

**Response by NWBC on the Matters, Issues and Questions
Phase 1, Strategic Matters**

Matter 5, Employment needs and requirements

5.1 How does the LP requirement of providing 60 hectares of employment space to 2033 set out in LP paragraph 7.44 relate to the intended provision of around 100 hectares in policy LP6?

- 5.1.1 The 2013 Employment Land Review (ELR) (CD8/6) identifies a need for 70 ha (para 8.8) for the period 2006 to 2029. At the Core Strategy examination the Plan period was changed to start from 2011 so the figure was adjusted to a need for 60 ha. This is based on broadly a mid-point between the locally arising needs from the labour demand scenario (47.9ha) and the past completions trend scenario (96.3ha) (Table 22). This is considered a minimum figure for meeting local needs in North Warwickshire.
- 5.1.2 An Addendum to the 2013 ELR (CD8/7) was produced in 2016. This considered the employment land needs resulting from a range of labour supply scenarios based on different levels of housing delivery in the Borough for the period 2011-31. All the scenarios considered the implications of meeting the Borough's own housing needs as well as its share of unmet housing needs arising from Coventry and Tamworth. In addition, three scenarios considered the implications of meeting varying quanta (3.3%, 6.6% and 10%) of unmet housing needs from the Birmingham Housing Market Area.
- 5.1.3 A Further Addendum (CD8/8) was produced in 2017 to extend the labour supply scenarios of CD8/7 to cover the plan period 2011-33.
- 5.1.4 The analysis in CD8/7 and CD8/8 shows that if greater levels of housing were to be planned for in North Warwickshire then this could require an increase in the quantum of employment land required within the Borough to avoid unsustainable commuting patterns.
- 5.1.5 The 100 ha in Policy LP6 relates to Scenario D in the Further Addendum. This estimates the employment land need in North Warwickshire arising from the labour

supply resulting from the delivery of North Warwickshire's housing OAN plus meeting its share of unmet need from Coventry and Tamworth, and 10% of the unmet need from the Birmingham HMA (5,280 + 3,790 = 9,070 dwellings). The 100 ha figure therefore aligns with the aspirational housing target set out in LP6.

(a) Is the intended provision of around 100 hectares in policy LP6 an aspiration in the same manner as housing provision related to the GBHMA [INSP2], i.e. that the actual amount is reliant on the provision of infrastructure?

5.1.6 The employment sites identified to meet the 100 ha employment target are not reliant on the provision of significant infrastructure in order to come forward, therefore there is greater certainty regarding the delivery of these sites within the Plan Period than there is with the aspirational housing sites.

5.1.7 To conclude, while the 100 ha employment land figure aligns with the aspirational housing target, it is not considered to be aspirational in policy or delivery sense. It represents the full employment land target for the Plan period.

(b) If so, is that approach justified and consistent with national policy?

n/a

(c) For effectiveness, should employment requirements be expressed in terms of floorspace?

5.1 No - the Borough Council believe that the requirements should be expressed as gross site area. Expressing the figure in term of floorspace doesn't provide a full picture of employment land trends in the Borough. It would also make effective monitoring difficult as losses and changes of use through permitted development are measured in terms of site area, rather than a floorspace.

5.2 Is the assessment of employment needs in support of the LP based on robust evidence [CD8/6, CD8/7, CD8/8 in particular]?

5.2.1 Yes – see below.

(a) what is the functional market area? How has that influenced the plan's approach to assessing employment needs at a strategic level?

- 5.2.2 The 2013 ELR (CD8/6) provides an assessment of the wider commercial property market within which North Warwickshire sits. This identifies that demand – particularly for warehouse and distribution uses – is heavily influenced by the motorway network which extends across the region. The assessment of employment land needs have been considered within this context.
- 5.2.3 Historically, North Warwickshire has met a disproportionately large share of the sub-regional demand for employment land within the Borough. This has primarily been due to the availability of large strategic sites in the Borough – namely Birch Coppice and Hams Hall, which were both identified as Regional Logistics Sites in the West Midlands Regional Spatial Strategy.
- 5.2.4 The particularly high quantum of development these sites delivered is evidenced in the historic jobs growth trends. Over the period 1999-2008 North Warwickshire saw an average annual growth in the Transport and Storage sector of 3.1% per annum. This is considerably higher than the Warwickshire average (1.4% per annum), the West Midlands figure (0.4% per annum), or the UK figure (1.0% per annum). Furthermore, in the next few (recessionary) years (2009-11) North Warwickshire continued to see growth (0.7%) while other areas saw decline (between -0.6% per annum in Warwickshire and -1.6% per annum in the West Midlands) (Table 13, CD8/6).
- 5.2.5 This strong historic performance has influenced the future jobs growth projections which assume North Warwickshire will continue to have a strong Transport and Storage sector well above regional and national averages. Similarly, it is also reflected in the past completions data.
- 5.2.6 Due to the trend-based nature of the completions based employment land forecasting, these forecasts demonstrate the land that would be required not only by local business growth but also the continuing desire for national companies to locate across the wider region. Clearly, the regional element of demand is capable of being met anywhere across the region – it only appears in North Warwickshire's projections because of the borough's past delivery. One must question whether the economic,

market and policy/land supply conditions (both macro and micro) are capable of being, or should be, replicated moving forward.

- 5.2.7 Given major planned logistics development elsewhere in the region, as well as the fact that development at Birch Coppice and Hams Hall has largely been exhausted, we must question whether, moving forward, North Warwickshire is likely to continue to experience “more than its fair share” of Transport & Storage sector growth compared to the rest of the region.
- 5.2.8 Therefore the approach taken has been to identify the Borough’s own “local needs”. This has been done through forecasts based on labour demand and a completions trend approach.
- 5.2.9 The Council has then sought to agree with neighbouring authorities a fair distribution of the regional demand for employment land. This has been established through a Memorandum of Understanding with the Coventry and Warwickshire authorities (CD5/3B) which agrees that North Warwickshire should receive zero redistribution of Coventry’s unmet employment land requirements.
- 5.2.10 The ELR Addendums (CD8/7 and CD 8/8) consider a range of scenarios based on aligning employment provision with housing provision. These account for North Warwickshire meeting different quanta of unmet housing needs of neighbouring areas. The 100ha target in LP6 means that North Warwickshire will be meeting 30ha of employment land above its own needs – which can be considered as meeting the regional need.

(b) Is the approach to establishing employment needs in the LP consistent with the Local Enterprise Partnership Strategy?

- 5.2.11 The ELR and addendum reports provide assessments of employment land needs which align with the LEP strategy. However, it should be noted that the LEP’s strategy directly informs its Growth Deal agreed with central government and as such essentially constitutes a bid for funding prospectus and should be treated accordingly. This notwithstanding, the Council’s employment evidence base is consistent with the LEP strategy (AD22). The CWLEP sets out its Pillars of Activity in the 2016 SEP (Strategic Economic Plan) (AD12). These are:

- Unlocking the growth potential of new employment and housing sites
- Growth of the Advanced manufacturing and engineering sector
- Growth of SME's
- Raising skills and levels to help raise employment levels
- Growth of the Culture and Tourism sector

5.2.12 The 2013 ELR (CD8/6) recommended planning for 15ha of industrial land, which was greater than the industrial land requirement indicated by the projections, in order to support advanced manufacturing and engineering. The Borough Council has allocated the land south of the A5 to take further advantage of the presence of Horiba MIRA.

5.2.13 The ELR Addendum (CD8/7, para 6.18-6.23) sets out a range of growth sectors which are accounted for in the labour supply scenarios. As well as considering the additional jobs likely to arise to service the additional population of each of the housing scenarios, the modelling in CD8/7 also considers uplifts in sectors which would benefit from a growing labour force. This includes uplifts to support the growth of highly skilled industries such as advanced manufacturing (including manufacturing of motor vehicles, non-metallic products, and food and drink), accommodation and food services – linked to the LEPs aim to grow the Culture and Tourism sector.

5.2.14 Other sectors which were identified as growth sectors were land transport, storage and distribution – recognising and supporting the strong region-wide demand for land for these uses; Construction – recognising the jobs growth associated with higher development scenarios; and Computing and IT – recognising relative strong local performance of the sector.

5.2.15 Outside of the Local Plan process the Borough Council is also actively working with schools and training providers to ensure that the benefits of expanding sites, such as Horiba MIRA, translate into improved skills within the workforce.

(c) Have employment needs been informed by the future influences of HS2 (including the Birmingham Interchange), Birmingham International Airport, and the Horiba MIRA Enterprise Zone?

5.2.16 The ELR considered the overall need for future employment land. This gave a potential split of employment land between various uses. This however continues to focus employment growth on the B8 sector. Although important to the Borough the BC is keen to ensure there is not an over reliance on one sector as there was at one time with the coal industry. This is particularly important when considered against the study on the effects of automation on the Borough (http://www.localis.org.uk/wp-content/uploads/2018/03/015_Automation_AWK.pdf)(AD15).

5.2.17 The Local Plan has considered the impacts of such developments of HS2 and the Airport. However these are considered to be for the review of the current LP. This is because the construction phase of HS2 will be very difficult and will impact adversely on the Borough due to the amount of railway that needs to be constructed and the complexity of the construction. There are many viaducts and junctions that need to be built to the west of the Borough. In addition the new station just to the south of the Borough will not open until 2026. Detailed proposals are still to be drawn up and the exact type and amount of development is still unclear.

5.2.18 It is considered too early to understand the expansion plans of the Airport. Originally there were discussions of a second runway but now it is expected that there will be changes to the current passenger terminal. Consultation on future plans should be available in the autumn / winter 2018. Early indications are that only a few hundred jobs will be provided during the current plan period although the benefit to the general economy is more far reaching.

5.2.19 In terms of Horiba MIRA the Borough Council is very keen to exploit the opportunity to expand on a growing Technology Park to the north of the A5 by providing a different but complimentary opportunity to the south. In the Regulation 18 version of the Local Plan the site was allocated in two phases. However, following discussions with Horiba MIRA and CWLEP it was concluded that the opportunity should be given to bring the whole site forward if required. This gives the site flexibility to come forward as a single end user.

5.3 My attention has been drawn to various studies related to economic trends and prospective employment needs in the wider area. What account has, or should, be taken of such studies in establishing employment needs and requirements in North Warwickshire?

- 5.3.1 The Council's employment land needs are identified in the relevant evidence base studies (CD8/6, CD8/7, and CD8/8). The ELR (CD8/6) takes account of a range of studies considering needs for the wider area including the Government's Plan for Growth, The Coventry & Warwickshire Local Economic Assessment (AD21), the Coventry and Warwickshire LEP 5 Year Strategy (2011 - 2016) (AD22), the Black Country and Southern Staffordshire – Regional Logistics Site Study (AD23), and the Quality of Life in Warwickshire Report (AD24). The ELR Addendum (CD8/7) takes account of the West Midlands Strategic Employment Sites Study (AD25), Coventry & Warwickshire LEP's Employment Land Use Study (AD26), as well as the supply proposals in surrounding areas.
- 5.3.2 The findings of these studies have been considered alongside an assessment of the employment trends and dynamics in North Warwickshire and across the wider area, to inform the conclusions on employment land needs in the Council's evidence base studies. The ELR identified the Borough's own local demand as well as identifying that the Borough has historically delivered a disproportionately large amount of the regional demand, particularly for distribution uses.
- 5.3.3 As set out above, the Council has sought to agree with neighbouring authorities a fair distribution of the future regional demand for employment land. This has been established through a Memorandum of Understanding with the Coventry and Warwickshire authorities (CD5/3B) as well through discussions with Tamworth and Lichfield to meet a proportion of Tamworth's unmet need.
- 5.3.4 It is therefore considered that the Council have given due consideration to the prospective needs of the wider area in setting its employment requirement.

5.4 With regard to the economic objectives in LP paragraphs 9.5 to 9.8 and CD8/8, which set out the inter-relationship between jobs and employment space figures, should a job number be set as an LP requirement?

- 5.4.1 No - the Borough Council believe that the requirements should be expressed as a site area. Expressing the figure in term of jobs growth would make effective monitoring difficult. The relationship between jobs and employment space is measurable at a broad scale where employment density assumptions average out.

However, at a site by site basis there is considerable variance in the number of jobs supported at any given time, making effective monitoring very difficult. Any robust sources detailing employment levels on an annual basis are either survey based or in the case of the workforce jobs database published at a regional level.

5.5 Has the overall employment requirement in LP6 been established with appropriate regard to the Duty to Cooperate?

5.5.1 The employment requirement in LP6 is based on the labour supply scenario in CD8/8. This estimates the employment land need in North Warwickshire arising from the delivery of North Warwickshire's housing OAN plus meeting its share of unmet housing need from Coventry and Tamworth, and 10% of the unmet need from the Birmingham HMA (5,280 + 3,790 = 9,070 dwellings). North Warwickshire meeting this scale of unmet housing need has been established with appropriate regard to the Duty to Cooperate. The employment land requirement identified in CD8/8 aligns with the agreed housing needs figures.

5.5.2 Additionally, there is 8.5ha of unmet employment land needs from Tamworth which is being met in North Warwickshire (with a further 5.5ha being met in Lichfield). There have been no other requests from neighbouring authorities to meet their unmet employment land needs. A MoU has been agreed between the Coventry and Warwickshire authorities with regards to employment land need. This established that North Warwickshire is not required to provide any additional employment land to meet the unmet needs of the sub-region.

5.5.3 This means that the Local Plan's 100ha employment land target can be considered to meet the Council's own needs, plus 30ha of employment land need from the Birmingham HMA – which includes the 8.5ha from Tamworth – to align with the unmet housing need.

5.6 Are the employment areas identified in policy LP12 'Employment Areas' appropriately evidenced? Are policies LP12 and LP11 'Economic Regeneration', which makes provision for release of employment allocations in certain circumstances, effective and consistent with national policy?

5.6.1 Yes it is considered that the policies LP11 and 12 are consistent with the NPPF (2012) in seeking to ensure economic growth of the local authority whilst balancing it with the other considerations of the NPPF and the Local Plan.

5.7 Are policies LP11 and LP13 ‘Rural Employment’ justified and consistent with national policy which seeks to support a prosperous rural economy?

5.7.1 Yes the Borough Council considers that LP11 and LP13 are consistent with NPPF (2012). It is seeking to ensure appropriate growth is undertaken and that the rural areas as well as the more urban areas flourish taking into consideration the other considerations of the NPPF and Local Plan. For example Policy LP11 specifically seeks to retain employment land, including in rural areas, to ensure rural employment opportunities are maintained/retained unless there is no real prospect of the site being used for employment purposes, reflecting paragraph 28, 4th Bullet point of NPPF 2012, on the need to promote the retention of local services and paragraph 83 of the New NPPF 2018 in enabling ‘*the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings*’.

5.7.2 Policy 11 also explicitly states that “Support and encouragement will be given to small scale rural businesses to expand where this does not impact detrimentally on the countryside character in environmental or sustainable terms’, which is consistent with paragraphs 28 of NPPF 2012, 83 and 84 of the NPPF 2018. Policy LP13 also supports a prosperous rural economy through supporting farm diversification and enabling and supporting new uses for rural buildings. It should be noted that the text in Policy LP11 (2nd and 3rd paragraphs) is the same as that within Policy NW9 of the Core Strategy, which was adopted in 2014 under the aegis of the NPPF 2012, reflecting the para 28 guidance to support a prosperous rural economy. This guidance has little changed in the new NPPF 2018, Chapter 6, ‘Supporting a prosperous rural economy’.

5.8 Is the approach in the LP to the provision of retail and other main town centre uses based on appropriate evidence, effective and consistent with the NPPF 2012?

5.8.1 Yes the approach is appropriate. The NPPF (2012) states at paragraph 158 that appropriate levels of evidence for a Local Plan are important. In terms of retail

provision the Borough has never had a proposal for out of town retail outlets and due to the proximity of much larger urban areas surrounding the Borough with large retail offers (Ventura Park, Chelmsley Wood, Nuneaton, Bedworth, Tamworth, Coventry, and Solihull) there is not considered to be a need to undertake such work. The Borough Council believes that the market towns should continue to be the focus of retail provision especially taking into consideration changing shopping habits.

5.9 Have alternative levels or distributions of employment space provision been assessed, including any contribution from existing under-used sites or previously developed land?

5.9.1 When starting to prepare the Core Strategy there were 25% of sites on the main industrial estates vacant or up for sale/ or to be let. When starting the Local Plan the situation had changed and there were not the vacancy rates seen previously. Under-utilised employment sites are not a problem within the Borough. One previously under-utilised site was 'Buchans' near Whitacre Heath. This site is now being used more comprehensively and is located within the Green Belt.

5.10 Are LP requirements employment and homes suitably correlated? If not, precisely why not?

5.10.1 As set out in the answers to the questions above, the Council has taken an approach which correlates the need for employment land and the need for housing. The Council's employment target of 100ha is based on a labour supply scenario from CD8/8 which is aligned with the delivery of the aspirational housing need of 9,070 dwellings.

5.10.2 The labour supply scenarios in CD8/8 consider the additional jobs which will arise due to servicing the needs of the additional population, as well as the economic growth arising to match the growing labour force implied by the additional housing growth.

5.10.3 Therefore, the Council believes that this provides a suitable correlation between the employment land and housing requirements in the Local Plan.

(c) For effectiveness, should employment requirements be expressed in terms of floorspace?

5.10. No - the Borough Council believe that the requirements should be expressed as gross site area.