

West Midlands
Regional Spatial Strategy
Annual Monitoring Report 2006
Employment Land Study

Published April 2008

West Midlands
Regional Assembly

2006 Regional Employment Land Study

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2006 REGIONAL EMPLOYMENT LAND STUDY

(RELS)

Introduction

- 1.0 The Regional Employment Land Study (RELS) is a report produced annually to provide a description and analysis of the position of employment land supply within the West Midlands. It builds on the analysis that was undertaken in the Annual Monitoring Report (AMR) of the West Midlands Regional Spatial Strategy (RSS11) for the West Midlands Regional Assembly, the Regional Planning Body (RPB).
- 1.1 This study monitors all available land committed for industrial/employment use in excess of 0.4 hectares (gross developable area), falling within the use classes B1b (research and development), B1c (light industrial), B2 (general industrial) and B8 (warehouse and distribution) within the Town and Country Planning Use Classes Order.
- 1.2 Committed sites are those that have been either allocated in Development Plans, have planning approval, a committee resolution or an appeal decision. This study also includes the monitoring of B1a office development outside Town and City centres. B1a uses within Town and City centres are also annually monitored as part of the Annual Monitoring Report. This RELS report covers the period 2005 to 2006 and incorporates results at the district or Unitary level, amalgamating the County and Metropolitan areas.
- 1.3 The region's population has continued to increase and stood at 5,365,000 in 2005 according to the last Regional Spatial Strategy's (RSS) Annual Monitoring Report (AMR) 2006. Population within the West Midlands Major Urban Area (MUA) fell between 1991 and 2001, however since 2001 showed a steady increase. The region's MUAs consist of Birmingham, the Black Country, Coventry, North Staffordshire and Solihull. Migration from the West Midlands to the rest of England and Wales continued albeit at a reduced rate. A primary objective of the RSS is to make MUAs within the West Midlands attractive places where people want to live, work and invest. The Prosperity for All policies contained within the RSS aim to support this objective.

Market Trends

- 1.4 There continues to be a pressure on manufacturing sector within the West Midlands as previous RELS have noted. The loss of such manufacturing has affected regionally based firms supplying automotive parts and services, although preceding efforts to encourage diversification lessened the impact. In May 2007 Nangjing motors re-opened the former MG Rover Plant and has resumed small scale manufacture/assembly. Further decline of car manufacturing in the region came with the announcement of closure of the Peugeot plant near Coventry in 2006. Manufacturing investment does however continue to take place with a broad range of industries investing in new buildings and equipment, including companies involved in aerospace and food preparation.
- 1.5 The shift away from volume motor vehicle manufacturing and towards other forms of employment within the region continues. This RELS period has also seen notable improvement in the out of centre office market, which suggests new opportunities for employment are emerging. The B8 warehousing and distribution sector also continues to attract significant investment.

Definitions

- 1.6 **Readily available land** – Sites are defined as readily available if the following conditions are satisfied: should be no major problems of physical condition, no major infrastructure problems, on the market with a willing seller.

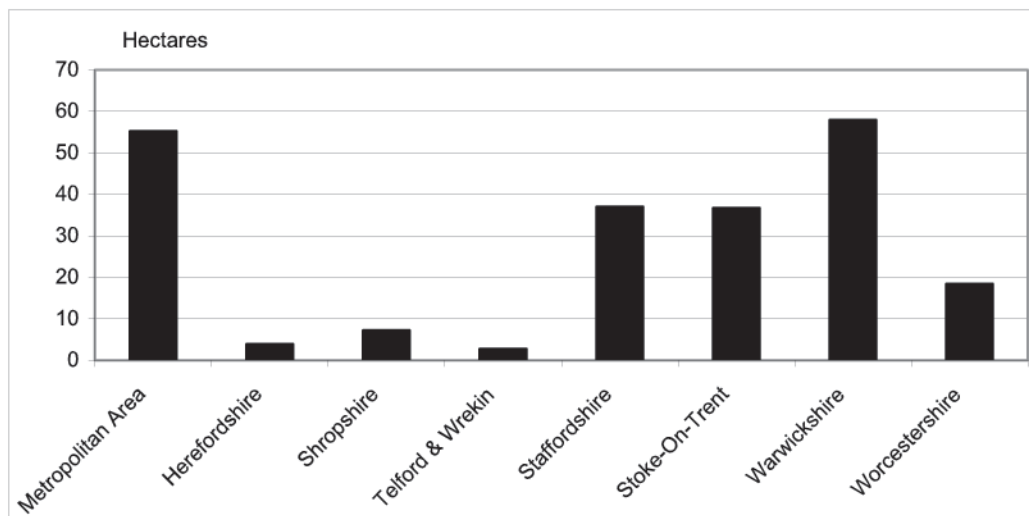
Not readily available land – Sites that are defined as not being readily available if it has any of the following problems: major problems of physical condition; major infrastructure problems; not on the market; owner unwilling to sell.

KEY FINDINGS

Employment land development during 2005/06

2.0 The total amount of employment land developed in the West Midlands during the period 2005 – 6 was 219.3 hectares, a slight increase from the previous year 2004 – 5 which was 217.4 hectares completed but still lower than the average of 237 hectares over the last 7 years. Completions in Warwickshire increased from 46.9 hectares during 2004 – 5 figure to 57.95 hectares during the 2005 – 6 period. Significant developments in Warwickshire during this RELS period included the 19.4 hectare Former Birch Coppice (North Warwickshire), 10 hectares at Spa Park, Tachbrook Road (Warwick) and 9.8 hectares at the Regional Logistic Site at Hams Hall (North Warwickshire). Stoke - On -Trent has also seen an increase in completions to 36.68 hectares including a 21.5 hectare development at Trentham North. Worcestershire saw a rise to 18.46 hectares of completions.

Graph 1: Land Completed for Employment Uses, 2005 - 2006



2.1 The other areas generally saw an overall decline in completions during 2005 –06. The Metropolitan area saw a decrease in completions from over 65 hectares to 55.22 hectares. Staffordshire saw a slight decrease from 40 hectares in the previous period 2004 – 5 down to 37.01 hectares in 2005 – 06. Shropshire also saw a slight decline. During the period 2004 – 05 there was 10 hectares of completions in Shropshire that fell to 7.28 hectares during 2005 – 06.

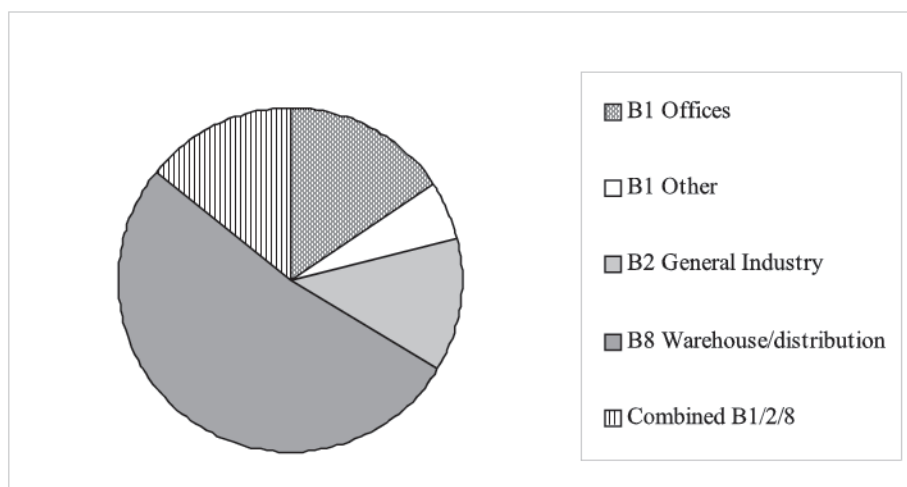
Development by Use Class

2.2 Preceding RELS have highlighted the importance of distribution and warehousing to the West Midlands economy and increases in land developed for B8 use. The 2004 – 5 RELS saw a slow down of the

trend with 65.4 hectares of B8 land completed compared to 85 hectares in 2003 - 04. However, this increased significantly during this 2005 – 06 RELS period to 114.5 hectares of completions for B8 uses (see table 4 & 9b) which is 52.2 % of the total of B8 land.

- 2.3 Combined B1/B2/B8 development stood at 79.8 hectares of completions during 2004 – 05 compared to a significant decrease in combined B1/B2/B8 use classes to 31.09 hectares for this 2005 – 06 period. The demand for B1 offices increased slightly in 2004 – 05 to 28 hectares. However, the market for offices in 2005 – 06 saw still further improvement with 34.14 hectares of land for B1 use outside Town and City centres.

Graph 2: Development by Use Class, 2005/2006

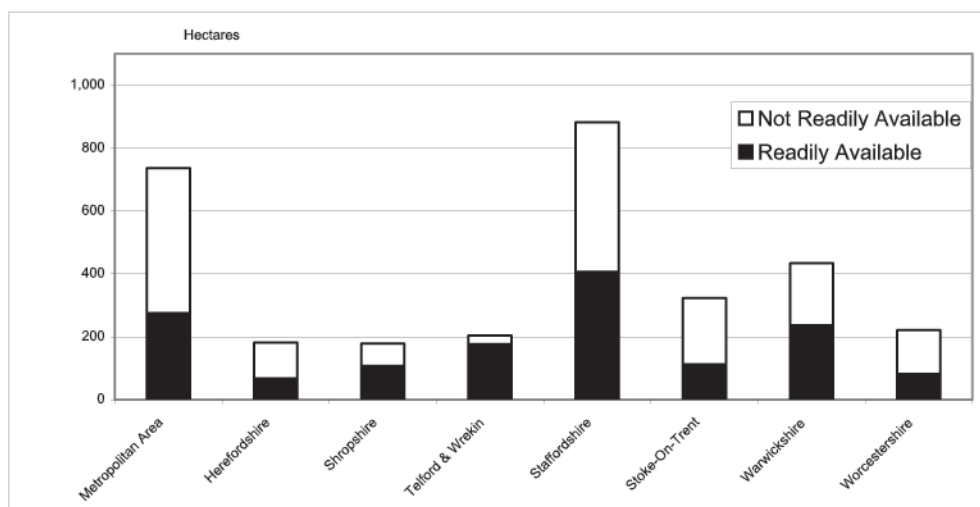


Supply of employment land

- 2.4 It is essential that the region maintains an adequate supply of employment land in order to maintain economic prosperity. The RSS advocates this provision across the region (see PA6). This policy objective states that no desirable investment opportunities should be lost for want of a suitable site. However, many towns and cities within the region are seeing increasing pressures on employment land as the demand for housing increases.
- 2.5 In the period 2003 –04 the supply of employment land in the West Midlands decreased from 3,509 hectares to 3,328 hectares in the following 2004 – 05 period. In the period 2005 –06 the supply of employment land has decreased still further to 3,161.6 hectares. The Metropolitan and Staffordshire areas possess the largest amounts of employment land in the region. The period 2005 – 06 saw little shift in the supply of land in the Region. However, the supply of land in Staffordshire saw the largest fall to 882.54 hectares.

2.6 The supply of readily available land in the region increased from 1,381 hectares in 2003 – 04 to 1,466 hectares in the period 2004 – 05. However, the following 2005 – 06 period saw the supply of readily available land in the West Midlands fall slightly to 1,462 hectares. The supply of not readily available land has fallen over the last three RELS's. In 2003 –04 it stood at 2128 hectares and decreased to 1871 hectares in 2004 –05. The period 2005 – 06 has seen a further fall in the supply of not readily available employment land to 1699.25 hectares. This downward trend could be attributed to the increased demand for land for new housing as well as shifts in demand away from certain employment land uses.

Graph 3: Readily and Not Readily Available Land Supply, 2006

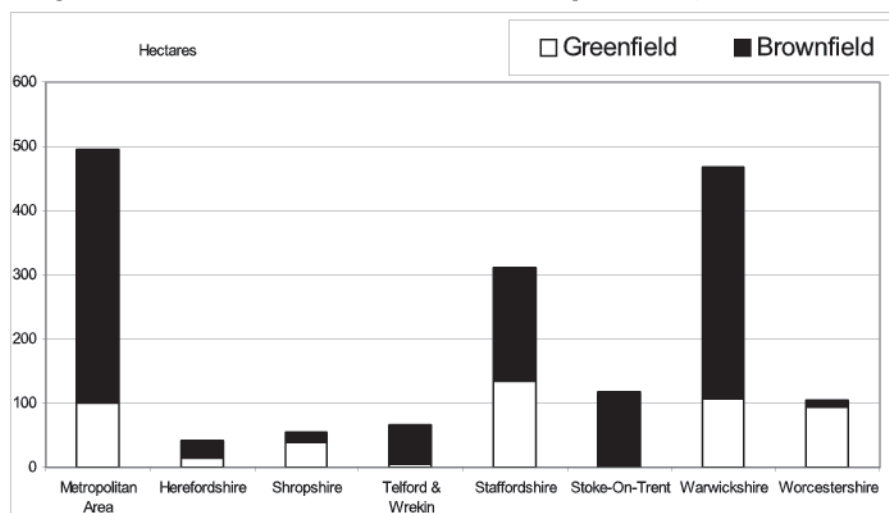


Greenfield/Brownfield dimension of employment land

2.7 In the 2004 – 05 RELS 66% of the Region’s employment development took place on Brownfield sites compared to 62% the previous year. This was despite the decrease in the amount of Brownfield development in the previous year. In this RELS period 82% of completions took place on Brownfield land an increase in percentage terms from the 70% average for the 1999-2006 period.

2.8 The region saw 179.6 hectares of completions on Brownfield sites. The Metropolitan area saw 93% of completions on Brownfield land followed by Warwickshire with 87% of Brownfield completions. Warwickshire has seen a decrease to 6.4 hectares of completions on Greenfield land while completions on Brownfield land increased to 51.5 hectares for this RELS. Stoke – On – Trent also saw an increase in Brownfield completions with 36.7 hectares during the period 2005 –06.

Graph 4: Greenfield / Brownfield Completions, 1999/2000 – 2005/2006



RSS Settlement hierarchy

2.9 The RSS recognises that the outward movement of people and jobs away from the MUAs is a unsustainable trend that is providing key challenges for the region. It recognises that investment decentralisation needs to be addressed within MUAs.

2.10 During this RELS the (MUAs) saw 100.5 hectares of completions. This is compared to 87.2 hectares of completions for the (MUAs) for the previous 2004 – 05 RELS. An increase of 15.25% on the 2004 – 05 RELS figure. The MUAs were therefore the main focus of development which is in accordance with RSS objectives. However, completions in the Metropolitan Area fell significantly from 65.6 hectares in the previous RELS to 55.2 hectares for this RELS.

2.11 Most Major Urban Areas saw a decrease in completions from the previous RELS. However, Coventry saw an increase from 10.0 hectares of (MUA) completions in the last RELS to 12.4 hectares in this period 2005 – 06. Stoke – on Trent has seen the greatest increase in (MUA) completions however, with an increase of 15.1 hectares in 2004 –05 to 36.7 hectares during 2005 – 06. An increase of 69.9% on the previous RELS year.

Regeneration Zones

2.12 Maintaining and increasing the rate of development in Regeneration Zones (RZs) remains a key objective within the RSS. Regeneration Zones of which six are currently identified in the RSS and Regional Economic Strategy (RES) are areas of deprivation within the region and as such areas most requiring investment.

2.13 Completions that took place within a Regeneration Zone for the 2003 – 04 RELS stood at 73.3 hectares and increased to 84.3 hectares during the previous 2004 – 05 study. This increased significantly to a total of

104.3 hectares for all zones for 2005 - 06. This overall increase in completions is encouraging. North Staffordshire saw the largest increase in Regeneration Zone completions with an increase from 21.7 hectares in 2004 – 05 to 45.3 hectares for this RELS. In contrast Coventry & Nuneaton however saw a significant decrease in completions from 24.3 hectares in 2004 –05 to 11.4 hectares in 2005 – 06.

- 2.14 Employment land supply by Regeneration Zone for 2006 shows that the total supply of land for these Zones to be 1,310 hectares. The readily available land stood at 429 hectares compared to 880 hectares of land not available (see table 14).

High – Technology Corridors

- 2.15 Assessing the rate of development within high – technology corridors (HTCs) is important to determining the success of the RSS. High Technology Corridors are specific corridors which have been identified where cluster development related to the regions research and development capabilities and where advanced technologies will be promoted. Maintaining a sufficient supply of employment land within a high –technology corridor is also essential for delivering the RSS objective of economic diversification.
- 2.16 Employment Land Completions within High – Technology Corridors (HTCs) totalled 50.6 hectares throughout the region for this RELS which is over a quarter of the total employment land completion during 2005/06. The B1 office sector has shown encouraging improvement within the HTCs and region as a whole. Office completions within all HTCs increased from 15.1 hectares in the previous 2005 RELS to 19.2 hectares for this RELS which is a significant proportion of the total of corridor completions across the Use Classes. However, as with previous RELS the amount of development for dedicated R&D uses remained low. There were a total of 0.9 hectares of completions within B1 (R & D) sites and 2.2 hectares not in HTCs (see table 9b). Although this is a significant improvement upon last years RELS, this level of R&D development is relatively low.
- 2.17 Progress however is now being made on a number of sites. The Phase 1 redevelopment of part of the former MG Rover plant in Longbridge for a high –technology industrial use is now complete and a number of occupiers have been attracted to the site. A detailed planning application for the former site of the BBC television studio Pebble Mill is yet to be received. However, encouragingly outline-planning consent was granted in 2003 for the construction of a technology and science park. There was 393 hectares of ‘Readily Available’ land during 2006 within HTCs compared to 413 hectares of land ‘Not Readily Available’ (see table 15).

Portfolio of employment land

2.18 The development of a portfolio of employment land is encouraged by the RSS across the West Midlands. The aim of this is to ensure that no desirable potential investment is lost due to a lack of a suitable site. This portfolio consists of two types of sites – made up of large regionally significant sites and smaller sites with local significance. In 2006 the region had a total employment land supply in its portfolio of 1,462 hectares.

Regionally Significant Employment Sites

Regional Investment Sites

2.19 Regional Investment Sites (RIS) are sites of between 25 and 50 hectares in size that have been set aside for high quality developments and support RSS objectives. The last RELS saw 5.8 hectares of employment development take place on Regional Investment Sites. The preceding 2003 – 04 RELS saw 1.1 hectares of employment development on RISs. For this RELS 33.6 hectares of employment development took place on RIS, a significant increase on the previous year reflecting a slight improvement in the business park market. However, a significant element of these completions (21.5 hectares) took place on the Trentham Lakes site in Stoke-on-Trent which the RSS Revision – Preferred Option suggests should no longer continue as a RIS.

Major Investment Sites

2.20 Major Investment Sites (MIS) are very large sites of around 50 hectares that have the capability of accommodating large-scale investment by single users. Such sites are designed to help diversify and restructure the regional economy. During 2005 – 06 no land was developed for MIS uses. Implementation of policy depends very much on the availability of suitable sites and on the region's success in attracting these large – scale investments.

Regional Logistic Sites

2.21 Regional Logistic Site (RLS) are large sites of 50 hectares which provide concentrated development opportunities for warehousing and distribution uses. Hams Hall (North Warwickshire) still remains the only RLS within the region and during 2005-06 saw 9.8 hectares of completions (see table 3). Land at Hams Hall is now running out and only 27 hectares of land remains available for development. The RSS Review Proposed Changes suggests that the existing rail connected site at Birch Coppice (North Warwickshire) should be upgraded to a RLS. There is still 75 hectares of land available for development at Birch Coppice.

Locally Significant Employment Sites

2.22 The previous RELS saw 215.4 hectares of employment land completions take place on locally significant employment sites. The second tier consists of Sub – Regional Employment Sites of between 10 and 20 hectares in size, Good Quality sites over 0.4 hectares in size and Other employment sites. During 2005 – 06 there were 176 hectares of employment land completions on locally significant employment sites (80% of employment land completions in the Region). The majority of locally significant completions took place on sub-regional or good quality employment sites.

Loss of Industrial Land to Alternative Uses

2.23 RELSs play an important role in monitoring the rate at which employment land within the West Midlands is lost to alternative uses. Pressures on industrial land from alternative and competing uses have increased considerably over previous years since the amendments to PPS3. These amendments advise Local Planning Authorities that planning applications for housing on redundant land or buildings in industrial use that are no longer needed for such a use should be favourably considered.

2.24 In the 2003 –04 RELS a total of 244.03 hectares of employment land was lost to alternative uses. In that year 125.08 hectares of employment land was lost for residential uses. Most of this land was considered good or other quality employment land. In the previous 2004 –05 RELS 237.1 hectares of former RELS sites were lost to alternative uses. The amount of land used for retail uses increase significantly from 2.4 hectares in the 2004 – 05 RELS to 20.5 hectares for this RELS (see table 23). This suggests that employment land is also under threat from increasing pressures from the retail sector.

2.25 During 2005-6, 194 hectares of former employment land was lost to non-industrial uses including 145 hectares of mixed-use developments including residential.

2.26 The loss of employment land was spread across the region and included 76.3 hectares of good quality land and 33.4 hectares of sub-regional land. Significant employment sites lost to residential included part of the 33.4 AGCO site at Banner Lane in Coventry. 14.7 hectares of this site has outline planning permission for residential with the remainder of the site being developed for employment and a local centre. The loss of employment land remains a significant issue facing the Region and will need to be carefully monitored through future RELS and AMRs. This will be particularly the case given the pressures for population and housing growth and the need to support parallel employment and economic growth.

Future Employment Land Guidance

- 2.27 This work is being taken forward through the RSS revision process. A key objective of the RSS Revision is to provide guidance to Local Planning Authorities on future employment land requirements. The RSS Review Preferred Option provides District level employment land figures based on a methodology developed by the West Midlands Employment Land Advisory Group.

Conclusions and Priorities for the Year Ahead

- 3.0 In conclusion, this RELS has shown that uncertainty in the manufacturing industry remains, particularly within the automotive sectors. However, with the reintroduction of car assembly at MG Rover, albeit on a small scale and a new model to be produced at Jaguar Cars, there is some optimism. Nevertheless, the region's shift away from lower value manufacturing and towards other forms of employment continues at a steady pace with growing employment opportunities from the office market and service/leisure sectors.
- 3.1 The total amount of employment land developed within the region has slightly increased on the previous years, which is encouraging. The increases seen in Warwickshire, Worcestershire and Stoke-On-Trent were offset by a decrease in completions at the Metropolitan Area, Shropshire, Telford and Wrekin and Staffordshire.
- 3.2 The report highlights a further significant increase in B8 completions on the previous year. The B1 Office market has seen further improvement with demand increasing over a second RELS period that is welcome news for the region although a slight shrinking of B2 uses is a concern.
- 3.3 Completions on Brownfield land were significantly higher than on Greenfield land for this RELS, which is a positive and encouraging outcome as it is in accordance with RSS policies and objectives. The Metropolitan Area, Hereford and Warwickshire saw a decrease in the use of Greenfield land this year compared to the last RELS. However, levels of Brownfield development also increased in Staffordshire, Stoke-On-Trent and Warwickshire. Another positive result from this RELS has seen the MUAs continue as the main foci for development within the region which is in accordance with policies set out in the RSS. Stoke-On-Trent saw the biggest increase in completions from the previous RELS. Further encouraging results from this RELS saw Regeneration Zone completions rise considerably from last year's figures. North Staffordshire saw the largest and most significant increase in completions on last year's study.
- 3.4 Maintaining sufficient supplies of development land within HTCs is important for the delivery of new high-tech employment investment opportunities and RSS objectives. The level of completions for specific R & D uses however remains relatively low. Development investment will have to increase markedly during the coming RELS years if policy objectives within the RSS are to be met. Some progress is being made however with a number of HTC sites with redevelopment of the former MG Rover and Pebble Mill sites in Birmingham. A sizeable portfolio of employment land throughout the region is also key to maintaining employment land development opportunities.

- 3.5 This RELS has encouragingly seen a significant increase in employment development taking place on RISs, suggesting welcome improvement in the business park market. There is still however work to be done to attract development suitable for MISs within the region. The supply of MIS site will also need to be considered as part of the RSS Revision. The Revision proposes that Ansty should be reclassified from an MIS to a RIS reflecting recent development proposals by AWM. Should this change be confirmed Wobaston Road would be the only MIS in the West Midlands.
- 3.6 More work is also required to ensure the supply of suitable land for RLSs, as the only site within the region remains Hams Hall in Warwickshire. It will be necessary to bring forward potential replacement RLSs in order to maintain regional capacity before all capacity is exhausted at Hams Hall. The RSS Revision proposes that Birch Coppice should be upgraded to a RLS. During this RELS, completions on locally significant employment sites fell from the previous study. However, the majority took place sub – regional or on good quality sites.

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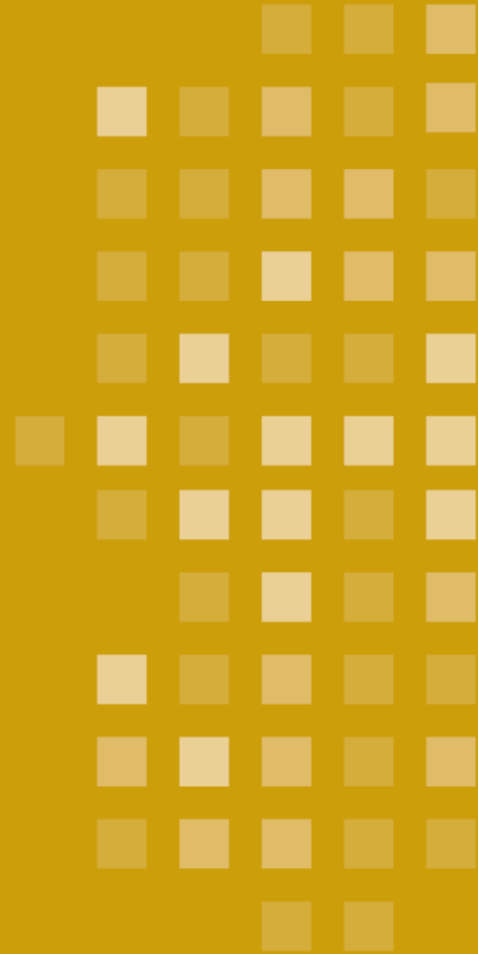
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