



South Staffordshire EDNA Part 1



AUGUST 2018

A Report for



**South Staffordshire
Council**

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Abbreviations

BRES	Business Register and Employment Survey
CPI	Consumer Price Index
DCLG	Department for Communities and Local Government
EDNA	Economic Development Needs Assessment
EIA	Environmental Impact Assessment
ELS	Employment Land Study
FEMA	Functional Economic Market Area
FTEs	Full Time Equivalents
FUA	Functional Urban Area
GBHMA	Greater Birmingham Housing Market Area
GCSE	General Certificate of Secondary Education
GEA	Gross External Area
GIA	Gross Internal Area
GVA	Gross Value Added
Ha	Hectare
HCA	Homes and Communities Agency
HPSSA	House Price Statistics for Small Area
HQ	High Quality
JLR	Jaguar Land Rover
LEP	Local Enterprise Partnership
LQ	Location Quotients
LUZ	Larger Urban Zone
MIS	Major Investment Site
MoU	Memorandum of Understanding
MUA	Major Urban Area
NIA	Net Internal Area
NPPF	National Planning Policy Framework
NSIP	National Significant Infrastructure Project
NVQ	National Vocational Qualification
ONS	Office for National Statistics
PAYE	Pay As You Earn
PPG	Planning Practice Guidance
RIS	Regional Investment Site
RIS1	(First) Road Investment Strategy
RLS	Regional Land Study
ROF	Royal Ordnance Factory
SAD	Site Allocations Document
SoCG	Statement of Common Ground
SQ FT	Square Feet
SFRI	Strategic Rail Freight Interchange
SIC	Standard Industrial Classification
SME	Small and Medium sized Enterprises
SOC	Standard Occupational Classification

SRFI	Strategic Rail Freight Interchange
SSDC	South Staffordshire District Council
STSLEP	Stoke-on-Trent & Staffordshire Local Enterprise Partnership
TTWAs	Travel-To-Work Areas
VAT	Value Added Tax

1. Introduction

- 1.1. This report presents findings from the first of a two-part study on the Economic Development Needs Assessment (EDNA) on behalf of South Staffordshire District Council (SSDC).

Overview of Context and Study Scope

- 1.2. All planning authorities have a strategic plan that provides a framework for the future planning of their area, known as a Local Plan. South Staffordshire's current Local Plan is made up of two main documents:
- a. Tier 1 - the Core Strategy, which was adopted in December 2012; and,
 - b. Tier 2 - Site Allocations Document (SAD).
- 1.3. SSDC adopted its Core Strategy in December 2012. The Core Strategy sets out the strategic vision and objectives for the District up to 2028, which the Local Plan is aiming to achieve including the levels of development to take place and broad locations for these developments. Section 2 of this report presents more information about strategic level issues contained in the Core Strategy including issues of cross-border significance and need for cooperation as set out in 2012.
- 1.4. A number of developments, however, have taken place since the adoption of the Core Strategy in 2012 including SSDC submitting its Site Allocation Document (SAD) to the Secretary of State for examination in September 2017. This was found sound in May 2018¹ and it is currently in process of being adopted by the Members of the Council. In recognition of housing issues (i.e. shortfall) across the Greater Birmingham Housing Market Area (GBHMA), which includes South Staffordshire, and also the requirement to reassess employment land needs, the SAD also commits to an early Local Plan review.
- 1.5. This means that new supporting evidence is required to ensure that the Local Plan is based on robust evidence of economic needs for the anticipated plan period of 2018 – 2037. In order to publish this document, evidence gathering is underway by the District, with a view that the SSDC will be able to consult on its Local Plan 'Issues and Options' consultation in Autumn 2018. Part 1 of the EDNA focussing on the needs assessment is intended to inform this and be presented alongside the Issues and Options consultation report, where the authority will be consulting on broad options to meet own evidenced employment needs, and potentially broad options to meet some cross boundary employment needs.
- 1.6. Specifically, the purpose of the current EDNA is to provide an understanding of the economic needs (current and future) within the District and identify requirements for employment land and floorspace arising from these needs within the context of the defined FEMA - covering the following use classes:
- B1(b) – business activities where research and development of products or processes is taking place;
 - B1(c) – light industrial, for businesses involving with light industrial processes²;
 - B2 – general industrial uses involving industrial processes other than B1; and,

¹ <https://www.sstaffs.gov.uk/doc/179540/name/SAD%20Full%20Document%20June%202018.pdf/>

² That can be carried out in any residential area without causing detriment to the amenity of the area.

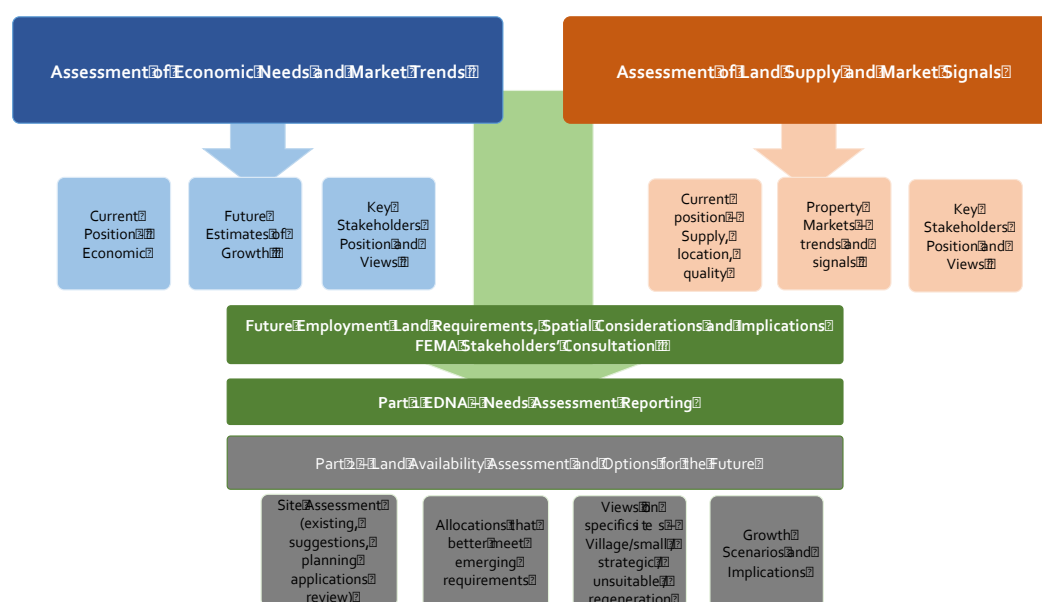
- B8 – referring to uses for storage or as a distribution centres (wholesale warehouses, distribution centres and repositories).
- 1.7. As indicated by these B use classes, the terms of reference for this study do not require assessment of the office markets in the area. Therefore, the reference to employment land and floorspace throughout the report covers industrial and logistics land.
- 1.8. The study consists of two parts:
- Part 1 – involves the production of an EDNA, compliant with the National Planning Policy Framework (NPPF) and national Planning Practice Guidance (PPG), which identifies the FEMA within which South Staffordshire sits and identifies the objectively assessed employment land requirement for South Staffordshire.
 - Part 2 – involves the production of a PPG land availability assessment and recommendations on potential options to meet employment needs based on different growth scenarios, including, considering scenarios that make a contribution to cross boundary need where supported by the needs assessment and land availability evidence.
- 1.9. This report presents emerging findings and conclusions as the first part of the study (Part 1), drawing on methodological tasks compliant with the National Planning Policy Framework (NPPF) and the national Planning Practice Guidance (PPG). These are described below.

Methodology

- 1.10. The EDNA study needs to reflect the current and future position in the wider economic climate and the wider region and neighbouring authorities, as well as changes in local, regional and national planning policy on economic development. The key tasks to be followed for the full study are depicted in Figure 1.1 and involve taking stock of the current economic and property market position and assessing future demand drawing on qualitative and quantitative research.
- 1.11. For Part 1 of the study the following detailed tasks are required (and have been undertaken):
- Policy review – expanding and detailing information related to economic development, development and infrastructure and strategic planning specific issues to South Staffordshire.
 - Review of socio-economic facts and figures mainly around employment, businesses, demographics and labour markets.
 - Analysis of key socio-economic and spatial indicators to define the South Staffordshire FEMA.
 - Review of employment land supply.
 - Review of the commercial property market – drawing on both desk-based research and consultations with commercial property market stakeholders.
 - Estimating future economic growth in terms of employment/jobs and Gross Value Added (GVA) by B class use.
 - Modelling employment land requirements.
 - Drawing early conclusions and implications for land requirements and the role of various locations.

- Consultations on Emerging Findings.
 - Final Reporting.
- 1.12. A methodological note outlining calculations and quantitative approaches in detail is provided in Appendix A.
 - 1.13. Within this context, this report presents emerging findings from the first part of the study. It includes the South Staffordshire Functional Economic Market Area (FEMA) drawing on a range of indicators that explore and demonstrate the economic relationships and linkages between South Staffordshire and adjacent local authorities. At this stage, the report presents the future economic development needs of the area focusing on the needs of South Staffordshire and discussing, however, the wider property market and economic context and inter-relationships with the Black Country and the wider sub-region.
 - 1.14. At the same time, in estimating employment land demand, the approach adopted uses both the economic forecasts and past completions data in South Staffordshire, including those which arose from development meeting the needs of the Black Country (i.e. those arising from part of a wider FEMA).
 - 1.15. This draft also presents an overview of the supply side and draws early conclusions towards a portfolio of employment land concentrating on the likely demand arising from the needs of South Staffordshire rather than the FEMA more widely.
 - 1.16. As part of this reporting, early discussions have also been undertaken with authorities within the emerging South Staffordshire FEMA under the duty to co-operate. Further detailed discussions with these local authorities will need to be undertaken to agree the policy positions of the respective authorities for any cross-boundary issues arising from the evidence and estimates underpinning the South Staffordshire FEMA and EDNA i.e. statements of common ground (SoCG) with neighbouring authorities will be needed.³

Figure 1.1: EDNA and Assessment of Industrial Land Requirements



Source: WECD

³ NPPF 2018, Paragraph 24, July 2018.

Report Structure

1.17. This draft report is currently structured as follows:

- Section 2 – The Spatial and Planning Context, presents an overview of key strategic documents and policies defining local planning policies.
- Section 3 – The Economic Development Context, provides an overview of the District's most up to date economic conditions and trends that influence current and future demand for employment space in the area.
- Section 4 - South Staffordshire Functional Economic Area, presents the rationale and approach to defining the South Staffordshire Functional Economic Area.
- Section 5 - Property Market Context, presents an overview of the local and sub-regional commercial property market context.
- Section 6 - Overview of the current supply of employment land in South Staffordshire.
- Section 7 - Future requirements for employment space, presents estimates of future employment space requirements in quantitative terms, drawing on employment and GVA growth forecasts and past developments.
- Section 8 - presents emerging conclusions for consultations.

2. The Spatial and Planning Context

- 2.1. This section provides an overview of the spatial context i.e. key locational characteristics and planning policies and documents that shape and influence local planning strategies.

Spatial Context

- 2.2. South Staffordshire is one of nine authorities in Staffordshire and of those, adjoins Stafford Borough Council and Cannock Chase Council. It is a predominantly rural district covering an area of 40,400 hectares on the north western edge of the West Midlands Metropolitan area, bordering Worcestershire to the south and Shropshire to the west, and a short distance from Stafford, Telford, Stoke-on-Trent, Wolverhampton and Birmingham. The map in Figure 2.1 provides an overview of the spatial position of South Staffordshire in the West Midlands.
- 2.3. The District benefits from good links with the West Midlands and other parts of the country by road (via the M6, M6 Toll and M5) and by rail (via the West Coast main railway line and further local services).

Figure 2.1 South Staffordshire



- 2.4. Much of South Staffordshire lies within the West Midlands Green Belt (32,310 ha - 80%), with areas of national and local nature conservation importance including five local nature reserves, sites of special scientific interest and sites of biological importance. There are also areas of heathland, commons, rivers and watercourses.⁴
- 2.5. The District covers nine main service villages, seven local service villages, six small service villages, and 27 other villages and hamlets as defined in the adopted Core Strategy. The District is split into five localities - these are made up of a total of 25 wards as follows:

Localities	Wards
Locality 1	1. Huntington and Hatherton 2. Penkridge North East and Acton Trussell 3. Penkridge South 4. East Penkridge West
Locality 2	5. Wheaton Aston, Bishops Wood & Lapley 6. Brewood & Coven
Locality 3	7. Cheslyn Hay North & Saredon 8. Great Wyrley Town 9. Cheslyn Hay South 10. Great Wyrley Landywood 11. Featherstone & Shareshill 12. Essington
Locality 4	13. Codsall North 14. Codsall South 15. Billbrook 16. Perton Dippons 17. Perton Lakeside 18. Perton East 19. Pattingham & Patshull
Locality 5	20. Wombourne North & Lower Penn 21. Wombourne South East 22. Wombourne South West 23. Himley & Swindon 24. Trysull & Seisdon 25. Kinver

- 2.6. In terms of cross-boundary engagements:
- SSDC has a long-established relationship with the Black Country Authorities. The Black Country authorities' 2017 Economic Development Needs Assessment Stage 1 report⁵ confirmed that, although the four Black Country authorities (City of Wolverhampton, Dudley, Sandwell and Walsall) can be considered a self-contained Functional Economic Market Area – FEMA, South Staffordshire is an area with strong economic links to the

⁴ South Staffordshire, Authority Monitoring Report, 2015-16.

⁵ Black Country and South Staffordshire - Sub Regional High Quality ELS 2014 (Stage 1) Report (2014).

Black Country FEMA. The discussion that follows in the next pages around the local planning policy context provides more detail on this relationship.

- SSDC is one of 14 local authorities that make up the Greater Birmingham Housing Market Area (GBHMA). This comprises Birmingham, the four Black Country authorities and nine neighbouring local authorities: South Staffordshire, Cannock Chase, Lichfield, Tamworth, North Warwickshire, Stratford-upon-Avon, Solihull, Bromsgrove and Redditch.
- SSDC is also a member of the Stoke-on-Trent & Staffordshire Local Enterprise Partnership – and this relationship sets the broader economic development context within which the District operates. Section 3 discusses in more detail the economic development context underpinning the District's employment needs and provides an update of key relevant facts and figures.

The Local Planning Policy Context

- 2.7. The South Staffordshire Core Strategy adopted in 2012⁶ and the District's SAD are the key documents that define the broad local economic and spatial context for SSDC. The national context is set out by the National Planning Policy Framework (NPPF) published in July 2018, supported by the 2013 national Planning Practice Guidance (PPG) and various updates. Other significant documents for this EDNA include:
- The Black Country Stage 1 EDNA (May 2017);
 - West Midlands Employment Sites Study 2015;
 - Black Country and South Staffordshire - Sub Regional High Quality ELS 2014 (Stage 1) Report (2014);
 - Black Country and South Staffordshire - Sub Regional High Quality ELS 2014/2015 (Stage 2) Report (2014/2015);
 - ROF Featherstone - Viability and Delivery Options Study 2013 (Stage 1) (December 2013);
 - Black Country and Southern Staffordshire - Regional Logistics Site (RLS) Study (April 2013); and,
 - South Staffordshire Employment Land Study (ELS) (February 2013),
- 2.8. An overview of key issues discussed in these documents and pertinent to this study is presented in this section.

South Staffordshire Core Strategy and ELS 2013

- 2.9. On the 11th December 2012 South Staffordshire Council formally adopted its current Core Strategy (Local Plan) Development Plan Document. The Core Strategy set out the vision for the District and identified 16 strategic objectives to secure its sustainable future up to 2028. The local planning strategy to support the delivery of these strategic objectives (and ultimately the vision for the District) is expressed in the Core Strategy through 15 Core Policies, each supported by Development Policies. Core Policies represent higher-level policies that guide the growth and development of the District while the Development

⁶ <https://www.sstaffs.gov.uk/planning/the-adopted-core-strategy.cfm>

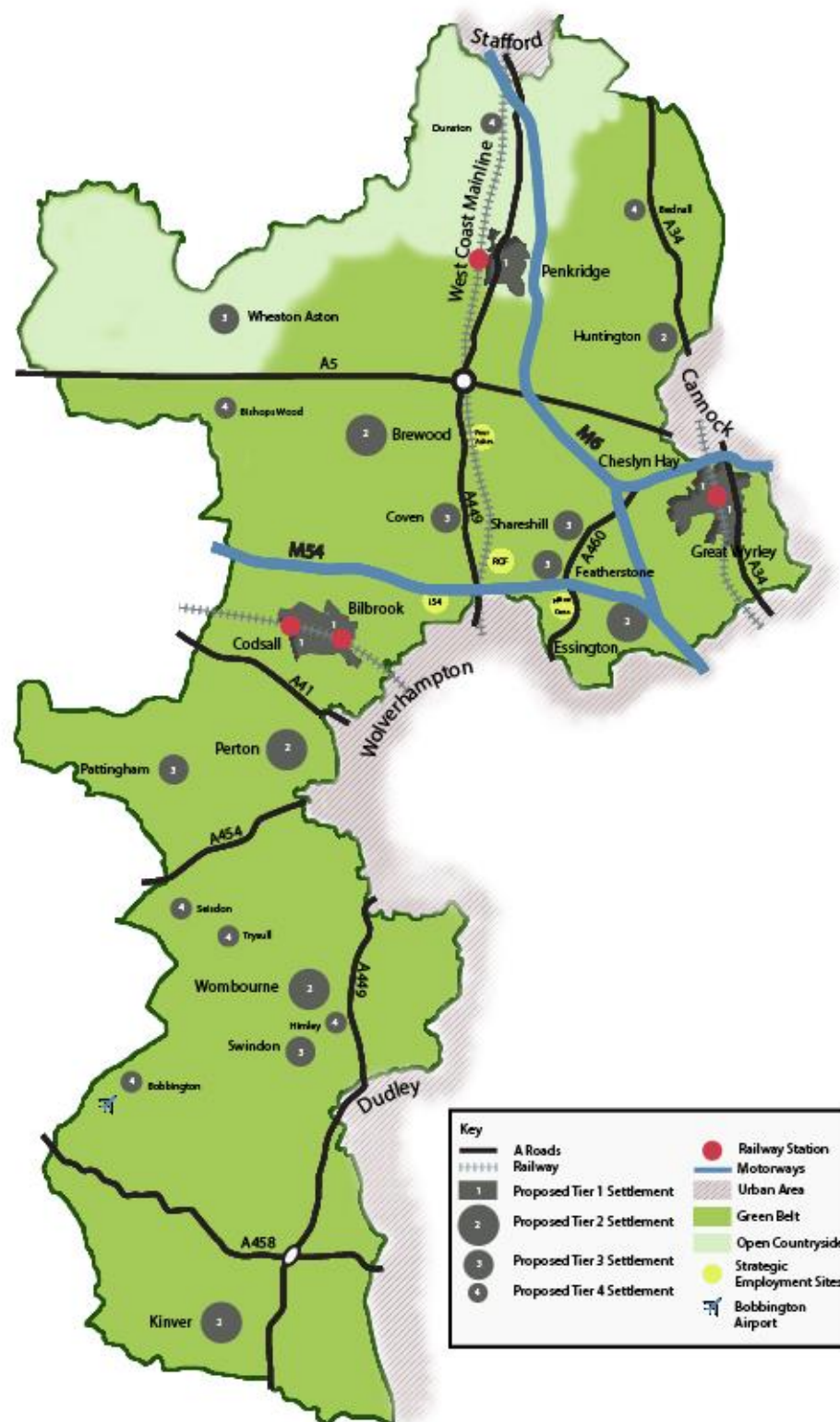
Policies are detailed policies that are intended to manage the types of land uses and development to take place in South Staffordshire over the lifetime of the plan.

- 2.10. Core Policy 7 is about supporting the local economy, existing businesses and jobs and providing new employment opportunities, and as such it sets out a clear steer for any future employment growth required in South Staffordshire including allowance for safeguarding land and uses of land. Underlying this policy has been a desire to ensure that local people have access to a diverse range of employment opportunities within South Staffordshire – with the aspiration being to provide jobs locally (as it is recognised that a large proportion of the working population travels outside of the District to work) and to reduce the levels of out-commuting. Therefore, local businesses are to be supported inter alia through the identification of employment sites.
- 2.11. Core Policy 7 states that:
 - Measures to sustain the development of key economic sectors in the District, particularly manufacturing, storage and distribution, the service and tourism sectors will be encouraged and supported.
 - The Council will support the delivery of the strategic employment sites at i54 Wobaston Road and Hilton Cross⁷. Support would also be given for the development of ROF Featherstone/Brinsford for general employment use⁸.
 - Proposals for modest extensions to four freestanding strategic employment sites in South Staffordshire (i54, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes) to accommodate justified development needs will be supported where robust evidence and a reasoned justification is provided to support their expansion. More information about the four sites is provided later in this section.
- 2.12. It is also worth noting that at that stage South Staffordshire's Core Strategy was based on delivering new homes to meet local needs only, using a settlement hierarchy approach (see Figure 2.2 for the proposed settlement hierarchy to be included in the new Local Plan). This was based on delivering small-scale local growth for the District's communities and rural regeneration, in a sustainable way, and to do so in a way that would minimise out migration from the Black Country Major Urban Area (MUA).
- 2.13. The Core Strategy also recognised that the Black Country is an important source of jobs for residents of South Staffordshire and an important factor in the economy of the District. It also recognised a range of cross-boundary issues e.g. the need to consider if a Regional Logistics Site is needed and the links and potential mutual benefits of the i54 business park. Ultimately, the strategy stated the District's respect for issues related the development of the Black Country economy. As stated in the Core Strategy *'In recognition of the continuing interdependence of the area, particularly with the West Midlands Conurbation, concerns for the sustainable prosperity of the Black Country will be respected including the need to improve and maintain good public transport links.'*

⁷ Specifically, i54 and Hilton Cross came through the West Midlands Regional Spatial Strategy as a Major Investment Site (MIS) and Regional Investment Site (RIS) respectively.

⁸ General Employment Use refers to use classes B1, B2 and B8 and sui generis uses of an industrial nature or appropriate to an employment area with those use classes. Suitability of a site to accommodate the entire range of 'general employment' uses will depend upon site specific factors which affect their suitability for uses with potential adverse impacts on local amenities.

Figure 2.2: Proposed Settlement Hierarchy of South Staffordshire



Source: South Staffordshire District Council

2.14. Information about the four freestanding Strategic Employment Sites is provided below.

The Four Freestanding Strategic Employment Sites

- a. **154 South Staffordshire.** 154 South Staffordshire is a Strategic Employment Site in Locality 4, which borders Wolverhampton, with excellent links to the highway network via an upgraded access at Junction 2 of the M54. The site first came forward as a Major Investment Site and was granted outline planning permission in 2005 for B1 and B2 class employment. Development of the site is now well underway with aerospace firm Moog Aircraft Group, ISP Printers, laboratory testing company Eurofins, and where Jaguar Land Rover has opened an advanced engine facility on the site. There are still a number of available plots on the site for B1 and B2 class employment and for a hotel. The site has been identified as part of an Enterprise Zone and the Local Plan is supportive of the site fulfilling its potential as an advanced manufacturing/aerospace hub that attracts national and international inward investment to the area.
- b. **Royal Ordnance Factory (ROF) Featherstone.** ROF Featherstone is a former Royal Ordnance Factory located in Locality 3 to the west of Featherstone village, which was identified for B1 and B2 employment use in both the 1996 Local Plan and reaffirmed in the adopted the Core Strategy in 2012 subject to further studies being carried out. The site remains derelict and despite having policy support in the Local Plan, has not come forward for development. In September 2012 an application was approved subject to a Section 106 agreement for B1 and B2 uses but was subsequently withdrawn.
- c. **Hilton Cross.** Hilton Cross Business Park/ Mercury Park sits in Locality 3, south of Featherstone and Junction 1 of the M54 and came forward as a Regional Investment Site for B1, B2 and B8 use. The site is bounded to the north by the M54, to the south by the Moseley Road, with Green Belt and an implemented landscape buffer to protect the setting of Moseley Old Hall to the west of the site. To the east of the site is Hilton Main Industrial Estate/Vernon Park. There are still a number of available plots on the site for B1, B2 and B8 class employment use.
- d. **Four Ashes.** Four Ashes is a well-established freestanding employment site located to the east of the A449 in Locality 2 and in the parish of Brewood and Coven. In total the site is approximately 72 hectares in size and has a mixture of B1, B2 and B8 uses. Permission was granted for a 21 ha B1/B2/B8 development on land off Gravelly Way, known as Bericote Four Ashes. Automotive supplier Gestamp has now taken just over half of the Bericote Four Ashes site (550,000 sq ft), with space remaining for another 450,000 sq ft of industrial development.

South Staffordshire ELS 2013 and Related Documents

- 2.15. The adopted Core Strategy also required the Council to refresh its Employment Land Study to inform the District's SAD. The ELS 2013 (undertaken in 2012 and published in February 2013) revealed a slight oversupply of employment land for development in the District of approximately 12 ha (taking into consideration the quality of the sites). The study concluded that due to the oversupply of employment land within the District and the availability of potentially developable land in relation to the forecasted level of demand arising from within South Staffordshire, there was no need to allocate extensions to these strategic sites.
- 2.16. The ELS also showed that there was no real availability of developable land for employment purposes within the boundaries of Main or Local Service Villages per se but at the same time it concluded that *'the possibility of mixed use developments in the future should not be ruled*

out, i.e. well-balanced development schemes that may come forward that include residential development and elements of employment development, with the aim/outcome being the creation of vibrant, viable and sustainable integrated mixed use environments for local communities’.

- 2.17. Overall, no evidence to support ‘modest extensions’ or safeguarded land at any of the four freestanding Strategic Employment Sites, nor the allocation for a mixed-use development incorporating employment uses within the Main Service Villages, was demonstrated as part of that study.
- 2.18. Similarly to the Core Strategy, ELS 2013 did recognise that employment provision was a key cross boundary strategic issue for the District and the Black Country. It also concluded that South Staffordshire and the four Strategic Employment Sites in the District might play a role in meeting any identified shortfall in the Black Country’s supply of High Quality (HQ) employment land.
- 2.19. As a result, a sub-regional employment study was commissioned to determine if there was a need for land to come forward in South Staffordshire to meet some of the Black Country’s High Quality employment land needs. This study was undertaken in 2014/15 and confirmed a gap of 147 ha of HQ employment land in the Black Country up to 2026.
- 2.20. The study also concluded that it is not for South Staffordshire to meet the total shortfall, as a large part of the identified need originates from Sandwell where there is little travel to work connectivity with South Staffordshire.
- 2.21. In light of these findings, the Council has sought to allocate modest extensions (through the SAD) to extend i54 and ROF Featherstone (a total of 62 ha additional allocated land) to contribute towards the Black Country supply.
- 2.22. Further work was also carried out on the delivery of ROF Featherstone in 2014, in light of the Core Strategy Inspector’s recommendations in his Report⁹, and with the specific aims to understand why the site has not come forward, including issues around marketing and the apparent poor accessibility to, and the viability of, the site. This report suggested that modest extensions could enhance the viability of the site by facilitating an improved access, and in turn improve local amenity. In 2016, further detailed assessments began on ROF Featherstone to look in detail at access options as part of an Options Appraisal Report (OAR). An Environmental Impact Assessment (EIA) will need to be submitted with any planning application.

Engagement with the Black Country

- 2.23. It was the Localism Act 2011, which came into force in April 2012, that included a ‘Duty to Co-operate’ making it a legal requirement for Councils and statutory bodies to work together on strategic cross boundary issues, such as housing numbers and employment land allocations. In South Staffordshire, strategic level issues where co-operation with neighbouring authorities would be required, were set out in the Core Strategy. This cross-boundary engagement was also embodied in the Black Country adopted Core Strategy 2011, which is

⁹ This stated that ‘... the CS is not as clear-cut as it might be in relation to the ROF site. This is not ideal; especially given the importance of the site to the portfolio ... the Site Allocations DPD [needs to] provide the unambiguous certainty needed to plan for the future of the ROF site. I have no reason to suppose that the Site Allocations DPD will be other than unequivocal in this respect.’

essentially founded on delivering urban regeneration, with South Staffordshire's adopted Core Strategy 2012 founded as the counterpoint – to deliver rural regeneration and development aimed at local needs only, in order to assist the Black Country's aim of reducing out migration to the rural Shires.

- 2.24. Potential cross-boundary issues still occur particularly given that a number of settlements and strategic sites lie close to the borders of the Black Country and South Staffordshire (and in fact wider than the administrative boundaries of the Black Country and South Staffordshire given that South Staffordshire is one of 14 local authorities that make up GBHMA). As mentioned earlier (paragraph 2.6), the Black Country authorities' 2017 Economic Development Needs Assessment Stage 1 report identified South Staffordshire as an area with strong economic links to the Black Country Functional Economic Market Area.
- 2.25. The same study also concluded that there would be a requirement to provide an additional 800 ha (circa 40 ha per annum) of employment land for development for industrial uses up to 2036 in the Black Country - should the desired economic situation for the area in the future (as set out in the Black Country LEP's Strategic Economic Plan) was to be materialised. On the basis of total supply of land available for development (i.e. 263 ha), it was also estimated that this would mean an undersupply of industrial land up to 2036 of up to 537 ha (equivalent to approximately 27 ha per annum), with the largest gap of industrial land expected in Sandwell.¹⁰
- 2.26. The Black Country authorities have consulted on their Core Strategy Issues and Options Paper gauging views on how they could meet their employment land requirements, including an option for exporting to neighbouring authorities with strong economic links.

SSDC SAD

- 2.27. SSDC submitted its SAD to the Secretary of State for examination in September 2017. This was found sound in May 2018¹¹ and it is currently in process of being adopted by the Members of the Council. The two policies that underpin this EDNA work are Policy SAD1 – Local Plan Review, and Policy SAD5 – Employment Land Allocations. An overview of each policy is provided below.

Policy SAD1 - Local Plan Review

- 2.28. This policy commits SSDC to carry out an early review of the Local Plan that will be submitted to the Secretary of State for Examination by the end of 2021. This will be a comprehensive review of the Local Plan for South Staffordshire that will consider the need for additional growth and plan appropriately for this. It is also committed that this plan will review, as a minimum, the following matters:
 - South Staffordshire's own objectively assessed housing need and the potential for housing supply within the District (including existing safeguarded land identified through the Site Allocations Document) to meet this need.
 - The potential role of housing supply options within the District to meet unmet cross boundary needs from the wider Greater Birmingham Housing Market Area (GBHMA),

¹⁰ The gap of industrial land in Dudley would be around 70 ha, in Walsall 106 ha and in Wolverhampton 130 ha.

¹¹ <https://www.sstaffs.gov.uk/doc/179540/name/SAD%20Full%20Document%20June%202018.pdf/>

including from the Black Country.

- Employment land requirements for South Staffordshire, as identified through a comprehensive Economic Development Needs Assessment (EDNA) i.e. this study.
 - South Staffordshire's potential role in meeting wider unmet employment needs through Duty to Co-operate.
 - The appropriateness of the existing settlement hierarchy and the strategic distribution of growth in light of new housing and employment needs.
 - The need for further additional safeguarded housing and employment land for longer term development needs, and the role of safeguarded land in meeting housing shortfalls across the GBHMA, including South Staffordshire's own needs.
 - Gypsy, Traveller and Travelling Showpeople provision.
 - A comprehensive Green Belt Review undertaken jointly with the Black Country authorities, to inform any further Green Belt release to accommodate new development within the District.
- 2.29. The SAD proposes to update a number of Core Strategy policies in order to incorporate Site Allocations proposals. It also sets out that all proposed policies will continue the strategic approach set out in the Core Strategy, and must be in accordance with those policies.

Policy SAD5 - Employment Land Allocations

- 2.30. This policy is supported by the following SSDC objectives in relation to employment land allocation:
- To sustain and develop the local economy of South Staffordshire throughout the plan period by creating opportunities for existing employment, inward investment and further economic development of the District.
 - To address the constraints that exist in the District, most notably the need to limit detrimental impacts on the Green Belt.
 - To support the urban regeneration of the Black Country Major Urban Area (MUA) by encouraging the reuse of brownfield land in the MUA first and foremost, whilst recognising the cross boundary employment links that exist.
- 2.31. Within this broad context, the SAD states that:
- Employment provision must conform to the Core Strategy.
 - There is a need to tackle the economic challenges in the district, including areas of below average household incomes and below average skills levels.
 - SSDC will ensure that the four freestanding Strategic Employment Sites are protected and continue to play a key role in delivering economic growth in the district.
 - SSDC will protect the employment provision in the district, and continue to complement, and support, that of the Major Urban Area (MUA) and not jeopardise the urban regeneration of the Black Country.
 - SSDC recognises the role of tourism and conservation in economic prosperity to make the district attractive for inward investment.
-

- SSDC, where supported by communities, will aim to maximise opportunities to include small-scale employment units as part of mixed use development.
- It will promote rural diversification, including that of the agricultural economy and the provision of work units in sustainable locations.
- It will promote opportunities for sustainable and sympathetic rural economic growth and diversification, whilst protecting the environment.
- SSDC will support the aims and ambitions of the Stoke-on-Trent & Staffordshire and Local Enterprise Partnership (SSLEP).

2.32. The SAD proposes to allocate an additional 62 ha of employment land for development at i54 and ROF Featherstone as follows:

Site	Site Allocation	Employment Land Delivery (ha)	Use Class
i54 South Staffordshire	Land west of i54	40 ha extension allocation	B1, B2
ROF Featherstone	Land east and west of ROF Featherstone	An extension to deliver up to 12 ha as additional employment land on top of the existing 24 ha of landing ROF Featherstone Development Boundary. This 24 ha site was previously made up from 14 ha of B1, B2 employment land and 10 ha planting. It is now proposed to transfer the 10 ha planting to employment use and locate a new 10 ha of planting outside the development boundary in the Green Belt to the east of Featherstone to protect residential amenity. Therefore: 12 ha of new developable land and 10 ha of new planting i.e. a total of 22 ha new allocation.	B1, B2 and B8 (SSDC is supporting this in principle subject to further evidence and the delivery of a new access road. ¹²)
Total new land allocated		62 ha	

2.33. The SAD identifies additional land to meet some of the HQ land needs within the following context:

- i54 South Staffordshire and ROF Featherstone are marked out as the priority sites that would be able to meet a significant proportion of the Black Country shortfall of HQ employment land between 2014 and 2026 (based on the national significance and market attractiveness of i54 South Staffordshire and the policy requirement and need to deliver ROF Featherstone – see paragraph 2.22 in this section and footnote 9¹³).

¹² It is also worth noting that SSLEP is allocating up to £1.5 million of Growth Deal funding for the delivery of an access route to the ROF Featherstone site.

¹³ The West Midland Strategic Employment Sites Study 2015, commissioned in 2014 by Local Authority Chief Executives across the West Midlands, also supported this broad location as a regionally significant and attractive location for national and international economic development.

- Any proposals for extensions to strategic employment sites to be supported by '*robust evidence and a reasoned justification*' supporting their expansion¹⁴.
- Paragraph 83 of (the 2012) NPPF, however, requires that Green Belt boundaries should only be altered through Local Plans in 'exceptional circumstances'¹⁵.
- It is not considered appropriate to alter Green Belt boundaries around the four strategic employment sites to accommodate additional safeguarded land when the evidence required to deliver the Core Strategy indicates no demonstrable local need arising from South Staffordshire at present. Any additional longer term needs for high quality employment land arising from the Black Country would more appropriately be considered as part of the Black Country authorities' review of the existing Black Country Core Strategy. This is supported by the Black Country Authorities.
- Any residual shortfall in sub regional HQ employment land will be considered in the Local Plan review process. This is supported by the Black Country.

2.34. In terms of other key issues:

- The SAD recognises that the issue of a Regional Logistics Site (RLS)/Strategic Rail Freight Interchange (SFRI) remains outstanding. On the other hand, it is stated that an RLS would require a scale of development beyond a 'modest extension' and therefore seeking to resolve this issue in the SAD would be contrary to the adopted Core Strategy, and therefore this issue will be considered in the Local Plan Review.
- Through also the Local Plan review process and further cross-boundary employment land assessments, SSDC also commits to consider the implications of the Highways England preferred solution to the proposed new northern motorway link road connecting the M54/M6/M6 Toll. It is anticipated that a preferred route will be identified in 2018, following further consultation on the remaining two route options under consideration.
- The SAD includes an agreement by South Staffordshire Council and the Black Country authorities to prepare a joint Green Belt Review to assess the capacity of the Green Belt across the five authorities which may provide a basis for identifying future housing and employment sites.
- The adopted Birmingham Development Plan (Policy PG1) identifies an unmet housing need of 37,900 dwellings up to 2031, for which provision is to be made elsewhere within the GBHMA. Furthermore, since this shortfall was identified, a further additional 22,000 dwelling unmet need has been identified through early stages of the review of the Black Country Core Strategy. For this reason, the distribution of the unmet housing need across the HMA is yet to be agreed. South Staffordshire Council is working positively towards a Memorandum of Understanding (MoU) or SCG with all local planning authorities within the GBHMA.

¹⁴ Paragraph 9.4 of the Core Strategy clarifies that updates of the Council's ELS will inform such judgements.

¹⁵ The revised NPPF also states in paragraph 135, '*new Green Belts should only be established in exceptional circumstances, for example when planning for larger scale development such as new settlements or major urban extensions*'. Paragraph 136 of the revised NPPF states that '*Once established, green belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans*'. Paragraph 137 sets out these exceptional circumstances, including whether the local authority has made as '*much use as possible of suitable brownfield sites and underutilised land*' and, through strategic policies, '*optimises the density of development*' in existing built up areas.

- It is because of this issue (i.e. of evidenced unmet housing needs across the GBHMA) that an early Local Plan Review has been triggered by Policy SAD₁ (Local Plan Review). The aim is to prepare a new Local Plan for South Staffordshire to be submitted for examination by the end of 2021. This in turn will mean that South Staffordshire's contribution towards unmet housing needs across the GBHMA can be addressed in a timely manner in order to secure the delivery of these new homes by 2031.

Conclusions

- South Staffordshire is located in central England bordering areas such as Shropshire, Staffordshire, West Midlands and Worcestershire. It is one of nine authorities in Staffordshire and of those, adjoins Stafford Borough Council and Cannock Chase Council. The district is adjacent to the West Midlands conurbation and historically has had strong links with the adjoining Black Country authorities.
- There is a well-established motorway network with connections to the M54 and M6 within the area. Alongside the motorway network there are also excellent access to air links and rail, with the rail network providing access to Wolverhampton in 8 minutes, to Telford in 20 minutes, to Birmingham in just under 30 minutes, to Stafford in 30 minutes, London in 1 hour 50 minutes and Manchester in 1 hour and 20 minutes.
- The local authority is involved in a number of cross-border engagements that provide the operational context within which local planning and economic development policies are delivered. SSDC is a member of the Stoke-on-Trent & Staffordshire Local Enterprise Partnership and has a long-established relationship with the Black Country Authorities (SSDC is also one of 14 local authorities that make up the Greater Birmingham Housing Market Area).
- Although South Staffordshire is not part of the Black Country FEMA, it is an area with strong spatial and economic links to the Black Country FEMA. There are demonstrated to date by the two areas' respective adopted Core Strategies and the South Staffordshire SAD - with the Black Country adopted Core Strategy founded on delivering urban regeneration and the South Staffordshire's adopted Core Strategy founded as the counterpoint i.e. to deliver rural regeneration and development aimed at local needs only, in order to assist the Black Country's aim of reducing out migration to the rural Shires.
- The South Staffordshire Core Strategy adopted in 2012 and the District's SAD are the key documents that define the broad local economic and spatial context for SSDC.
- The adopted Core Strategy defines the current employment land strategy for the District. This safeguards against the loss of employment land to other uses (Core Strategy, Policy EV1) unless evidence and specific criteria to justify their loss have been demonstrated. Specifically, proposals for modest extensions to four freestanding strategic employment sites in South Staffordshire (i54, Hilton Cross, ROF Featherstone/Brinsford and Four Ashes) to accommodate justified development needs will be supported where robust evidence and a reasoned justification is provided to support their expansion. Meanwhile, the Core Strategy sets out that South Staffordshire is to spread development geographically around the District on the basis of a settlement hierarchy.
- The recent SAD ((submitted to the Secretary of State for examination in September 2017 and found sound in May 2018) proposes to update a number of Core Strategy policies in

order to incorporate Site Allocations proposals - on the principle that all proposed policies will continue the strategic approach set out in the Core Strategy, and must be in accordance with those policies.

- Policy SAD1 – Local Plan Review, commits SSDC to carry out an early review of the Local Plan that will be submitted to the Secretary of State for Examination by the end of 2021. This will be a comprehensive review of the Local Plan for South Staffordshire that will consider the need for additional growth and plan appropriately for this.
- Policy SAD1 also commits to review a range of development matters including among others: South Staffordshire’s own objectively assessed housing need and the potential for housing supply within the District to meet this need; the potential role of housing supply options within the District to meet unmet cross boundary needs from the wider Greater Birmingham Housing Market Area (GBHMA), including from the Black Country; a comprehensive Green Belt Review to be undertaken jointly with the Black Country authorities; and a review of employment land requirements for South Staffordshire, as identified through a comprehensive Economic Development Needs Assessment (EDNA) i.e. this study.
- In terms of the District’s employment strategy going forward, the key statements in Policy SAD5 – Employment Land Allocations, specify that employment provision must conform to the Core Strategy. SSDC will also ensure that the four freestanding Strategic Employment Sites are protected and continue to play a key role in delivering economic growth in the district – and any proposals for extensions to strategic employment sites will need to be supported by robust evidence and a reasoned justification supporting their expansion.
- Taking into consideration a range of studies that have been undertaken since the Core Strategy was adopted in 2012 including the South Staffordshire ELS published in 2013, the SAD proposes to allocate an additional 62 ha of employment land for development at i54 and ROF Featherstone. This includes 40 ha additional land west of i54 for B1, B2 Use Classes and 22 ha east and west ROF Featherstone for B1, B2 and B8 Use Classes (subject to further evidence provided and a new access road to the site delivered).

3. The Economic Development Context

- 3.1. This section presents the most up to date economic conditions and trends in South Staffordshire and provides an overview of the economic development strategies and aspirations that influence current and future demand for employment space in the area.

Socio-Economic Indicators

Demographics

- 3.2. As shown in 3.1, South Staffordshire is home to approximately 111,200 people. Overall, the larger and more urban areas around South Staffordshire (Birmingham, Sandwell, Walsall and Wolverhampton) have grown faster than the District (which grew by 3.4% over 2008 and 2016).

Figure 3.1: Population Estimates in South Staffordshire and Surrounding Areas, 2016

	Total	Growth (2008-16)	Annual Growth Rate (2008-16)
South Staffordshire	111,200	3%	0.4%
Birmingham	1,124,600	8%	1%
Cannock Chase	98,500	3%	0.3%
Dudley	317,600	2%	0.3%
Sandwell	322,700	8%	1%
Walsall	278,700	6%	0.7%
Wolverhampton	256,600	5%	0.6%
Staffordshire	867,100	4%	0.4%
England & Wales	58,381,200	7%	0.8%

Source: ONS Population Estimates

- 3.3. Examining population changes by age groups shows that South Staffordshire has seen an increase among the 65+ age group (by circa 28%) whilst the 0-15 and working age (16-64) groups have declined. In comparison, the higher growth urban locations (and England and Wales as a whole) have seen positive growth across all the age groups.

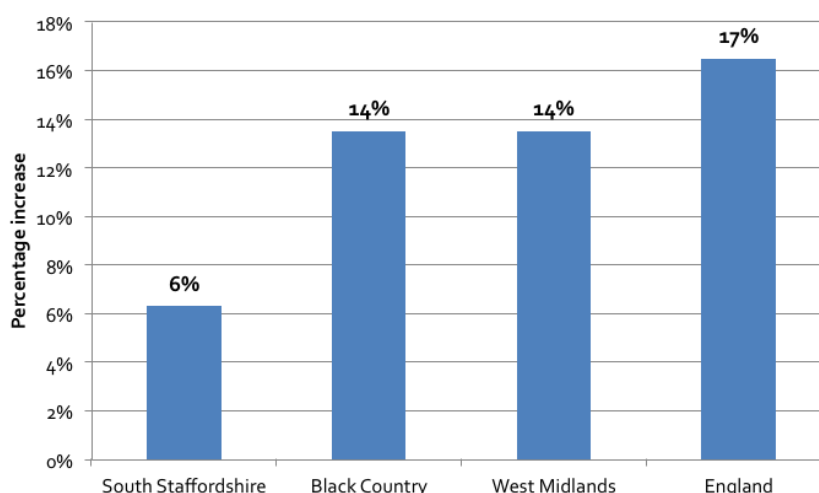
Figure 3.2: Population Age Groups 2016 and Growth 2008 – 2016

	2016			Growth (2008-16)		
	0-15	16-64	65+	0-15	16-64	65+
South Staffordshire	16%	61%	24%	-6%	-1%	28%
Birmingham	23%	64%	13%	9%	8%	7%
Cannock Chase	18%	63%	19%	-4%	-1%	28%
Dudley	19%	61%	20%	2%	-2%	16%
Sandwell	22%	63%	15%	14%	7%	6%
Walsall	21%	61%	18%	7%	4%	12%
Wolverhampton	21%	63%	17%	9%	3%	7%
Staffordshire	17%	62%	21%	-1%	-1%	26%
England & Wales	19%	63%	18%	7%	3%	20%

Source: ONS Population Estimates

- 3.4. This situation is also reflected in the current (2016) proportion of total population that is made up of the different age groups whereby South Staffordshire has by far the largest proportion of its total population in the 65+ age group and generally lower proportions in the 0-15 and 16-64 age groups (the degree of difference is greater for the 0-15 age group than for the 16-64 age group).
- 3.5. As shown in Figure 3.3, South Staffordshire is projected to see positive population growth to 2039, however compared to the Black Country, West Midlands and England the projected growth is lower.

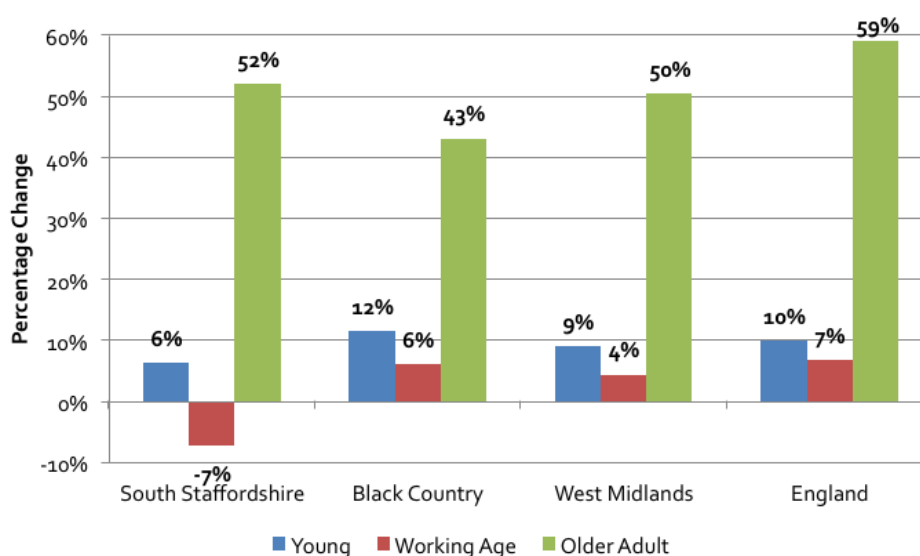
Figure 3.3: Projected Growth in Population in South Staffordshire, 2014 - 2039



Source: ONS, Sub-National Population Projections, 2016

- 3.6. As shown in Figure 3.4, it is projected that the working age population in South Staffordshire will decrease by 2039, and the younger population will increase. However the largest increase is projected to be in the older population (those aged over 64).

Figure 3.4: Projected Change in the Population by Age Group, 2014 – 2039



Source: ONS, Sub-National Population Projections, 2016

- 3.7. South Staffordshire has (as of 2016) the majority of its dwellings in private ownership and is indeed a higher proportion than in the other surrounding areas and nationally, as shown in Figure 3.5.

Figure 3.5: Housing Tenure 2016

2016	Local Authority (incl. owned by other LAs)	Private Registered Provider	Other public sector	Private sector	Total No.
South Staffordshire	0%	14%	0.0%	86%	46,670
Birmingham	15%	10%	0.3%	75%	432,440
Cannock Chase	12%	4%	0.0%	84%	42,530
Dudley	16%	4%	0.0%	80%	137,130
Sandwell	22%	5%	0.0%	72%	130,270
Walsall	0%	25%	0.0%	76%	114,260
Wolverhampton	21%	6%	0.0%	73%	108,710
England	7%	11%	0.2%	83%	23,733,000

Source: DCLG Live Tables

- 3.8. As shown in Figure 3.6, South Staffordshire, over the years 2009 – 2016 (the years for which data are available) has seen similar rates of overall growth in total housing stock with a substantial proportionate growth in local authority housing (although this is from a very small base to a relatively very low number i.e. from 2 to 20):

Figure 3.6: Proportionate Growth 2009 - 2016

Growth	Local Authority (incl. owned by other LAs)	Private Registered Provider	Other public sector	Private sector	Total
South Staffordshire	900%	4%	-100%	4%	4%
Birmingham	-4%	9%	24%	3%	3%
Cannock Chase	-7%	21%	0%	0%	3%
Dudley	-3%	17%	-83%	4%	3%
Sandwell	-4%	28%	0%	0%	4%
Walsall	0%	5%	-37%	0%	6%
Wolverhampton	-4%	9%	-100%	6%	4%
England	-11%	14%	-23%	5%	5%

Source: DCLG Live Tables

Employment and Economic Activity

- 3.9. There are around 35,000 jobs in the area, with the largest share of employment, a quarter of the workforce in South Staffordshire, based in Locality 3. As shown in Figure 3.7, the key employment centres include: Penkridge North East and Acton Trussell ward with 4,000 employees; Brewood & Coven ward, Featherstone & Shareshill ward and Billbrook with 3,000

employees each; and Cheslyn Hay North & Saredon and Kinver ward with 2,000 employees each.

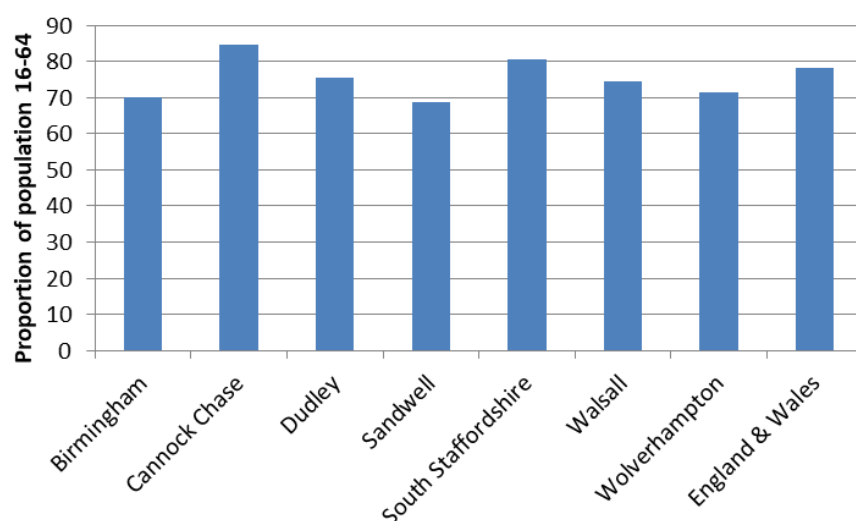
Figure 3.7: Employment by Locality and Wards in South Staffordshire

Localities	Total Employment	% of South Staffordshire Employment
Locality 1	6,800	19%
Huntington and Hatherton	1,000	
Penkridge North East and Acton Trussell	4,000	
Penkridge South East	1,300	
Penkridge West	500	
Locality 2	4,500	13%
Wheaton Aston, Bishops Wood & Lapley	1,500	
Brewood & Coven	3,000	
Locality 3	8,600	25%
Cheslyn Hay North & Saredon	2,000	
Great Wyrley Town	1,000	
Cheslyn Hay South	600	
Great Wyrley Landywood	700	
Featherstone & Sharesill	3,000	
Essington	1,300	
Locality 4	7,400	21%
Codsall North	1,500	
Codsall South	1,000	
Billbrook	3,000	
Perton Dippons	600	
Perton Lakeside	700	
Perton East	200	
Pattingham & Patshull	400	
Locality 5	7,600	22%
Wombourne North & Lower Penn	1,300	
Wombourne South East	1,000	
Wombourne South West	1,500	
Himley & Swindon	800	
Trysull & Seisdon	1,000	
Kinver	2,000	
South Staffordshire Total Employment	34,900	100%

Source: Business Register Employment Survey (BRES) via NOMIS, 2016. Figures have been rounded up/down to the nearest 100.

- 3.10. South Staffordshire, in terms of its economic activity rate has generally performed well compared to the country and the surrounding area as shown in Figure 3.8. With the exception of Cannock Chase, South Staffordshire has the highest economic activity rate of the general locale and is some 3% higher than that seen nationally.

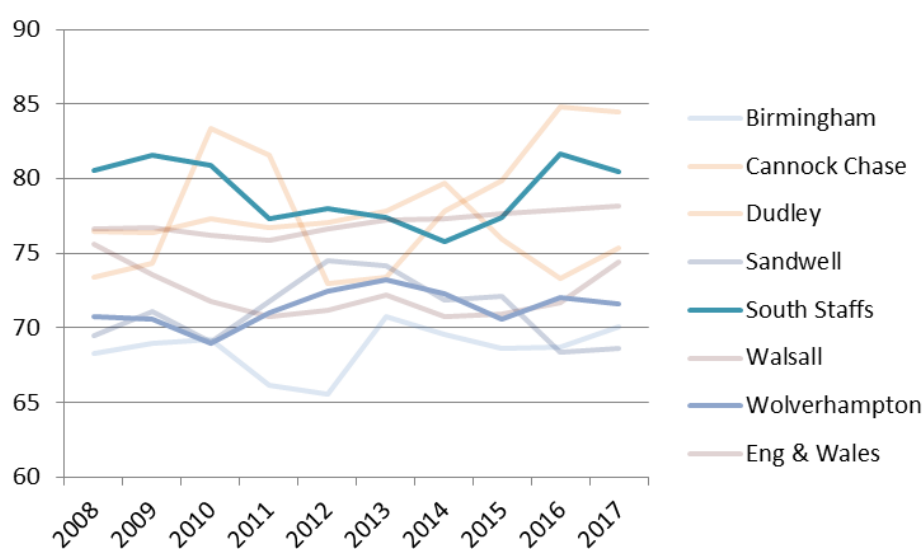
Figure 3.8: Economic Activity Rate 2017



Source: Annual Population Survey, ONS

3.11. Review of data over time indicates that this has also been the case for the last ten years as shown in Figure 3.9.

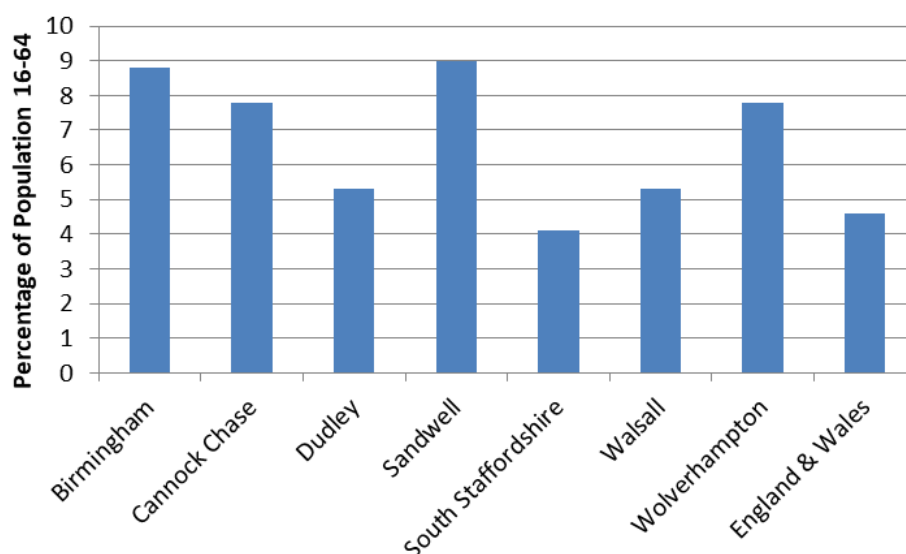
Figure 3.9: Economic Activity Rate 2008 - 2017



Source: Annual Population Survey, ONS

3.12. Conversely, South Staffordshire has also seen a relatively low unemployment rate, as shown in Figure 3.10.

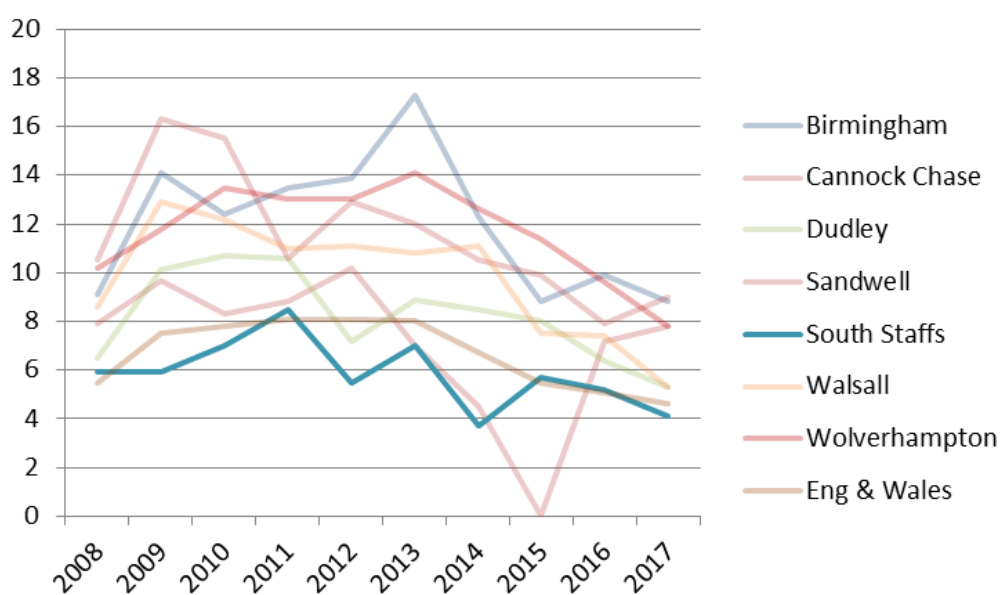
Figure 3.10: Unemployment Rate 2017



Source: Annual Population Survey, ONS

- 3.13. This is also true over time as shown in Figure 3.11. With the exception of Cannock Chase in 2015, South Staffordshire has consistently seen the lowest unemployment rate amongst the surrounding urban districts and has been lower than has been seen in the country as a whole.

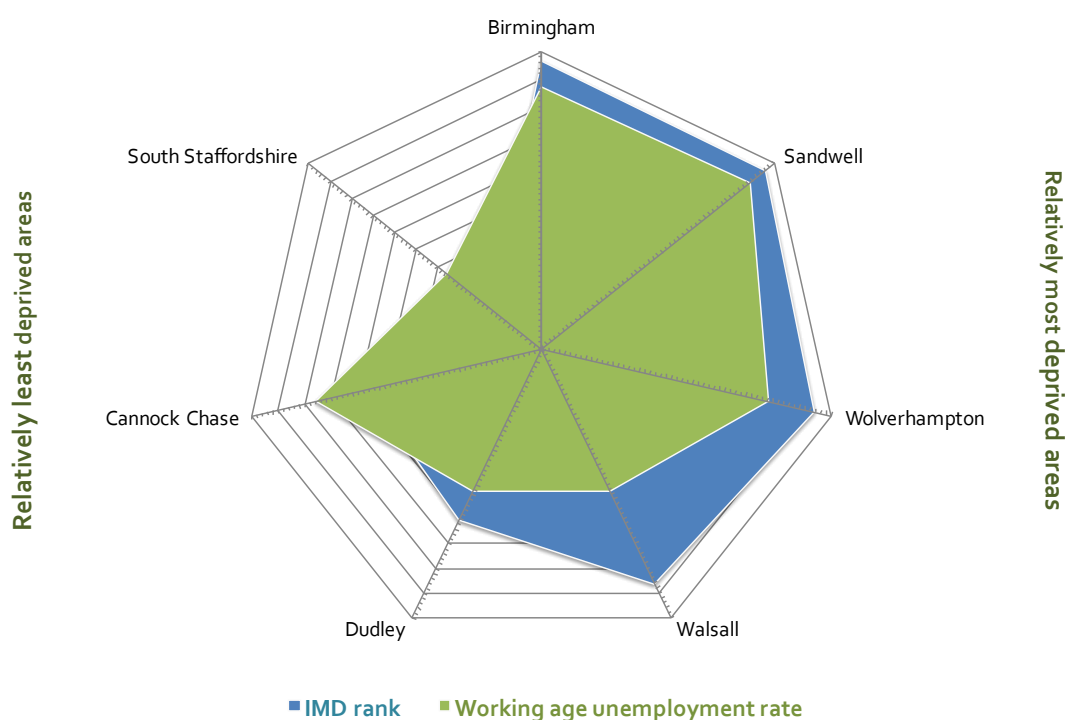
Figure 3.11: Unemployment Rate 2008 - 2017



Source: Annual Population Survey, ONS

- 3.14. Figure 3.12 shows the unemployment rate and multiple deprivation index rankings of South Staffordshire and surrounding areas. South Staffordshire has a lower unemployment rate (4.1%) than in England and Wales (4.6%), and a lower rate than the surrounding areas. South Staffordshire also has the lowest level of deprivation with a rank of 253 (out of 326), which is a lot higher than surrounding areas.

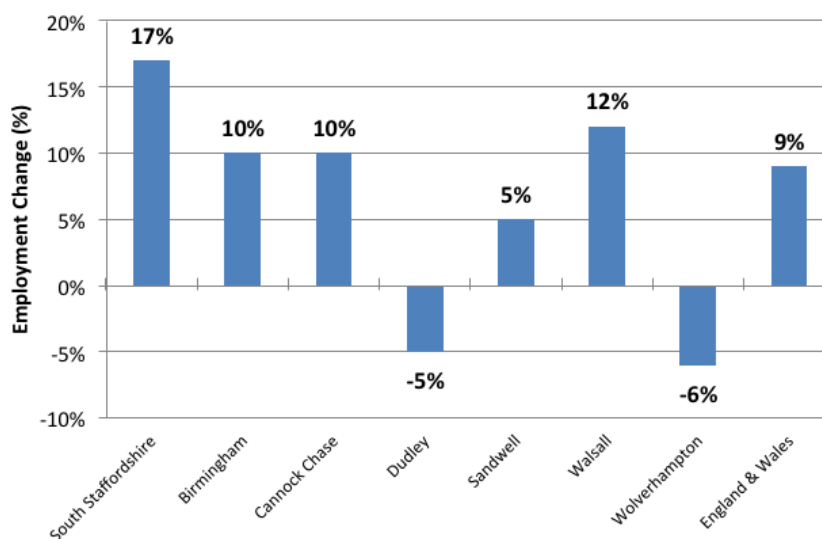
Figure 3.12: IMD Rank and Unemployment Rate



Source: ONS and IMD Rank 2015

- 3.15. Figure 3.13 shows that between 2010 and 2016 South Staffordshire saw a 17% increase in employment, higher than England and Wales at 9%, and higher than surrounding areas.

Figure 3.13: Employment Growth in South Staffordshire, 2010-2016



Source: BRES via Nomis

- 3.16. In terms of employment sectors, as shown in Figure 3.14 manufacturing makes up 14% of the employment in South Staffordshire followed by Health (11%). South Staffordshire has high

levels of employment in the manufacturing of power and associated equipment products, as well as power creation and distribution industries.¹⁶

Figure 3.14: Employment by Sector in South Staffordshire, 2016

	Employment	
	Numbers	%
Manufacturing (C)	5,000	14%
Health (Q)	4,000	11%
Accommodation & food services (I)	3,500	10%
Professional, scientific & technical (M)	3,000	9%
Education (P)	3,000	9%
Retail (Part G)	3,000	9%
Construction (F)	2,500	7%
Arts, entertainment, recreation & other services (R,S,T and U)	2,000	6%
Wholesale (Part G)	2,000	6%
Business administration & support services (N)	1,750	5%
Transport & storage (including postal) (H)	1,500	4%
Public administration & defence (O)	1,250	3%
Motor trades (Part G)	700	2%
Information & communication (J)	600	2%
Property (L)	500	1%
Mining, quarrying & utilities (B,D and E)	350	1%
Financial & insurance (K)	300	1%
Agriculture, forestry & fishing (A)	100	<1%
Total Employment	35,000	100%

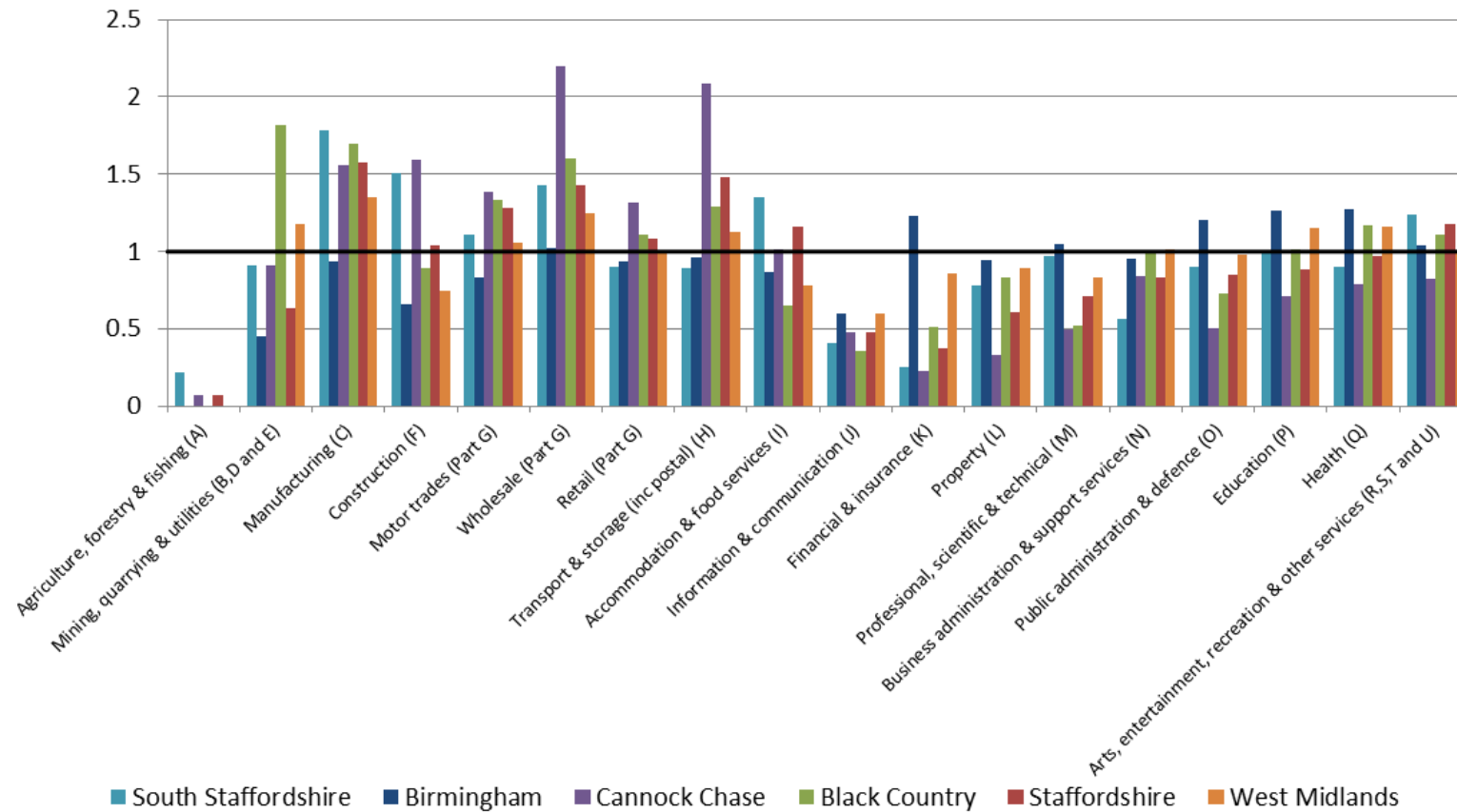
Source: BRES via NOMIS, 2016

- 3.17. Location quotients (LQs) are an indication of concentration of economic activity in a specific location: an LQ greater than 1 shows greater concentration of employment in that sector than is seen nationally (which is the reference economy in this instance). Figure 3.15 confirms that in South Staffordshire there is a relatively higher employment concentration than nationally in: manufacturing; construction; motor trades; wholesale; accommodation and food services; and arts entertainment and recreation & other services.
- 3.18. The 2015-2016 Authority Monitoring Report for South Staffordshire Council¹⁷ describes how the nature and pattern of employment has changed over the last 30 to 40 years with an overall decline in traditional industries such as agriculture and coal mining, production, construction and manufacturing industries. However, there has been an increase in employment within the service industries, including tourism, which makes the sector an important part of the local economy. As also shown in Figure 3.16 the sectors that have experienced employment growth in South Staffordshire between 2010 and 2016 include: Manufacturing, Motor trades, Wholesale, Retail, Accommodation and food services, Information and communication, Property, Professional, scientific and technical activities, Business admin & support services, Health, Arts, entertainment and recreation & other services.

¹⁶ <https://www.stokestaffslep.org.uk/app/uploads/2017/11/171016-SSLEP-SEP-Refresh-Consultation-Draft.pdf>

¹⁷ South Staffordshire Authority Monitoring Report, 2015-2016, South Staffordshire Council.

Figure 3.15: Employment Location Quotients



Source: BRES via Nomis, 2016

Figure 3.16: Sector Employment Change in South Staffordshire 2009-2016¹⁸

Sector	Area							
	South Staffordshire	Birmingham	Cannock Chase	Dudley	Sandwell	Walsall	Wolverhampton	England & Wales
Agriculture, forestry & fishing	-71%	11%	-44%	-88%	-86%	0%	-80%	-1%
Mining, quarrying & utilities	-46%	-21%	150%	0%	-8%	-55%	13%	18%
Manufacturing	27%	-4%	0%	-9%	-11%	-7%	-14%	-1%
Construction	0%	-15%	0%	-25%	-15%	-11%	-18%	-2%
Motor trades	65%	0%	32%	20%	9%	19%	16%	15%
Wholesale	23%	-2%	0%	-6%	-10%	8%	-15%	6%
Retail	20%	8%	18%	4%	9%	5%	0%	-2%
Transport & storage	-8%	24%	50%	17%	33%	90%	33%	15%
Accommodation & food services	18%	22%	20%	0%	10%	19%	0%	22%
Information & communication	10%	-7%	-11%	-29%	20%	-9%	-21%	21%
Financial & insurance	-50%	-20%	-46%	-40%	-37%	-31%	-20%	1%
Property	22%	39%	14%	13%	-10%	0%	-6%	11%
Professional, scientific & technical	140%	46%	30%	33%	60%	73%	-23%	30%
Business admin & support services	8%	21%	60%	-17%	24%	47%	0%	28%
Public administration & defence	-17%	-23%	-32%	-11%	-31%	-8%	-46%	-17%
Education	-8%	1%	-27%	-9%	5%	-9%	-17%	5%
Health	42%	29%	14%	10%	10%	39%	13%	13%
Arts, entertainment, recreation & other services	55%	44%	38%	13%	50%	0%	13%	9%
Total Employment	17%	10%	10%	-5%	5%	12%	-6%	9%

Source: BRES via Nomis

¹⁸ In 2015, Office for National Statistics (ONS) made a strategic decision to include business units with a single Pay As You Earn (PAYE) code for which no Value Added Tax (VAT) data are available. Prior to 2015, such units were excluded from the sampling frame.

- 3.19. As shown in Figure 3.17, South Staffordshire is home to around 5,000 businesses. The District is home to some large manufacturing businesses located at 154 South Staffordshire including Moog, Eurofins, ISP and Jaguar Land Rover. Other employers in wholesale, retail and services include Argos and DHL distribution Acton Gate, JLR, Invictus Education Trust, HMYOI Brinsford, and Oakwood Prison.¹⁹ The majority of South Staffordshire businesses are, however, micro, small and medium sized enterprises.

Figure 3.17: Businesses in South Staffordshire

Business Counts (2017)	South Staffordshire		West Midlands	
	Numbers	%	Numbers	%
Enterprises²⁰				
Micro (0 to 9)	3,820	91%	190,105	89.1
Small (10 to 49)	325	7.7%	19,215	9.0
Medium (50 to 249)	45	1.1%	3,300	1.5
Large (250+)	10	0.2%	835	0.4
Total	4,200		213,455	
Local Units				
Micro (0 to 9)	4,090	87.3%	210,240	83.8
Small (10 to 49)	500	10.7%	32,405	12.9
Medium (50 to 249)	80	1.7%	7,020	2.8
Large (250+)	10	0.2%	2,075	0.4
Total	4,685		250,735	

Source: Interdepartmental Business Register (ONS) via BRES. % is a proportion of total (enterprises or local units)

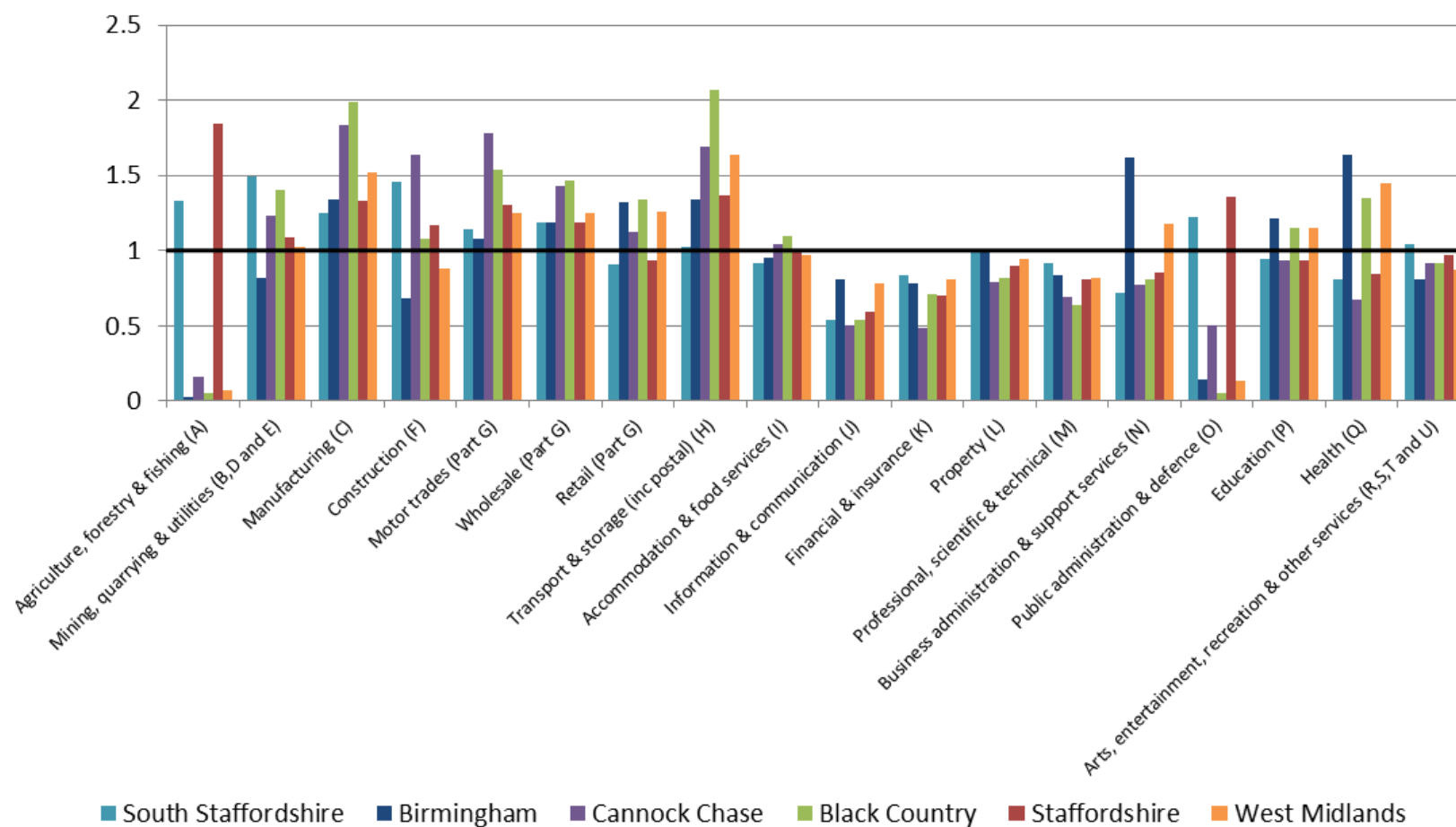
- 3.20. The location quotients presented in Figure 3.18 also confirm that there is a relatively higher concentration of manufacturing businesses in South Staffordshire in comparison with the national picture (i.e. location quotient 1) alongside agricultural, transport and storage and construction business and public administration organisations.

¹⁹ South Staffordshire's Locality Profile 2017,

<https://www.sstaffs.gov.uk/doc/174593/name/Locality%20Data%20Profile%202017%202MB%20V.pdf>

²⁰ An Enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records), which has a certain degree of autonomy within an Enterprise Group. An individual site (for example a factory or shop) in an enterprise is called a local unit.

Figure 3.18: Business Concentration in South Staffordshire



Source: UK Business Counts via Nomis, 2017

The Labour Market

- 3.21. As shown in Figure 3.19, around two thirds (65%) of those in employment in South Staffordshire are full-time employees, similar to the proportion in England and Wales (66%).

Figure 3.19: Employment Structure in South Staffordshire

	Total Employment	FT Employees	PT Employees	Working Owners
South Staffordshire	34,500	65%	32%	3%
Birmingham	517,000	68%	30%	2%
Cannock Chase	40,000	66%	31%	3%
Dudley	115,000	64%	34%	2%
Sandwell	132,500	70%	28%	2%
Walsall	107,000	65%	33%	2%
Wolverhampton	100,500	66%	32%	2%
Staffordshire	350,000	66%	32%	2%
West Midlands CA	1,249,000	68%	31%	2%
England & Wales	27,717,500	66%	31%	3%

Source: BRES via Nomis, 2016

- 3.22. According to the latest census, the largest proportion of working residents in South Staffordshire travel between 5km and 10km to work (23%), followed by residents who work mainly at or from work. A comparison with the 2001 census, shown in that less people work from home or close to home, and there has been a significant increase in residents travelling further than 30km to work.

Figure 3.20: Distance Travelled to Work of South Staffordshire Residents, 2001 - 2011

	2001 Census	2011 Census	% Change
Work mainly at/from home	7,454	5,996	-20%
Less than 2km	6,231	4,936	-21%
2km to less than 5km	4,486	4,922	+10%
5km to less than 10km	6,266	7,609	+21%
10km to less than 20km	4,243	5,577	+31%
20km to less than 30km	1,199	1,624	+35%
30km to less than 40km	402	671	+67%
40km to less than 60km	288	414	+44%
60km and over	408	670	+64%

Source: ONS

- 3.23. A relatively high proportion of residents in South Staffordshire (35%) have qualifications to the level of NVQ4 or above, which is slightly lower than the national average (38%) but higher

than in the surrounding areas of Staffordshire, the Black Country LEP, and the West Midlands Combined Authority. The proportion of residents with no qualifications in South Staffordshire (8%) is the same as the national average, and lower than residents in the Black Country and those across the West Midlands Combined Authority, as shown in Figure 3.21.

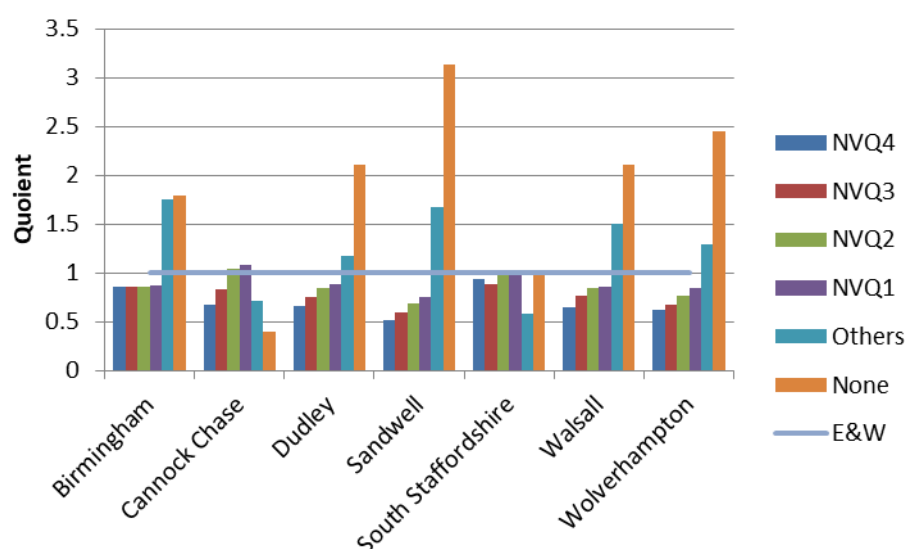
Figure 3.21: Qualifications of South Staffordshire Residents

	South Staffordshire	Staffordshire	Black Country	West Midlands CA	Great Britain
NVQ4+	35%	34%	23%	29%	38%
NVQ3+	50%	54%	39%	46%	57%
NVQ2+	76%	75%	58%	63%	74%
NVQ1+	89%	87%	71%	75%	85%
Other qualifications	4%	5%	10%	10%	7%
No qualifications	8%	8%	20%	15%	8%

Source: Annual Population Survey, 2016

- 3.24. Figure 3.22 compares the proportion of a population in a certain geographic area with that nationally (England and Wales), i.e. it is the ratio of the proportions of the respective populations. The figure shows that South Staffordshire is essentially very similar to the national picture in terms of the proportion of its population that has certain qualifications. The biggest difference is for those with other qualifications - which, being lower than nationally, would suggest that South Staffordshire's residents tend to undertake more 'formal' qualifications (e.g. GCSEs, A-levels and degrees compared to vocational qualifications). Other areas (with the exception of Cannock Chase), tend to have far higher proportions of people than are seen nationally who have either other qualifications or no qualifications.

Figure 3.22: Quotients of Qualifications 2016



Source: Annual Population Survey, calculations by WECD

- 3.25. As shown in Figure 3.23, South Staffordshire also has the highest proportion of its working age population in SOC group 1 (managers, directors and senior officials). It also has a relatively high proportion of its population in skilled trades. Unusually, given the high representation of the SOC group's 1 and 2 in the district, South Staffordshire also has the highest proportion of its population in SOC group 9 (elementary occupations).

Figure 3.23: SOC groups in South Staffordshire and Surrounding Areas, 2017

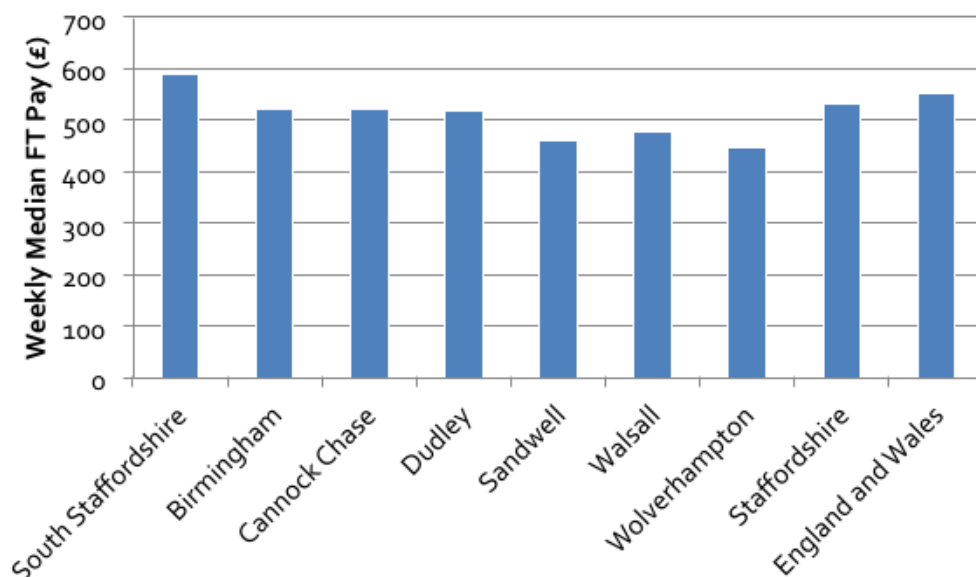
	Birmingham	Cannock Chase	Dudley	Sandwell	South Staffordshire	Walsall	Wolverhampton	Staffordshire	West Midlands CA	England & Wales
1: managers, directors and senior officials (SOC2010)	8%	8%	9%	9%	11%	10%	7%	12%	9%	11%
2: professional occupations (SOC2010)	21%	14%	13%	13%	16%	15%	13%	16%	18%	20%
3: associate prof & tech occupations (SOC2010)	15%	13%	14%	9%	15%	13%	13%	14%	13%	14%
4: administrative and secretarial occupations (SOC2010)	10%	12%	11%	12%	7%	11%	11%	12%	11%	10%
5: skilled trades occupations (SOC2010)	8%	14%	15%	13%	12%	13%	10%	11%	10%	10%
6: caring, leisure and other service occupations (SOC2010)	9%	12%	8%	10%	9%	11%	11%	9%	10%	9%
7: sales and customer service occupations (SOC2010)	8%	8%	10%	9%	4%	7%	9%	6%	8%	7%
8: process, plant and machine operatives (SOC2010)	9%	9%	8%	10%	7%	9%	11%	9%	8%	6%
9: elementary occupations (SOC2010)	13%	10%	12%	14%	17%	11%	15%	13%	13%	11%

Source: Annual Population Survey, ONS

- 3.26. As shown in Figure 3.24, South Staffordshire currently has a median weekly pay level (£591) that is slightly higher than is seen nationally (£553) and is highest of the surrounding areas. In terms of pay growth, South Staffordshire has seen faster pay growth since 2008 than

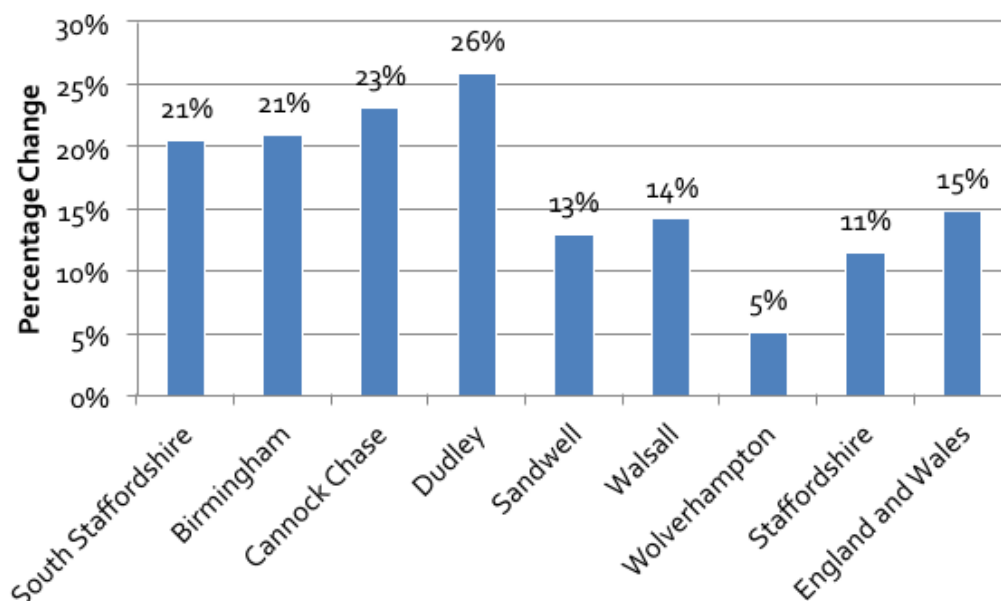
nationally and some of the surrounding districts, but not as high as some other areas as shown in Figure 3.25.

Figure 3.24: Full-time Weekly Median Pay 2017



Source: Annual Survey of Hours and Earnings

Figure 3.25: Growth in Full-time Weekly Median Pay 2008 - 2017



Source: Annual Survey of Hours and Earnings

Overview of Key Economic Development Objectives for the District

3.27. The SSDC Council Plan 2016-2020 sets out the key priorities for the District (and therefore the broad principles within which economic development is pursued) as follows²¹:

- **A Skilled and Prosperous District**
 - Supporting and growing existing businesses
 - Attracting and supporting new businesses
 - Enhancing the skills of our residents
- **A Safe and Sustainable District**
 - Protect the green belt
 - Ensure a safe and clean environment
 - Aim to provide homes that people need
- **A Connected District**
 - Easily accessible services
 - Supporting our communities
 - A strong Voluntary and Community Sector

3.28. As mentioned in section 2, both the South Staffordshire adopted Core Strategy and the SAD also clearly set out the economic development aspirations of the District.

3.29. For example, Core Policy 7 states that the Council, working in partnership with others, will support measures to sustain and develop the local economy of South Staffordshire and encourage opportunities for inward investment and further economic development of the District. Support is to be given to the development of creative and high technology industries at strategic employment sites in suitable locations and measures to sustain the development of key economic sectors (manufacturing, storage and distribution, service and tourism) will be encouraged and supported.

3.30. As mentioned earlier (paragraph 2.31), the SAD commits SSDC:

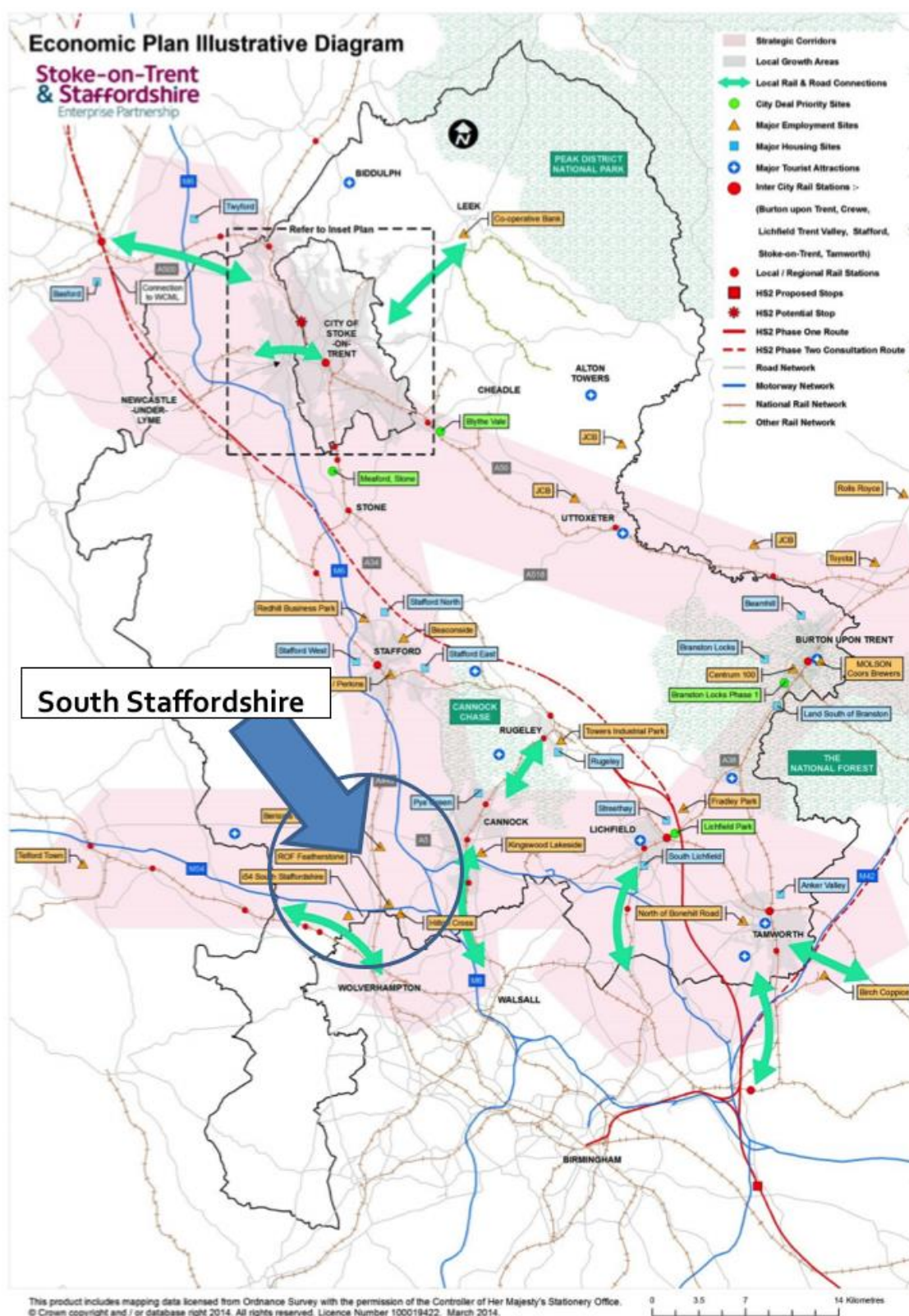
- To tackle the economic challenges in the district, including areas of below average household incomes and below average skills levels.
- To recognise the role of tourism and conservation in economic prosperity to make the District attractive for inward investment.
- To maximise opportunities to include small-scale employment units as part of mixed use development and promote rural diversification, including that of the agricultural economy and the provision of work units in sustainable locations - promoting opportunities for sustainable and sympathetic rural economic growth and diversification, whilst protecting the environment.

3.31. SSDC is also a member of the Stoke-on-Trent & Staffordshire Local Enterprise Partnership, STSLEP (an overview of the LEP area is provided by the map in Figure 3.26) – and this

²¹ <https://www.sstaffs.gov.uk/doc/172994/name/FINAL%20VERSION%20OF%20COUNCIL%20PLAN.pdf/>

relationship sets the broader economic development context within which the District operates.

Figure 3.26: Stoke-on-Trent & Staffordshire LEP - Area Overview



Source: SSLEP Strategic Economic Plan Summary – March 2014

- 3.32. The overall vision for the LEP area is to ensure that Stoke-on-Trent and Staffordshire is “*an economic powerhouse driven by the transformation of Stoke-on-Trent into a truly competitive and inspiring Core City and by accelerated growth in [our] County corridors and urban centres.*”
- 3.33. The SEP recognises that for this vision to be achieved, the right climate for businesses needs to be created across the LEP area – this is focused on (SSLEP Annual Report 2017):
- Stimulating enterprise, innovation and inward investment
 - Bringing forward key employment sites
 - Supporting towns, city and service centre developments
 - Building on existing industrial sectors and those with future potential for growth - these include:
 - Advanced Manufacturing. Priority sectors:
 - Energy
 - Auto-Aero
 - Medical Technologies
 - Agri-Tech
 - Applied Materials
 - Digital
 - The Visitor Economy
 - Business/Professional Services
 - Construction
 - Developing a well-skilled workforce to meet current and future labour market needs
 - Ensuring appropriate housing to meet the needs of the current and future workforce
 - Developing and improving infrastructure to promote connectivity and mobility
- 3.34. One of the key LEP activities to date is the Gestamp relocation²² to Four Ashes Park in South Staffordshire. The LEP, Staffordshire County Council, Cannock Chase District Council and SSDC, all worked in partnership with Bericote Properties to enable the company to relocate. Gestamp’s new facility benefited from new access improvements off the A449 by Staffordshire County Council in a project funded through the LEP’s Local Growth Fund.
- 3.35. Other SSLEP Local Growth Deal-supported investments related to South Staffordshire include:
- As part of the first Local Growth Deal, the Advanced Manufacturing and Engineering Skills Hubs’ specialist training provision being delivered in Stoke-on-Trent, Newcastle-under-Lyme and Tamworth has now been joined by South Staffordshire College’s AgriSTEM Academy at Rodbaston, the Science and Technology Centre at Stafford College, and the Dove Engineering Centre at the JCB Academy, Rocester, East Staffordshire.

²² The move to Four Ashes is from Cannock. Gestamp will demolish its Cannock factory to make way for 180 homes and 30,000 sq ft of employment space. The existing factory site on Wolverhampton Road is planned for housing and employment development.

- During 2016/17 the LEP also secured a further £23.3 million of Growth Deal funding under round three. £1.5 million of this has been earmarked to contribute to the delivery of the new access road to the ROF Featherstone site.
- 3.36. The Midlands Engine Strategy sets out the wider economic development context.²³ The strategy includes significant investment in skills, connectivity and local growth and sets out how the government plans to work with the wider region to drive the region's potential and promote the Midlands to the world. The strategy builds on plans set out in the Government's Industrial Strategy and its ambitions for growth will require the delivery of significant amounts of new employment floor space across the Midlands – with aspirations for over 700,000 jobs, of which over half are located in 80 key growth sites that have been identified to be unlocked by transport investment. These identified key growth sites include i54 and Bericote Four Ashes in South Staffordshire.

Conclusions

- South Staffordshire has the highest economic activity rates in the wider region and 3% higher than that seen nationally. The District has a relatively low unemployment rate at 4%, much lower than the surrounding areas - for example Birmingham (9%), Sandwell (9%), Cannock Chase (8%) and Wolverhampton (8%). This trend has continued since 2008 and over the recession period to 2017.
- South Staffordshire is home to around 4,000 enterprises²⁴ (11% of all enterprises in SSLEP area). The District is home to some large manufacturing businesses (mainly located at i54 South Staffordshire e.g. Moog, Eurofins, ISP and Jaguar Land Rover) as well as micro and SME businesses. In fact, the majority of businesses in the District are micro, small and medium sized businesses.
- These businesses cater for 35,000 jobs (13.1% of all jobs in the SSLEP area). Manufacturing makes up the largest share of these jobs – at 14%. This is followed by health (11%) and accommodation and food services (10%).
- Between 2009 and 2016 there was a 17% growth in total employment in South Staffordshire – with an increase in employment in a number of sectors including motor trades, retail, accommodation & food services, property, professional, scientific & technical, business admin & support services and health. In contrast to the surrounding areas, South Staffordshire has also seen an increase in both, manufacturing and retail.
- South Staffordshire is home to approximately 111,200 people. These are relatively well skilled, with a relatively small proportion of residents with no qualifications (at 8%, same as nationally). In comparison with other areas in the wider region, South Staffordshire has a higher proportion of residents with qualifications equivalent to Level NVQ4 and above (at 35% compared, for example, with 23% in the Black Country).
- 42% of the population in South Staffordshire holds senior managerial, managerial and professional jobs (SOC Groups 1, 2 and 3) – compare with Staffordshire's 42%, Wolverhampton's 33%, Birmingham's 44% and the national equivalent figure of 45%. South Staffordshire has the higher proportion of senior directors (SOC 1) at 11%, compared with Staffordshire's 12%, Wolverhampton's 7%, Birmingham's 8% and the

²³ <https://www.midlandsenine.org/wp-content/uploads/2017/03/Midlands-Engine-Strategy-2017.pdf>

²⁴ 5,000 units – see footnote 20.

national figure of 11%. At the same time, South Staffordshire also has the highest proportion (17%) of its population in elementary occupations – the equivalent national figure is 11%.

- The remuneration of working population partly reflects this occupational distribution, i.e. the current median weekly pay level in the area is £591, which is slightly higher than nationally at £553, and is also the highest in the surrounding areas. Between 2008 and 2017, the area has seen faster pay growth than nationally - however not as high as some surrounding areas e.g. Dudley and Cannock Chase.
- The largest proportion of residents in South Staffordshire (23%) travel between 5km and 10km to work. This is followed by those working mainly at, or from home (18%). Comparing the 2001 census and 2011 census shows that South Staffordshire residents now travel further to work with a large increase in residents travelling over 30km to work (60%), although it should be noted this is from a relatively low base. At the same time, there has been a decrease in both, those residents working from home (-20%) and those travelling less than 2km to work (-21%). Travel-to-work patterns are examined in more detail in the next section of the report that explores the South Staffordshire functional economic market area.
- The profile of housing in the area also reflects the relatively well-positioned local economy i.e. the vast majority of 47,000 dwellings in South Staffordshire (86%) is in private ownership (higher than in surrounding areas and nationally).
- South Staffordshire has the lowest level of deprivation compared to surrounding areas, especially in comparison to Birmingham, Sandwell, Wolverhampton and Walsall, which experience some of the highest levels of deprivation in the country. Housing and poverty are interlinked e.g. poverty and low incomes prevent some people from accessing various housing options and make others hard to sustain, and ultimately affecting taking up of work and accessing available employment opportunities.²⁵ The District is addressing this issue by providing relevant housing stock: between 2009 and 2016, the area has seen similar rates of overall growth with other neighbouring authorities in total housing stock (around 4%-5%), but with more investment in the District's local authority housing stock than in the past.
- The area has experienced an aging population, with a much higher growth rate of those aged 65 and over than has been seen in England and Wales - this is also reflected in the current population where the largest proportion of the total population is age 65 and over.
- Projections up to 2039 show that the area's population will grow. However, there are some specific age characteristics of the population that could have a bearing on provision of infrastructure and services in the District but also the District's contribution to the wider economic development agenda. For example, compared to the Black Country, West Midlands and England the projected population growth is lower. It is also projected that within the same period the working age population (aged 16-64) will decrease by 7% and the younger (under 16) and older (65 and over) populations will increase by 6% and 52% respectively.
- Overall, South Staffordshire represents a relatively well performing economy for the last ten years (including performing well over the recession period). It also has access to

²⁵ <https://www.jrf.org.uk/report/links-between-housing-and-poverty>

significant locational, economic and labour market assets – people, jobs and businesses, and is doing relatively better than most of its neighbouring authorities. Going forward, therefore, South Staffordshire can plan its employment strategy from a position of strength and access to significant economic and labour market assets.

- At the same time, the District is located within a wider area with ambitious economic development plans that aim to bring transformational change to major urban centres and the wider region. For example, the Stoke-on-Trent & South Staffordshire LEP's vision is to grow the economy by 50% and generate 50,000 new jobs in the next 10 years to 2024. The Midlands Engine has aspirations for over 700,000 jobs. These aspirations pose both, opportunities and challenges for South Staffordshire's vision to continue developing the local economy of South Staffordshire and encouraging opportunities for inward investment, while also providing a well-connected, safe and sustainable District. The District's employment strategy will need to set out how opportunities arising will be captured and maximised while challenges are addressed in cooperation and agreement with key partners and in particular those related through South Staffordshire's FEMA – as discussed in more detail in the next section.

4. South Staffordshire Functional Economic Area

- 4.1. This section reviews a range of qualitative and quantitative information to establish the South Staffordshire FEMA.
- 4.2. There are a number of ways in which functional economic areas can be identified. The majority of these methods revolve around flows of people, goods or general economic activity (rather than just similarities of socio-economic indicators) and a FEMA denotes one or more of the following:
- Self-containment of flows of specific economic activities based on agreed criteria/thresholds (indicating a relatively higher level of autonomy);
 - Areas within a size range of thresholds (indicating homogeneity);
 - Reasonably recognisable boundaries (indicating coherence); and,
 - Alignment with administrative boundaries (indicating a certain level of conformity).
- 4.3. As stated in PPG, since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area. However, it is possible to define FEMAs by proxy of **flows** relating to a number of various factors including:
- Extent of any Local Enterprise Partnership within the area;
 - Travel to work areas;
 - Housing market area;
 - Flow of goods, services and information within the local economy;
 - Service market for consumers;
 - Administrative area;
 - Catchment areas of facilities providing cultural and social well-being; and,
 - Transport networks.
- 4.4. The delineation procedure to define a FEMA is, generally in practice, restricted by the availability of data. Some experimental studies have applied quantitative methods, but there is as yet no prescribed best practice. Various methods exist including from simple threshold methods to complex structure analysis, with many of the complex approaches still based on some kind of pre-defined threshold values. Thresholds and criteria methods work according to the principle that when a certain threshold is exceeded, or a set of criteria is fulfilled, the corresponding spatial units are combined to a common market area.

Key Methodological Issues

- 4.5. Travel-to-Work Areas (TTWAs) of the UK Office for National Statistics (ONS) belong to this group of delineation methods. According to ONS, TTWAs are areas that are used to approximate defined self-contained local labour market areas, where the majority of an area's residents working work, and where the majority of the workforce live.
- 4.6. The criteria used for defining TTWAs for this purpose is that generally at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500. However, for

areas with a working population in excess of 25,000 people, self-containment rates as low as 66.7% are accepted.

4.7. As noted by ONS, over time there has been a consistent pattern of a reduction in the number of TTWAs: more people tend to commute longer distances to work, leading to an increase in the average size of TTWAs in terms of geographical area and population, and a consequent decrease in the number of TTWAs. The latest analysis provided by ONS²⁶ also introduces TTWAs that have been developed to highlight commuting patterns for different subgroups of the working population. This analysis shows, for example, that:

- The 25-34 age group has the lowest number of TTWAs, suggesting this age group tends to travel the greatest distance to work. The TTWAs increase with age given that the distance travelled to work falls with an increase in age amongst the older age groups – London generally forms one large TTWA for the 16 to 24, 25 to 34 and 35 to 49 age groups; however, for the older age groups London is divided into smaller TTWAs.
- Full-time employees generally commute further distances than part-time employees, with almost 2 and a half times the number of TTWAs for full-time employees than part-time employees.
- The size of TTWAs, and therefore the distance travelled to work, increases with a higher level of qualification. The number of TTWAs for those with a low level of qualification²⁷ (416) is over 2 and a half times the number of TTWAs for those with a high level of qualification (153).

4.8. In defining the South Staffordshire FEMA, a number of well-established issues set the baseline and context. For example:

- There are strong long-established economic and spatial policy linkages between the Black Country and South Staffordshire as demonstrated by the two areas' respective adopted Core Strategies and the South Staffordshire SAD.
- Review of TTWA patterns for Birmingham^{28 29} indicates that there are significant commuting flows between Birmingham and some of the authorities surrounding South Staffordshire i.e. the Black Country Authorities (mainly Sandwell, Dudley, Walsall), Staffordshire (i.e. Cannock Chase), Worcestershire (i.e. Bromsgrove), Tamworth and Lichfield, but not between South Staffordshire and Birmingham.

4.9. To better define the South Staffordshire self-contained local labour market and FEMA, the following analysis explores:

- Flows of people between districts for work purposes based on data from the ONS origin-

²⁶

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/390167/Birmingham_Evidence_Pack_for_publication_FINAL.pdf<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/traveltoworkareaanalysinggreatbritain/2016>

²⁷ High qualifications include level 4 qualifications or above (degree level), medium qualifications include level 2 and 3 qualifications and low qualifications include level 1 qualifications or below.

²⁸

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/390167/Birmingham_Evidence_Pack_for_publication_FINAL.pdf

²⁹ https://www.birmingham.gov.uk/downloads/file/1452/employment_land_and_office_targets_study

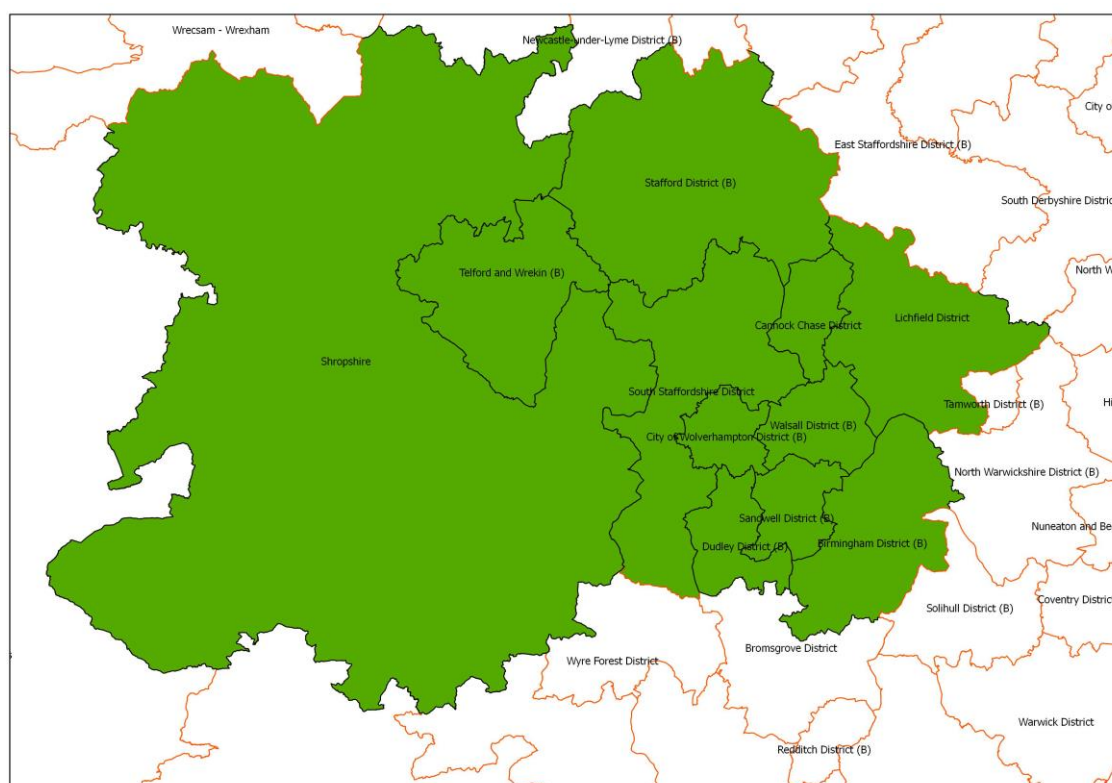
destination datasets.³⁰

- Flows and similarity of economic activity that could also be an indication of a functional economic area in that closely related economies (both in spatial and sectoral terms) are likely to interact with each other.
- Housing market characteristics and retail market characteristics/service markets for consumers (this information is based on secondary information).

TTWAs - Flows of Workforce Population

- 4.10. The 2011 Census contains detailed information relating to flows of people between districts for work purposes. Figure 4.1 captures all those areas whereby at least 1% of residents of South Staffordshire travel for work or travel from the surrounding area into the District for work (i.e. the area in green). This map therefore illustrates **all flows in and out of South Staffordshire**.

Figure 4.1: All Workforce Travel in and out of South Staffordshire



Source: ONS, 2011 – WECD Calculations

- 4.11. Review of data relating to the location of usual residence and place of work by age shows that in total, 17,583 people aged 16 and over commute into South Staffordshire from other local authorities in the UK. At the same time, 34,514 people aged 16 and over commute out of South Staffordshire to other local authorities in the UK or abroad. Therefore, South Staffordshire is a net exporter of workforce. Key places of destination and origin of the workforce are shown below and the strength of flows is illustrated in Figure 4.2.

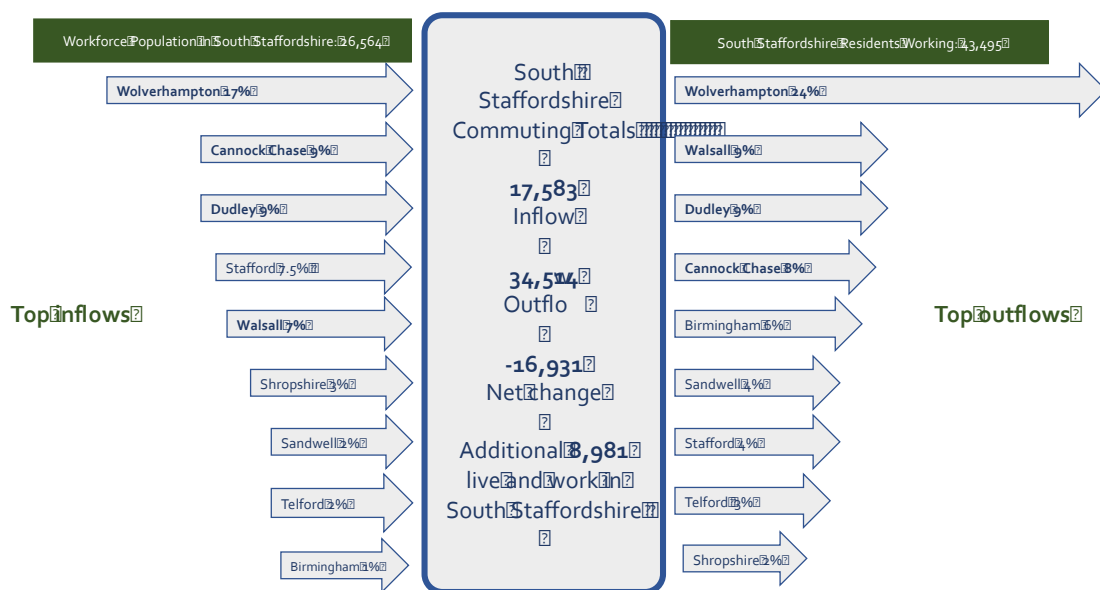
³⁰ <https://www.ons.gov.uk/census/2011census/2011censusdata/originanddestinationdata>.

South Staffordshire working residents out-commuting to:	
Wolverhampton	10,381
Walsall	3,876
Dudley	3,736
Cannock Chase	3,328
Birmingham	2,545
Sandwell	1,894
Stafford	1,844
Telford and Wrekin	1,446
Shropshire	1,015

4.12. On the other hand, the origins of in-commuters/place are as follows:

South Staffordshire workplace population in-commuting work from:	
Wolverhampton	4,448
Cannock Chase	2,472
Dudley	2,333
Stafford	2,018
Walsall	1,746
Shropshire	724
Sandwell	545
Telford and Wrekin	541
Birmingham	482

Figure 4.2: Key Travel-to-Work Flows in and out of South Staffordshire



Source: Census 2011 - Dataset WU02UK³¹

4.13. These figures suggest that South Staffordshire's closer links are with Wolverhampton,

³¹ This dataset provides 2011 Census estimates of the usual residents of the UK aged 16 and over in employment the week before the census. The data classifies people currently resident in each local authority or higher area of the UK by age and shows the movement between their local authority of residence and workplace.

Cannock Chase, Dudley, Walsall and Stafford. Applying also the TTWA/Guidance for assessing whether South Staffordshire is self-contained labour market area (see paragraph 4.6) indicates that South Staffordshire **does not form a self-contained FEMA on its own**. As shown in Figure 4.3, 21% of working resident population live and work in South Staffordshire (well below what is required for a self-contained area i.e. 67% - 75%). This represents 34% of all workplace population in the District (similarly well below that of the required threshold range).

- 4.14. **Applying a threshold of 70%³² for defining a self-contained FEMA around South Staffordshire (for both in and out-commuting) results into a FEMA consisting of South Staffordshire, Wolverhampton, Walsall, Dudley and Cannock Chase.**
- 4.15. Applying a higher threshold i.e. at 75% would result into a rather confusing picture. For example, applying a 75% threshold to out-commuting patterns (i.e. the areas to which 75% of the working age population commutes to for work), it would mean that Birmingham is included in this area (attracting, however, a relatively low 6% of South Staffordshire working residents, in comparison with 24% who commute to Wolverhampton). Significantly, however, this relationship is not working vice versa (given that only 2% of the population working in South Staffordshire travels to the District from Birmingham). Applying 75% to in-commuting patterns would also mean that Stafford has a relative strong workforce link with South Staffordshire (7.5% of the population working in South Staffordshire commutes from Stafford) – however, this is not equivalent to out-commuting from South Staffordshire to Stafford.
- 4.16. Therefore, it appears that 70% is the threshold at which a degree of consistency of workforce in-flows and out-flows is contained (i.e. involving the same set of localities) and includes: **South Staffordshire, Wolverhampton, Walsall, Dudley and Cannock Chase.**

Figure 4.3: South Staffordshire Out-commuting and In-commuting

Out-commuting as % of residents	South Staffordshire	Cannock Chase	Dudley	Walsall	Wolverhampton
South Staffordshire	20.7%	6.3%	1.9%	1.8%	5.0%
Cannock Chase	7.7%	40.5%	0.2%	2.3%	1.0%
Dudley	8.6%	0.7%	52.7%	1.9%	5.9%
Walsall	8.9%	9.8%	2.2%	49.2%	9.0%
Wolverhampton	24.0%	4.0%	6.4%	8.0%	55.2%
In-commuting as % of workers	South Staffordshire	Cannock Chase	Dudley	Walsall	Wolverhampton
South Staffordshire	33.8%	10.8%	3.6%	4.4%	11.1%
Cannock Chase	9.3%	51.7%	0.3%	4.3%	1.7%
Dudley	8.8%	0.8%	62.2%	3.0%	8.3%
Walsall	6.6%	7.3%	1.8%	53.1%	8.2%
Wolverhampton	16.7%	3.0%	5.1%	9.0%	52.7%

Source: Census 2011, ONS. Note: the percentages run down the columns; each is the percentage of people who live in a district (in the case of the first table) or commute into a district (in the case of the second table).

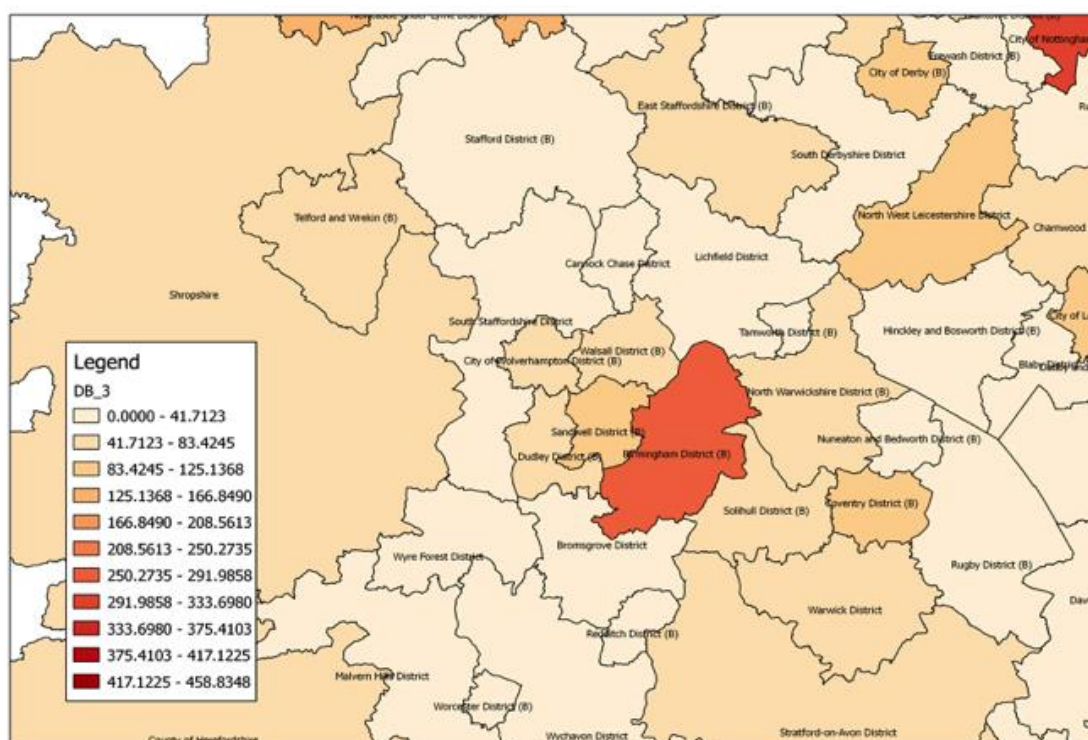
³² To define a Housing Market Area [HMA], a figure of around 70% is generally seen as being the threshold for self-containment.

- 4.17. Further socio-economic indicators (all discussed in more detail in section 3) are explored below in order to shed more light into the South Staffordshire functional labour and economic markets.

Economic Activity

- 4.18. Figure 4.4 shows the spatial distribution of an index of similarity calculated over the sectoral employment (at the 2 digit SIC level) for each district in England. The map presents the standard deviation of the index for each district and indicates that there are similarities between South Staffordshire and Stafford, Cannock and Lichfield, but South Staffordshire is different compared to the Black Country and somewhat different from Shropshire.
- 4.19. In general, lack of similarities would also mean that neighbouring economies might be complementary. For example, drawing on the information presented in section 3 of the report, in terms of number of businesses in the various localities, there is relatively more concentration of manufacturing businesses in South Staffordshire while in the Black Country, there is relatively more concentration of wholesale, retail and transport related activities, and Birmingham has a relatively higher concentration of finance, professional and public administration activities (and in fact no other in the sub-region is similar to it, as it would be expected, given its large metropolitan/area status).

Figure 4.4: Comparative Spatial Analysis of Employment Activities



Source: BRES via NOMIS; calculations by WECD.

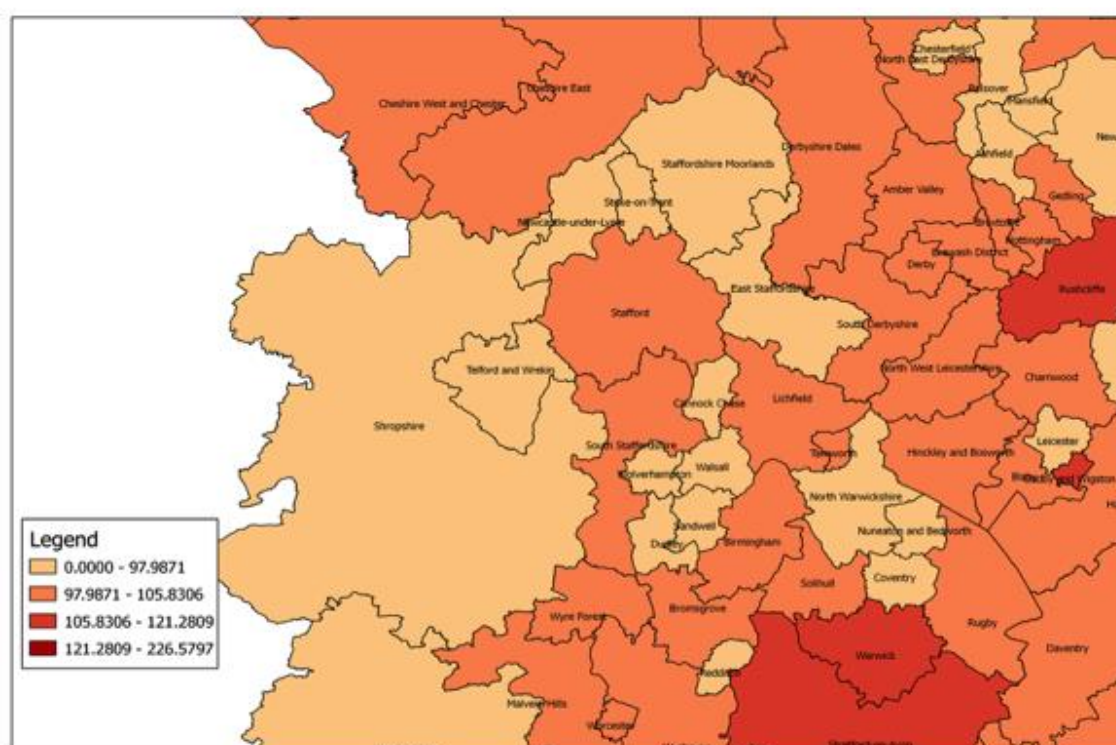
Occupational and Skills Capital

- 4.20. Figure 4.5 shows the spatial distribution of the similarity of districts in terms of standard occupational Classification (SOC) of residents of the area. This similarity has been measured

by an index calculated over occupational groups 1 – 9 for each district in England. It can be seen that areas such as South Staffordshire and Birmingham in terms of the composition of the SOC 2010 are relatively close to the national picture whilst areas such as the Black Country and Cannock are dissimilar.

- 4.21. For comparison purposes, areas such as Warwick are 'under-indexed' in some SOC Classes compared to the nation as a whole (in the case of Warwick, elementary occupations and machine operatives) whereas areas such as the Black Country are 'over-indexed' in a number of SOC Classes including skilled trade occupations, care, sales and customer services, elementary occupations and plant and machine operatives). South Staffordshire and Birmingham are also 'over indexed' in terms of certain occupations i.e. managers, senior directors and officials in the case of South Staffordshire and professional and associate professional occupations in the case of Birmingham.

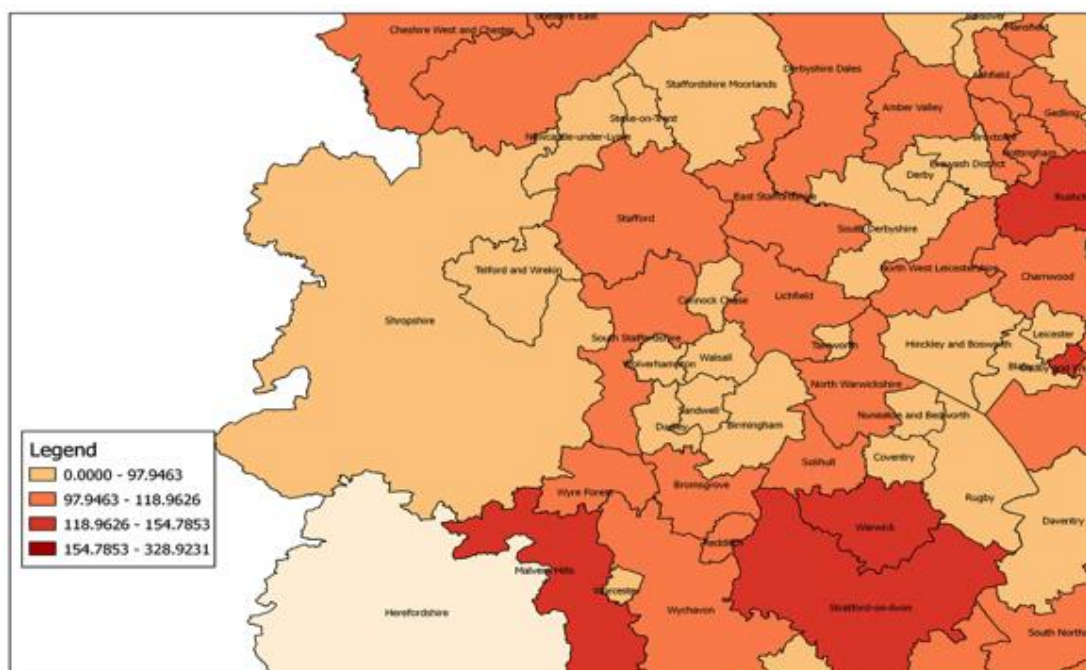
Figure 4.5: Comparative Spatial Analysis of Residents' Occupations



Source: SOC 2010 data from Census 2011; index calculated by WECD.

- 4.22. Figure 4.6 shows an index of similarity relating to educational attainment calculated over seven levels of educational attainment (from higher level i.e. NVQ4+ to no qualifications) amongst the working age population across all districts in England. In terms of educational attainment, South Staffordshire is similar to Stafford and Lichfield. The Black Country and Birmingham tend to have fewer residents with the highest level of educational attainment and higher proportions of residents in the middle – lower levels of educational attainment. South Staffordshire on the other hand tends to have higher levels of people qualified at the higher – mid levels and relatively fewer at the lower levels. It is very likely (as discussed in paragraph 4.7), high-skilled population living in South Staffordshire would work in the larger urban centres (and would travel relatively further including to Birmingham).

Figure 4.6: Comparative Spatial Analysis of Residents' Skills

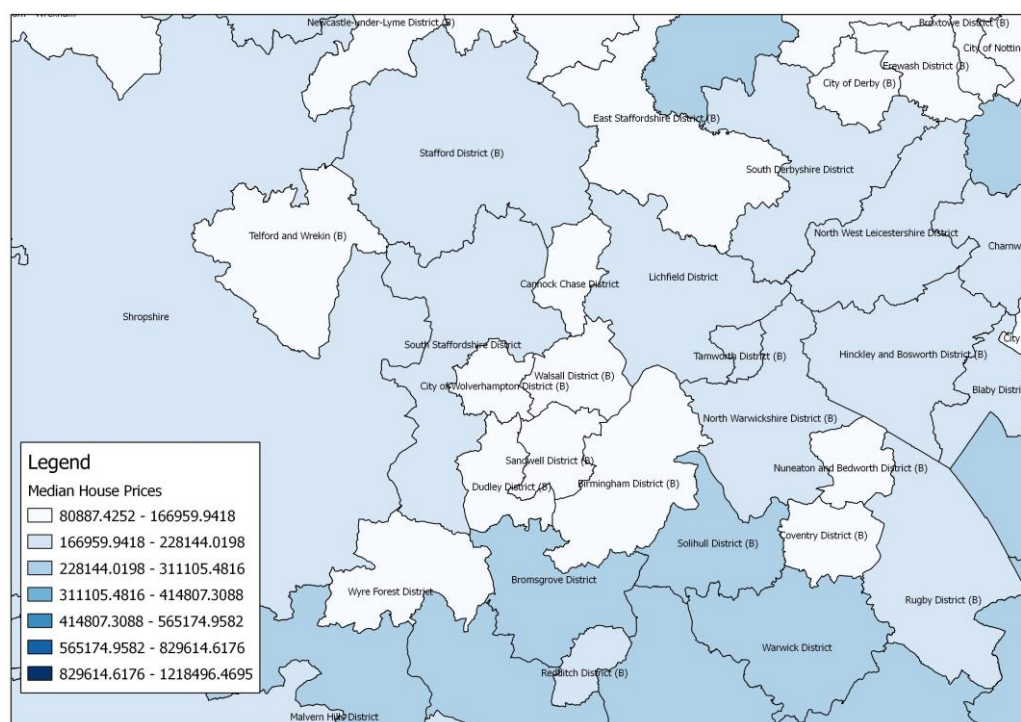


Source: ONS via NOMIS.

Housing Markets

- 4.23. The map in Figure 4.7 reflects median house prices (as of the final quarter of 2016 in 2018 £s) in South Staffordshire and surrounding areas.

Figure 4.7: Spatial Analysis of Housing Prices



Source: ONS HPSSA Dataset 11; Median house prices (all types), quarter on quarter 1995 – 2016. Real 2018 price based on CPI (ONS), calculations by WECD.

- 4.24. As shown in Figure 4.7, South Staffordshire has similar house prices to Shropshire, Lichfield and Stafford. The Black Country, Telford and Cannock tend to have lower median house prices. This relative position has remained similar over time (2000 – 2016).

Retail

- 4.25. The South Staffordshire ELS 2013 concluded that the pattern of retailing and the function of the village centres within South Staffordshire largely served the local needs. The study also noted that:
- The appearance of the centres in north is more linear (e.g. Cheslyn Hay) than those in the south being more 'traditional' in appearance (e.g. Kinver, Wombourne). Some villages also have centres that have been specifically developed in the last 30 or so years (e.g. Perton and Great Wyrley).
 - There is also an apparent split between those villages with very localised retail functions (e.g. Swindon, Wheaton Aston and Essington) and those with larger centres that may also serve outlying villages or even (via tourism) the larger urban areas (e.g. Kinver, Wombourne, Codsall). This split is associated with the size of the village in question and therefore the market area associated with them.
- 4.26. Over the last five years, changing consumer trends, higher inflation, lower consumer spend and higher costs for retailers have undoubtedly increased the pressure on retail business models. However, retail functions in the South Staffordshire villages remain relatively healthy e.g. vacancy rates have been at around 4% (compared to vacancy rates of prime pitch locations in the town centres of around 10%, and 15% in secondary pitch locations).
- 4.27. At the same time, retail studies for Wolverhampton City Council (2014)³³ and Cannock Chase District Council (2015)³⁴ indicate that a relatively high proportion of residents from South Staffordshire are attracted to Wolverhampton and Cannock Chase (town centre and Linkway Retail Park).

Conclusions

- 4.28. Establishing the 'degree' of relationship or overlap with adjoining and nearby authorities across different indicators is important in establishing the economic functionality of an area. Flows of economic activities also reveal and indicate interdependencies and self-contained markets (rather than static descriptive indicators).
- 4.29. TTWAs are areas that are used to approximate defined self-contained local labour market areas, where the majority of an area's residents working work, and where the majority of the workforce live – with acceptable thresholds for defining a self-contained labour market area ranging between 68% and 75%.
- 4.30. A range of travel-to-work area patterns, however, could emerge depending on the indicators used and the level of analysis undertaken. This means that to come to a conclusion about a FEMA, a combination of qualitative and quantitative information needs to be considered and

³³ Wolverhampton City Centre Retail Update Study, Final Report December 2014, for Wolverhampton City Council by Hollissvincent Planning and Development Consultants.

³⁴ Cannock Chase Retail and Leisure Study Final Report November 2015 for Cannock Chase District Council by WYG Planning.

an element of judgement will need to be applied. Therefore, in addition to reviewing TTWAs for South Staffordshire a number of other issues have also been explored to define the South Staffordshire FEMA. The conclusions of this analysis are summarised below.

- Review of TTWAs shows that South Staffordshire is not a self-contained economic area. A population of 8,981 both live and work in South Staffordshire – this population represents 21% of working residents living in the District and 34% of the workplace population working in the District.
- Both these figures are well below what is required for a self-contained area (i.e. 67% - 75%) and can be explained by the predominantly rural character of South Staffordshire. The District is bordering areas with relatively large/urban centres i.e. Telford in Shropshire, Stafford in Staffordshire and Dudley, Walsall, the City of Wolverhampton and Birmingham in the West Midlands, and therefore, a lot of its economic transactions are bound to take place with these urban centres.
- Based upon the 75% level of those who reside and work in the same area, the FEMA would extend from South Staffordshire through to Birmingham, taking in Cannock Chase and most of the Black Country with the exception of Sandwell. This, however, would be only based on out-commuting patterns of South Staffordshire residents. 75% level threshold for in-flows would exclude Birmingham – given that only 1% of the workplace population of South Staffordshire commutes from Birmingham.
- Furthermore, review of TTTWA patterns for Birmingham also indicates that there are significant commuting flows between Birmingham and some of the authorities surrounding South Staffordshire i.e. the Black Country Authorities (mainly Sandwell, Dudley, Walsall), Staffordshire (i.e. Cannock Chase), Worcestershire (i.e. Bromsgrove), Tamworth and Lichfield, but not between South Staffordshire and Birmingham.
- Applying a threshold of 70%³⁵ results to a degree of consistency of workforce in-flows and out-flows (i.e. the same set of localities are contained within this threshold). These are South Staffordshire, Wolverhampton, Walsall, Dudley and Cannock Chase.
- Some additional considerations also support this definition. For example:
 - Birmingham represents a larger urban zone (LUZ)/functional major urban area (FUA)³⁶ and by default it would have/has a large political and economic effect i.e. macro effects, on many local and sub-regional economies in and around the West Midlands. Given that there is no strong evidence of mutual labour market and economic interdependence between Birmingham and South Staffordshire, Birmingham cannot be considered part of the South Staffordshire FEMA.
 - On the other hand, there are already strong long-established economic and spatial policy linkages between the Black Country and South Staffordshire as demonstrated by the two areas' respective adopted Core Strategies and the South Staffordshire SAD – and the TTTWA patterns confirm that the labour market linkages are relative strong between South Staffordshire and large part of the Black Country- in particular, Wolverhampton but also Dudley and Walsall.

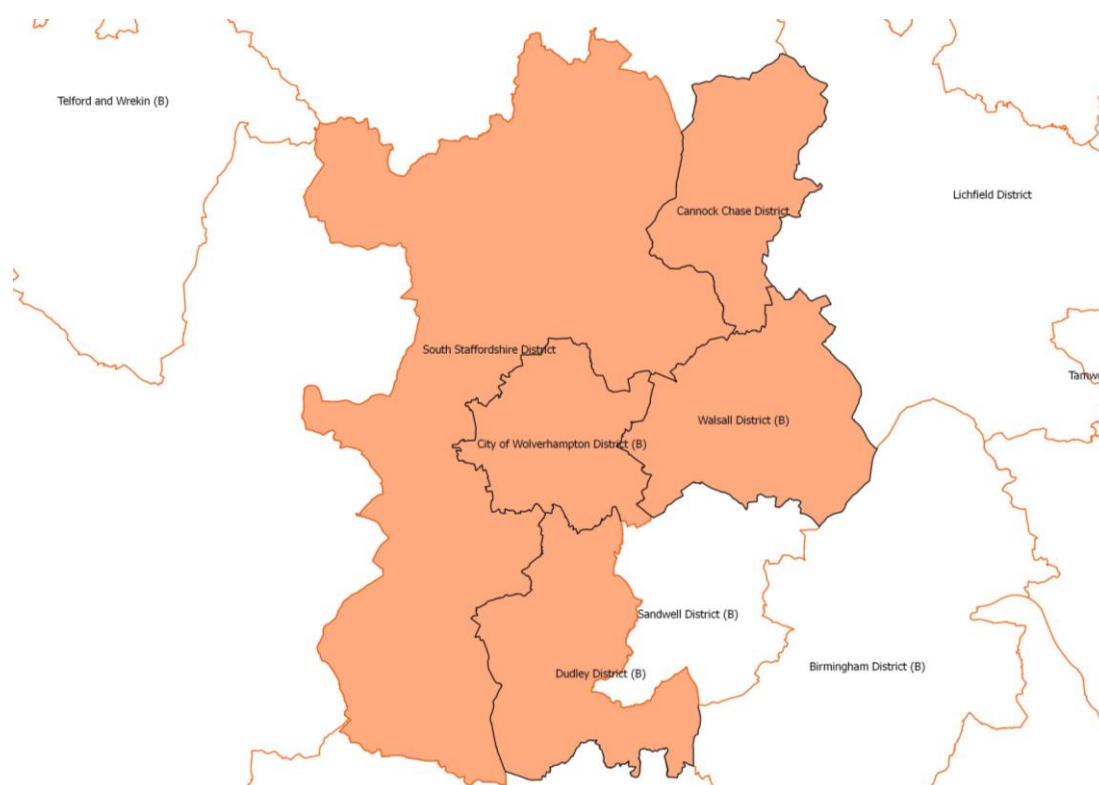
³⁵ It is worth noting that to define a Housing Market Area [HMA], a figure of around 70% is generally seen as being the threshold for self-containment.

³⁶ http://ec.europa.eu/eurostat/statistics-explained/index.php/Archive:European_cities_-_the_EU-OECD_functional_urban_area_definition.

- Cannock Chase is among the top five places where workforce commutes from to South Staffordshire and also among destinations for workforce for South Staffordshire.
- Retail patterns also indicate that the village centres in South Staffordshire appear to largely meet local needs. At the same time, a relatively high proportion of residents from South Staffordshire are attracted for shopping to Wolverhampton and Cannock Chase (town centre and Linkway Retail Park).

4.31. The map in Figure 4.8 presents the South Staffordshire FEMA consisting of: South Staffordshire, Wolverhampton, Walsall, Dudley and Cannock Chase.

Figure 4.8: South Staffordshire FEMA Area



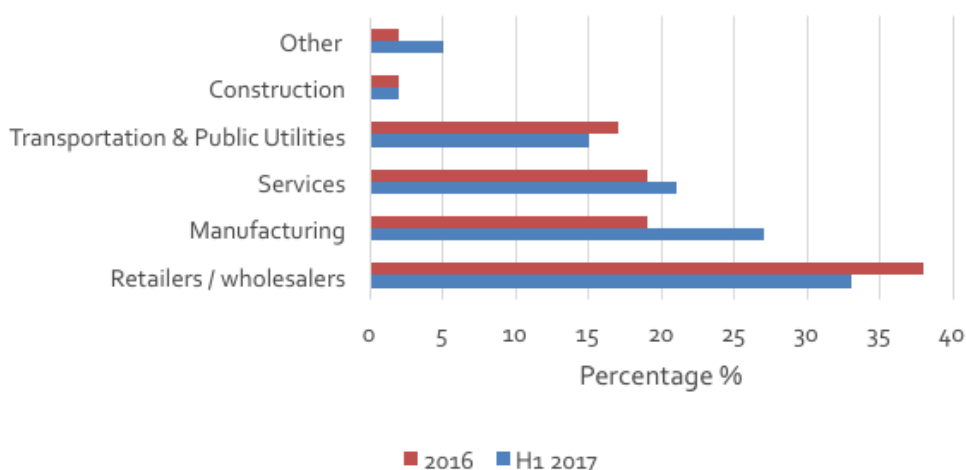
5. Property Market Overview

- 5.1. The commercial property within South Staffordshire appears to be performing well with being ranked 25th of 325 local authorities nationwide for growth in commercial and industrial floor space. More detailed information and overview of the property market in South Staffordshire is presented in this section.

UK-Wide Sector Review

- 5.2. According to Colliers' Real Estate Investment Forecasts Q3 2017 occupier sentiment can be defined by a sense of cautiousness as operators adopt a 'wait and see' approach against a backdrop of economic slowdown, 'Brexit' uncertainty and lower consumer spending. This is particularly the case for properties with a floor space above the 100,000 sq ft mark. Demand has cooled even more significantly for the larger warehouse requirements of above 300,000 sq ft, with evidence of activity tied to lease events, rather than the need for more space.
- 5.3. The UK industrial sector has seen H1 2017 take-up 15% below H1 2016 amid the slowdown in consumer spending and the uncertainty generated by the snap election with amazon less active in H1 2017, the retail & wholesale sector take-up was driven by grocery stores 27% demand from the manufacturing sector as favourable exchange rate continues to support external demand for British goods.
- 5.4. National data collected via Colliers international's UK Industrial & Logistics Market Barometer Summer 2017, figure 3 shows that retailers / wholesalers have the highest demand for industrial space. In H1 of 2017 it is clear that there has been an increase in demand by manufacturers in the market.

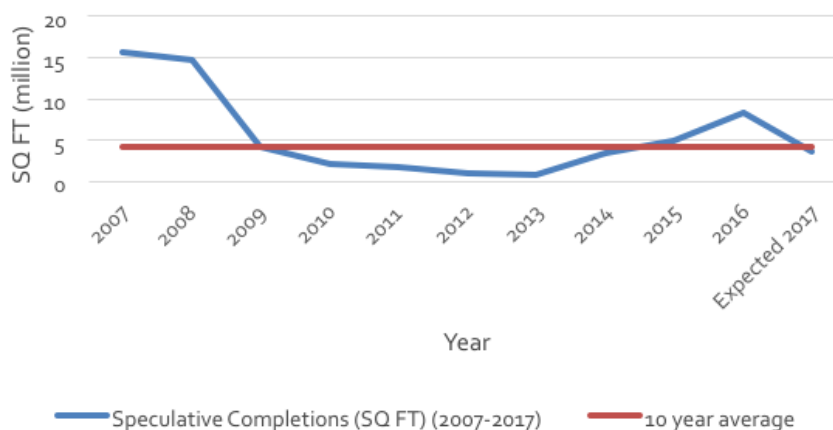
Figure 5.1: Demand for industrial units by tenant type



- 5.5. Confidence is a key driver in any market and it is visible in the graph below that the completion of speculative developments has been drastically affected by a lack of confidence. The industrial market is yet to recover to the highs of just under 16 million sq ft on space constructed in 2007. Due to the recession the numbers severely dropped off and in 2012 and 2013 there was very little activity. As confidence in the market has grown there has been an increase in construction resulting in 2015 being the first year to be higher than the ten-year average.

- 5.6. However, as a result of political and economic changes (the EU referendum and the Brexit negotiations), the number of speculative units seems to have reduced again due to uncertainty relating to possible trade deals that will be vital to businesses with bases in the UK.

Figure 5.2: Speculative completions in sq ft 2007 – 2017



South Staffordshire Review

- 5.7. The industrial market based in South Staffordshire is primarily located in and around the north east of the District area, which is serviced by the established motorway networks (M6 & M54). These points have been also confirmed by businesses operating in the area and discussed in more detail below.
- 5.8. Due to the rural locality of the area there are limited areas that have the infrastructure and associated economic and social drivers that are necessary to attract large-scale occupiers and developers.
- 5.9. Furthermore, discussions with property agents also indicate that demand for sites, in particular medium size, exists but there is currently no supply of readily available such sites in South Staffordshire.

Business Perceptions

- 5.10. As part of this study a number of interviews were conducted with businesses in South Staffordshire Council to ascertain what is required to meet business needs and ensure that the correct infrastructure and facilities are provided going forward. The following issues were covered:
- Location selection
 - Space requirements
 - South Staffordshire's offer as a business location
 - Employment plans and skills needed
 - Business support needs
- 5.11. Most of the businesses interviewed gave their reason for locating in South Staffordshire, as

the central location with easy access to the motorway network; others mentioned the convenience along with the benefits of the sites it is located within. When asked why remaining in the area is important to the business, reasons provided included: being established in the local area with local businesses and customers, along with being able to maintain the businesses reputation and remain central for customers.

5.12. When looking at how important South Staffordshire is, as a location, to the future business plans or strategies, most responded by saying it is very important, with another respondent saying it was critical to their business. Businesses were then asked whether the area offers the space that it needs as a business in terms of six areas:

- Quality
- Connectivity
- Size
- Cost of land/ rental values
- Proximity to customers
- Proximity to suppliers

5.13. All but one of the businesses answered yes in all six areas with one of the respondents stating: *"Great size, great location, very central to be able to cover Cannock, Stafford, Telford, and Wolverhampton"*.

5.14. The majority of businesses did not consider alternative locations prior to locating in South Staffordshire. When asked if there were any aspects that made South Staffordshire different to other business location, businesses mainly answered the ease of travel, the central UK location, proximity of client base, and the quality of life in the area.

5.15. None of the businesses surveyed stated there were any aspects of the business environment in South Staffordshire that present challenges for its business – including premises. However one mentioned the difficulty in accessing the site it is located within, due to other businesses in the area.

5.16. The majority of businesses believe that South Staffordshire will become more attractive over the next three years as a business location. Reasons given were:

- The great location;
- More opportunities to network as more businesses move to South Staffordshire; and,
- Development of more business in the areas around i54 and Four Ashes.

5.17. All of the business will either be staying permanently, would like to stay permanently or have no immediate plans to move from South Staffordshire.

Site Values

5.18. Site values for industrial properties vary due to many significant factors such as location, quality of construction, proximity to working population etc.

Freehold Values and Deals

5.19. In terms of freehold values, the table below summarises the comparative statistics obtained

via CoStar. The data highlights that there has been a difference of over £100 per square foot across the District. The largest of the deals that have been completed include Unit 1 within the Four Ashes Enterprise Park where Tritax Big Box REIT plc acquired 543,692 sq ft NIA for a confirmed price of £56,300,000, which equates to £103.55 per sq ft.

- 5.20. Discussions with property agents operating in the area have confirmed that in the last year, although deals are happening they are taking longer to complete.

Freehold Comparative statistics				
	Low	Average	Median	High
Sale Price	£109,750	£8,712,307	£1,100,000	£56,300,000
NIA	1,800 SF	75,446 SF	9,580 SF	543,692 SF
Price per SF	£21.84	£91.90	£60.97	£125.53
Net Initial Yield	5.14%	5.14%	5.14%	5.14%
Days on Market	87	254	179	712
Sale Price to Asking Price Ratio	89.39%	97.29%	96%	109.60%
Freehold Deals - Property	Sale Date	Sale Price	Price/SF	NIA
Former Sandvik Building	30/01/2015 (179 days on the market)	£1,200,000	£21.84	54,955 sq ft
Unit 1 Four Ashes	02/08/2016	£56,300,000	£103.55	543,692
Unit 8 The Dell Business Park	10/10/2016	£1,680,000	£77.88	21,571
Wombourne Ambulance Station	21/01/2015 (712 days on the market)	£301,400	£125.53	2,401
Unit A-D South Staffordshire Business Park	01/03/2015	£5,100,000	£49.49	103,050
Former Plasticraft Premises	07/04/2016 (232 days on the market)	£295,000	£35.39	8,336
Unit 20 Littleton Business Park	10/03/16 (129 days on the market)	£109,750	£60.97	1,800
Former Gradient Roofing Premises	17/08/2015 (354 days on the market)	£1,100,000	£35.68	30,829

Leasehold Values and Deals

- 5.21. Leasehold values are summarised below. The average achieved rent within South Staffordshire is £5.30 per sq ft with highs of £5.75 per sq ft and lows of £3.84, which shows that there is a range of around £2 per sq ft dependant on location, quality and proximity to infrastructure.
- 5.22. It is typical that the well-established industrial areas with links to major transport routes are achieving higher rental values in comparison to rural areas. This trend is typical nationwide and is a result of the nature of industrial and logistics use.

Leasehold Comparative Statistics				
	Low	Average	Median	High
Asking Rent Per SF	£2.99	£5.02	£4.18	£5.75
Achieved Rent Per SF	£3.84	£5.30	£4.80	£5.75
Net Effective Rent Per SF	£3.84	£5.30	£4.80	£5.75
Asking Rent Discount	-5.5%	-0.9%	-2.7%	0.0%
Lease Attributes				
	Low	Average	Median	High
Month on Market	1	11	9	26
Deal Size	840	10,715	3,178	40,800
Lease Deal in Years	6.0	9.5	8.5	15.0
Floor Number	GRND	GRND	GRND	GRND
Leasehold Deals	Description			
Cannock Road	A major deal that was completed in August 2017 was the 30,912 sq ft lease located at Cannock Road for major transportation and logistics occupier DHL. There was a lease term of 7 years with a net effective rent of £5.75 per sq ft. The property had been on the market for 26 months.			
Heath Mill Road – Midlands Works	The industrial property with a total floor area of 4,182 sq ft was leased in March 2017 at £2.99 per sq ft, the property was on the market for a total of 4 months which in the market at the time the average time properties are on the market has been between 9 and 10 months. This show there is high levels of demand for industrial properties in the South Staffordshire area for this quality of building.			
Innovation Drive	The tenant Atlas Copco Ltd took a 15-year lease in November 2016 for 40,800 sq ft of industrial space, the price per sq ft has been withheld however the property was on the market for 10 months.			
Bridgenorth Road	Air 2 Events Ltd took unit 5 comprising of 9,623 sq ft of ground floor industrial space for a price of £3.64 per sq ft.			

Pipeline Development and Infrastructure Proposals

- 5.23. An overview of the four freestanding sites and their role in the employment market in the District was discussed in section 2 and will be revisited in section 8 that presents conclusions on issues relating to the supply and demand of employment land in the District to inform the way forward. In addition, a number of current development and infrastructure proposals could have a significant impact on the future property market in South Staffordshire, should/when they materialise. These are briefly described below and references are made to relevant documents providing more detailed information about these.

West Midlands Interchange

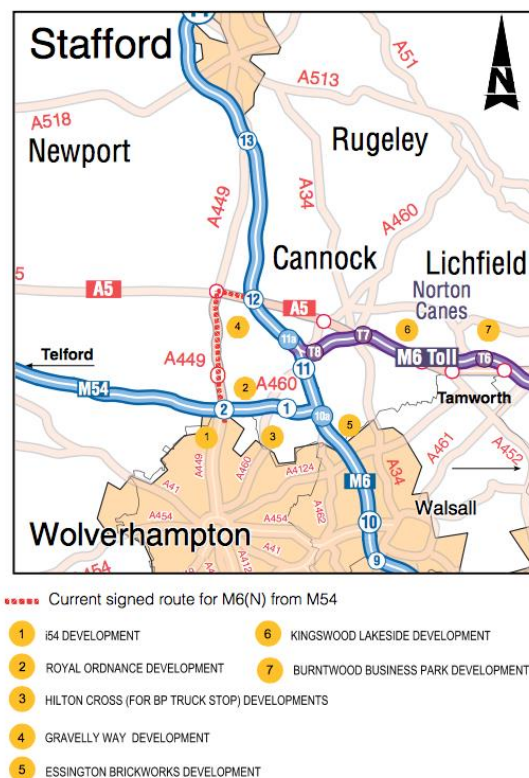
- 5.24. There is currently a proposal at Four Ashes for a Strategic Rail Freight Interchange (SRFI) being marketed as West Midlands Interchange. Due to its proposed size (300 ha) it is considered a Nationally Significant Infrastructure Project (NSIP) and is being progressed by the applicant as a Development Consent Order (DCO). The applicants have now completed

their pre-application consultations, with the application formally submitted to PINs in August 2018. It is expected that the Secretary of State will make a decision in 2019.

M54/M6/M6 toll link road

- 5.25. The construction of a new link road connecting the M54 to the M6 was announced in the first Road Investment Strategy (RIS1)³⁷. In response, the Highways Agency is developing a new road scheme to provide an improved link between the M54 and the M6 north and M6 Toll.
- 5.26. The current signed route for M54 traffic heading north uses the A449 from M54 Junction 2 up to the A5 and joining the M6 at junction 12. There is no signed route to the M6 Toll from the M54. Traffic heading for the M6 north and the M6 Toll diverts at M54 Junction 1 on to the A460, past the villages of Featherstone and Shareshill then through M6 Junction 11. This causes delays, congestion and safety issues.
- 5.27. As stated by the Highways Agency³⁸ improving the link between the M54 and the M6 and M6 Toll will:

- Relieve traffic congestion on the A460, A449 and A5 providing more reliable journey times and making life easier and safer for businesses, commuters and local traffic.
- Improve safety and reduce driver stress: keeping the right traffic on the right roads, separating local community traffic from long distance and business traffic.
- Reduce volumes of through traffic in villages, particularly heavy goods vehicles, improving local community access across the busy road.
- Create a better traffic flow and improve routes for east-west and north-south traffic, supporting local economic growth for Telford, Shrewsbury, Wolverhampton, Cannock and Tamworth. Key development sites to benefit are illustrated in the map on the right hand side.



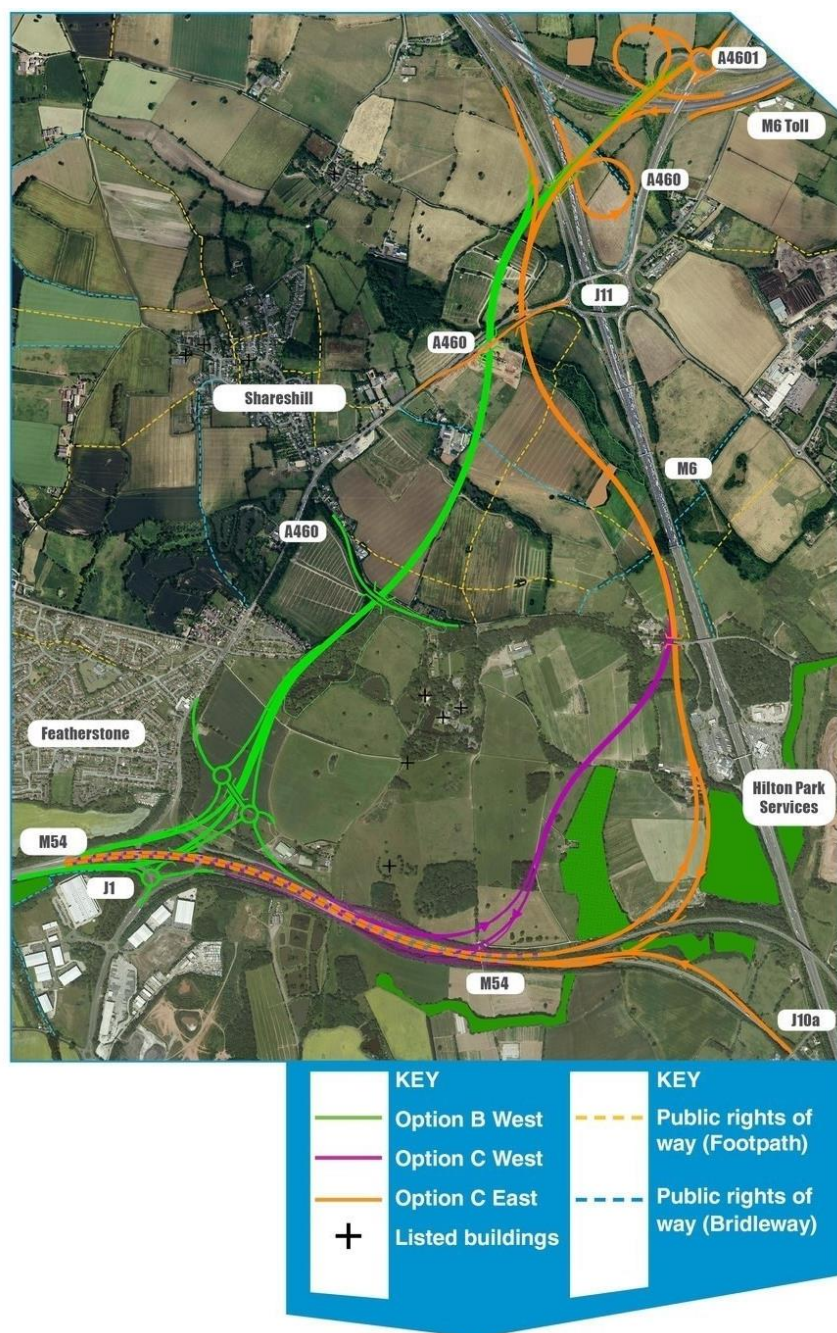
- 5.28. Three options for the M54/M6 link road project were unveiled last year (see map overleaf). In September 2017, Highways England launched a month-long consultation over the three routes for the motorway, which links Shropshire to the West Midlands. Further work is currently being carried out and once it is finalised a decision will be made on the preferred route.

³⁷ <https://www.gov.uk/government/collections/road-investment-strategy>

³⁸

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/380962/M54-M6M6_Toll_Brochure.pdf

- One proposal, Option B West, was for a new road linking Junction one of the M54 to the A4601 Wolverhampton Road, close to the M6 Toll. The route would also see a new road into Featherstone on the Shropshire border.
- The second proposal, Option C West, would widen the existing M54 from Junction one towards the M6. The route would then branch off north, following the M6 and going under Hilton Lane and the A460 Cannock Road. It would eventually connect to the M6 north of Junction 11 and to the M6 Toll at Junction T8.
- The final proposal, Option C East, would also see the widening of the M54 up to the M6, but would branch off earlier than Option C West. The road would cut through woodland at Burn's Wood, Spring Coppice and Keeper's Wood. It would then also connect to the M6 north of Junction 11 and to the M6 Toll at Junction T8.



Conclusions

- The District's property market (and the wider sub-region) is dominated by the success story of JLR to locate an engine plant on the i54 business park, with all but 7.4 ha of land on the 96 ha site now taken up. Another success has been the Gestamp relocation to Four Ashes Park in South Staffordshire. The LEP, Staffordshire County Council, Cannock Chase District Council and SSDC, all worked in partnership with Bericote Properties to enable the company to relocate. Gestamp's new facility benefited from new access improvements off the A449 by Staffordshire County Council in a project funded through the LEP's Local Growth Fund.
- South Staffordshire has a varied employment portfolio of employment sites and is an attractive location for industrial and logistics development with a diverse range of local businesses and employment sites. The district benefits from good road and rail links with the West Midlands and other parts of the country. The M6, M6 Toll and the M54 run through the district giving access to the Midlands and national motorway network – and the attraction of this accessibility and connectivity is also confirmed by businesses.
- Although there is evidence of strong demand in the South Staffordshire area in many locations, developers are not bringing enough sites forward as quickly and deals take longer to close. Developers may be unable to access external finance required; likewise, a lender may require numerous pre-lets in place to support a developer. This emphasises the need for the Council and developers to build a relationship with existing and potential new occupiers, particularly businesses with strong covenants, to try and encourage pre-lets.
- Growing businesses rely on new sites available for immediate occupation, with the majority of relocations being due to the need for larger sites to accommodate a larger workforce, but naturally a good quality site is a standard requirement. This occupier requirement will generate the demand for larger premises, whereas SMEs and new start-ups will require smaller sites.
- Where appropriate, poor industrial stock that would work better as housing should be de-allocated to help meet house building targets. However, when this happens it is important to ensure a sufficient stream of high-quality sites are coming forward to fill the sound demand for industrial and logistic space across the South Staffordshire and ensure there are opportunities available for investors, occupiers and developers to utilise.
- Going forward, consideration should be also given to a number of development and infrastructure proposals that could have a significant impact on the future property market in South Staffordshire, should/when they materialise e.g. West Midlands Interchange and M54/M6/M6 toll link road.

6. Employment Land in South Staffordshire

- 6.1. This section provides an overview of employment land including stock and land available for employment in South Staffordshire.

Sites Reviewed

- 6.2. At present, there are 30 sites of employment related land within the district of South Staffordshire. These sites (whether there is some developable space available or not) have been assessed by WECD and Colliers International on a number of factors that broadly fall within the areas of market attractiveness, sustainable development and strategic planning / economic development factors. **Appendix B** provides the detail of all sites and scoring. The quality of the sites has been delineated into best, good or other (in line with the South Staffordshire ELS 2013). The sites have been scored (based on the 20 items within the broad factors noted above) and then ranked by those scores.
- 6.3. The definition of best, good and other is based on the principle that the quality of land available within a District is relative to the land that is available rather some absolute standard. Therefore, the sites are allocated to a classification by way of the quartiles within which their score falls. The top quartile represents the best category (25% of all sites); the second and third quartiles are classified as good (next 50%); and the fourth quartile represents the 'other' classification (lower scored 25%). The map in Figure 6.1 shows all the sites within the District classified by quality and Figure 6.2 lists these sites ordered by their quality scores (from higher to lower).

Figure 6.1: Sites Reviewed in South Staffordshire by Quality

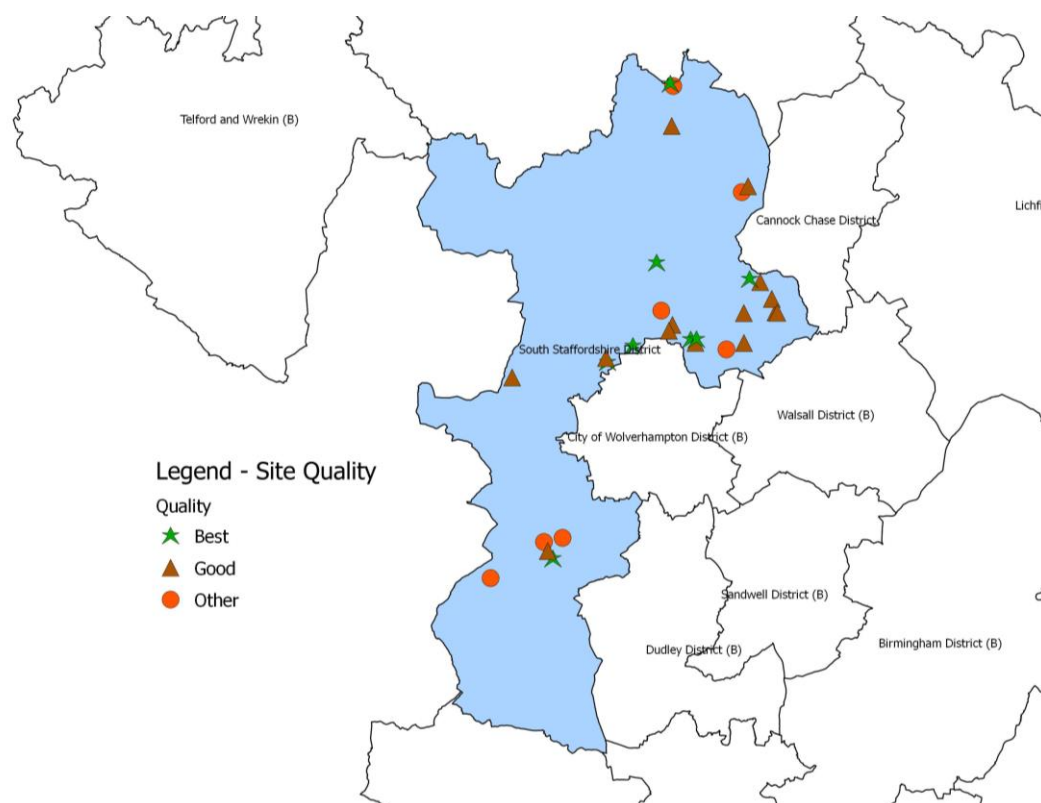


Figure 6.2: All Sites Reviewed by Quality³⁹

Site / Quality	Quality Score	Area (ha)	
1. i54, Wobaston Road	87	91.46	Best
2. I54, Western Extension	87	40 ⁴⁰	
3. Hilton Cross, Hilton	83	17.94	
4. Hawkins Drive Industrial Estate, Cheslyn Hay	80	12.04	
5. Heathmill Road Industrial Estate, Wombourne	77	19.19	
6. Balliol Business Park, Bilbrook	77	6.56	
7. Four Ashes	76	71.33	
8. Vernon Park, Hilton	76	5.67	
9. Argos, Acton Gate	75	13.58	Good
10. ROF, Featherstone	74	36 ⁴¹	
11. Former GE Aviation (Boulton Paul), Bilbrook	73	7.10	
12. Coppice Lane (B.S. Eaton), Cheslyn Hay	72	7.21	
13. Kingswood Business Park, Kingswood	71	0.96	
14. Hilton Main Industrial Estate, Hilton	69	7.13	
15. Dunston Business Village	67	2.28	
16. Former Sandvik Site, Brinsford	66	2.20	
17. Landywood Enterprise Park, Great Wyrley	65	3.31	
18. Littleton Business Park, Littleton Drive, Huntington	65	2.73	
19. Wombourne Enterpsie Park	65	3.89	
20. Hobnock Road, Essington	64	4.88	
21. Landywood Lane Industrial Estate, Chelsyn Hay	63	6.47	
22. Former Loades Plc, Great Wyrley	62	1.05	
23. Hepworth Site, Warstone Road, Essington	61	3.84	Other
24. Former Ounsdale Road Industrial Estate (North), Wombourne	61	1.03	
25. Paradise Lane, Slade Heath	61	3.13	
26. Huntington Industrial Estate, Cocksparrow Lane, Huntington	59	1.08	
27. Acton Plaza, Acton Gate	57	0.75	
28. Smestow Bridge Industrial Estate, Wombourne	55	21.00	
29. Wolverhampton Business Airport, Bobbington	54	11.67	
30. Essington Light Industrial Estate, Bognop Road	53	0.78	

Source: WECD based on land areas provided by South Staffordshire District Council and quality assessment by WECD and Colliers International. Green = Best, Orange = Good, Red = 'Other'

- 6.4. Figure 6.3 presents the total land based on the review of these sites by quality. Of this total, 257 ha (i.e. 63%), represent the four strategic sites including the new extensions at ROF Featherstone and i54.

³⁹ See also map in Appendix C for the location of these sites in the District.

⁴⁰ SAD5 Allocation – See also map in Appendix D.

⁴¹ SAD5 Allocation – See also map in Appendix D.

Figure 6.3: All Land Reviewed by Quality

Quality Group	Area (ha)
Best	264
Good	99
Other	43
Total land reviewed	406

Source: WECD based on land areas provided by South Staffordshire District Council and quality assessment by WECD and Colliers International. NOTE: figures have been rounded.

- 6.5. This overall assessment allows an assessment of the quality of all employment land available within the District. This in turn allows an assessment of the continued need for employment sites to remain allocated for that use, particularly those that may be undeveloped (as opposed to those that are currently developed with employment related uses as these should remain as such for as long as they remain occupied).

Supply of Available Developable Employment Land

- 6.6. Figure 6.4 presents the developable land within the District - that is, land that can be developed due to either never having been previously developed or because existing structures are unoccupied and can be re-developed.

Figure 6.4: Supply of Available Developable Land

Site / Quality	Developable Land (ha)	Use
I54 (including 40 ha western extension)	46.07	Industrial
Hilton Cross, Hilton	4.84	Industrial
Hawkins Drive Industrial Estate, Cheslyn Hay	0.25	Industrial (<i>Currently used for parking</i>)
Bericote Four Ashes	10.16	Industrial
Vernon Park, Hilton	2.39	Industrial
ROF, Featherstone	36	Industrial
Hobnock Road, Essington	4.9	Industrial (<i>Green Belt</i>)
Former Ounsdale Road Industrial Estate (North), Wombourne ⁴²	1.03	Industrial
Acton Plaza, Acton Gate	0.75	Outline application for office use
Total - all developable land	106.39 ha	
Total - developable industrial land	105.64 ha	
Total – developable office	0.75 ha	

Source: WECD based on land areas provided by South Staffordshire District Council and quality assessment by WECD and Colliers International.

- 6.7. As shown in Figure 6.4, only a fraction of land is available for development, circa 106 ha out of a total of 406 ha. Whilst the sites in Figure 6.2, constitute a relatively large quantity of land, the majority of this land is currently in industrial use (manufacturing and or logistics type uses

⁴² Ounsdale Road, Wombourne is made ready for development; an application of housing has been submitted that is not yet determined.

that fall within the B1c, B2 and B8 planning use classes). Some (e.g. Dunston Business Village) are within a predominantly office type use.

6.8. Of the 106 ha land available for development:

- The majority (97 ha) is within the four freestanding strategic sites.
- Over half (64 ha) is of best quality (as shown in Figure 6.5).

Figure 6.5: Supply of Available Developable Industrial Land by Quality

Quality Group	Area (ha)
Best	64
Good	41
Other	1
Total land available for development (industrial)	106

Source: WECD based on land areas provided by South Staffordshire District Council and quality assessment by WECD and Colliers International. **NOTE:** figures have been rounded.

7. Future Requirements for Employment Space

- 7.1. NPPF states that significant weight should be placed on the need to support economic growth through the planning system. PPG⁴³ specifically advises that for forecasting future trends:
- Plan makers should consider forecasts of quantitative and qualitative need (i.e. the number of units and amount of floorspace for other uses needed) but also its particular characteristics (e.g. footprint of economic uses and proximity to infrastructure). The key output is an estimate of the scale of future needs, broken down by economic sectors.
 - Local authorities should develop an idea of future needs based on a range of data, which is current and robust. Authorities will need to take account of business cycles and make use of forecasts and surveys to assess employment land requirements.
 - Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible. Market segments should be identified within the employment property market so that need can be identified for the type of employment land advocated.
 - The available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified.
- 7.2. NPPG also advises that plan makers should consider⁴⁴:
- Sectoral and employment forecasts and projections (labour demand);
 - Demographically derived assessments of future employment needs (labour supply techniques);
 - Analyses based on the past take-up of employment land and property and/or future property market requirements;
 - Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.
- 7.3. NPPG also states that assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur⁴⁵. The draft revision to practice guidance (Draft Planning Practice Guidance, March 2018) states that Authorities may use the evidence base to assess the need for floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period (including for retail and leisure development). Other than this statement, no further details are currently provided. For the purposes of this study, future potential employment demand has been assessed using three main approaches:
1. Potential future employment levels (employment forecasts).
 2. Potential future levels of gross value added (GVA).
 3. Development levels seen over the recent past.

⁴³ Revision date: 06 03 2014.

⁴⁴ Paragraph: 032 Reference ID: 2a-032-20140306

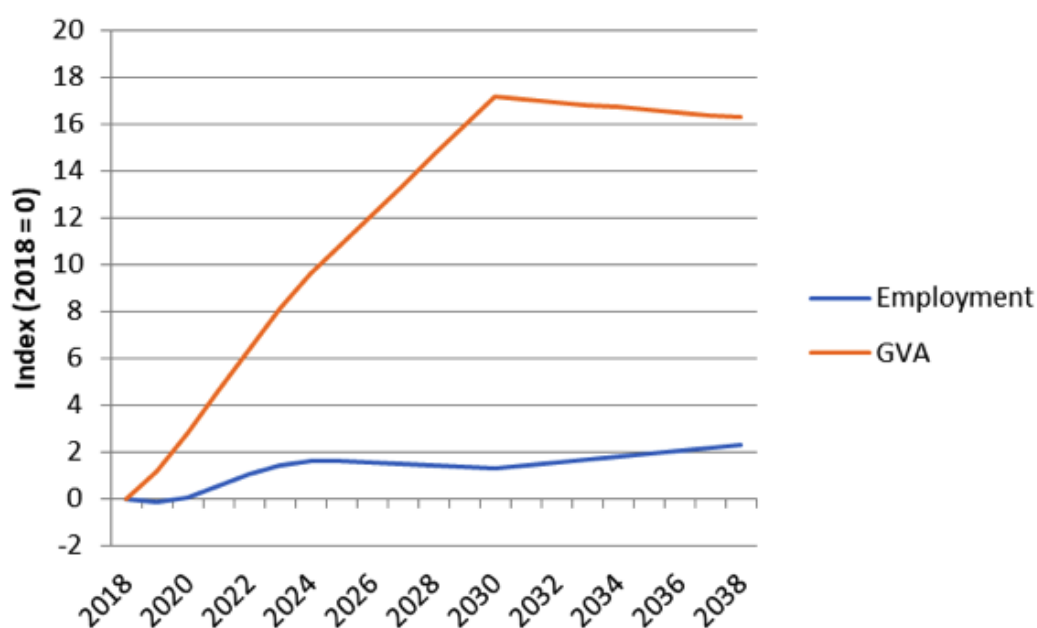
⁴⁵ Paragraph: 003 Reference ID: 2a-003-20140306

- 7.4. The first approach is often used and the employment forecasts have been provided by Oxford Economics. The second approach is perhaps better suited for industrial uses as there is ample evidence that there is a better relationship between floorspace and value added in these sectors than between employment/job projections and floorspace. The third approach is also commonly used and can be used as a 'check' on quantities derived using the other two methods.

Employment and GVA Sectoral Forecasts

- 7.5. Figure 7.1 shows (as an index) the pattern of growth of both employment and GVA within South Staffordshire over the years 2018 – 2038:

Figure 7.1: Estimated Growth of GVA and Employment in South Staffordshire, 2018-2038



Source: Forecasts from Oxford Economics.

- 7.6. Overall, it can be seen that GVA is projected to grow at a faster pace than employment, although with a slight decline over the period 2030 – 2038.
- 7.7. At a sectoral level it can be seen that growth in total employment is projected to grow at a slower pace between 2018 and 2038 than has been seen over the period 2000 – 2017. This includes some sectors that decline up until 2017 then show growth and vice versa (Figure 7.2).
- 7.8. A similar picture emerges in terms of changes in GVA (presented in Figure 7.2) whereby some sectors show growth up until 2017 and decline thereafter. However, the majority (where there is a decline over the period 2000 – 2017) show positive growth between 2018 and 2038.
- 7.9. It can also be seen that **GVA is projected to grow at a higher rate than employment, indicating that in some sectors (and in total), there are projected to be some improvements in productivity.**

Figure 7.2: Sector Employment and GVA Forecasts 2018 – 2038

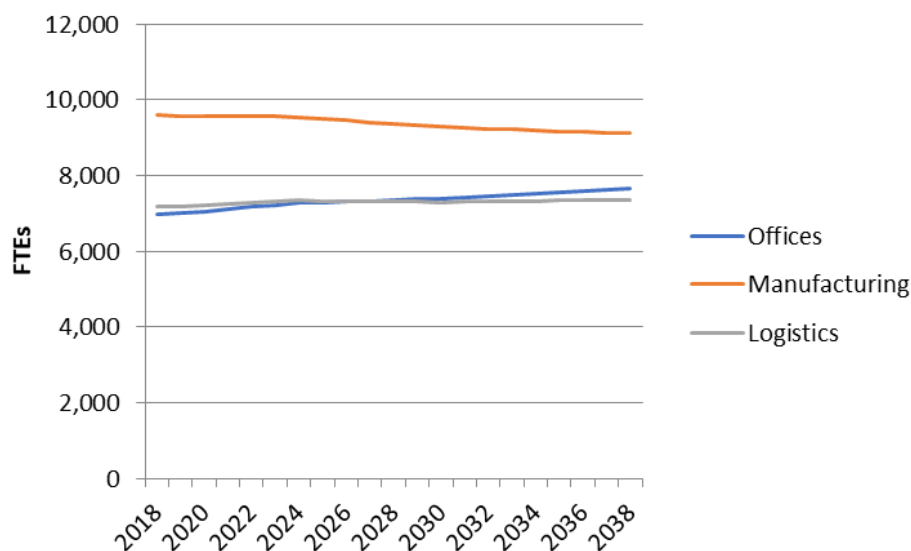
Broad Sector	Employment Change %		GVA Change %	
	2000 - 2017	2018 – 2038	2000 – 2017	2018 – 2038
A – Agriculture, Forestry and Fishing	-20.8%	-18.6%	-28.9%	1.5%
B – Mining and Quarrying	31.6%	-55.7%	1042.9%	-7.4%
C – Manufacturing	-11.3%	-22.9%	-29.7%	13.5%
D – Electricity, Gas, etc.	809.4%	-23.1%	0.0%	0.0%
E – Water Supply, etc.	-66.1%	-14.2%	-79.7%	20.9%
F – Construction	9.3%	12.9%	-17.0%	10.9%
G – Wholesale and Retail Trade	-3.9%	1.8%	-16.3%	17.8%
H – Transportation and Storage	34.6%	4.7%	-7.6%	17.2%
I – Accommodation and Food Service	11.2%	2.7%	-5.8%	18.3%
J – Information and Communication	45.4%	8.6%	32.8%	37.1%
K – Financial and Insurance Activities	-71.7%	-4.9%	-64.7%	22.6%
L – Real Estate Activities	4.4%	9.2%	-25.5%	21.0%
M – Professional, Scientific and Technical	154.9%	14.6%	114.4%	34.8%
N – Administrative and Support Service	2.7%	12.8%	-13.8%	31.3%
O – Public Administration and Defence	69.6%	6.0%	17.2%	9.0%
P – Education	-3.1%	0.7%	-48.2%	0.3%
Q – Human Health and Social Work	33.1%	9.8%	10.3%	20.4%
R – Arts, Entertainment and Recreation	-10.8%	7.0%	-34.3%	6.9%
S – Other Service Activities	10.0%	14.7%	-10.7%	11.5%
Total	5.5%	2.3%	-23.9%	16.3%

Source: Forecasts from Oxford Economics. NOTE: Projections of GVA have been amended over the period 2030 – 2038 to take account of changes in productivity.

- 7.10. As noted in the introduction, the translation from SIC 2007 codes to the planning B Use Classes used in this study is explained in detail in Appendix A. Figure 7.3 presents the employment forecast by Use Class and Figure 7.4 presents the GVA forecasts. Looking at the employment forecasts to 2038 (for South Staffordshire), it can be seen that there is a positive

general direction of movement for offices and logistics, with a fall in employment forecasted in manufacturing.

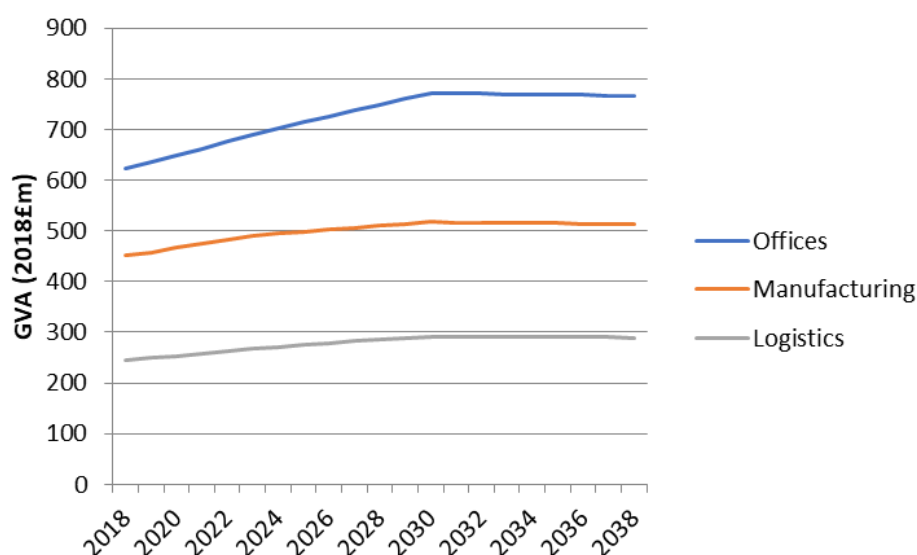
Figure 7.3: Employment Forecasts South Staffordshire, 2018-2038



Source: Forecasts from Oxford Economics (2031 – 2038 by WECD).

7.11. In the case of GVA, however, this is forecasted to rise in all of the sectors (productivity improvements have been taken into account).

Figure 7.4: GVA Forecasts South Staffordshire, 2018-2038



Source: Forecasts from Oxford Economics (2031 – 2038 by WECD).

7.12. Using forecasted employment levels, the levels of floorspace and land that are derived are presented in Figure 7.5.

Figure 7.5: Future Employment Land Based on Employment Forecasts 2018 – 2038

Sector	Difference in Employment 2018 – 2038	Floorspace	Land (Ha)
B1 (offices)	816	10,200	1.28
Manufacturing	-450	-16,200	-4.05
Logistics	185	12,950	3.24

Source: Forecasts from Oxford Economics (2018 – 2038 by WECD).

Notes: See Appendix A for employment / floorspace ratios. Land is derived assuming a floorspace / site ratio of 40% with offices being on two storeys.

- 7.13. Overall, due to forecasted decline in manufacturing employment, there is forecasted to be a decline in floorspace, and therefore land, over the period to 2038.
- 7.14. A different picture emerges through the use of forecasts of GVA rather than employment⁴⁶, as shown in Figure 7.6. The estimate for offices is not dissimilar to that derived from employment (given there will be uncertainties around any forecasts). Bigger differences are apparent in the case of manufacturing and logistics – namely, **there is a positive requirement for manufacturing land and a far larger requirement for logistics than derived via employment forecasts.**

Figure 7.6: Future Employment Land Based on GVA Forecasts 2018 – 2038

Sector	Difference in GVA (£m) 2018 – 2038	Floorspace	Land (Ha)
B1 (offices)	143	5,570	0.7
Manufacturing	51	17,700	4.4
Logistics	41.4	57,000	14

Source: Forecasts from Oxford Economics (2018 – 2038 by WECD).

Notes: Totals may not exactly sum due to rounding.

- 7.15. It is worth noting that the business survey has indicated a positive outlook about the future. For example, just under half of the businesses have plans to expand their operations in the next 3 years, with those businesses potentially creating 20 new jobs in total. Out of these businesses, only one would not need larger or different business space with its current space being adequate for future plans; all others would require either bigger premises or premises that serve different purposes e.g. warehouses and offices. Those businesses that do not plan to expand their operations in the next three years are most likely to keep the same or similar levels of workforce rather than reduce the workforce.

Past Trends/Completions

- 7.16. Looking at completions over the period 2012/13 – 2017/18 shows an annual average of circa 10.35 ha per year.

⁴⁶ For every £1m of GVA, circa 348 m² of floorspace is required. This has been ascertained via a regression through the origin of floorspace on GVA and a time trend (floorspace figures have been taken from ONS (for South Staffordshire) and GVA from the LEFM model) over the years 1998 – 2008, the only period for which data are available). The relationship was not statistically significant at normal levels (being significant at the 20% level), but the small amount of data should be borne in mind. The adjusted R squared (a measure of how well the model fits the data) was very high at 0.98.

- 7.17. This figure includes 23.6 ha of land completed in 2014/15 and 32.8 ha developed in 2017/18. The majority of these two completion levels include the development of sites for JLR on a regional MIS site. These two years also appear to be outside of the 'normal' quantities of land developed in South Staffordshire over the period. Excluding this component, this would mean average completion of circa 3.3 ha per year on average (using the same 6 years time period). Using this figure would lead to future employment land requirements as presented in Figure 7.7.

Figure 7.7: Future Employment Land Based on Completions 2012/13 – 2017/18

Sector	Land (Ha)
B1 (offices)	1.4
Manufacturing	43.5
Logistics	21.8

Source: Completions data from South Staffordshire District Council.

Conclusions

- 7.18. The different estimates provide different levels of demands and these are summarised in Figure 7.8. Based on past completions data, land for offices would be similar to that based on employment forecasts and the level of land for logistics would not be dissimilar to that based on forecasts of GVA.
- 7.19. Estimates of land for manufacturing based on past completions show a positive requirement of some 44 ha. This would seem to suggest that the negative requirement based on employment forecasts is not tenable. Feedback from the market also suggests that the employment land forecasts based on employment growth forecasts are not representing the type and size levels of inquiries and demand for sites in the area – in particular in relation to manufacturing and logistics. On the other hand, the office market estimated demand in the future 'sounds' about right based on the feedback received by property market agents (and in fact all types of forecasts are relatively close).
- 7.20. On the basis of these issues, two possible (positive) growth scenarios can be considered for the future: a) Economic Growth Scenario 1, based on past completions and representing future growth trends similar to the growth experienced in the sub-region in the last 6-10 years – but excluding the last 'exceptional' two years' JLR developments, as described in paragraph 7.17; and b) Economic Growth Scenario 2, a future growth scenario that assumes that additional GVA will be generated in the future over and above current trends, as described in paragraph 7.9.
- 7.21. It is estimated that the first of these scenarios would generate circa 67 ha of employment demand (as shown in the fourth column in Figure 7.8). The second scenario would generate circa 86 ha of employment demand (fifth column in Figure 7.8). In total, therefore, future demand for employment land in South Staffordshire could be between 67 ha (i.e. if all continues as in the past) and 86 ha (including estimated GVA growth). As discussed in more detail in section 8, SSDC should plan for demand closer to circa 86 ha.

Figure 7.8: Future Employment Land Estimates (Ha)

Sector	Based on Changes in Employment	Based on Changes in GVA	Growth Scenario 1	Growth Scenario 2
			Past Completions	Past Completions and Growth (GVA)
B1 (offices)	1.28	0.7	1.4	2.1
Manufacturing	-4.05	4.4	43.5	47.9
Logistics	3.24	14.0	21.8	35.8
TOTAL		19.1	66.7	85.8

8. Conclusions

- 8.1. In moving towards a portfolio of employment land it is necessary to compare expected demand with the existing supply of land in terms of quality and area available as well as the type of demand.
- 8.2. In terms of supply, the analysis in section 6 indicates that total available developable land is some 106 ha. However, two of the sites may not be relied upon to be developed for employment uses due to other current, or potential future, uses. These include:
 - Hawkins Drive Industrial Estate, Cheslyn Hay (0.25 ha) – this had permission for an additional unit on it in 2003 but it never came forward; instead, this part of the wider site is now being used as a car park.
 - Former Ounsdale Road Industrial Estate (North), Wombourne (1.03 ha) – this has been vacant for a number of years; however, the former industrial area directly to the south now has permission for a housing development while this site has an application for a housing development that is currently being determined.
- 8.3. It is therefore likely that these quantities (i.e. a total of 1.28 ha) shall not contribute towards employment land availability, which means that there is a supply of circa 105 ha of land to be relied upon to meet future employment demand.
- 8.4. In terms of demand for industrial land in the future, both, employment and population forecasts for the area lead to negative or extremely small land requirements for the next twenty years (i.e. around 0.5 ha over the whole period to 2037/38). This result, however, is not regarded as a reliable estimate based on past trends, market signals and planned developments (including the extensions at i54 and ROF Featherstone), and it is therefore discarded.
- 8.5. Past completions represent a reliable predictive tool based on the assumption that past development and market trends will continue into the future, *ceteris paribus* (i.e. all other things remaining equal). On the basis of past trends in terms of completions, it is estimated that around 67 ha of employment land will be needed in the future.
- 8.6. Estimates of demand based on estimates of future change of GVA for South Staffordshire incorporate estimates of growth for the South Staffordshire economy given that GVA represents the gross value added generated in the future by any unit engaged in the production of goods and services in the District. This growth is estimated to be positive in total and equivalent to 19 ha over the future planning period i.e. 2037/38.
- 8.7. In total, therefore, future demand for employment land would be between 67 ha (i.e. if all continues as in the past) and 86 ha (including estimated GVA growth). This likely demand for employment land is compared to the most likely supply situation in Figure 8.1.

Figure 8.1: Comparison of Demand and Supply to 2037/38

Future Demand	Demand (ha)	Supply (ha)	Balance (ha)
Past Completions	67	105	+ 38 (supply)
GVA Growth (incl. past completions & GVA Growth)	86	105	+19 (supply)

- 8.8. SSDC needs to plan for demand around 86 ha to 2037/2038, i.e. circa 4 ha per annum within this 20-year planning period. For the needs of South Staffordshire there is overall a positive balance of employment land within this period - in that there is more supply than likely future demand in both future scenarios of growth. Given the uncertainties involved in assessing future requirements for land and the associated economic growth plans for the wider region, this assessment provides a very reasonable margin in the face of either positive future growth scenario (i.e. future growth levels similar to the past but also accommodating the significant economic growth aspirations for the wider region), in particular, given that past completions already incorporate trends of employment land coming forward to meet sub regional needs i.e. growth that is above requirements generated by South Staffordshire alone.
- 8.9. This supply / demand balance situation also indicates that there may not be an immediate need to allocate further employment land at this stage, given that some of the supply has already come forward on the basis of meeting a wider sub-regional need (i.e. the extensions of i54 and ROF Featherstone).
- 8.10. Other issues to be considered include the following:
- Outside of the more strategic sites, the majority of employment land supply is near the main or local service villages. This means that there is no great level of supply within the villages themselves although the potential for some minor infill development could not be ruled out.
 - Whilst there is likely to be muted demand for development in the rural areas, it is of course possible that unenvisioned demand may occur in the future (e.g. barn conversions for offices or potentially light industrial uses) and employment land monitoring should include the type of location, floorspace and proposed uses (as well as permitted uses) in order to potentially discount any such floorspace quantities from the envisaged demand.

South Staffordshire FEMA Considerations

- 8.11. The Black Country Stage 1 EDNA report noted that potential future demand for employment land (taking policy aspirations into account) amounts to 800 ha. This is set against a current supply of circa 263 ha, therefore leaving a total gap of some 537 ha. Using the baseline scenario or past completions scenarios for future employment land requirements in the Black Country (i.e. 540 ha) would amount to a gap between demand and supply of some 270 ha.
- 8.12. The latest employment land monitoring (Employment Land Availability Assessment August 2018) from Cannock Chase District Council (CCDC) confirms that they currently have an undersupply of circa 2ha of employment land in providing for their Local Plan (Part 1) target. However, Cannock Chase District Council (CCDC) is currently reviewing their Local Plan and employment evidence. Therefore, their future employment land requirement for their forthcoming plan period is unclear at this stage. Ongoing dialogue with CCDC will be needed as the picture becomes clearer.
- 8.13. Focusing, therefore, on Black Country related employment issues, it means that over the South Staffordshire FEMA, there is a potential future gap in employment land provision of between circa 270 ha (baseline position for the Black Country) and 540 ha (aspirational

scenario for the Black Country), taking also into account that South Staffordshire can meet its own requirements with no loss of employment sites to other uses.

- 8.14. Within this wider sub-regional context, the oversupply in South Staffordshire could contribute towards meeting the future employment land requirements of the South Staffordshire FEMA, in particular *some* of the Black Country gap given the existing strong policy links as stated in the respective adopted Core Strategies (but also taking into account that Sandwell is not part of the South Staffordshire FEMA). These arrangements will need to be agreed through a SoCG.
- 8.15. WECD have been asked to undertake a stage 2 EDNA that will assess new employment site options on a consistent basis. Dependent on the outcomes of this stage 2 EDNA study, and in the context of these wider needs, it may be appropriate to consider allocating additional new employment land should it be confirmed that the Black Country cannot meet their own needs (again, to be agreed through a SoCG).

APPENDIX A – Key Methods

Employment land projections based on employment/Gross Value Added projections make no assumptions about population including an implicit assumption of a stable population, given that they are based on scenarios that they are all-inclusive of these assumptions/implications.

Employment projections have been translated into the employment related planning B Use Classes. The delineation between the planning Use Classes and the various sectors within a local economy is not always perfectly clear and some economic activities may use, and be perfectly suitable for, employment space not perfectly falling within a planning Use Class. Utilisation of our team's economic expertise and up to date practices in the development of employment land studies have informed this translation. Information below contains details of the translation between sectors and the planning Use Classes.

The projections of future employment/gross value added in South Staffordshire to the year 2038 have been translated into floorspace requirements and then into industrial land using the latest available guidance from the HCA. The key steps that are followed include:

- Firstly, the overall changes in employment between 2018 and 2038 are changed to full time equivalents (FTEs).
- The changes in employment are then translated into floorspace by way of conversion factors provided in the relevant HCA guidance⁴⁷. The conversion factors are as follows⁴⁸:
 - o B1: 10 sq. m. per FTE (with development assumed to be over 2 storeys)
 - o B2: 36 sq. m. per FTE
 - o B8: 70 sq. m. per FTE
- The focus of this report, as per client specification, is on industrial space i.e.
 - o B1c/B2 Light/General Industrial; and,
 - o B8 Storage or Distribution (warehousing and distribution).
- This analysis produces the net internal area (NIA) that is translated into the gross internal area (GIA) via a ratio of 1.25:1 as per the HCA guidance. In the case of B8 however, the floorspace is taken to be the gross external area (GEA) and therefore this translation is not undertaken.
- Due to the nature of B1c / B2 (manufacturing) type development a different approach has been used. Industrial activities have a relationship between output and floorspace (whereas office type uses have a stronger relationship between employees and floorspace), principally due to the high use of capital equipment in manufacturing (and logistics) compared to office type uses. It is also the case that due to productivity improvements over the years, more output can be produced in the manufacturing sector despite decreasing levels of employment.
- Changes in GVA are translated into floorspace via a regression of floorspace on GVA

⁴⁷ HCA Employment Densities Guide 3rd Edition, November 2015.

⁴⁸ These are the floorspace per FTE densities for finance and insurance (B1a), industrial and manufacturing (B2) and regional distribution centres for B8 development. These are used in order to reflect the likely nature of future employment in these Use Classes.

and a time trend (through the origin) using South Staffordshire data.

- These quantities of floorspace are then translated into land requirements by way of assuming a 40% plot development ratio (i.e. the floorspace is 40% of the entire plot).
- The quantities of projected land use are then compared to the completions that have been undertaken over the years to aid in assessing the likelihood of the quantities.

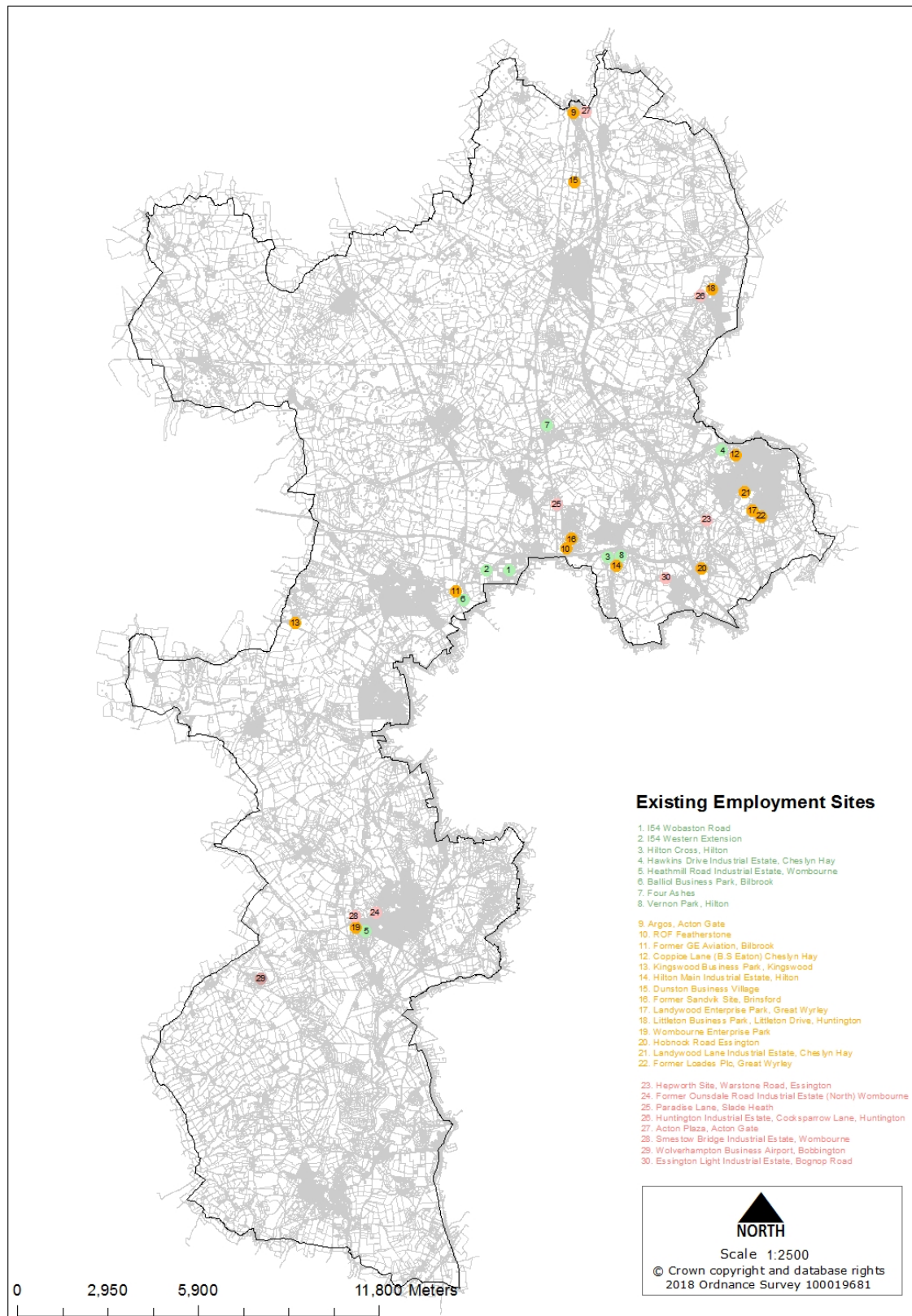
The translation from SIC 2007 codes to the planning B use classes used in this study has been:

Use Class	SIC 2007
B2	C : Manufacturing
	42 : Civil engineering
	43 : Specialised construction activities
	452: Maintenance and repair of motor vehicles
	37: Sewerage
	38: Waste collection, treatment and disposal activities; materials recovery
	39: Remediation activities and other waste management services.
B8	492: Freight rail transport
	494: Freight transport by road and removal services
	521: Warehousing and storage
	522: Support activities for transportation
	46: Wholesale trade, except of motor vehicles and motorcycles

APPENDIX B – Sites and Assessment

Site Assessment Factors							Sustainable Development Factors										Strategic Planning Factors								GRAND TOTAL
	Market Attractiveness						Market Attractiveness Total	Location	Previously Developed / Greenfield	Public Transport Accessibility	Estimated Impact on Environment / Biodiversity	Suitability for Growth Sectors	Suitability for employment development (including all possible uses)	Suitability & benefits of other uses	Proximity to workforce with suitable skill and qualification characteristics	Sustainability Total	Planning Context	Specific user/use	Regeneration Corridor/Development proposals	Importance to Economic Development Activities (Core Strategy)	Importance to Economic Development Activities (SEP)	Neighbouring Uses	Strategic Planning Score Total		
i54 (incl Western Extension)	5	5	5	5	5	5	30	1	3	4	4	5	5	5	5	32	5	5	1	5	5	4	25	87	
Hilton Cross, Hilton	5	5	4	5	5	5	29	1	5	3	5	5	5	5	3	32	5	5	1	5	1	5	22	83	
Hawkins Drive Industrial Estate, Cheslyn Hay	3	5	5	5	4	4	26	4	5	3	5	5	5	5	3	35	5	4	1	3	1	5	19	80	
Balliol Business Park, Bilbrook	4	5	4	4	3	4	24	1	5	4	5	3	5	5	5	33	5	5	1	3	1	5	20	77	
Heathmill Road Industrial Estate, Wombourne	3	4	5	5	4	5	26	4	5	3	5	5	5	3	3	33	5	5	1	3	1	3	18	77	
Bericote Four Ashes	5	5	3	4	3	3	23	1	5	2	5	3	5	5	2	28	5	4	1	5	5	5	25	76	
Vernon Park, Hilton	5	5	5	5	5	4	29	1	5	3	5	3	5	5	3	30	4	3	1	3	1	5	17	76	
Argos, Acton Gate	2	5	5	5	4	4	25	1	5	3	5	5	5	5	4	33	5	5	1	3	1	2	17	75	
ROF, Featherstone	5	3	3	4	3	3	21	1	5	2	5	5	4	4	3	29	5	3	1	5	5	5	24	74	
Former GE Aviation, Bilbrook	3	4	3	4	3	3	20	1	5	4	5	3	5	5	5	33	5	5	1	3	1	5	20	73	
Coppice Lane (B.S. Eaton), Cheslyn Hay	1	4	3	5	4	4	21	4	5	3	5	3	5	4	4	33	5	5	1	3	1	3	18	72	
Kingswood Business Park, Kingswood	3	5	5	3	5	5	26	1	5	2	5	4	5	5	1	28	5	5	1	3	1	2	17	71	
Hilton Main Industrial Estate, Hilton	2	3	2	4	3	3	17	1	5	3	5	5	5	5	3	32	5	5	1	3	1	5	20	69	
Dunston Business Village	3	3	4	3	4	5	22	1	5	2	5	3	5	5	1	27	5	5	1	3	1	3	18	67	
Former Sandvik Site, Brinsford	3	4	3	5	4	3	22	1	5	2	5	2	5	5	3	28	4	3	1	3	1	4	16	66	
Landywood Enterprise Park, Great Wyrley	3	3	3	3	3	2	17	4	5	5	5	1	5	3	3	31	5	5	1	3	1	2	17	65	
Littleton Business Park, Littleton Drive, Huntington	2	3	5	2	3	4	19	3	5	4	5	3	5	3	2	30	5	3	1	3	1	3	16	65	
Wombourne Enterprises Park	2	4	3	3	3	4	19	4	5	3	5	1	5	2	3	28	5	4	1	3	1	4	18	65	
Hobnock Road, Essington	2	4	2	4	3	3	18	1	5	3	5	3	5	5	3	30	5	3	1	3	1	3	16	64	
Landywood Lane Industrial Estate, Chelsyn Hay	1	1	2	3	2	2	11	4	5	5	5	3	5	3	4	34	5	5	1	3	1	3	18	63	
Former Loades Plc, Great Wyrley	2	2	2	3	3	3	15	4	5	5	5	1	5	3	3	31	5	4	1	3	1	2	16	62	
Hepworth Site, Warstones Road, Essington	1	3	5	4	3	3	19	1	5	3	5	1	4	5	2	26	5	1	1	3	1	5	16	61	
Former Ounsdale Road Industrial Estate (North), Wombourne	3	4	3	3	3	3	19	4	5	3	5	1	4	1	3	26	5	4	1	3	1	2	16	61	
Paradise Lane, Slade Heath	2	5	3	4	3	3	20	2	4	2	4	3	4	4	1	24	5	4	1	3	1	3	17	61	
Huntington Industrial Estate, Huntington	1	2	5	2	2	2	14	3	5	3	4	3	5	1	3	27	5	3	1	3	1	5	18	59	
Acton Plaza, Acton Gate	3	3	3	4	3	4	20	1	3	3	3	1	4	5	2	22	4	2	1	3	1	4	15	57	
Smestow Bridge Industrial Estate, Wombourne	2	2	2	2	1	1	10	4	5	3	5	1	5	2	3	28	5	5	1	3	1	2	17	55	
Wolverhampton Business Airport, Bobbington	2	1	1	2	3	3	12	1	5	2	4	1	4	4	2	23	5	4	1	3	1	5	19	54	
Essington Light Industrial Estate, Bognop Road	1	1	2	1	2	2	9	3	5	3	5	1	5	3	2	27	5	5	1	3	1	2	17	53	

APPENDIX C - All Sites Reviewed by Quality



APPENDIX D – SAD Strategic Employment Sites Extensions

