting process;
- to allow developers and occupiers a reasonable choice of sites;
- to allow for reasonable vacancy levels to facilitate ‘churn’ in the market;
5.37 An alternative approach is to adopt a conservative margin of choice, equal to 2 years worth of past take up. This is considered to be an appropriate and relatively modest margin of choice on the basis that this allows for flexibility in terms of the likely 1-2 years lag between the grant of planning permission and the implementation of the scheme, and would reduce the risk of oversupply of employment land in the District. Therefore a conservative margin of choice equal to 2 years worth of past take up was applied.

5.38 Consequently, by adding on an allowance for replacement of losses and factoring in two years of take up (based on long term trends – 5.394ha per annum) to allow a margin for choice, this results in a gross total requirement of approximately 48.4ha – 109.5ha between 2006 and 2028, rising to 53.3ha-131.1ha to 2031.

5.39 An alternative approach to calculating gross land requirements with a margin of choice is to apply a rate of ‘churn’ equivalent to 1% of the District’s existing stock per annum (see other local employment land studies e.g. Lichfield District, Nuneaton and Bedworth). This could roughly equate to demand for around 2ha per annum (based upon 1% of 792,444sqm of existing floorspace and multiplied by 40% plot ratio) resulting in demand for an additional 44ha in addition to ‘net’ requirements over the plan period, which is comparable to that calculated for this study (36ha).

Figure 5.3 Methodology for Defining Gross Requirement

5.40 The econometric model steps are summarised in Figure 5.3. The same steps described above to convert the net employment projections from net to gross
(with a 2 year margin of choice) have been applied to the net historic take up figures described above for consistency.

The full breakdown is illustrated in Table 5.5 and Figure 5.4.

Table 5.5  Gross Employment Land Comparisons 2006-28/31.

<table>
<thead>
<tr>
<th></th>
<th>B1a</th>
<th>B1b/c/B2</th>
<th>B8</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experian Baseline</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006-2028 (net)</td>
<td>0.01</td>
<td>-22.62</td>
<td>35.27</td>
<td>12.66</td>
</tr>
<tr>
<td>2006-2028 (gross)</td>
<td></td>
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<td></td>
<td>37.60</td>
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<tr>
<td>+ Flexibility factor</td>
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<td>48.38</td>
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<td>2006-2031 (net)</td>
<td>0.11</td>
<td>-24.55</td>
<td>38.60</td>
<td>14.15</td>
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<tr>
<td>2006-2031 (gross)</td>
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<td></td>
<td></td>
<td>42.49</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
<td></td>
<td></td>
<td></td>
<td>53.28</td>
</tr>
<tr>
<td>Past Trend Jobs</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006-2028 (net)</td>
<td>6.79</td>
<td>-1.22</td>
<td>68.16</td>
<td>73.73</td>
</tr>
<tr>
<td>2006-2028 (gross)</td>
<td></td>
<td></td>
<td></td>
<td>98.67</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
<td></td>
<td></td>
<td></td>
<td>109.45</td>
</tr>
<tr>
<td>2006-2031 (net)</td>
<td>8.70</td>
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<td>80.59</td>
<td>91.96</td>
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<tr>
<td>2006-2031 (gross)</td>
<td></td>
<td></td>
<td></td>
<td>120.30</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
<td></td>
<td></td>
<td></td>
<td>131.09</td>
</tr>
<tr>
<td>Regeneration / Policy On</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2006-2028 (net)</td>
<td>2.02</td>
<td>-8.67</td>
<td>35.27</td>
<td>28.62</td>
</tr>
<tr>
<td>2006-2028 (gross)</td>
<td></td>
<td></td>
<td></td>
<td>53.56</td>
</tr>
<tr>
<td>+ Flexibility factor</td>
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<td>64.35</td>
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<tr>
<td>2006-2031 (net)</td>
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<td>2006-2031 (gross)</td>
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<td>58.74</td>
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<tr>
<td>+ Flexibility factor</td>
<td></td>
<td></td>
<td></td>
<td>69.53</td>
</tr>
</tbody>
</table>

Figure 5.4  Employment Land Projections 2006-2028/31 (ha)
In summary, the range of indicative total gross land requirements to 2028, factoring in a 2-year margin of choice, results in the following range of demand projections (to 2031 in brackets):

- Experian Baseline: 48.4ha (53.3ha);
- Past Trend Jobs: 109.5ha (131.1ha);
- Regeneration/Policy On: 64.4ha (69.5ha).

**Reality Check**

Clearly the level of future demand for B-use class land projected by the various employment-based projections differ significantly. The projections are largely trend-based; in particular, the Experian/Regeneration scenarios reflect the position at the ‘bottom’ of the market. The past trend jobs have been at least partly recorded during an unprecedented boom in the commercial market nationally. It is likely that the actual performance of Cannock Chase’s economy and commercial property market will lie somewhere between the econometric and past trends projections.

In order to provide a clearer steer as to what level of growth the District should be planning for, it is important to apply a series of reality checks.

The three econometric model scenarios estimate a minimal net employment land requirement, ranging from 12.7ha to 73.7ha. Given that as at April 2012, the EELA estimated that there was around 86ha of available employment land recorded as being available in Cannock Chase, this could necessitate substantial de-allocations which could potentially have major adverse economic impacts by under providing employment land and by not providing for both ‘churn’ (i.e. gross requirements) and future growth requirements going beyond the plan period.

**Adjustments to Plot Ratios**

The estimates of land requirements are clearly highly sensitive to the various assumptions used. The job/floorspace ratios and plot ratios adopted here reflected those in the ODPM guidance\(^{21}\). At present, it is assumed that the plot ratio\(^{22}\) of 40% is generally applied to out-of-centre office space, industrial space and warehousing. If a lower level were applied to all types of employment land (town centre office included) of, say, 30%, this would make a significant difference to the overall gross requirement, of up to 31ha for the Past Trends

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\(^{22}\) A plot ratio is the total building square footage (building area) divided by the site size square meterage (area of the plot). Therefore, a plot ratio of 150% would indicate that the total floor area of a building is 1.5 times the gross area of the plot on which it is constructed. For practical purposes, this would equate to a 3 storey building with fifty percent plot coverage, the remaining plot area being occupied, for example, by access roads, parking and landscaping.
Jobs scenario, 5ha for the Experian Baseline and 10ha for the Regeneration / Policy On scenario. However, given that the Council are keen to encourage a diversification of the employment base towards business services, which tends to have higher plot densities, and the NPPF requirement for office space to be located in town centres rather than out of centre, this could point to plot densities increasing, rather than decreasing in future. On this basis, it is considered reasonable to assume that the majority of future development in the District will be at plot ratios closer to 40% than 30%.

Adjustments to the Margin of Choice

Another significant assumption in terms of sensitivity is the 2-year safety margin added. A 2-year margin of choice may ordinarily be seen as being reasonable, particularly in the light of the ongoing recession and the need to provide market ready sites to prevent occupiers from moving beyond the District when searching for appropriate sites. In addition, there are a number of potentially good quality employment areas that are not in a position to be developed without infrastructure coming forward over the medium to long term, hence an increased margin of choice would help to provide a balanced portfolio.

However, there is a counter-argument to this. By planning for a 22/25 year time frame, we are already over-providing employment land, given that the Local Plan will only have a 15 year time horizon to 2028 (assuming adoption in 2013). Consequently, by providing two years of further employment land allocations on top of the 25 year timeframe, which is in itself an attempt to provide an adequate ‘margin of choice’, this could in effect, be double counting.

As a counter-point to this, it should be noted that 34.11ha of employment land has already been taken up for employment uses since 2006/07, reducing the remaining amount of land required over the full plan period of 2006-28 significantly.

In summary, it is recommended that the approach taken in defining a range of between 50 and 110 hectares to 2028 (55-130ha to 2031) remains valid.

Labour Supply Analyses

For purposes of comparison, the level of labour supply projected for Cannock Chase has also been considered, since this could impact upon the District’s ability to attract businesses and future job growth. Two labour supply scenarios have been considered:

1. Cannock Chase Housing Needs Requirement and SHMA Update: This document, prepared by NLP on behalf of three southern Staffordshire local authorities (including Cannock Chase) in May 2012, provided a series of recommendations on housing requirements in the area. The recommendations were supported by a number of demographic model runs using PopGroup. The outputs for the Baseline run, which supported the lower end of Cannock Chase’s housing requirements, indicated that
the number of jobs required in the District would decrease from 34,001 in 2011 to 32,837 in 2028, and to 32,510 in 2031\textsuperscript{23}. This is due, in part, to a general decline in the proportion of residents who are of working age in the Borough over the Plan period.

2 Increased Job Density: Cannock Chase has a relatively high proportion of out-commuters leaving the District on a daily basis for work in adjoining Districts, most notably Wolverhampton, Walsall and Birmingham; combined with a relatively low number of jobs compared to the size of the residential working population, this leads to Cannock Chase District having a low job density figure of just 0.62 (2010), compared to 0.69 at a County level and 0.75 for the West Midlands as a whole. It is a longstanding policy aspiration on the part of CCDC to provide residents with more, and higher quality, employment opportunities in the District, which would assist in reducing out-commuting (contributing to overall sustainable development). Increasing the number of jobs based in the District by 4,436 by 2028 would result in the jobs density rising to the County average of 0.69 (assuming the number of working age residents remains constant over time), whilst increasing the number of jobs by 8,125 would increase the District’s job density to the regional average of 0.75.

5.52 Typically (based on national figures), only about 45\% of these workers will work in B class jobs which further reduces the number of B-class workers. By applying general employment densities (of 40 sqm per employee) and a standard plot ratio of 40\%, the labour supply scenarios could result in net requirements ranging from -13.8ha to +36.6ha, as illustrated in Table 5.6.

<table>
<thead>
<tr>
<th>Net Job Growth 2006-28</th>
<th>45% B Class Floorspace Requirements</th>
<th>Land requirements (net)</th>
<th>Employment land lost</th>
<th>Margin of choice</th>
<th>Land requirements (gross)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing Needs Requirement – PopGroup Baseline</td>
<td>-3,071</td>
<td>-1,382</td>
<td>-55,273</td>
<td>-13.82ha</td>
<td>+24.94</td>
</tr>
<tr>
<td>Increased Job Density (County – 0.69)</td>
<td>+4,436</td>
<td>+1,996</td>
<td>+79,840</td>
<td>+19.96ha</td>
<td>+24.94</td>
</tr>
<tr>
<td>Increased Job Density (Regional – 0.75)</td>
<td>+8,125</td>
<td>+3,656</td>
<td>+146,250</td>
<td>+36.56ha</td>
<td>+24.94</td>
</tr>
</tbody>
</table>

5.53 It should be noted that by their nature, labour supply approaches are more conservative given that they relate to a declining working age population. Nevertheless, the labour supply forecasts (particularly once the commuting

\textsuperscript{23} Although unavailable in the SHMA update, the 2006 base date figure has been calculated on the basis of the 2010-based mid-year population estimates, adjusted to allow for economic activity rates, unemployment and commuting.
density is increased), are reasonably close to the Experian Baseline and Regeneration Scenarios, hence this approach could support the need for a broad range of employment land requirements; however, the reality checks set out above also need to be taken into consideration.

Summary

This section has appraised a range of employment land projections for Cannock Chase District using a variety of methodologies. It is important to identify an appropriate level of need that achieves a balance between market realism and economic and planning policy objectives. A range of qualitative and quantitative factors have been considered within this report that can help to inform a judgment on the appropriate level of need, with the key issues set out below:

- Cannock Chase District has many advantages as an office, industrial and distribution location, with excellent strategic road accessibility, the proximity of the West Coast Mainline, competitive business costs, access to a significant labour force; and existing strengths in the burgeoning wholesale and distribution sector;
- Future job growth projections for Cannock Chase are reasonable in the medium to long term;
- The District has an opportunity to maintain its clear competitive advantage as a destination for high quality distribution and logistics, alongside aspirations to diversify the portfolio to allow for further development in Business Services;
- The SHLAA identifies the potential future loss of around 25ha of existing employment land to non-B class uses in the years ahead;
- Labour supply analyses indicate that although the number of economically active residents is forecast to decline over the coming years due to an ageing population (despite overall population growth over the same time period), if adjustments are made to the unemployment rate and reductions made to the number of out-commuters, then around 72ha (gross) could be required to 2028.

Consequently, on the basis of these considerations, a range of between 60ha and 110ha (gross) of employment land may be considered appropriate to 2028 (rising to between 70 and 130ha to 2031). This is approximate to the Experian Baseline / Regeneration / Increased Job Density Labour Supply Scenarios at the lower end, and the Past Jobs Rate projection at the top end. The range accommodates Cannock Chase’s competitive strategic highways advantage and strong continued demand for B8 floorspace and emerging business services sectors, whilst factoring in the uncertainty of the ongoing economic downturn. If the District continues to accommodate new developments of large-scale warehousing schemes, then this could necessitate higher levels of provision well above the current portfolio.
In terms of how this 60-110ha range could be split between the B1a, B1b/c/B2 and B8 uses, it is not possible to directly translate the net split in Table 5.5 into gross requirements, as the data is not sufficiently robust to enable a precise breakdown of land lost/margin of choice by use type. Furthermore, there are a number of conflicting considerations:

- **Based on the current ‘stock’ of floorspace in Cannock Chase District, there is a considerable supply of B2 industrial units, comprising 53% of all floorspace in the District, compared to 36% for B8 and just 11% for B1 office;**
- **Past take up rates** indicate that more B8 and B1a office units have been developed in recent years, with much less employment land being developed for B2 industrial uses;
- **The Experian growth forecasts** indicate strong growth in B8 land requirements (+45%); neutral growth in B1a office requirements; and a strong decline in demand for B2 industrial (-25%). The regeneration / policy on forecasts suggest higher growth in B1a office (+19%) and a lower decline in B2 land requirements (-10%);
- **Based on the current land use of B-class sites identified as having the potential for redevelopment for non-employment uses in future, the great majority (60%) relate to industrial sites, with just 22% for B1a office and 18% for B8 warehousing.**

On the basis of the points above, it is considered that an indicative split of 15% for B1a office, 25% for B1b/B1c/B2 industrial and 60% for B8 land could be appropriate. This seeks to balance the replacement of some existing industrial stock against predicted weakening demand in this sector going forward; the modest growth in office requirements against economic aspirations for this sector; and the continuing strong requirements of B8 warehousing. This also accounts for the fact that B2 and B8 developments will inevitably be more land hungry, with lower employment densities, than B1a office.

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24 VOA: Commercial and industrial rateable value statistics (2008)
6.0 **Recommendations for Local Plan Policy Development**

6.1 This section considers other policy measures which may be required to support Cannock Chase’s economic growth objectives. These relate to qualitative employment land issues such as how to renew and upgrade existing sites or how to encourage modern employment development within the constraints of a limited supply of potential new sites.

**Policy Choices**

**Non B Uses**

6.2 The development needs of economic sectors other than the B use classes were also considered. These are likely to be modest relative to the land requirements of offices for business and industrial uses. These other sectors will compete for employment land up to a point, although the extent and nature does not appear likely to cause particular pressures on land supply. Retail and leisure development is likely to be focussed in and around existing town centres, for which the Local Plan has identified land already (beyond that identified for B Class use). There will be a need for a degree of flexibility in provision to cater for any B-class land being taken up by other uses (e.g. waste facilities) so that B Class uses still retain a choice of good quality sites and land over the plan period (and so that the District can respond to any rapid change in circumstances).

6.3 Tourism could have a prominent role to play in growing the number of jobs in the local economy, raising awareness and improving perceptions of Cannock Chase at a national level, although this sector will again generate limited employment land requirements. This sector could help to further diversify the economy, however, boosting levels of self employment whilst helping to reduce the high levels of out-commuting currently experienced in the District.

6.4 Consideration should also be given as to whether the growth of some sectors could be accommodated in existing employment areas in a way that improves sustainability and enhances the attractiveness of the site as an employment location. This may have some scope, subject to strict controls, to avoid adverse pressures on landowners from higher value uses thereby reducing the potential for lower value B Class development.

**Rural Areas**

6.5 Cannock Chase currently has four Green Belt employment sites within rural areas, which CCDC are likely to continue to support for continued employment use, given that they are unlikely to be appropriate for alternative uses by virtue of their location. Within the extensive rural areas of the District, the low level of
demand for both office and industrial space does not justify any allocations in addition to the four Green Belt sites. Furthermore, much of the existing open countryside within Cannock Chase District is protected by virtue of its recreational, landscape and/or biodiversity function.

6.6 Rural requirements can probably be met instead through conversions of redundant rural buildings or small-scale developments that should be assessed on a case-by-case basis. Accordingly, a criteria-based policy approach which encourages some conversion of appropriate redundant rural buildings and other small-scale development to encourage home working and micro-industries appears appropriate.

Policy Delivery Mechanisms

6.7 There are a number of other policy delivery mechanisms which have the potential to contribute to the delivery of more and better quality employment land which could be investigated further by the Council.

6.8 Firstly, Section 106 agreements and/or Community Infrastructure Levy (CIL) from larger developments could potentially be used, either directly or indirectly, to deliver workspace. This would be subject to the regulations governing these mechanisms. This particularly applies to schemes which involve a mixed-use redevelopment of existing employment land. Provision could be either on-site or in some cases, at an alternative location. It should be noted that the ability for projects to generate sufficient profit to enable such levies may be limited in all but the most buoyant markets. Any scheme involving the use of CIL to cross fund employment development from residential or retail uses will need to be underpinned by strong evidence justifying the need and viability of such an approach.

6.9 Whilst this approach offers the prospect of new B1a office space in Cannock Chase, there are some potential problems in ensuring such provision is attractive to the market. The layout of the site and uses, particularly for mixed-use schemes, can make a significant difference to their commercial appeal, with most office occupiers wanting a relatively high profile location towards the front of a site and without any potential for amenity conflicts. In addition, there may be issues about matching the type of space delivered to demand in that area.

6.10 Where the development lies within an area of low industrial and office demand (i.e. areas with high vacancy rates at present), subject to the legal provisions governing such approaches, funding from sources such as CIL/S106 contributions could be pooled and used to develop workspace space on other sites, perhaps including those in Council ownership, and loans or grants to firms to support upgrading of premises. This could also potentially be used to fund further enterprise or incubation workspace.

6.11 If there are areas where large-scale change may be required in order to deliver workspace, an Area Action Plan, Supplementary Planning Document, Planning
**Brief or Development Brief** could be considered as a tool for identifying how new development should come forward.

6.12 **Local Development Orders (LDO)** is another potential mechanism that could be considered in some appropriate situations. These allow Councils to identify specific areas/sites where express planning permission is not required for certain types of development. Examples applying to industrial estates, for example, could include alterations or certain levels of extensions to premises, construction of new employment premises within specified limits, and some types of change of use. In some situations, this approach could provide benefits to occupiers/developers through greater flexibility, speed, certainty of outcome and reduced cost.

6.13 **Mixed use schemes** can also be a way forward in delivering some new office or industrial space. This is more likely to be effective on larger schemes.

6.14 The market alone is unlikely to deliver these improvements. Encouragement for owners/developers may be necessary, and could be aided by a range of planning and economic development interventions including:

a. A Local Plan policy encouraging such forms of upgrading, although this will only work in combination with other actions;

b. Continued and stronger Local Plan policy protection for certain industrial sites (reducing the potential for residential ‘hope value’ pricing out development);

c. CCDC involvement in instigating more BID schemes in other suitable areas;\(^{25}\)

d. Local initiatives to publicise to local firms case studies of successful upgrading of business premises, including costs, local contractors involved and rental or other benefits achieved;

e. The continuation of funds such as the Private Sector Projects fund, which supports such activities by developers or occupiers in the District;

f. Encouragement of mixed use developments to help facilitate and cross-subsidise the creation of B class premises; and

g. CCDC economic development officers engaging with owners on upgrading of premises.

6.15 There may also be the potential to explore different funding sources (e.g. Tax Increment Financing) and potential sources of grant aid to enable small/medium firms to upgrade premises or develop new premises if the market does not deliver these improvements. This could include a number of forms of direct Council financial support such as a Business Improvement

\(^{25}\) It is recognised that points c and d are both resource-hungry activities and that CCDC may not have the resources to undertake them effectively. BIDs in particular would require support from legal and electoral services.
Grant, direct lending to small firms and/or mortgage support, as well as grants to install renewable energy equipment. It is recognised that such measures will be harder to fund in the current economic climate and rolling back of public expenditure but appear worthwhile as future actions.

**Conclusions**

6.16 Previous sections of this report have highlighted the need for a quantitative increase in the office and industrial stock of between 60 to 110ha (gross) to 2028. However, barriers to the redevelopment/improvement of industrial sites in particular remain, primarily as a result of low commercial values and competing higher value uses in some locations. A number of planning and economic development interventions could significantly improve the level of development and premises renewal activity including continued policy protection for B-class land, use of BID schemes, and engaging with land owners. In certain locations cross subsidy of new employment facilities from residential development may offer.

6.17 A number of mechanisms can be used to facilitate the delivery of workspace. These include using mixed use developments, S106 agreements and/or Community Infrastructure Levy to pay for workspace either on-site or off-site. However, any new provision should ensure that the layout, location and type of space is attractive to the market rather than purely focusing on the quantum of space delivered.
7.0 **Overall Conclusions**

7.1 The following conclusions can be drawn from this study on the future requirements for employment space in Cannock Chase over the period 2006-2028/31.

1: Cannock Chase’s economy has experienced recent successes in terms of growth and diversification. However, as demonstrated by the effects of the recent recession, the local economy remains vulnerable and in need of continued structural changes.

7.2 Cannock Chase’s economy has diversified and improved from its legacy of industrial and mining-industry job losses. However, whilst it has experienced growth and improved its position it still remains vulnerable and in need of further structural changes to enhance its overall resilience due to historical losses of employment in mining/manufacturing which have disproportionately impacted upon the local economy.

7.3 Much of this growth was related to the wholesale and distribution industrial sectors, reflecting the excellent competitive advantages due to its strategic highways connectivity. Alongside these sectors, the District also has a strong employment representation in a number of manufacturing sub-sectors and retail, although levels of employees in the business services sectors are relatively poorly represented. Furthermore, although the proportion of economically active residents in the District is higher than might be expected given national trends, paradoxically the number of unemployed residents has increased in bursts over the past three years, with the rate settling at 9.3%, above both the national and regional rates. The District has a very high level of out-commuting and has had limited high quality B1/B2 inward investment to counterbalance the continuing attractiveness of the location for distribution and logistics. In this regard, Experian’s Index of Resilience report, which essentially demonstrates how vulnerable local authority economies are to cuts in public spending, identified Cannock Chase as being ranked 293rd from 324 Councils overall; the Index also identifies Cannock Chase as being within the 10 least resilient areas in the Country under the Business theme index. This demonstrates the continued need for the District to diversify its employment base and in particular to attract more ‘high added-value’ sectors in order to reduce its overall vulnerability.

7.4 The legacy of the recession(s) and public sector cuts will undoubtedly place significant strains on the local economy over the short to medium term, with Cannock Chase likely to be vulnerable to any further public sector job cuts. There are, however, a number of opportunity sectors that will dictate the need for employment land in the District, specifically continued opportunities for growth in B8 distribution, alongside continued Council aspirations for the development of highly skilled knowledge intensive business sectors; and the expanding tourism sector.
2: The District has a good supply of available employment land, although
potential losses may require the re-provision of employment land
elsewhere in the District to cater for retained and future job growth

7.5 In basic quantitative terms, the District appears to have a reasonable level of
employment land, comprising some 86ha in total, of which 52ha remains
immediately available. Most of this available land (42ha) is available in
Cannock, Hednesford and Heath Hayes, with 7ha in Rugeley/Brereton and the
remaining 3ha at Norton Canes. According to the EELA, the bulk of this land is
located at existing employment locations, considered to be of ‘high’ or
‘average’ quality. The majority of this land is not earmarked for a specific B-
class use, and remains available for B1/B2/B8.

7.6 The District also has a relatively high proportion of vacant existing floorspace,
equal to around 19% of all employment floorspace across the District as a
whole. This figure is above the level that could be considered the ‘ideal’ level
of vacancy necessary to enable a properly functioning property market;
however, the large vacant unit at Towers Business Park was occupied shortly
after this survey, therefore resulting in vacancy rates closer to normal market
conditions.

7.7 Set against this available supply over the plan period is the potential for around
25ha of existing employment land to be lost to non-B class uses, as identified
in the latest version of CCDC’s SHLAA. In addition, the District is relatively
constrained in terms of further ‘new’ employment land provision (beyond that
already identified over the Plan period) by virtue of its tightly drawn boundary
and environmental designations e.g. Green Belt, AONB, SACs/SSSIs. This
means that the District is more likely to become reliant upon re-developed sites
into the long term.

3: Past take up of land has been reasonably high, influenced by a
number of larger scale B8 developments within the District in recent
years

7.8 Past take up of employment land in Cannock Chase has been reasonably high
and influenced by a number of larger-scale B8 warehouse developments in
recent years. The nature of developments going forward therefore will influence
the level of employment land into the future (e.g. if CCDC moves away from
further significant, large scale B8 developments, take up rates can be expected
to be lower).

4: Cannock Chase’s future growth is likely to be driven by continued
demand for B8 warehousing; growing demand for office space; whilst
B2 manufacturing will still have a strong role to play in meeting
indigenous demand in parts of the District

7.9 Cannock Chase’s future growth is likely to be driven by continued demand for
B8 warehousing; growing demand for office space; whilst manufacturing will still
have a strong role to play in meeting indigenous demand in parts of the District.
The potential for office-based sectors to drive future growth would depend on the provision of good quality units in areas of stronger demand.

7.10 The Experian Baseline job growth projections suggest that the number of jobs likely to be based in B8 units could increase by over 2,120 between 2006 and 2028, compared to decline of a similar magnitude for jobs likely to require B2 industrial floorspace, and a negligible growth in jobs (+2) requiring B1a offices. However, should CCDC policy aspirations to broaden the District’s economic base and encourage more office-based business services be successful over the coming years, it is estimated that job growth could more than triple in this sector (albeit from a small base). The success of regeneration policies, looking to diversify the local economy to include more professional office-based employment as well as diversifying the manufacturing base into more high-tech sectors (and tapping into potential strong growth in automotive sectors in particular), will also impact upon future land demands.

5: The District requires between 60ha and 110ha (gross) to meet employment land needs up to 2028

7.11 Based on projecting forward past job growth and allowing for the re-provision of likely losses to non-B-class uses, it is suggested that Cannock Chase could require in the order of 110ha gross 2006-28. However, this stands in contrast to the demand forecasts based on the Experian Baseline econometric model. This would indicate a requirement for 48ha gross over the same time period, with a bias towards B1a office and particularly B8 warehousing. A scenario incorporating the policy aspirations of CCDC would suggest a slightly higher figure of 64ha gross to 2028, with a greater representation of B1a office. The analysis has not identified a particular qualitative need for any additional A2 space given macro-economic trends, although clearly the Council should take a flexible approach in this regard going forward.

7.12 Three labour supply sensitivity tests indicate a lower level of need due to the forecast decline in economically active residents over the plan period, with commensurate implications for the number of jobs required. However, if the job density is increased over time to levels seen elsewhere in the region, this could indicate a need for around 72ha of land going forward to 2028.
Table 7.1  Summary Employment Land Scenarios 2006-28

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Net</th>
<th>Gross</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experian Baseline</td>
<td>+12.7</td>
<td>+48.4</td>
</tr>
<tr>
<td>Past Trend Jobs</td>
<td>+73.7</td>
<td>+109.5</td>
</tr>
<tr>
<td>Past Trend Jobs (Regeneration / Policy On)</td>
<td>+28.6</td>
<td>+64.3</td>
</tr>
<tr>
<td>Housing Needs Requirement – PopGroup Baseline</td>
<td>-13.8</td>
<td>+21.9</td>
</tr>
<tr>
<td>Increased Job Density (to County level – 0.69)</td>
<td>+20.0</td>
<td>+55.7</td>
</tr>
<tr>
<td>Increased Job Density (to Regional level – 0.75)</td>
<td>+36.6</td>
<td>+72.3</td>
</tr>
</tbody>
</table>

On the basis of these considerations, it is considered that a range of between **60ha and 110ha (gross)** of employment land may be considered appropriate to 2028 (rising to between 70 and 130ha to 2031). This is approximate to the Experian Baseline / Regeneration / Increased Job Density Labour Supply Scenarios at the lower end, and the Past Trend Jobs projection at the top end.

The range accommodates Cannock Chase’s potential for job growth in land hungry sectors such as distribution, whilst factoring in the uncertainty of the ongoing recession and the negative growth in residents of working age forecast for the District over the coming years. Whilst we do not consider it would be appropriate to set individual targets for the individual use classes within this overall range, an indicative split for planning purposes could involve 15% (9 - 16.5ha) for B1a office; 25% for B1b/B1c/B2 industrial (15 – 27.5ha); with the remaining 60% (36 - 66ha) for B8 warehousing.

A policy decision will need to be made within this broad range to ensure that if a specific (and, as yet, unforeseen) inward investment opportunity were to arise, a suitably sized prestige site could be made available within the overall portfolio in an accessible location attractive to the market. This may require Officers to adopt a flexible approach responding to the release/reservation of such a site, particularly if this could be linked to the Council’s strategic aim of diversifying the employment base by attracting more high profile business service sector jobs to Cannock Chase.

6: The Council should adopt a proactive approach to managing and improving the existing portfolio of employment sites to facilitate future growth.

Alongside making new allocations, CCDC should adopt a proactive approach to managing and improving the existing portfolio of employment sites to facilitate future growth. Renewal and intensification on older sites with available land should be encouraged to ensure that they contribute positively to meeting some of the District’s employment land requirements, taking account of the particular constraints that apply on individual sites. In assembling a new portfolio of sites, a cautious approach would be required to manage the competing pressures on potential employment sites within Cannock Chase, balancing the aspirations for mixed-use development on some sites with the need to encourage renewal and intensification of the older industrial estates. Where
mixed-use development or potential release of an employment site to other uses is contemplated, this should have regard to the availability of alternative sites to accommodate the relocation of firms.

7.17 On appropriate sites and where a clear need is demonstrated, marginal areas of the District may require allowing a limited amount of higher value “enabling development” to help fund infrastructure and support provision of speculative employment premises. Mixed-use development may provide one way of enabling the private sector to provide such enabling investment. As well as seeking to retain employment land in any redevelopments of redundant employment sites (where appropriate, depending upon the nature of the employment site itself), there may also be some scope for developers to provide small business units in mainly residential schemes, perhaps secured through s.106 agreements and with delivery linked to the timing of other development. The precise location and layout of such space should be carefully assessed to ensure that it will be attractive to the market; for example, B1a office space and Sui Generis uses such as car showrooms should typically be located at the front of sites to ensure market visibility.

7: Meeting the economic needs of rural areas is key to the long term sustainability of Cannock Chase’s outlying settlements

7.18 The smaller scale of rural premises likely to be needed, combined with the environmental designations covering much of the remaining rural parts of the District including the Cannock Chase AONB and lower level of demand for office and industrial space probably does not require specific land allocations, where low rents may not justify new development and which may therefore not be taken up. However, rural tourism and its related sectors have the potential to stimulate employment in the District.

7.19 Alongside providing support for improvements and appropriate redevelopments of existing Green Belt sites for continued employment use, it is recommended that rural needs could also be met through conversions of redundant rural buildings and other smaller scale developments, without the need for specific new allocations. New provision could be encouraged through flexible and responsive policy support for rural building conversions to business uses and for other smaller scale industrial developments within settlements.