

South Staffordshire Local Plan Examination

Respondent No: AGT24-030-01-03

Position Statement by Nurton Developments Ltd

Matter 4: Development Needs and Requirements.

Issue 2: Whether the identified employment development need and requirement set out in the plan is justified, effective and consistent with national policy.

Local Need and Supply

1. The Council's position as to the need, supply and requirement of employment land within the plan, as set out in paragraph b) of the Policy DS4 and explained in paragraphs 5.50 – 5.59 of the draft Local Plan, is understood to be as follows:-

Table 1 – Need and Supply derived by the Council (ha)

Need	62.4
Supply	107.45
Surplus	45.2

2. The figure for need is internally derived- i.e. it projects a local need for South Staffordshire only.
3. The figure for supply includes all unbuilt committed or allocated land with the exception of West Midlands Interchange (WMI). The surplus of 45.2ha is said to be the contribution to meet an identified shortfall from the Black Country of 153ha (paragraph 5.57).
4. For reasons summarised below, NDL contends that these figures are seriously unreliable for the reasons set out in detail in its representations provided to date and should be the subject of complete reassessment. NDL's alternative analysis is summarised below:-

Table 2 – NDL's Analysis of Local Need and Supply (ha).

Need	129
Supply	23.6
Shortfall	105.4

5. NDL contends that the assessment of **local need** by the South Staffordshire Economic Development Need Assessment (EDNA) Update to be seriously understated. If the Plan is adopted on the basis of this report, then it would result in a substantial reduction in the recent pace of development of industrial and warehouse accommodation in the district to the detriment of the local economy. This will have a consequential negative effect on the future economic growth of the area, seemingly because of the Council's politically motivated desire not to release Green Belt land to meet evidenced needs.

6. The EDNA relies upon a Labour Demand model. In our experience, this model is now rarely relied upon by consultants or Local Planning Authorities and is widely accepted to be outdated. This is because of the increasingly weakening link between employment generation and derived floorspace to accommodate economic growth. Whilst historically within traditional industries such a link might have been evident that is not the case within the modern UK economy. Instead, there is an increasingly stronger relationship between growth in GVA and floorspace, particularly given productivity improvements in industry which more likely to be driven by automation, the use of AI, better efficiency and scale of economies. The Labour Demand model inevitably tends to suppress projections of need, and this has been demonstrated by other factors, such as market signals (e.g. increased rents), which point to strong demand for industrial and commercial premises.
7. Instead, NDL considers that a past trends model is more likely to provide a far more accurate and reliable projection. The EDNA does provide projections based on past trends but does not rely on them. Instead, they are purported to be used only as a sense-check to the preferred Labour Demand model. However, in fact such a sense check has not been properly undertaken. Indeed, the past trends analysis appears to have been heavily manipulated so as to justify the projections based on the Labour Demand model. This approach is strongly deprecated.
8. NDL has provided a detailed critique of the manipulation of the past trends data in paragraph 13 – 26 of its statement of representations to Policy DS4 (AGT24–029–01–03).
9. A specific criticism is the perception of DLP (the authors of the EDNA) that development of industrial and warehouse units for Gestamp and Amazon at Four Ashes is ‘atypical’. It is on this basis that the development of these two units has been overlooked in analysing past trends.
10. A very simple analysis by NDL of similar scale development of industrial and warehouse units elsewhere in Staffordshire (paragraph 16 of NDL’s representations to Policy DS4) demonstrates that the Four Ashes development is neither a ‘one-off’ or ‘atypical’, and should not have been disregarded when using a past trends analysis. Instead, they are evidence of structural changes in the UK economy. Excluding this take-up creates a wholly incomplete view and does not involve a proper past-trends analysis.
11. The EDNA provides some sensitivity of past trends projections in paragraphs 6.22 – 6.26, including Tables 32 – 35. This provides a spread of projections as follows:-
 - Mean total requirement analysing completions from 2012/13 to 2019/20 – 241ha.
 - Mean total requirement analysing completions from 2012/13 to 2022/23 – 175ha.
 - Mean total requirement analysing completions from 2018/19 to 2022/23 – 148.0ha
 - Median total requirement analysing completions from 2012/13 to 2022/23 – 105.7ha.
 - Mean requirement analysing completions but excluding ‘atypical’ schemes from 2018/19 to 2022/23 – 53.1ha.

- Median requirement analysing completions but excluding ‘atypical’ schemes from 2012/13 to 2022/23 – 41.8ha.

12. This indicates strongly that the Labour Demand for projection of 62.4ha sits towards the very bottom of the spread of past trends’ projections. It also illustrates the effect of erroneously excluding ‘atypical’ schemes.
13. It is to be noted also that the Economic Strategy and Employment Site Assessment Topic Paper (April 2024) (the Topic Paper) refers also to 116ha as a median projection based on past trends (paragraph 3.11). It is wholly unclear how this figure has been derived and how it relates to the EDNA and the draft Plan itself. However, it is then given some significance in justifying the new allocation of 17.6ha at Dunston, Junction 13 M6. In paragraph 5.6 of the Topic Paper, it states:-

*“Although the Council can meet its objectively assessed need (62.4ha) through the current pipeline of sites, the EDNA Update does consider alternative approaches for determining need and **demonstrating that need can be circa 116ha** between 2023 – 41 based on (median based) past trends between 2023 – 41, based on this alternative method.”* (Our emphasis).

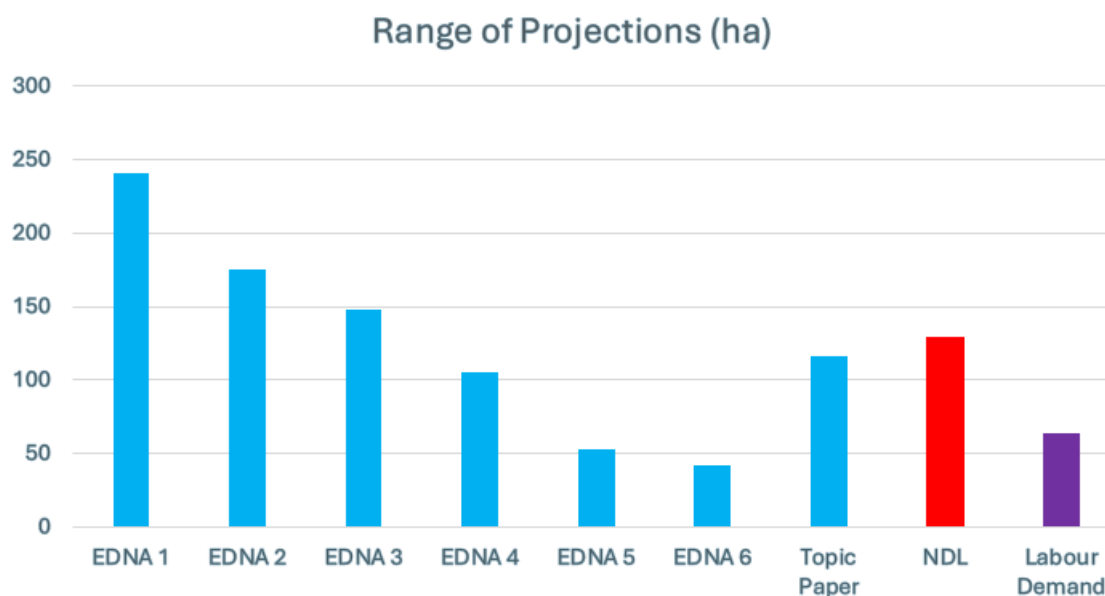
14. This is a patent failure to justify a key part of the draft plan.
15. NDL’s analysis of local need by contrast is summarised below in Table 3.

Table 3 – NDL’s projection of local need.

Completions from 2012/13 to 2022/23	427,245 sqm
Less JLR Development at i54	182,760 sqm
Net Completions from 2012/13 to 2022/23	244,485 sqm
Net Completions per annum (i.e. 244,485 divided by 11)	22,225 sqm
Projected Development for 2023 – 2041 (i.e. 22,225 x 18)	400,066 sqm
Developable Land requirement at 40% site cover	100.0ha
Allowance for suppressed demand	29ha
Total Need	129ha

16. For completions, we have used the figure employed by DLP in Table 17 for the period 2012/13 to 2022/23 (i.e. 427,245 sqm). We have then deducted what is agreed to be the ‘atypical’ development of i54 (of 182,760 sqm), as we accept that the JLR engine factory development goes beyond meeting local need. This approach is also consistent with our approach to supply (see below). This leads to a base projection of 100ha. To this, we have added an allowance of 29ha for suppressed demand. This follows analysis undertaken by St Modwen (now Indurent) and Savills found in the British Property Federation’s paper “Levelling Up – the Logic of Logistics” (referred to and link provided in paragraph 20 and footnote 2 to AGT24-029-01-04). This paper indicates that take-up in Staffordshire and the Black Country would have been 29% higher if land supply had not been constrained.

17. NDL considers that this alternative projection (of 129ha) is a much more realistic assessment of local need than the projection of the EDNA based on Labour Demand (62.4ha). It sits well within the range of projections set out above in paragraph 10.
18. In addition, it is of note that it is close to the 116ha projection based on past trends (median based) referenced by the Topic Paper, which has been used to justify the allocation of the 17.6ha site at Dunston. This is illustrated in the bar chart below.



19. The **supply** of land relied upon by the Council to meet local need is set out in Table 9 of the draft Plan and is summarised below in Table 4.

Table 4 – Sites forming supply in South Staffordshire

Site	Area (ha)
Four Ashes Industrial Estate	0.6
ROF Featherstone	36.0
i54 – Wobaston Road	4.8
i54 Western Extension	40.0
M6, Junction 13, Dunston	17.6
Dunston Business Village	0.5
Vernon Park	2.8
Wombourne Enterprise Park	0.8
Total	102.7

20. A small allowance is made for windfalls to derive a total supply of 107.45ha.

21. As set out clearly in previous representations made in 2022 (Paragraphs 33 to 36 of AGT24-29-001-04), both ROF Featherstone and i54 Western Extension were expressly allocated by the South Staffordshire Site Allocations document (SAD) of 2018 to meet the needs of the Black Country and the wider region. It was those needs, and not the needs of the district, which amounted to the exceptional circumstances required to justify their release from the Green Belt.

22. No evidence has been presented with either the previous draft Plan (i.e. 2022 Regulation 19 version) or this iteration to demonstrate these two sites are now able to meet local need first and foremost. Worse, there is no suggestion that these sites would not be needed to meet the wider regional need. To the contrary, in paragraph 3.6 of the draft Plan, under the heading of Cross Boundary Issues and Duty to Co-operate, it states:-

“The Council has been working collaboratively with neighbouring authorities on cross boundary issues for number of years. A clear example of this is how unmet employment needs from the Black Country helped support new employment allocations at i54 and ROF Featherstone in the adopted SAD (2018).”

23. This seems to be unequivocal and yet the draft Plan persists in counting these two sites in its own supply to meet local need. It is also inconsistent with the approach taken by the EDNA which expressly seeks to discount ‘atypical’ development from past trends analysis (as set out above).

24. The summary of Consultation Representations and Council Responses does acknowledge this criticism in light of NDL’s representations. The Council’s response states:-

*“Whilst it is recognised that the Black Country shortfall of employment land supported the case of allocating i54 western extension and ROF Featherstone, the supply of employment land (including at i54 western extension and ROF Featherstone) **has been reconsidered holistically** through the EDNAs, which has determined the surplus employment land in the district that could form a potential unmet need contribution, which is increased further by the proposed allocation at M6 Junction 13. This recognises the overlapping South Staffordshire and Black Country FEMAs. The proposed contribution is considered by the Black Country authorities to be proportionate, as confirmed to the South Staffordshire FEMAs Statement of Common Ground”. (Our emphasis).*

25. NDL cannot see any evidence on how the EDNAs (either the South Staffordshire or Black Country version) have reconsidered the need or supply ‘holistically’. There appears to be no proper agreement with neighbouring authorities that these sites are no longer needed to meet regional needs and that their yields can instead now be reassigned to address locally generated needs. Instead, it appears the Council’s position with these two sites has shifted but without any justification. The term ‘holistically’ appears to have been used in order to avoid proper scrutiny. The wider position with the need and supply of employment land in the Black Country is considered below.

26. Ironically, a 'holistic' approach, as a matter of correct parlance¹ would include an assessment of all elements of need, and then judging that against the total supply, which is the precise opposite of what has been done. If sites which would meet a regional need are included in the supply side – then the requirement side must also include the needs arising from the wider Black Country (i.e. an 'apples and apples' approach). To do otherwise, as argued for by the Council is not a holistic approach – it is the opposite – i.e. comparing the total supply against a partial requirement (an 'apples and pears' approach).
27. Once these two sites are excluded from the supply, the total supply which has been properly identified to meet local need reduces from 107.45ha to a mere 31.45ha. This represents a significant difference quantitatively.
28. It is to be noted that these are gross figures, whilst the projections for need are based on a developable area (i.e. the area required to accommodate the projected floor space at 40% site cover). This is confirmed in paragraph 3.15 of the Topic Paper. This is, therefore, using a gross figure to set against a net need. It is NDL's experience that no more than 75% of a gross site area will be developable once allowance is made for site constraints, principal site infrastructure (e.g. SUDS) and BNG. Indeed, this is generally considered by the development industry to be a high site cover, particularly following the introduction of legislation on BNG and, therefore, robust for the purposes of our analysis.
29. Assuming a simple assessment that 75% of the gross site areas are developable, the total figure for supply reduces further from 31.45ha to 23.6ha. This should be considered to be a maximum figure. This leaves a shortfall of 105.4ha of local need over supply.
30. The remaining sites also present a thin range in choice **qualitatively** and this has been a clear factor in reduced levels of take-up over the last few years. There are only six sites, with four of these being less than 3ha. The other two are the remaining plots of the original i54 site (which is restricted to Class B2 use) and a new proposed allocation at Junction 13, M6 at Dunston. The latter is located at the very northern end of the district and is more closely related to Stafford than the Black Country.
31. Policy DS4 refers to 18.8ha of West Midlands Interchange (approved by a DCO in May 2020) contributing to South Staffordshire's employment land need. It is not at all clear how this figure has been derived. In addition, it is inconsistent with the Stantec report – "West Midlands SRFI Employment Issues Response Paper – whose need will the SRFI serve?". This report was commissioned by the Black Country Local Authorities, produced in February 2021, and forms part of the evidence base to the draft Plan. It has also been relied upon by other local planning authorities in the development plan-making process.

¹ The Merriam-Webster describes the word "holistically" as meaning: *"relating to or concerned with wholes or with complete systems rather than with the analysis of, treatment of, or dissection into parts"*

32. The Stantec report allocates 72ha for the Black Country FEMA, which includes South Staffordshire. Of this, only 5ha and not 18.8Ha is apportioned to South Staffordshire. The balance – 67ha – is distributed to the Black Country.
33. Once this is factored in, our analysis shows that the shortfall between local need and supply lies between 86.6ha and 100.4ha, with the latter underpinned by the universally used Stantec report. This represents a significant gap and completely changes the dynamic of the relationship with the Black Country and other parts of the FEMA (e.g. Cannock).

Black Country

34. Paragraph 5.57 of the draft Plan makes reference to the 'latest' EDNA (October 2023) commissioned by the Black Country Local Planning Authorities to inform and support the production of development plans by the four constituent local authorities – Dudley, Sandwell, Walsall and Wolverhampton. Specific reference is made to the identification by the Black Country EDNA of a shortfall of 153ha between need and supply.
35. This EDNA has now been superseded by the Black Country EDNA Update of November 2024. This was published as part of the evidence base to the Regulation 19 draft Plan for Wolverhampton (consulted on between November 2024 to January 2025). This has increased the projected need for the Black Country significantly to 661.9ha, partly in response to representations made by NDL to the October 2023 version. This is summarised below.

Table 5 – Need and Supply in the Black Country (ha) - Black Country EDNA Update (November 2024)

Need	661.9
Supply	384.45
Shortfall	280.45

36. NDL maintains that the need projection is still an underestimate and the supply an overestimate and has made representations accordingly to the draft Wolverhampton Plan (Appendix 1 to this statement). For example, the assessment of need still takes no account of:-
- Suppressed demand.
 - Replacement for future losses.
 - Flexibility or market churn.
 - Qualitative need for strategic employment land.
37. The first element includes demand that relates to the Black Country but has been accommodated just outside its boundaries because of constraints on supply. i54 is an obvious example, particularly as a large part of its development has not been factored in the past trends analysis undertaken by DLP in the South Staffordshire EDNA.

38. Adding these elements together, NDL has projected an alternative need of 766ha - an increase of 104ha on the need projected by the new EDNA (i.e. 661.9ha).
39. The anticipated supply of 381.45ha assumes all committed and allocated sites will be delivered during in the plan period. It also includes an allowance of 73.8ha for windfalls. Neither of these are considered to be realistic and NDL's assessment is that supply is unlikely to be greater than 307.65ha.
40. This would increase the shortfall to 458.53ha. As such, NDL considers that the assessed shortfall of the 2024 update of 280.45ha should represent a minimum figure.
41. Currently, there is only one contribution to meet this shortfall that has any relative certainty – the 67ha apportionment from West Midlands Interchange. The draft Shropshire Local Plan contributed 30ha. However, this plan has recently been withdrawn.
42. By NDL's estimations, this still leaves a minimum shortfall of 213ha (i.e. 280ha less 67ha). Part of this should be met by land at i54 western extension (40ha) and ROF Featherstone (36ha) given that they were allocated expressly to meet the needs of the Black Country and the wider region (see above), although caution should be had about the delivery of the latter. This site, which has been allocated for a long time, has not come forward as it has been unable to attract funding for key infrastructure (a new access road from the A449 over third party land and a bridge crossing over the West Coast Mainline). Its prospects have not been improved by the de-allocation of the third-party land for housing by the draft Plan.
43. The addition of these two sites would reduce the shortfall but still leave a minimum residual need of 137ha (i.e. 213ha less 76ha). To date, no other local planning authorities that neighbour or are in the vicinity of the Black Country have shown much, if any, inclination to contribute land to help the Black Country Local Authorities to meet this shortfall.
44. Qualitatively, there is a real absence of any sites in the Black Country which are of any significant scale. Only three sites are greater than 10ha and none greater than 25ha, the threshold employed by the West Midlands Employment Strategic Sites Studies of 2021 and 2024. The relevance of these studies is considered further below. The principal reason for the dearth of larger sites is the densely built up, urban and congested nature of the Black Country. In NDL's view, this qualitative shortcoming is as pressing, if not more so, as the quantitative gap between need and supply.
45. It places a further onus on local planning authorities, such as South Staffordshire, which do not suffer from the same constraints. Because of its geography, South Staffordshire has a very close economic relationship with both the Black Country and Cannock. It also enjoys characteristics (e.g. access to the principal motorways, availability of labour from the Black Country, Birmingham and Cannock and potential developable land) which are attractive to investors, developers and occupiers.

46. By NDL's analysis, South Staffordshire contributes 143ha to the current shortfall from the Black Country. This still leaves 137ha of unmet need. The other principal candidates are Birmingham, Cannock and Shropshire. However, the first two have very limited if any capacity. Shropshire previously agreed to contribute 30ha although it is not clear if this offer will be made when it embarks on its Local Plan review. Given these circumstances, NDL considers that South Staffordshire should contribute at least another 75ha. This would also be consistent with the recommendations made by the most recent West Midlands Strategic Employment Sites Study. This is considered now below.

Wider Strategic Employment Land Need

47. Little or no regard seems to have been taken by the draft Plan to the two West Midlands Strategic Employment Site Studies recently prepared. These were published in May 2021 (Avison Young) and September 2024 (Iceni).
48. Paragraph 5.59 of the draft Plan makes reference to the former but downplays its importance. It refers to its primary focus being around engagement with the private sector to gauge demand and not providing a full assessment of need. It does refer to the study's conclusions that there is considerable demand for strategic employment site "*opportunities*" and the identification of a "*number of broad locations around key junctions, including junctions on the M6 and M54 in South Staffordshire*". An identical paragraph is included in the Topic Paper (paragraph 3.15). However, neither properly addresses its conclusions and recommendations of this gap in the market.
49. It is to be noted that this study was not commissioned by the private sector but by the principal LEPs of the region, with the relevant Local Planning Authorities (including South Staffordshire) consulted. The Study concludes that there is a limited supply of available, allocated and/or committed strategic employment sites across the West Midlands and an "**urgent**" need for additional sites to be brought forward. It is emphatically not an advocacy document. It forms a key part of the evidence base and should be properly regarded to inform the plan-making process. To dismiss it as such is to invite the examination to misunderstand its evidential importance.
50. The 2021 Study identifies four key locations for future strategic employment sites. This includes Area 4 – Black Country and South Staffordshire. The study also appraises a number of potential new sites as to their capability of meeting requirements for strategic employment sites (generally defined as being greater than 25ha and being located on motorway or strategic road junctions). This includes sites within South Staffordshire. This is considered further in the separate Position Statement of NDL for Matter 7 in respect of Policy SA5: Employment Allocations.
51. The 2024 Study provides an assessment of need and supply of strategic scale sites. These are defined as being greater than 25ha for Class B2 sites and 50ha for B8 sites.
52. It identifies the M6/M54 South Staffordshire and Black Country as an Opportunity Area (Area 2). In paragraph 12.28, it states:-

"Looking to 2045, the opportunity area is expected to require additional sites to meet manufacturing and logistics need".

53. These additional sites are over and above existing commitments such as i54, West Midlands Interchange and ROF Featherstone. In paragraph 12.29, it states further:-

“Parts of the Black Country have relatively high levels of employment and lower skills and occupational profile; a new strategic employment site provision can contribute to addressing unemployment/deprivation.”

54. Table 14.1 of the Study provides an indicative site distribution by opportunity area. It recommends that one B8 site (50ha) and one B2 site (25ha) are brought forward in South Staffordshire and the Black Country. An extract from this table covering Area 1 (M6 Stoke and Stafford) and Area 2 (M6/M54 South Staffordshire and Black Country) is provided below: -

Opportunity Area	Type	Notional supply – years (hatching=current committed supply)				Market rank	Indicative phasing	Indicative additional strategic site requirement at B8/mixed c.50ha - E(g)/B2 c.25ha	Narrative – market rank / performance, scale (no. LPA), site supply, SRFIs, Green Belt
		0-5	5-10	10-15	15-20				
Area 1: M6 Stoke and Stafford	B8/ Mixed					B	C	2	Large OA. Market supply at present but potential for two sites through study period.
	E(g)/B2						B	0-1	Has existing manufacturing focused supply – but non-strategic (sub 25ha). Blended sites may be preferable.
Area 2: M6 / M54 South Staffordshire and Black Country	B8/ Mixed (road)					B	D	1	WMI providing major strategic supply. Potential for additional road based supply later in the period. Constrained GB area.
	E(g)/B2						D	1	i54 has existing supply but potential for extension later in period – not all take up strategic. Constrained GB area

55. NDL’s analysis of the Study suggests that the projection of need for Area 2 has been underestimated, as the data collected on take-up (which is the principal factor in determining residual need against existing supply) is incomplete. It is missing key data on completed development in South Staffordshire (e.g. the first phase of the JLR engine factor at i54) and take-up at Kingswood Lakeside – a very successful strategic employment site in Cannock Chase. These omissions have been informally acknowledged by Icen, the authors of the report, and should be taken into account in the update or addendum to the Study. For these reasons, NDL considers the need for any or addendum to strategic employment sites to serve this sub-region is significantly greater in scale and more pressing in terms of timing.

56. It is to be noted that the proposed allocation of 17.6ha at Dunston is located in Area 1 – Stoke and Stafford. In addition, it falls below the minimum size of 25ha.

57. In summary, the draft Plan fails to respond to the clear identified need for large strategic sites to serve this FEMA. This is another clear omission.

Remedy

58. The evidence base underpinning Policy DS4 and the need and supply of employment land is deeply flawed, and the plan unsound without modification. To remedy the position, the Council needs to:-

- Undertake a wholesale reconsideration of its approach to assessing and balancing local need and supply.
- Immediately reopen collaborative work with its neighbouring authorities to ensure a sufficient quantity and quality of employment development, particularly strategic scale sites, is brought forward to meet the wider needs of the FEMA.
- Identify and allocate additional new sites through Policy SA5 to meet the identified need.

PJL

10 April 2025

Appendix 1 – Representations made by NDL to the draft Wolverhampton Local Plan (Reg 19).