West Midlands Regional Spatial Strategy

Phase Two Revision - Preferred Option

Prosperity for All
Centres Background Paper
December 2007

West Midlands Regional Assembly
Speaking out for the region

West Midlands Regional Spatial Strategy
Phase Two Revision

Preferred Option

Prosperity for All

REGIONAL CENTRES
BACKGROUND PAPER

December 2007

This report has been prepared on behalf of the West Midlands Regional Assembly (WMRA), the Regional Planning Body, as technical advice to inform the Regional Spatial Strategy Revision process. It is one of a suite of technical reports commissioned to inform the development of spatial policy as part of Phase Two of the Revision of the West Midlands Regional Spatial Strategy which have been co-ordinated by the WMRA to ensure that town and city centres are considered alongside housing, employment and transport and that they each have a shared set of principles for sustainable development.

Further information and details of the West Midlands Regional Strategy and the Revision process can be found on our web site www.wmra.gov.uk

1. Introduction

1.1. The primary source of background information for the regional centres policies is the West Midlands Regional Centres Study (WMRCS), undertaken by Roger Tym and Partners on behalf of the Regional Assembly. The Study was published in 2006.

1.2. The purpose of the Study was to identify:

- The scale of comparison retail, office and leisure development that should be accommodated in the Region in the period to 2011, and in more broad indicative terms from 2011 to 2021;
- How any identified growth in demand for retail, leisure and office development should be distributed across the region, taking into account the provisions of adopted development plans;
- How any identified capacity can be diverted to those centres which will best promote accessibility and use of sustainable modes of transport, are least likely to undermine vulnerable centres and best meet any gaps in retail, leisure and office provision across the Region;
- The market's perceptions of the opportunities for major investment.

1.3. The Study was used to inform the Spatial Options consultation stage of the RSS Phase 2 Revision process in January to March 2007, and was the subject of discussion at the Phase 1 Revision Public Examination in January 2007. In the light of the outcome of these processes, certain aspects of the Study were updated in 2007 by Roger Tym and Partners. This WMRCS Update has been published separately and only relates to the comparison retail requirements involving:

- A review of the key assumptions and data inputs, taking into account the most up-to-date information.
- A roll-forward of the figures to 2026 (the end date of the RSS Revision)

- Use of population projections based on the new housing distribution proposed in the RSS Revision.
- Calculation of figures for the Black Country centres on the same basis as those for the rest of the Region.

2. The Network of Strategic Town and City Centres

2.1. The adopted RSS already defines a regional network of strategic town and city centres (policy PA 11). The WMRCS reviewed this network and concluded that it remains appropriate, with the exception that Dudley should be replaced by Brierley Hill/Merry Hill (see Chapter 5 of the Study). This change has been confirmed through the Phase 1 Revision.

2.2. The WMRCS also allocates the strategic centres to a series of five tiers based on their current roles and performance (see tables 5.2 and 5.3 of the Study). This definition has been followed in the Phase 2 Revision, with the exception that tiers 4 and 5 have been combined. This approach is supported in the WMRCS Update (para 5.2). The Update also suggests that West Bromwich should be re-assigned to tier 3, in view of the scale of the new floorspace allocated to it through the Phase 1 Revision. However, the Phase 2 Revision has incorporated the tier concept on the basis that it reflects current circumstances, is not prescriptive, and will be subject to change over time. On this basis West Bromwich has been retained in tier 4.

3. Comparison Retail Floorspace Requirements.

3.1. Comparison retail floorspace requirements are proposed in the Phase 2 Revision for each strategic centre, with separate figures for 2006 – 2021 and 2021 – 2026. These figures are derived from tables 4.3 and 4.4 of the WMRCS Update, adopting the mid-point position in both cases.

3.2. It should be noted that the figures in these tables are expressed in net terms – i.e. they relate to additional sales area required. For the purposes of the RSS, they have been converted to gross floorspace requirements, utilising a net to gross ratio of 75%, within the range recommended in para 1.6. of the Update. The figures have then been rounded to the nearest 5,000 sq m.

3.3. It should also be noted that the Update urges caution in relation to the figures for 2021 – 2026, in view of the exponential nature of some of the data inputs (see paras 4.5 and 4.11 of the Update).

4. Office Floorspace Requirements

Context

4.1. The RSS Phase 2 Revision includes gross office floorspace requirements for each strategic centre for the period 2006 - 2026. Again, these are based on the analysis contained in the WMRCS.

4.2. The WMRCS provides forecasts of future office floorspace requirements at regional, strategic centre and district level. These forecasts are ultimately based on projections of growth in office employment within the ‘office’ sectors (prepared by Cambridge Econometrics). Details of the approach can be found in Technical Paper 6 of the Regional Centres Study and the results are summarised in Table 6.10. of the Main Report.

4.3. The Spatial Options consultation document reflected these figures. It proposed office floorspace requirements for both Districts and strategic centres for 2001 – 2021, apart from for the Black Country, where it incorporated the emerging Phase 1 Revision proposals, which were for 2004 - 2021. The figures are shown in table 4.1 below.

Table 4.1. Office Requirement Proposals from the RSS Options Consultation.

Centre	**Forecast (000sq.m gross)**
Birmingham	480 - 530
Burton	20
Cannock	10-20
Coventry	140-160
Hereford	30
Kidderminster	30
Leamington Spa	40-50
Lichfield	30-40
Newcastle-under-Lyme	40
Nuneaton	20
Redditch	30-40
Rugby	20
Shrewsbury	20
Solihull	100
Stafford	30-40
Stoke-on Trent	20
Stratford-upon-Avon	20
Tamworth	20
Telford	70-90
Worcester	40-50
Sutton Coldfield	10-20
Brierley Hill	186
Walsall	186

West Bromwich	186
Wolverhampton	186

4.4. The Options Consultation response revealed general agreement with the overall scale of office floorspace requirements at the regional level, but considerable disagreement over the figures for individual centres and Districts. The main concerns were:

- A desire for more ambition in promoting a shift from out-of-centre to in-centre development.
- Capacity concerns in some centres.
- Arguments for higher local requirements for some centres to reflect restructuring/regeneration needs.

The Preferred Options: Overall Approach

4.5. In providing figures for the Preferred Option it has been necessary to take account of the following:

- The need to take account of the responses to the Options consultation.
- The need to provide figures for 2006 – 2026.
- The need to reflect the outcome of the Phase 1 Revision in relation to the Black Country centres.
- The need to take account of the proposed distribution of new housing.

4.6. The following principles have therefore been applied:

- The regional figures provided in the WMRCS have been accepted but have been rolled forward to 2026.

- The figures for the Black Country centres from the Phase 1 Revision have been accepted, but adjusted to relate to 2006 - 2026 rather than 2004 - 2021.
- Outside the Black Country, a target of 65% of uncommitted new office development to be in the strategic centres has been set, to reflect the desire for a more ambitious approach to the promotion of in-centre development.
- The in-centre requirement outside the Black Country has then been distributed between the strategic centres on the basis of the distribution proposed in the WMRCS, but with adjustments to reflect local circumstances, and the proposed new housing distribution.

These steps are now described in more detail.

The Regional Requirement

4.7. The WMRCS projects an increase of 207,900 jobs in the office sector 2001 – 2021. The projections on which this is based are set out in Appendix 3 of Technical Paper 6. These do not project office employment beyond 2021. However the projections show a consistent pattern of growth from 2006 to 2021 (9.1% 2006 – 2011, 9.4% 2011 – 2016 and 9.6% 2016 – 2021). On the assumption that this pattern continues in 2021 – 2026, growth of 9.8% might be expected over this period. This would mean that total office employment within the Region would rise from 609,500 in 2021 to 669,200 in 2026 and the increase between 2001 and 2026 would be 268,700. This is an increase of 67% over that period.

4.8. The WMRCS assumes a requirement of 18 sq. m of office floorspace per person. On this basis, a further 268,700 office jobs converts to a requirement for 4.84 million sq. m of additional office floorspace between 2001 and 2026 within the Region. Between 2001 and 2006

930,000 sq. m of office floorspace was completed. This leaves an outstanding requirement of 3.91 million sq. m for 2006 to 2026.

The Black Country

4.9. A part of this regional requirement has already been ‘allocated’ to the Black Country through the Phase 1 Revision. This allocation is for 845,000 sq. m for 2004 to 2021. This is equivalent to 49,700 sq. m per year. On this basis the requirement for 2006 to 2026 is 995,000 sq. m.

4.10. The requirement from Phase 1 for each of the Black Country centres is 186,000 sq. m 2004 – 2021. This is equivalent to 10,900 sq. m per year and on this basis the requirement for 2006 to 2026 is 218,000 sq m for each Black Country centre. The remaining 123,000 sq. m allocated to the Black Country would be in locations outside the four strategic centres.

The Region excluding the Black Country

4.11. This leaves a requirement for 2.92 million sq. m for the rest of the Region. At April 2006, 885,000 sq. m was already committed outside the Black Country of which 305, 000 was in-centre and 580, 000 was out-of-centre.

4.12. This leaves 2.04 million sq. m uncommitted at April 2006. The RSS Phase 2 Revision adopts a target of 65% of uncommitted office development being within the strategic centres. On this basis, there would be a requirement for 1.33 million sq. m in-centre. Adding in commitments (305,000 sq. m), this rises to 1.63 million sq m.

4.13. The baseline forecast in the WMRCS for centres outside the Black Country was 1.11 million sq. m (from table 6.10). Table 4.2. adjusts this forecast to bring it in line with the higher requirement resulting from the above calculations, assuming no change in the distribution between the centres.

Table 4.2. Baseline Office Floorspace Forecast adjusted to assume 65% of uncommitted floorspace is within the strategic centres.

Centre	Original Forecast (000sq.m gross)	Revised Forecast (000sq.m gross)
Birmingham	400	591
Burton	20	29
Cannock	10	15
Coventry	120	178
Hereford	30	45
Kidderminster	30	45
Leamington Spa	40	60
Lichfield	30	45
Newcastle-under-Lyme	40	60
Nuneaton	20	29
Redditch	30	45
Rugby	20	29
Shrewsbury	20	29
Solihull	90	133
Stafford	30	45
Stoke-on Trent	10	15
Stratford-upon-Avon	20	29
Tamworth	20	29
Telford	70	104
Worcester	40	60
Sutton Coldfield	10	15
	1110	1630

4.14. These figures have then been further adjusted to reflect the housing distribution proposed in the RSS Phase 2 Revision. In order to do this the 2004 based ONS population estimates for 2026 have been compared to population estimates based on the proposed RSS housing distribution. The office floorspace forecast has then been adjusted in line with the proportionate change in population. This excersise has been carried out at District level, but because of its regional role, no adjustment has been made to the Birmingham figure. The revised figures are set out in Table 4.3. below. This table also rounds the figures to the nearest 5,000 sq. m.

Table 4.3. Office Floorspace Forecasts adjusted for the proposed RSS Housing Distribution

Centre	Revised Forecast (from table 4.2) (000sq m. gross)	Revised Forecast, adjusted for RSS housing distribution (000sq m. gross)
Birmingham	591	590
Burton	29	30
Cannock	15	15
Coventry	178	200
Hereford	45	45
Kidderminster	45	40
Leamington Spa	60	45
Lichfield	45	45
Newcastle-under-Lyme	60	60
Nuneaton	29	30
Redditch	45	30
Rugby	29	30
Shrewsbury	29	30
Solihull	133	130
Stafford	45	45
Stoke-on Trent	15	15
Stratford-upon-Avon	29	25
Tamworth	29	30

Telford	104	110
Worcester	60	55
Sutton Coldfield	15	15
	1630	1630

4.15 Further adjustments have then been undertaken as follows:

- A small upward adjustment to Cannock to reflect local regeneration needs
- A significant upward adjustment to Coventry to bring its requirement in line with comparable centres in the Black Country, and to reflect local economic restructuring priorities.
- An upward adjustment to Stoke to reflect regeneration needs and to bring this centre more in line with comparable centres elsewhere in the Region
- Downward adjustments to Lichfield, Shrewsbury, Solihull and Stratford-upon-Avon to reflect local capacity constraints.
- A small upward adjustment to Sutton Coldfield to ensure all centres receive a minimum requirement of 20,000 sq. m.

4.16 Table 4.4. shows the outcome of this process. For completeness the figures for the Black Country centres are also included in this table. Again the figures are rounded to the nearest 5,000 sq.m.

5. Leisure Requirements.

5.1. The WMRCS discusses the leisure sector and provides an analysis of future prospects, but it has not proved possible to identify specific leisure requirements within the RSS Phase 2 Revision.

Table 4.4. Final Office Floorspace Requirements.

Centre	RSS housing adjusted forecast from table 4.3. (000sq m. gross)	Final Requirement. (000sq m. gross)
Birmingham	590	590
Burton	30	30
Cannock	15	30
Coventry	200	250
Hereford	45	45
Kidderminster	40	40
Leamington Spa	45	45
Lichfield	45	30
Newcastle-under-Lyme	60	60
Nuneaton	30	30
Redditch	30	30
Rugby	30	30
Shrewsbury	30	20
Solihull	130	50
Stafford	45	45
Stoke-on Trent	15	85
Stratford-upon-Avon	25	20
Tamworth	30	30
Telford	110	110
Worcester	55	55
Sutton Coldfield	15	20
Brierley Hill		220
Walsall		220
West Bromwich		220
Wolverhampton		220
	1630	2540