



Nathaniel Lichfield
& Partners
Planning. Design. Economics.

**Wyre Forest Employment Land
Review**

Wyre Forest District Council

June 2016

41581/02/MW/CR/CRo/DBu

Nathaniel Lichfield & Partners
3rd Floor
One St James's Square
Manchester M2 6DN

nlplanning.com

This document is formatted for double sided printing.

© Nathaniel Lichfield & Partners Ltd 2015. Trading as Nathaniel Lichfield & Partners.

All Rights Reserved.

Registered Office:

14 Regent's Wharf

All Saints Street

London N1 9RL

All plans within this document produced by NLP are based upon Ordnance Survey mapping with the permission of Her Majesty's Stationery Office. © Crown Copyright reserved. Licence number AL50684A

Contents

1.0	Introduction	1
2.0	Policy Context	5
	Introduction	5
	Local Planning Policy	9
3.0	Economic Context	13
	Introduction	13
	SWOT Analysis	26
4.0	Overview of B-Class Employment Space	28
	Introduction	28
	Current Stock of Employment Space	28
	Development Rates	30
	Employment Space in Adjoining Areas	31
	Changing Requirements for Employment Space	33
	Conclusions	35
5.0	Stakeholder Consultation	37
	Introduction	37
	Employment Land Stakeholder Consultation	37
6.0	Commercial Property Market Signals and Intelligence	39
	Introduction	39
	UK Property Market Overview	39
	Wyre Forest Market Overview	39
	Market Segments	40
	Business Premises Survey	48
	Conclusions	51
7.0	Review of Employment Sites Portfolio	53
	Introduction	53
	Overview of Assessed Sites	53
	Approach	55
	Overview of Sites	56
	Site Assessment Results	57
	Conclusions	59
8.0	Future Requirements for Employment Space	61
	Introduction	61
	Methodology	61

	A. Forecasts of Job Growth	62
	B. Future Labour Supply	70
	C. Past Development Rates	72
	Translating Floorspace into Land Requirements	73
	Replacement of Losses.....	73
	Safety Margin.....	75
	Sensitivity Testing	76
	Split between B1/B2/B8.....	78
	Conclusions	79
9.0	Demand/Supply Balance	83
	Introduction	83
	Quantitative Balance	83
	Conclusions	88
10.0	Conclusions and Policy Implications	90
	Overview of Wyre Forest’s Economy.....	90
	Policy Approaches	91
	Industrial Uses	92
	Office Uses	93
	Future Requirements	93
	Other Policy Issues	97

Appendices

Appendix 1	Consultees
Appendix 2	Business Survey Quotes
Appendix 3	Site Assessment Criteria
Appendix 4	Site Assessment Matrix
Appendix 5	Site Assessment Pro-Formas
Appendix 6	Definition of B Class Sectors
Appendix 7	Experian Baseline Forecasts
Appendix 8	Experian’s Data Guide to its UK Regional Planning Service Model

1.0 Introduction

1.1 Wyre Forest District Council [WFDC] commissioned Nathaniel Lichfield & Partners [NLP] to prepare an Employment Land Review [ELR] for the District. It provides an important evidence base to inform the preparation of a new Local Plan covering the period to 2032 by assessing economic development needs objectively in line with the National Planning Policy Framework [the Framework] and Planning Practice Guidance [the Practice Guidance].

1.2 The study has involved three main stages:

- **Stage 1: Taking Stock of the Existing Situation:** analysis of the economic strengths and weaknesses of the local economy, functional economic area, and an assessment of the fitness for purpose of a portfolio of designated employment sites.
- **Stage 2: Assessing B-Use Future Requirements:** testing the implications of different population/household growth scenarios on future employment space requirements for the District, including latest economic forecasts and housing requirements.
- **Stage 3: Identifying a Site Portfolio:** analysing the condition, status and functionality of existing employment areas, which sites should be retained to meet future employment needs and which released for alternative uses, and any need for additional sites in the area.

Scope of Study

1.3 The purpose of the ELR is to provide the Council with an understanding of the current and potential future requirements for employment land. This is based on considering a range of scenarios for how Wyre Forest's economy could change in the future, specifically over the plan period to 2032.

1.4 Following from this analysis, the land and floorspace implications are specifically considered for the group of B-class sectors outlined below:

- **B1a/b Business** (offices, research & development);
- **B1c/B2 Light / General Industrial;** and
- **B8 Storage or Distribution** (warehousing and distribution).

1.5 Demand for B-class employment land and floorspace is considered in this report, and references to "employment space" are intended to mean both land and floorspace. Industrial space in this report includes both manufacturing and distribution uses (B2 and B8 Use Class).

1.6 It should be noted that there are a variety of factors and drivers to consider when objectively assessing business needs for a local area. This study utilises a combination of both quantitative and qualitative analysis to explore these issues within the context of Wyre Forest District and addresses these to draw overarching conclusions and implications. An important consideration for any

work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources has not been checked or verified by NLP.

- 1.7 As part of the study, and to ensure it reflects local characteristics and issues, consultation was undertaken with a range of stakeholders including commercial agents and business organisations.

Methodology

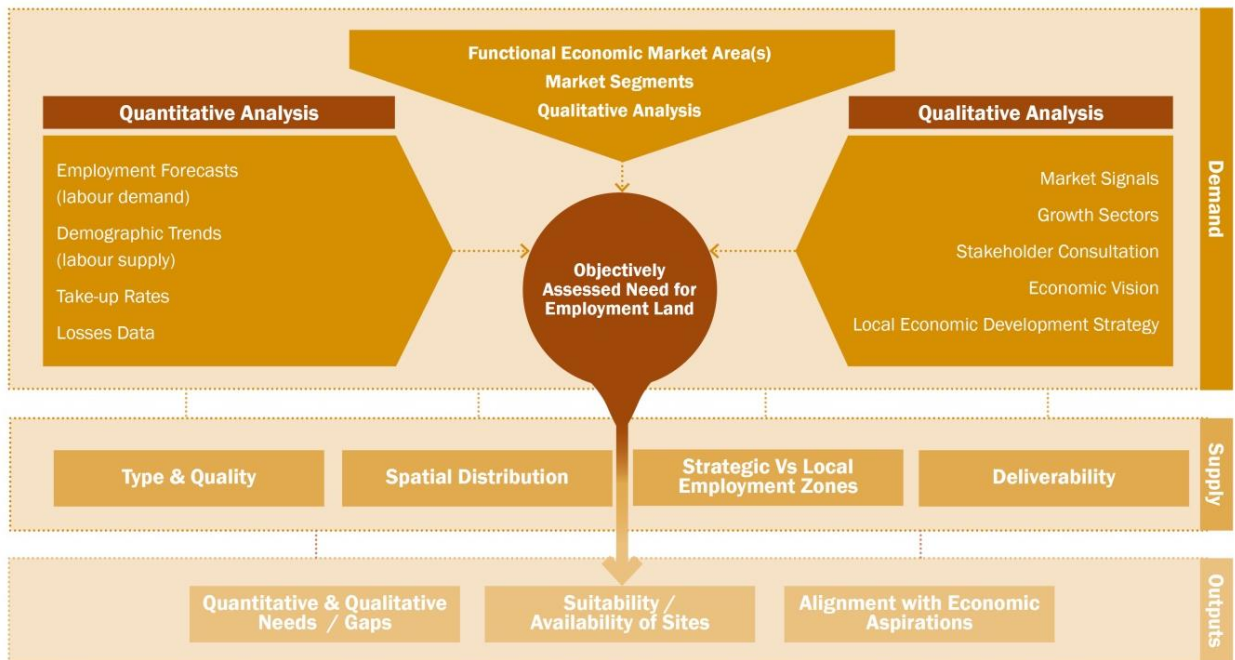
- 1.8 In March 2014, the Government released the Planning Practice Guidance [the Practice Guidance] to provide practical support for practitioners and inform the implementation of the National Planning Policy Framework [the Framework]. With regards to assessing economic development needs, the Guidance states that local authorities should:¹

- a Consider their existing stock of land, identifying the demand for and supply of employment land and determine the likely business needs and future market requirements;
- b Consider the locational and premises requirements of particular types of business;
- c Consider projections and forecasts to help identify where sites have been developed for a specific economic use;
- d Analyse supply and demand to identify whether there is a discrepancy between quantitative and qualitative supply and demand for employment sites; and
- e Identify where gaps in local employment land provision exist by comparing the available stock of land with the requirements of the area.

- 1.9 The methodology that has been used to undertake the ELR conforms to the requirements of the Framework and the Practice Guidance and can be summarised in Figure 1.1.

¹ Planning Practice Guidance (2014) Housing and economic development needs assessments: paragraph 30,

Figure 1.1 ELR Methodology



Source: NLP

Structure of the Report

1.10

The technical report is structured as follows:

- **Policy Context (Section 2.0)** - review of the relevant national and local planning policy documents, employment studies and economic development strategies;
- **Economic Context (Section 3.0)** – a review of current economic conditions and recent trends in the District and its economic strengths and weaknesses that may affect future needs for employment space;
- **Overview of Employment Space (Section 4.0)** – analysis of the current stock and trends of employment space in the District in terms of mix of uses, development rates, gains and losses, age of premises, and provision in adjoining local authority areas;
- **Stakeholder Consultation (Section 5.0)** – outlining the consultation NLP has undertaken with local businesses, agents and other key stakeholders to ensure commercially realistic and robust outputs;
- **Wyre Forest Commercial Property Market (Section 6.0)** – a review of the local commercial property market, including the supply of and demand for different types of employment space within Wyre Forest and the needs of different market segments;
- **Review of Current Employment Sites Portfolio (Section 7.0)** – assessment of the quality of current and potential employment land

supply against defined criteria including its attractiveness to the market and its ability to meet future needs;

- **Future Requirements for B Class Employment Space (Section 8.0)** – estimates of future employment space requirements for B-Class sectors in quantitative terms, drawing on employment forecasts and other factors;
- **Demand/Supply Balance (Section 9.0)** - assesses the balance between current land supply and future needs, in both quantitative and qualitative terms, by comparing forecast requirements with availability of existing sites;
- **Overall Conclusions and Policy Implications (Section 10.0)** – considers policy and other measures needed to support the existing site portfolio and maximise economic growth in Wyre Forest.

2.0 Policy Context

Introduction

2.1 National planning policy places a particular emphasis on sustainable development through a process of:

1. Reviewing employment and housing land allocations to ensure the supply meets identified needs;
2. Proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and
3. Encouraging the effective use of land by reusing land that has been previously developed (brownfield land), with a view to promoting regeneration.

2.2 This section provides a summary of the relevant policy documents relating to employment land and economic development within the Wyre Forest.

2.3 The Framework makes it clear that it is for LPAs to set employment land requirement figures for their Local Plan. Local land targets will be tested through the Local Plan process and LPAs must collect and use reliable information to justify employment land supply policies.

National Planning Policy Framework

2.4 The Framework sets out the Government's economic, environmental and social planning policies for England. The Framework [§14] states that the purpose of the planning system is to contribute to the achievement of sustainable development, which should be seen as a '*golden thread*' running through both plan-making and decision taking.

2.5 The Framework [§7] states that there are three dimensions to sustainable development: economic, social and environmental. The economic role that the planning system must perform involves contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and co-ordinating development requirements, including the provision of infrastructure.

2.6 The Framework [§19] states that '*significant weight*' should be placed on the need to support economic growth through the planning system. To help achieve economic growth, Local Plans should [§21]:

1. Set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
2. Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

3. Support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
4. Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
5. Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
6. Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

2.7 The Framework [§22] also highlights that allocated employment sites for which there is no reasonable prospect of development should not be protected in the long term. Proposals for alternative uses on such sites should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

2.8 The Framework [§23] confirms that offices are a 'main town centre use', and as such, LPAs should apply a sequential test to planning applications for main town centre uses that are not in an existing centre and are not in accordance within an up-to-date Local Plan:

"They should require applications for main town centre uses to be located in town centres, then in edge of centre locations and only if suitable sites are not available should out of centre sites be considered. When considering edge of centre and out of centre proposals, preference should be given to accessible sites that are well connected to the town centre. Applicants and LPAs should demonstrate flexibility on issues such as format and scale." [§24]

2.9 The Framework [§28] indicates that LPAs are required to ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. LPAs should ensure that their assessment of strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals [§158].

2.10 The Framework [§160] advises that LPAs should have a clear understanding of business needs within the economic markets operating in and across their area.

2.11 To achieve this, they should:

1. Work together with county and neighbouring authorities and with Local Enterprise Partnerships [LEPs] to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and

2. Work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability.

2.12 The Framework [§161] states that LPAs should use this evidence base to assess (inter alia):

1. The needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period;
2. The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land; and,
3. Deprived locations may benefit from planned remedial action.

2.13 Public bodies have a duty to cooperate on planning issues that cross administrative boundaries [§178]. The Framework [§181] requires local authorities to demonstrate evidence of having effectively co-operated to plan for issues with cross-boundary impacts when their local plans are submitted for examination. It sets out where co-operation might be appropriate and what form it might assume. It concludes that “*cooperation should be a continuous process of engagement from initial thinking through to implementation*”.

National Planning Practice Guidance

2.14 The Government has produced on-line Practice Guidance which includes guidance on the assessment of housing and economic development. This replaces the previous ODPM Employment Land Reviews: Guidance Note from 2004 (although this arguably remains a source of good practice).

2.15 The Practice Guidance provides a methodology for assessing economic development needs. It states² that plan makers should liaise closely with the business community to understand their current and potential future requirements.

2.16 Plan makers should also consider:

1. The recent pattern of employment land supply and loss to other uses;
2. Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums);
3. Market signals such as levels and changes in rental values, and differentials between land values in different uses;
4. Public information on employment land and premises required;

² 2a-030-20140306

5. Information held by other public sector bodies and utilities in relation to infrastructure constraints;
6. The existing stock of employment land. This will indicate the demand for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business);
7. The locational and premises requirements of particular types of business; and,
8. Identification of oversupply and evidence of market failure.

2.17 When examining the recent take-up of employment land, the Practice Guidance³ advises that it is important to consider projections (based on past trends) and forecasts (based on future scenarios) and identify occurrences where sites have been developed for specialist economic uses.

2.18 In terms of forecasting future trends the Practice Guidance⁴ advises that:

1. 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);
2. Local authorities should develop an idea of future needs based on a range of data which is current and robust;
3. Emerging sectors that are well suited to the area being covered by the analysis should be encouraged where possible; and,
4. 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.

2.19 The Practice Guidance⁵ advises that plan makers should consider:

1. Sectoral and employment forecasts and projections (labour demand);
2. Demographically derived assessments of future employment needs (labour supply techniques);
3. Analyses based on the past take-up of employment land and property and/or future property market requirements;
4. Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.

2.20 In identifying the type of employment land needed the Practice Guidance⁶ advises that:

1. The need for rural employment should not be overlooked;

³ 2a-031-20140306

⁴ 2a-032-20140306

⁵ ibid

⁶ 2a-033-20140306

2. Underlying population projections can be purely demographic or tied to future housing stock which needs to be assessed separately; and,
3. Plan makers should be careful to consider that national economic trends may not automatically translate to particular areas with a distinct employment base.

2.21 In order to derive employment land requirements, the Practice Guidance⁷ states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

1. Standard Industrial Classification sectors to use classes;
2. Standard Industrial Classification sectors to type of property;
3. Employment to floorspace (employment density); and,
4. Floorspace to site area (plot ratio based on industry proxies).

Local Planning Policy

Wyre Forest Employment Land Review (2007/08)

2.22 The previous Wyre Forest Employment Land Review was carried out in 2007/8.⁸ It assessed current employment sites within the District and calculated potential future requirements for new employment land. The requirement for new employment land identified by the ELR was for between 44 and 46.5 ha up to 2026. This figure closely aligned to the figure identified in the former West Midlands Regional Spatial Strategy Panel Report (September 2009), which was set at 44 ha. It was taken forward by Wyre Forest in its adopted Core Strategy (2010)⁹.

2.23 Having assessed the current supply of employment sites the ELR concluded that the District has a sufficient amount of employment land to accommodate its employment needs to 2026.

Wyre Forest District Council Adopted Core Strategy (2010)

2.24 Having identified a number of vacant underused brownfield employment sites in the District, the approach adopted in the adopted Core Strategy is to redevelop these underused and vacant sites into high quality employment areas, so as to negate the need for further allocations in the Greenfield and / or Green Belt locations. For instance, the Stourport Road Employment Corridor is identified as a key strategic area within the District and the Core Strategy highlights the importance of retaining and enhancing the existing sites within this corridor whilst developing opportunities for new businesses and sites in the area (such as the Former British Sugar Site).

2.25 The Core Strategy also acknowledges the role infrastructure plays in serving the needs of business, and highlights that access to and from economic areas

⁷ 2a-034-20140306

⁸ Wyre Forest District Council (2007/2008) Employment Land Review Part 1, 2 and 3

⁹ Wyre Forest District Council (2010) *Adopted Core Strategy*, Policy CP08

will be crucial to the effectiveness of businesses within the District. Therefore, any new employment led opportunities will need to be in accessible locations and well supported by sustainable infrastructure.¹⁰

Background Economic Studies

Greater Birmingham and Solihull Local Enterprise Partnership Strategic Economic Plan

2.26 The Greater Birmingham and Solihull Local Enterprise Partnership's [LEP] Strategic Economic Plan¹¹ states the LEPs aim to play a key role in rebalancing the economy by aiming to deliver 50,000 private sector jobs, 14,000 new houses, 1.7m sqm of commercial space, £2.3bn of GVA and leverage £1,100m of private sector investment over the next 10 years. It identified a number of high value growth sectors which the LEP aims to grow with the prospect of developing further competitive advantage. These sectors are:

1. Advanced Manufacturing and Engineering;
2. Life Sciences;
3. Digital and Creative Industries;
4. Business, Professional and Financial Services; and
5. Low Carbon and Environmental Technologies¹².

2.27 The SEP lists Kidderminster as a 'Strategic Centre' and the Hoo Brook Link Road (a road linking the two main employment corridors within Wyre Forest) as a 'Priority Project', upon which funding from public and private sources have been leveraged to develop.¹³

Worcester LEP Strategic Economic Plan

2.28 Wyre Forest also sits within the Worcester LEP's sphere of influence. In its Strategic Economic Plan¹⁴ the LEP sets out an ambitious vision to grow the local economy by over 25,000 jobs and to increase GVA by £2.9 billion to 2025. A particular focus of the SEP is on securing growth in GVA per worker and average annual earnings.

2.29 The SEP lists Worcestershire's sectoral strengths, which reflect local specialisations across the County. These growth sectors are:

1. advanced manufacturing;
2. cyber security/defence/IT; and
3. agri-tech.

¹⁰ Wyre Forest District Council (2010) Adopted Core Strategy, paragraph 8.4

¹¹ Greater Birmingham and Solihull Local Enterprise Partnership (2014): *Strategic Economic Plan*

¹² *Ibid.* page 4

¹³ *Ibid.* page 92

¹⁴ Worcestershire Local Enterprise Partnership (2014) *Worcestershire Strategic Economic Plan*

- 2.30 Furthermore, the destination and visitor economy are also highlighted as an important source of jobs growth in some parts of the County, in particular in areas where accessible jobs are needed.¹⁵ The South Kidderminster Enterprise Park is listed as a 'game changer site' and the LEP's aim is to support the ongoing development of an existing employment scheme in attracting new investment in this location, specifically targeting firms in the advanced engineering sector.¹⁶ Worcester LEP first nominated the South Kidderminster Enterprise Park [SKEP] within its application to create an Enterprise Zone in 2011, although this initial bid was unsuccessful.¹⁷
- 2.31 The LEP submitted the South Kidderminster Enterprise Park as part of a second bid to create an Enterprise Zone across the County. The bid, which was submitted in September 2014, included several other sites within Worcestershire: Redditch Eastern Gateway; Worcester Six Technology Park; University Park in Worcester; Malvern Hills Science Park and Malvern Technology Centre; and Vale Park Food Enterprise Zone¹⁸. The government's 2015 Autumn Statement announced the latest round of Enterprise Zones and unfortunately the Worcester LEP was again unsuccessful in securing Enterprise Zone status for these sites.

South Kidderminster Enterprise Park Local Development Order

- 2.32 Wyre Forest District Council has implemented a Local Development Order to cater for the SKEP, which allows development falling into specific employment use classes to be undertaken without the need for planning permission. It is designed to simplify the planning process and it is hoped that this will help encourage new businesses to locate in the area and existing businesses to expand their operations. The Local Development Order came into effect in 2012 and was renewed in 2015 to last until 2018. Wyre Forest District Council states that the LDO has seen over 40,000 sq ft of new business premises created, plus a further 75,000 sq ft proposed by Specsavers, worth over £20m in inward investment in total.¹⁹ Examples of developments which have been facilitated in the area since the LDO's implementation include:
1. **Specsavers: The optical retail chain is about to make a c.£8 million investment through the development of a new 75,000 sqft facility, which will combine the existing Specsavers operations at the former Romwire site in the SKEP, and which will offer expansion potential to meet the demands of a growing order book.**²⁰
 2. **Amada: This manufacturing company expanded its existing premises, and in doing so invested c.£5 million and safeguarded 50 jobs.**²¹

¹⁵ Worcestershire Local Enterprise Partnership (2014) *Strategic Economic Plan*, page ii

¹⁶ Worcestershire Local Enterprise Partnership (2014) *Strategic Economic Plan*, page 29

¹⁷ TheBusinessDesk (2011) 'LEPs defiant after Enterprise Zones rejected': Available online at:

<http://www.thebusinessdesk.com/westmidlands/news/208214-leps-defiant-after-enterprise-zone-rejection.html>

¹⁸ 'Regeneration chiefs launch bold bid to drive investment in Kidderminster' (2015) Available online at:

http://www.kidderminstershuttle.co.uk/news/13797391.Regeneration_chiefs_launch_bold_bid_to_drive_investment_in_Kidderminster/

¹⁹ WFDC

²⁰ Wyre Forest District Council (2015) 'Specsavers looking to the future in Kidderminster' Available online at:

<http://www.wyreforestdc.gov.uk/news/april-2015/specsavers-focus-on-kidderminster.aspx>

²¹ WFDC

3. Oakleaf Commercial Services: The company has built a brand new £2m depot for its Oakleaf subsidiary company at Finepoint Business Park.²²
4. Beakbane: The machine protection equipment manufacturer opened a new £1.2m factory and engineering lab which includes new offices, an engineering development laboratory alongside a storage and despatch area. The project involved completely rebuilding part of its main site and redeveloping the rest of it to create an additional 12,000 sq ft of production space.²³

²² Ibid.

²³ The Birmingham Post (2014) '*Beakbane unveils new-look factory*'
<http://www.birminghampost.co.uk/business/manufacturing/beakbane-unveils-new-look-factory-7245580>

3.0 Economic Context

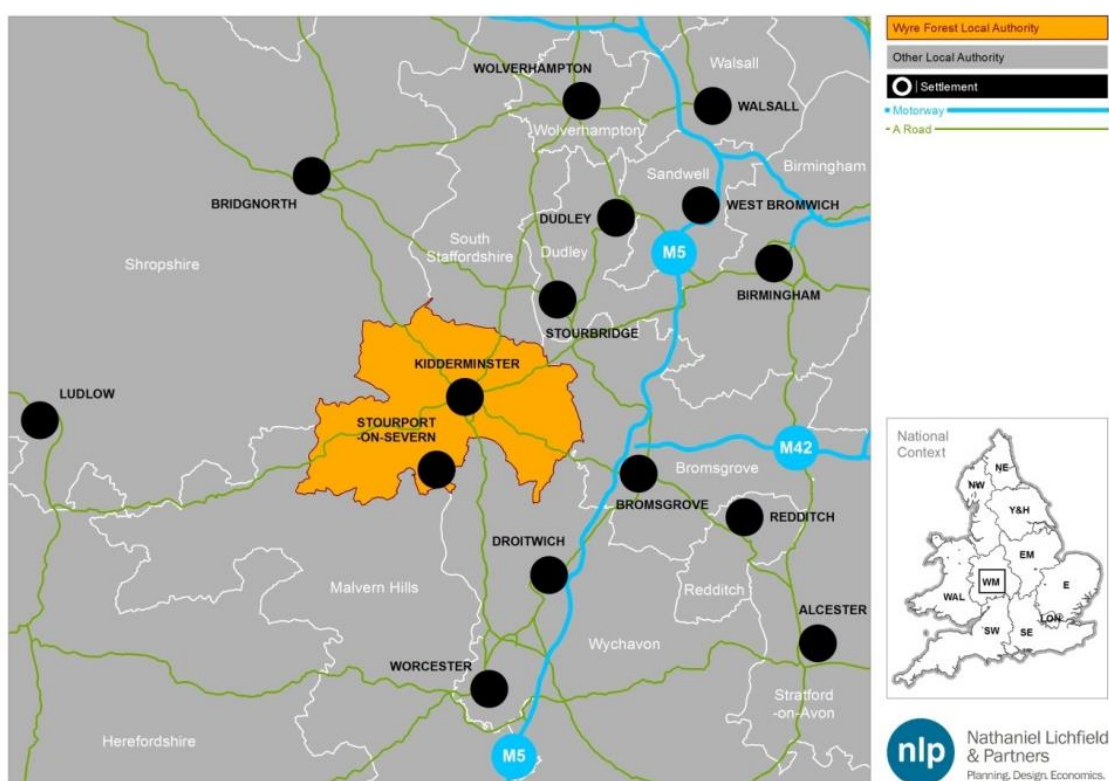
Introduction

3.1 This section establishes the economic and labour market context for the study by summarising recent economic conditions and trends in Wyre Forest relative to West Midlands (the region it lies within) and the national economy. This is important for identifying the prevailing strengths and weaknesses of the local economy and the factors likely to influence the future demand for employment space.

Spatial Overview

3.2 The District of Wyre Forest is located within the West Midlands, situated between the authorities of Shropshire to the north west, South Staffordshire to the north, Bromsgrove to the east, Wychavon to the south east and Malvern Hills to the south west. It lies in north Worcestershire, within two LEP areas - the Greater Birmingham and Solihull LEP and the Worcestershire LEP.

Figure 3.1 Spatial Context of Wyre Forest District



Source: NLP analysis

3.3 The two main settlements in the District are Kidderminster and Stourport. The District also contains the town of Bewdley, in addition to several smaller villages. According to the 2011 Census, the District's population stands at just under 98,000. According to the latest 2012 Sub-National Population

Projections over the plan period 2016-32 the population of Wyre Forest is set to increase 2.7% to 101,269²⁴. The latest 2012-based household projections project the number of households within the District to increase by 6.4% over the same period.

Economic Conditions and Trends

- 3.4 Current economic conditions and trends in Wyre Forest are summarised below, with comparisons made (where appropriate) with regional and national averages. Data is from the June 2015 Experian Model and published Office for National Statistics [ONS] sources unless indicated otherwise.

Employment

- 3.5 Wyre Forest District accommodated 27,900 FTE jobs in 2015, a fall of 17% below its 1997 peak (33,560). This is in contrast to the West Midlands increase of 3% and an increase across the whole of the United Kingdom of 14%.²⁵ The main driver behind this decline in the local economy is the restructuring of the hitherto dominant manufacturing sector in Kidderminster.
- 3.6 The historical context to this is the area's renown for carpet production. Kidderminster grew rapidly with the industrialisation of the weaving industry, based on a ready supply of good quality water and close proximity to primary wool markets in mid-Wales developed an international reputation for producing high quality carpets.²⁶ However, over the past few decades the town has been badly affected by the industrial decline of this traditional activity, with the production of carpets moving overseas where labour costs tend to be lower.
- 3.7 As with the total level of FTE jobs within the District, the proportion of B class jobs have also decreased steadily, falling from 44% of all jobs in Wyre Forest in 1997 to 38% in 2015 (Figure 3.2). This overall decline masks differences within the B-Class sectors. For instance, declining employment in industrial sectors²⁷ (-29% over 1997-2015) has been partially offset by a growth in office jobs (+13% over the same period).
- 3.8 Between 1997 and 2015, employment growth within Wyre Forest was primarily driven by Recreation (representing an increase of +450 jobs), Real Estate (+450), Education (+420), and Retail (+340). At the same time, job losses were recorded in the textiles and clothing manufacturing (-1,060), Wholesale (-890) and non-metallic products manufacturing (-810) sectors.

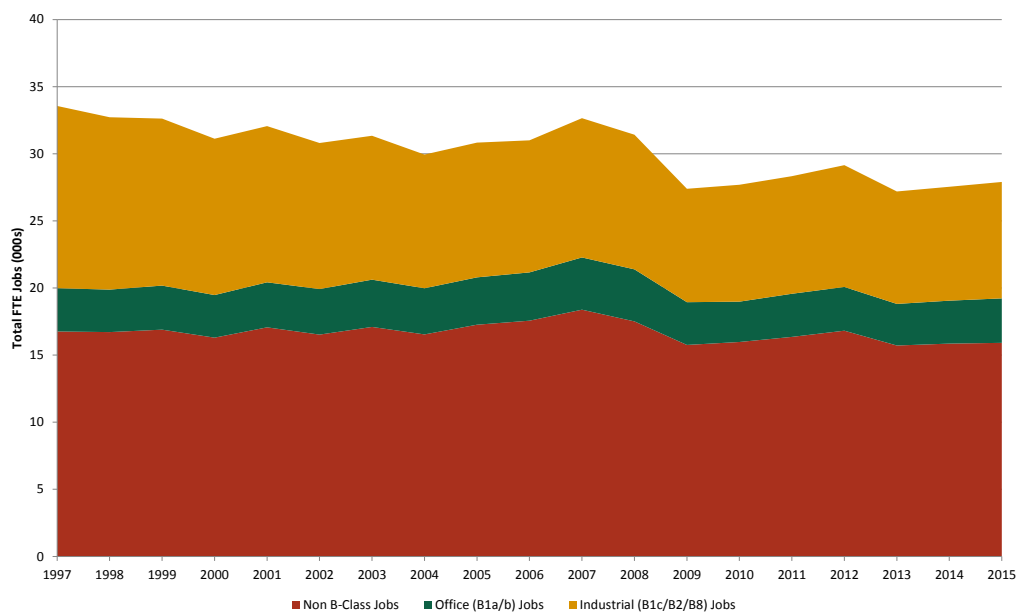
²⁴ ONS (2014) 2012-based Subnational Population Projections

²⁵ Experian (2015)

²⁶ Worcestershire LEP (2014) Strategic Economic Plan, page 4

²⁷ B1c/B2 industrial sectors in addition to B8 distribution sectors

Figure 3.2 Changes in Total FTE Jobs and B Class Jobs in Wyre Forest, 1997 – 2015



Source: Experian 2015 / NLP analysis

3.9 Figure 3.3 plots jobs in broad industrial sectors and the percentage of those within Wyre Forest, against the wider region and nationally. The largest sector in Wyre Forest (in 2015) is Public Services²⁸ (23%), whilst Wholesale and Retail (22%) and Professional & Other Private Services²⁹ (16%) also account for a relatively high proportion of workforce jobs. More detailed analysis of the Wholesale & Retail sector indicates that the sectoral strength appears to be in Retail more so than within the Wholesale industry. Likewise, Manufacturing³⁰ accounts for 11% of the District's employment, versus 8% across the West Midlands and just 3% across the UK as a whole. The local steel wheel-manufacturer Titan Steel Works, which employs 450 people in its Cookley factory, has won an Innovation accolade from Department for Business, Enterprise and Regulatory Reform for its three-piece integrated flange wheels for mobile cranes.

3.10 By contrast, Professional & Other Private Services firms employ a lower percentage of employees relative to the regional (+4% higher than Wyre Forest's proportion) and national average (+6% higher than Wyre Forest's proportion), and the same is true for other high-value service sectors such as Finance and Insurance. Whilst Public Services³¹ accounts for a large percentage of the overall workforce, the District shows less reliance on this sector than the wider region or country as a whole. Whilst much of the employment associated with the carpet trade has moved overseas, Wyre

²⁸ This grouping includes the SIC2 sectors of Public Administration & Defence, Education, Health and Residential Care & Social Work

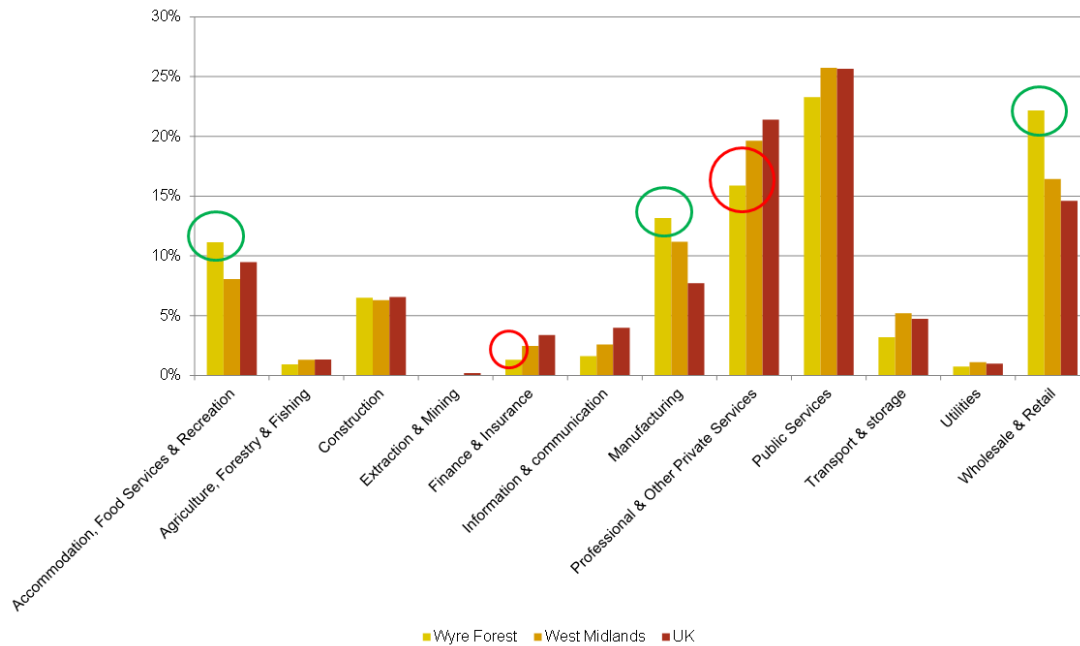
²⁹ This grouping includes the SIC2 sectors of Professional Services, Real Estate, Administrative & Support Services and Other Private Services

³⁰ This grouping includes the SIC2 sectors Food, Drink & Tobacco, Textiles & Clothing, Wood & Paper, Printing & Recorded Media, Fuel Refining, Chemicals, Pharmaceuticals, Non-Metallic Products, Metal Products, Computer & Electronic Products, Machinery & Equipment, Transport Equipment and Other Manufacturing

³¹ This grouping includes the SIC2 sectors Public Administration & Defence, Education, Health and Residential Care & Social Work

Forest is still home to high-end carpet manufactures, including Adam, Brintons, Brockway and Victoria Carpets.

Figure 3.3 Workforce Jobs by Sector in Wyre Forest, the West Midlands and the UK (2015)



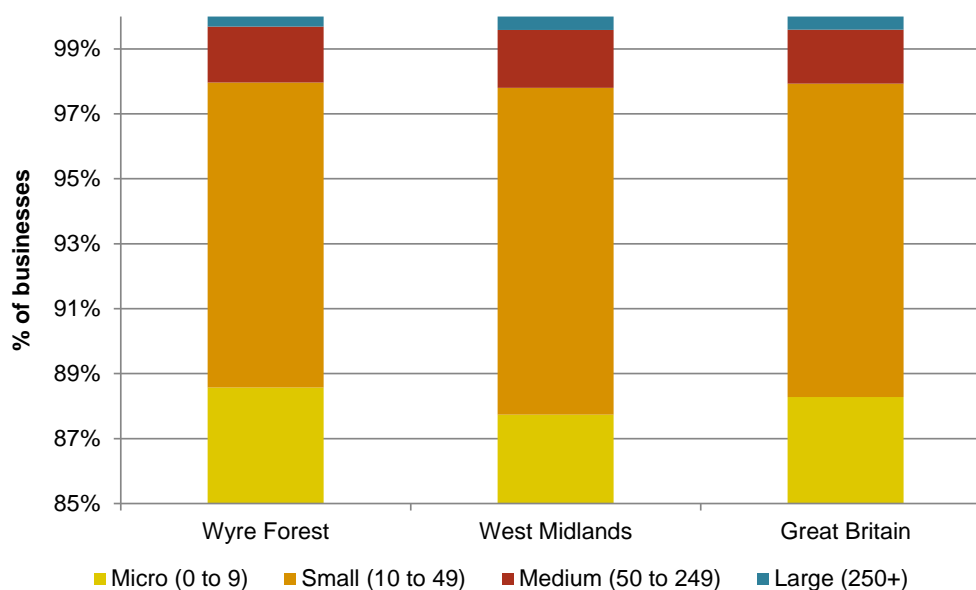
Source: Experian 2015 / NLP analysis

Business Demography and Enterprise

3.11

Wyre Forest is predominantly a 'small business' economy. As illustrated in Figure 3.4, the District has a slightly higher proportion of 'micro' firms employing between 0 and 9 workers (88.6%) than in the West Midlands (87.7%) or Great Britain (88.3%). As a result, there are relatively fewer firms employing between 10 and 49 workers (9.4% versus 10.1% in the West Midlands and 9.6% in Great Britain), between 50 and 249 workers (1.7% versus 1.8% in the West Midlands and 1.7% in Great Britain) and large firms employing over 250 workers (0.3% versus 0.4% in both the West Midlands and Great Britain overall).

Figure 3.4 Business Size, 2012



Source: ONS (2012) UK Business Statistics: Activity, Size and Location

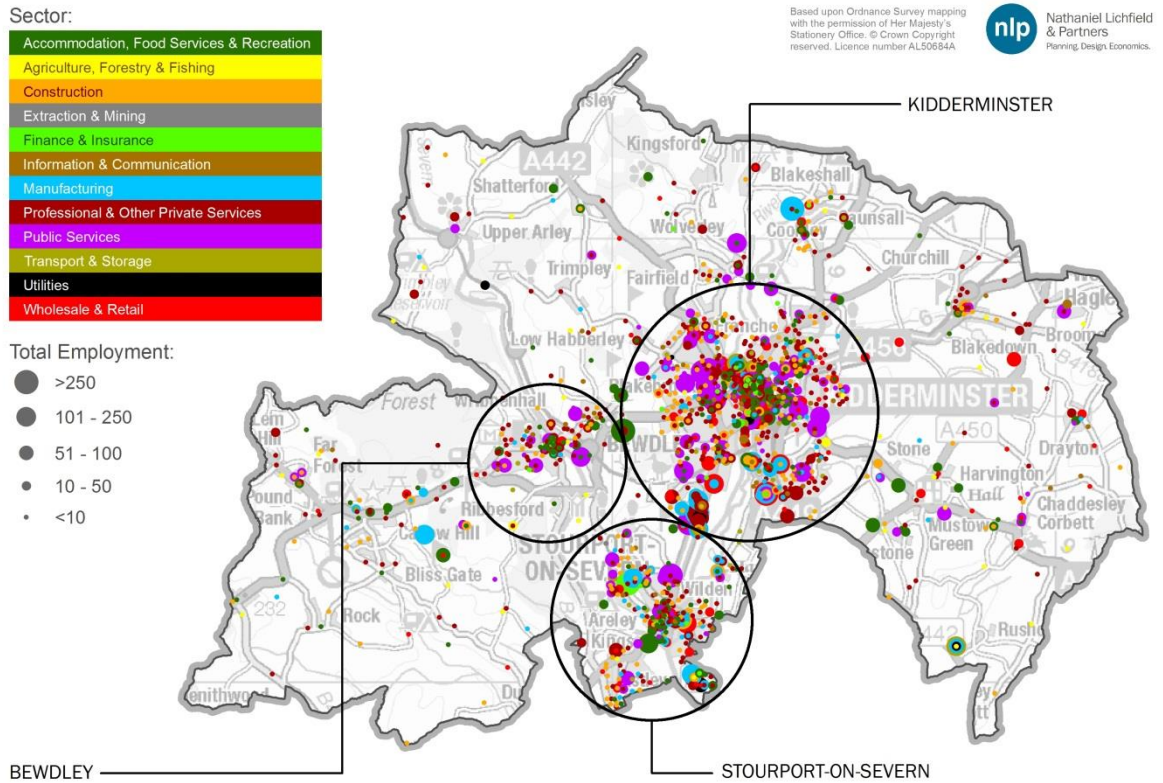
- 3.12 The District supports relatively high levels of business start-ups relative to the regional averages, with just over 78 new business registrations per 10,000 working age population in Wyre Forest compared with 72 across the West Midlands; however, it falls short of the national average rate (86).³² The District is the base for a number of successful local firms such as Roxel, Titan Steel Wheels and Morgan Advanced Ceramics.³³
- 3.13 Self-employment in Wyre Forest is also above the regional average, with 8.7% of the working-age population falling with this category compared with 8.3% regionally, although this is still lower than the 10.1% observed nationally (as of 2014/15)³⁴.
- 3.14 Drawing on Inter-Departmental Business Register [IDBR] data, the spatial distribution of key business clusters Wyre Forest is presented in Figure 3.5 (with an insert showing Kidderminster business clusters within Figure 3.6). This data has been analysed to identify any inconsistencies or anomalies which may affect future modelling; any examples of agglomeration economics; and clustering of businesses in 'sector hubs'.

³² ONS (2013) *Business Demography Statistics 2013*

³³ Worcestershire LEP (2014) *SEP*, page 9

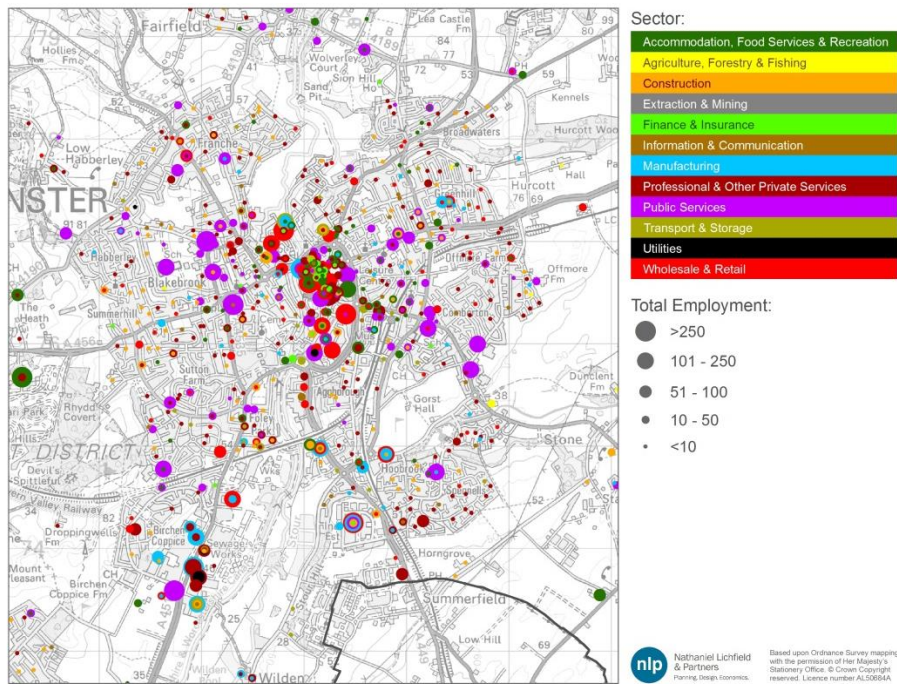
³⁴ ONS(2015) *Annual Population Survey (April 2014-March 2015)*

Figure 3.5 Spatial Distribution of Business Sectors and Employment in Wyre Forest



Source: IDBR (2015) / NLP Analysis
 Note: IDBR data does not record smaller businesses that fall under the VAT threshold

Figure 3.6 Spatial Distribution of Business Sectors and Employment in Kidderminster



Source: IDBR (2015)

- 3.15 As Figure 3.5 indicates, there is a diverse mix of business sectors within Wyre Forest, with the main concentrations of businesses centred around the main settlements of Kidderminster and Stourport, with a smaller cluster of businesses within Bewdley and a scattering of businesses within the rural areas (the development of further businesses is restrained by its dispersed population and much of the area lying within the Green Belt).

Knowledge-Based Industries

- 3.16 Knowledge-based industries include those sectors where added-value is derived from the accumulation of knowledge, often fostered through innovative activities and the increasing use of technology. Such sectors tend to have more growth potential and can signal an economy's competitiveness. Around 17% of businesses within the District were classified as knowledge-based in 2008, which places it below its surrounding authorities and significantly lower than the national (22%) average³⁵ (Table 3.1).

Table 3.1 Share of Knowledge-Based Businesses in Wyre Forest and nearby authorities, 2008

National Ranking (out of 380)	District	Knowledge-Based Businesses (% of Total Businesses)
108	Malvern Hills	23.1
113	Bromsgrove	22.8
140	Worcester	21.0
143	Wychavon	20.8
159	Redditch	20.0
239	Wyre Forest	16.8
286	Wolverhampton	15.1

Source: UK Competitiveness Index 2010 / NLP analysis

Note: The discrepancy between the dates in the caption and the source of this table is due to the source data being collected in 2008, whilst the final report was not published until 2010.

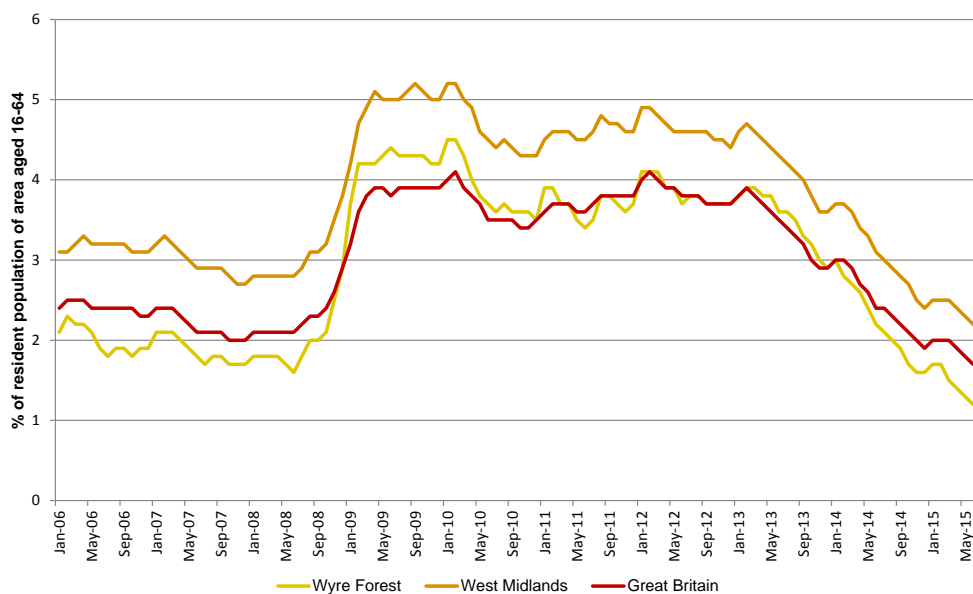
Labour Market

- 3.17 The economic activity rate (i.e. the share of working-age residents either in or seeking employment) in Wyre Forest, at 77.7%, is higher than both the regional (75.2%) and national rate (77.4%). This suggests that only a relatively limited amount of capacity exists to boost labour supply from current residents.
- 3.18 Historically Claimant Unemployment levels in Wyre Forest have been lower than the regional rates. Levels rose significantly in Wyre Forest between 2008 and 2009 (as they did across the region and Great Britain as a whole, reflecting the onset of the recession), with Claimant Count levels peaking at 4.5% in January 2010. Since 2013, the proportion of JSA claimants in the District has steadily dropped, reaching a six year low of 1.2% in July 2015 (Figure 3.7).³⁶

³⁵ UK Competitiveness Index (2010)

³⁶ ONS (2015) Claimant Count

Figure 3.7 Changes in JSA Claimant Rates in Wyre Forest, with regional and national comparisons, 2006-15



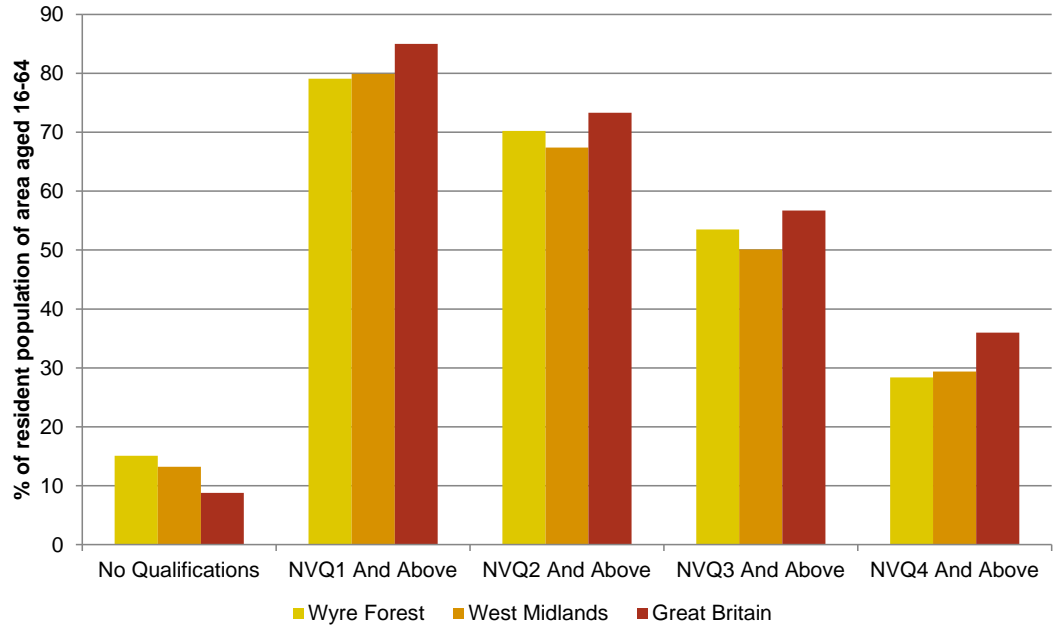
Source: ONS Jobseeker's Allowance / NLP analysis

- 3.19 On the wider ONS Annual Population Survey measure³⁷, the District's unemployment rate is higher, at 5.4%, although this is still below the regional and the national averages of 6.4% and 6.0% respectively.
- 3.20 Another indicator of labour market participation is the proportion of working age residents claiming Employment and Support Allowance [ESA] and incapacity benefits. In Wyre Forest this is equivalent to 6.8%, which is slightly higher than the regional (6.7%) and national equivalents (6.4%).
- 3.21 In 2013, the job density³⁸ figure in Wyre Forest was 0.6, lower than the regional rate (0.76) and also the density across Great Britain as a whole (0.8). This suggests that there are fewer jobs than there are residents within the District.
- 3.22 The role of education is vital for preparing the workforce for employment and ensuring that people have the right skills and qualifications to access high quality jobs and contribute to overall economic growth and increasing prosperity.
- 3.23 In this regard, Wyre Forest's resident workforce has a broadly similar skill set when compared to the West Midlands region as a whole (see Figure 3.8), with an equivalent proportion of NVQ4+ (graduate level) workers (28.4% compared to 29.4%), although this is still below the national average (36.0%).

³⁷ This records all those searching for work but who are currently unemployed regardless of whether they are claiming jobseekers allowance or not

³⁸ The ratio of jobs to resident population, often used as a measure of labour demand. 2013 represents the latest available data

Figure 3.8 Qualifications of the labour force in Wyre Forest

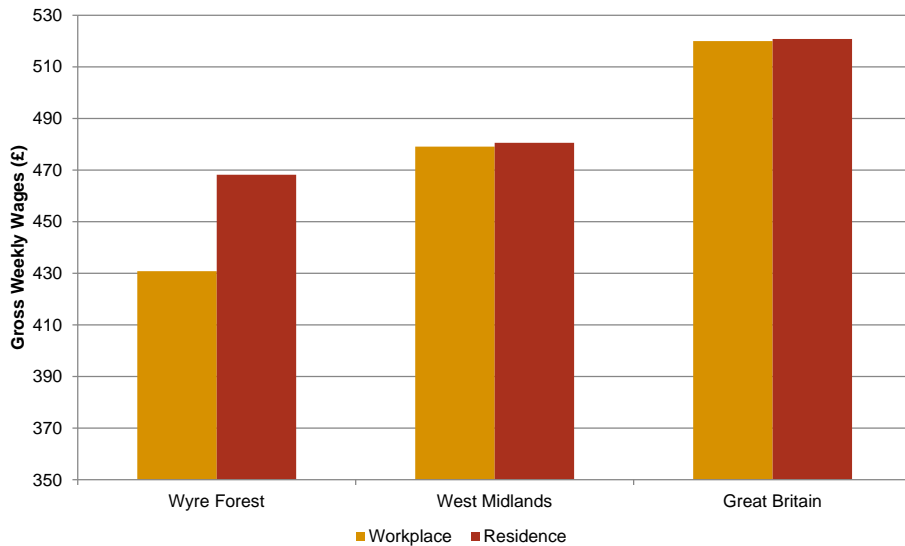


Source: ONS Annual Population Survey (2014)

3.24

Whilst resident wages in Wyre Forest (at £468 per week) are lower than across West Midlands (£481) and Great Britain (£521) as a whole, those who live in the District earn around 9% more than those who work in Wyre Forest (Figure 3.9). This suggests that the types of jobs available locally are lower-paid than elsewhere in the sub-region (and beyond), with higher-paid jobs outside of the District (in areas such as Birmingham).

Figure 3.9 Mean Gross Weekly Earnings, Wyre Forest, West Midlands and Great Britain Comparison



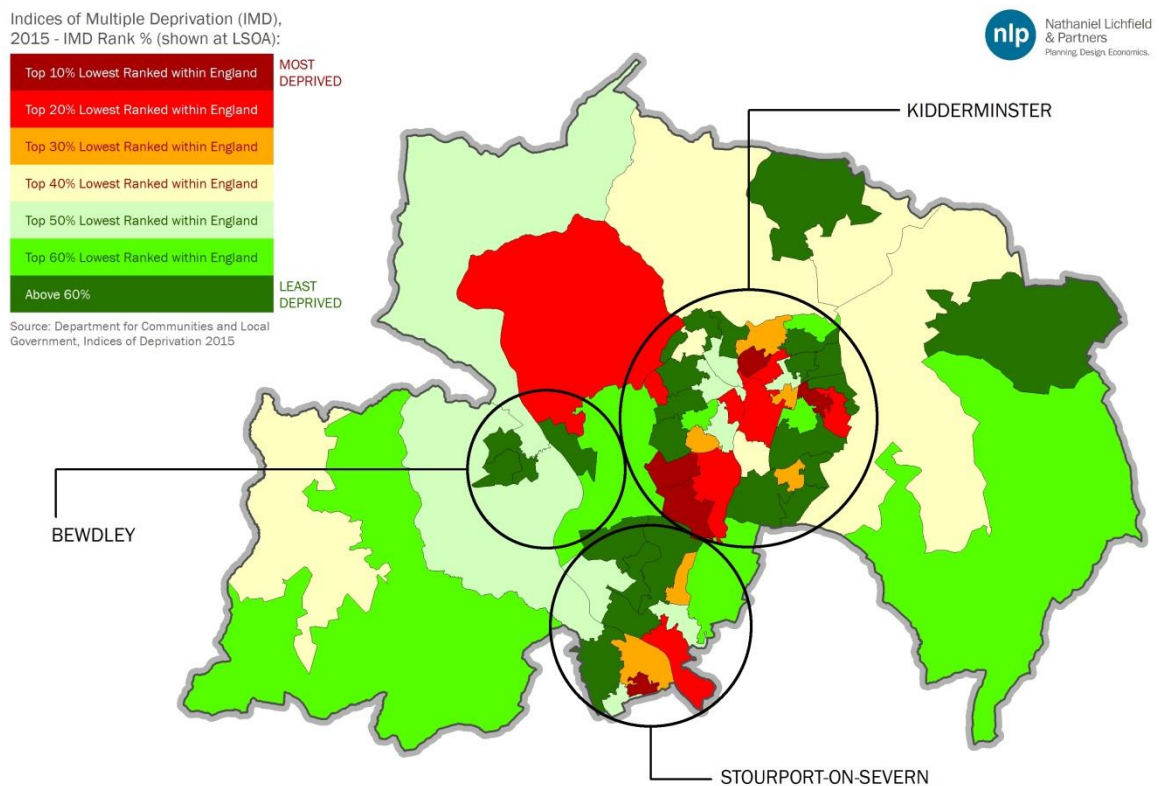
Source: ONS (2014) Annual Survey of Hours and Earnings

3.25

Wyre Forest is characterised as having moderate levels of deprivation, with a ranking of 123th out of 326 local authority areas based on the Indices of Multiple Deprivation (2015). However, this District-wide profile masks some

variation within Wyre Forest (Figure 3.10), with unemployment and worklessness remaining entrenched in pockets of deprivation in Kidderminster, with the adjoining rural areas to the east and west, and Bewdley in particular, considerably more affluent. Oldington and Foley Park ward in Kidderminster is the most deprived ward in Worcestershire, with part of it ranked 16th most deprived in the UK for educational attainment. The Horsefair, Broadwaters and Greenhill areas of the town also have significant areas of deprivation issues, as well as below average household incomes. Two LSOA (one large and one small) to the north of Bewdley/north west of Kidderminster around Trimpley (which also includes a number of small housing estates on the northern edges of both towns) is also within the 20% most deprived areas of the country.

Figure 3.10 Levels of Deprivation within Wyre Forest District



Source: CLG (2015) Indices of Multiple Deprivation

3.26

Parts of Wyre Forest District have ‘Assisted Area’ status. These wards are recognised in European state aid rules as being less economically advantaged places that would benefit from additional support for development. As a result, financial support from Government is permitted to undertakings, typically businesses, for new investments in these areas. Being located in an Assisted Area does not confer any right to financial assistance; rather, it allows the public sector to provide certain types of assistance if it wishes³⁹. The status makes local businesses eligible to bid for additional funding and tax breaks to create jobs, invest in new premises or machinery and grow.

³⁹ DBIS (October 2014): An Introduction to Assisted Areas

3.27 The Assisted Area wards in Wyre Forest District are:

1. Oldington and Foley Park;
2. Blakedown and Chaddesley; and
3. Aggborough and Spennells.⁴⁰

Functional Economic Market Area

3.28 This section provides a broad overview of Wyre Forest and its likely position within a wider Functional Economic Market Area [FEMA]. The following provides an up to date analysis of the extent of the FEMA in accordance with the Practice Guidance and using the latest 2011 Census data on migration and commuting levels.

3.29 The Practice Guidance provides advice on how a FEMA can be defined. It states that the geography of commercial property markets should be thought of in terms of the requirements of the market regarding the location of premises and the spatial factors used in analysing demand and supply. The Practice Guidance goes on to state that since patterns of economic activity vary from place to place, there is no standard approach to defining a FEMA. However, it is possible to define FEMA's taking account of factors including travel to work areas and housing market areas.⁴¹

3.30 More detailed guidance of how to define a FEMA is provided by the CLG, which states that examining commuting flows can help to define the functional economic market area of an economy.⁴² These commuting flows can be assessed using the latest travel-to-work flow data from the 2011 Census.

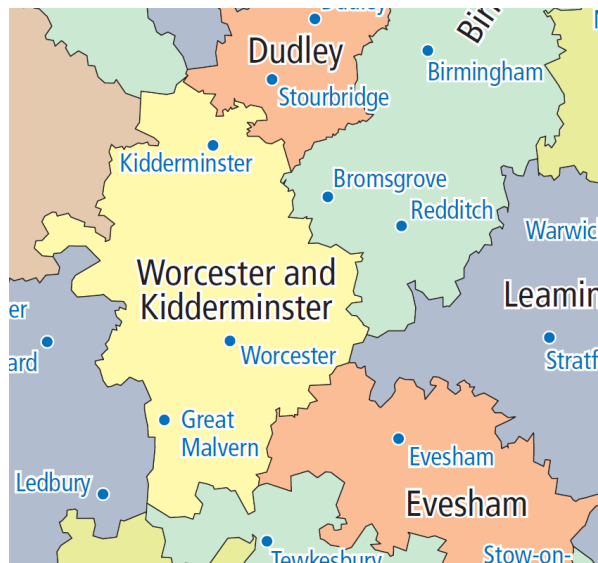
3.31 Previous analysis of Travel to Work Areas [TTWAs] across the country was carried out by ONS in 2015, based on 2011 commuting patterns (Figure 3.11). From the modelling work undertaken, ONS considered that Wyre Forest was contained within a much larger TTWA that includes Worcester and Great Malvern.

⁴⁰ Department for Business, Innovation and Skills (2014) 2014-2020 Assisted Areas Map, Available online at: <http://www.ukassistedareasmap.com/ieindex.html>

⁴¹ Planning Practice Guidance (2014) §2a-012-20140306

⁴² CLG (2010) *Functional Economic Market Areas: An Economic Note*

Figure 3.11 ONS Travel-to-work-area analysis based on 2011 Census commuting data

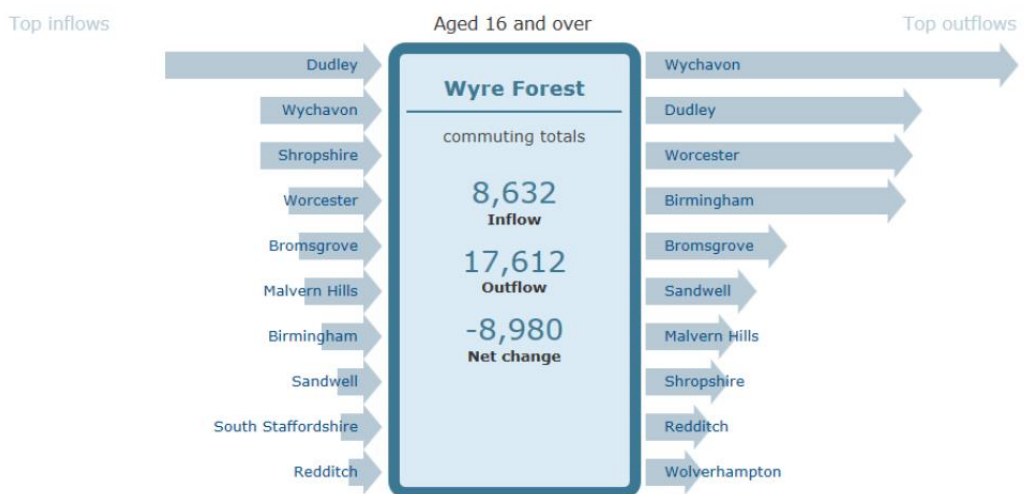


Source: ONS (2015)

3.32

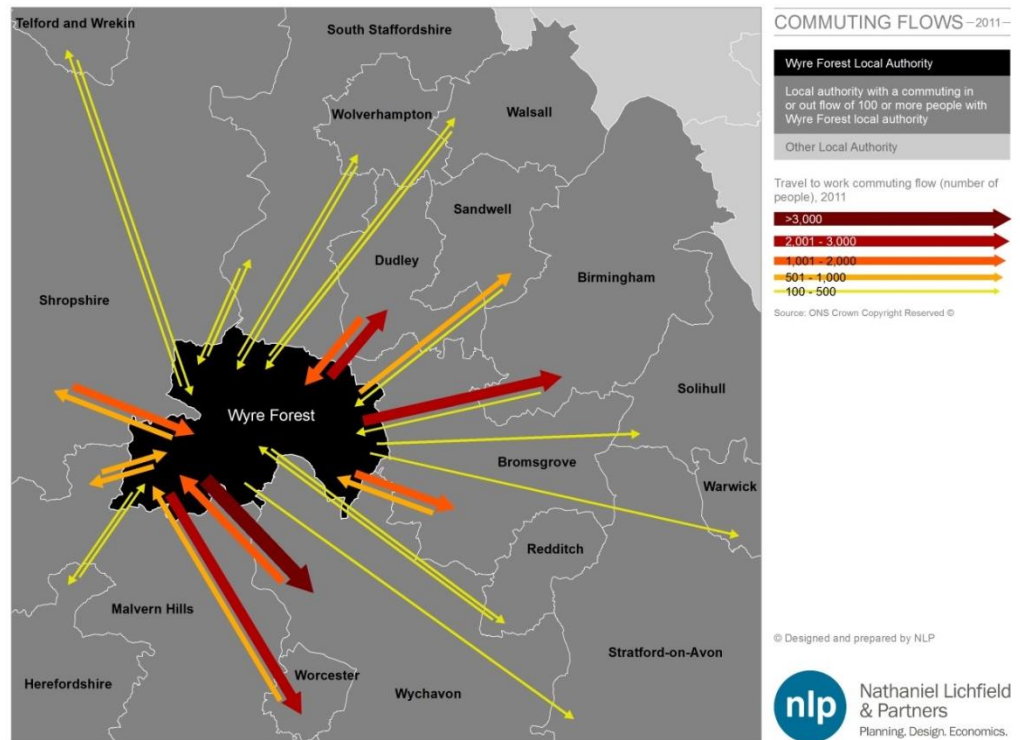
At the time of the 2011 Census, 8,632 residents commuted in to Wyre Forest on a daily basis against 17,612 out-commuters, giving a net total of 8,980 out-commuters. The District has high levels of out-commuting to Birmingham, Worcester, Wychavon and Dudley, although the latter two authorities also have high levels of commuters travelling into Wyre Forest in return. Wyre Forest is a net exporter of labour, with a daily net outflow of around 8,980 workers, equivalent to around 24% of all workplace jobs within the District. Wychavon is the largest recipient of Wyre Forest commuters. This is partly due to the Hartlebury Trading Estate, a large employment site located near to the WFDC boundary and which provides a significant number of jobs to Wyre Forest residents.

Figure 3.12 Travel to Work Flows within Wyre Forest, 2011



Source: West Midlands Functional Economic Market Area Study (2015)

Figure 3.13 Travel-to-Work Flows for Wyre Forest, 2011



Source: Census 2011 / NLP analysis

- 3.33 The ONS defines labour market areas as those areas where the bulk of the resident population also work within the same area. Defining labour market areas requires an analysis of commuting patterns to identify Travel to Work Areas [TTWAs] for local economies. A commonly accepted approach to defining TTWAs is that generally around 75% of an area's resident workforce work in the area (the first test) and at least 75% of the people who work in the area also live in the area (the second test). The area must also have a working population of at least 3,500. 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 in terms of internal movement patterns.
- 3.34 Applying this methodology to the 2011 Census data, Wyre Forest comprises the workplace for 62% of the District's resident working population, but it is the area of residence for 77% of the District's workers. Based upon the former data it is clear that a strict interpretation of the Guidance suggests that Wyre Forest does not form a FEMA in and of itself. However, the latter calculation suggests it does form a self-contained FEMA.
- 3.35 Whilst Wyre Forest may initially appear to be part of a much wider, strategic TTWA that includes Worcester and southern parts of the County, on balance, it is considered that a pragmatic approach for this ELR is to consider the District as being largely self-contained for employment land purposes.
- 3.36 This is on the basis that almost 8 out of 10 workers employed in Wyre Forest also live in the District. Furthermore, two major areas of employment are located immediately to the south of Wyre Forest's borders in Wychavon District

– Hartlebury Trading estate and Summerfield, with the latter actually cut in half by the administrative boundary. Both of these areas are likely to employ a significant number of Wyre Forest residents and it is possible that a small extension of the District’s boundary to the south to encompass these two sites in full would substantially increase the self-containment level under FEMA Test #1. Therefore it was concluded that for the practical purposes of forecasting employment land in accordance with the Practice Guidance it is reasonable to consider that Wyre Forest comprises a FEMA in its own right.

3.37 In accordance with the Duty to Cooperate, it is recommended that WFDC continue to partake in close discussions with adjoining authorities to ensure that their economic strategies and emerging development plan polices align.

Table 3.2 Commuting data and FEMA tests

	Live and work in LA	Resident workforce population	Workplace population	Net commuters	FEMA Test #1	FEMA Test #2
Wyre Forest	29,060	46,672	37,692	-8,980	62%	77%

Source: 2011 Census

SWOT Analysis

3.38 Drawing together the above analysis, the study area’s economic strengths and weaknesses, together with the potential opportunities and threats which will influence future demand for employment space, are summarised in Table 3.3.

Table 3.3 SWOT Analysis of the Wyre Forest Economy

Current Strengths	Current Weaknesses
<ul style="list-style-type: none"> Higher economic activity rate than both regional and national averages, and lower claimant unemployment rates relative to the regional average Higher rates of business start-ups than elsewhere in the West Midlands Prestigious inward investment from firms such as Morgan Advanced Materials and Amtek Lower commercial property rental values relative to other competitor locations (a strength from a business perspective) 	<ul style="list-style-type: none"> Road congestion exists within the District, especially on employment corridors to/from Kidderminster⁴³ The gap between Wyre Forest’s resident and workplace wages implies a disconnect between the quality of employment available to commuters travelling out the Districts and those available in Wyre Forest (suggesting a ‘brain drain’) Pockets of deprivation in Kidderminster Town, set within rural affluence Fewer high-skilled residents and higher levels of those with no qualifications (relative to national averages) Net outflow of commuters to nearby conurbations Relatively remote from strategic motorway network and large conurbations, which contributes to a lack of strategic inward investment and limited B8 warehousing development Decline of historic legacy of carpet manufacturing in Kidderminster with ongoing employment restructuring

⁴³ Worcestershire LEP, SEP, page 9

Current Opportunities	Current Threats
<ul style="list-style-type: none"> • Harness agglomeration benefits of developing competitive advantage in higher-value Advanced Manufacturing firms within the area (Beakbane Ltd, Morgan Advanced Materials) driving higher levels of GVA and productivity • Hoo Brook Link could: <ol style="list-style-type: none"> 1. directly unlock a large employment site (Former British Sugar Site); 2. accelerate development within multiple employment sites along both employment corridors connected by the link road 3. increase employment and ‘claw back’ commuters from other districts • Local Development Order, by streamlining the planning process, has the ability to incentivise and boost investment in the South Kidderminster Enterprise Park • Attractive rural location of the authority provides the opportunity to draw business leaders to the area to live/work 	<ul style="list-style-type: none"> • Continued congestion, particularly within the District’s main employment corridors, restraining growth • Indigenous property market resulting in relatively low values and demand for employment space, impacting on scheme viability • Competition from inward investment within neighbouring employment centres • Pressure for employment sites to be lost to alternative, often higher value, uses (i.e. residential) • Ongoing cutbacks in public spending threatens: <ol style="list-style-type: none"> 1. Policy initiatives 2. Public sector employment • Continued macro-economic uncertainty re: China and the EuroZone

Source: NLP analysis

4.0

Overview of B-Class Employment Space

Introduction

4.1

This section provides an overview of the current stock of B-Class employment space in Wyre Forest, while also summarising recent trends and changes to the supply of this employment space. The amount of employment land and floorspace has been considered across the three main types of employment uses (i.e. office [B1a/b], manufacturing [B1c/B2], and warehousing & distribution [B8]).

4.2

This analysis uses data from the following sources:

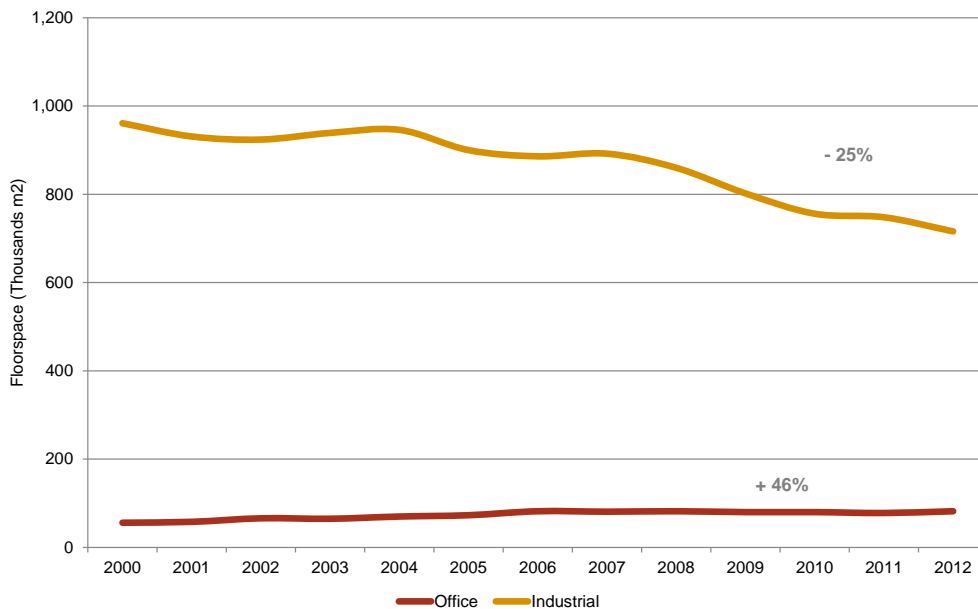
1. Commercial floorspace data from the ONS and various datasets from the Valuation Office Agency [VOA];
2. Monitoring data on commercial space from Wyre Forest District Council; and
3. EGi Property Link database and other commercial property sources.

Current Stock of Employment Space

4.3

In 2012, Wyre Forest contained around 1,308,000 sq.m of employment floorspace, 798,000 sq.m (61%) of which was B-class (office and industrial) floorspace, with the remainder classified as 'retail' or 'other'.

Figure 4.1 Change in Commercial/Industrial Floorspace in Wyre Forest, 2000 – 2012



Source: VOA (2012) Business Floorspace / NLP analysis

4.4

The total stock of commercial office floorspace in the District increased by 46% between 2000 and 2012, a higher rate of growth than was achieved across the region (+18%) or England as a whole (+16%) over the same period (Figure

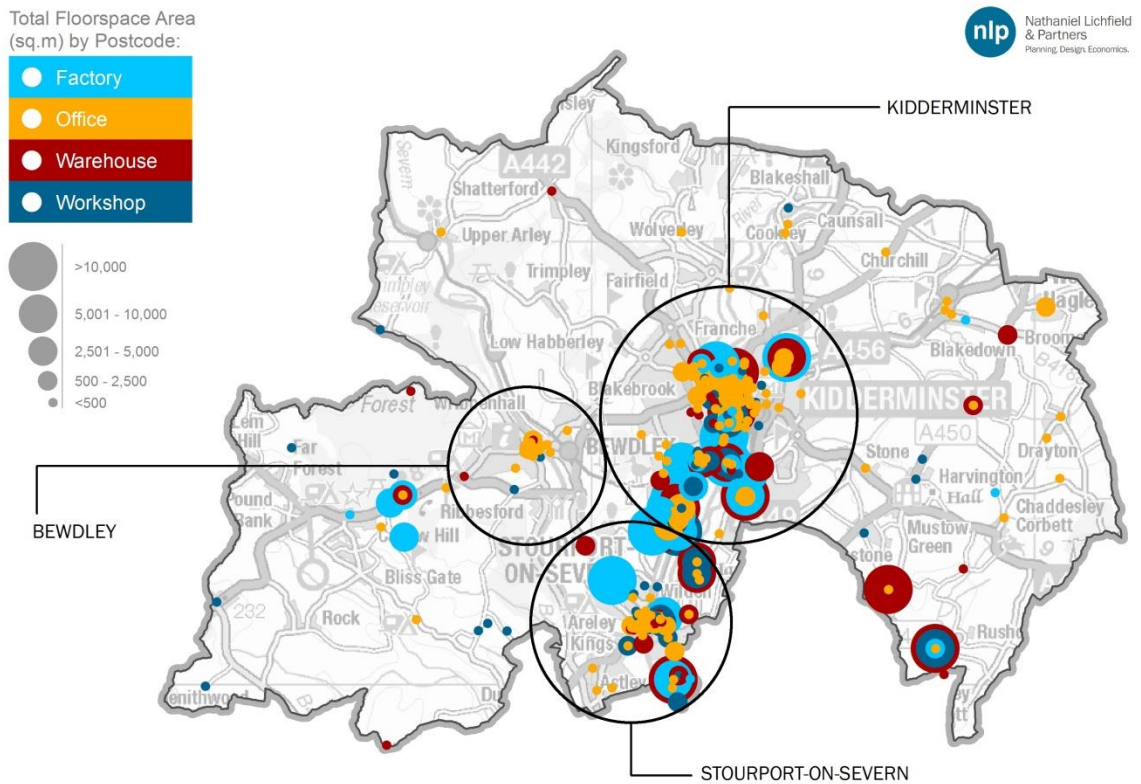
4.1). Industrial floorspace on the other hand fell significantly over this period, by around 25%. This contrasts with the West Midlands region, which saw a decrease of -6% and also a decrease nationally of -3% over the same 12-year period.

Spatial Distribution

4.5

Figure 4.2 presents the spatial distribution of B-class employment space across Wyre Forest using the latest available VOA data, whereas Figure 4.2 shows the broad sections which these firms operate within. This indicates that the majority of employment sites are located in Kidderminster, Stourport and within the two main employment corridors which are located between the two. There is a small hub of office floorspace within Bewdley, along with a limited quantity employment floorspace scattered across the rural areas of the District. Kidderminster is where the vast majority of the District's Office stock is located, and the two employment corridors (which are spread between Kidderminster and Stourport) can be seen to have large clusters of manufacturing floorspace, alongside a small collection of office units.

Figure 4.2 Spatial Distribution of Employment Floorspace in Wyre Forest, 2010



Source: VOA 2010 / NLP analysis

Development Rates

Gross Completions

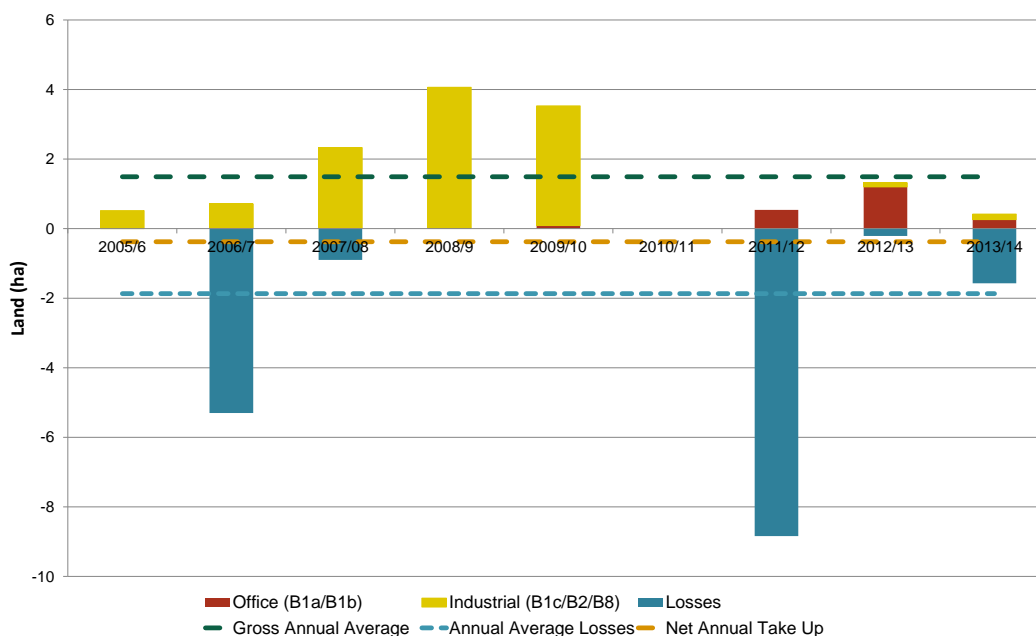
- 4.6 Data on gross completions in Wyre Forest from 2005/06 onwards was analysed. According to records provided by WFDC, the gross amount of land developed for B-class employment uses in Wyre Forest during the period 2005/06 to 2009/10 was 11.16 ha, equivalent to an average of 2.23 ha per annum.
- 4.7 In the aftermath of the recession, however, development of land for employment uses dropped significantly, so that over the period 2010/11 – 2013/14 just 2.28 ha was developed, at an average of 0.57 ha per annum.
- 4.8 Commercial property agents considered that the slowdown in completions could be largely explained by the financial crisis, which had the effect of reducing the availability of credit to developers as well as producing a much more challenging business environment for expansion. Whilst employment land development has recovered (albeit not to the same extent as experienced pre-recession) there has been a shift in the mix of employment land being developed, with more B1a/B1b office stock being completed and less B1c/B2/B8 industrial stock (Figure 4.3).
- 4.9 Whilst the level of new development has been modest in recent years relative to the rate seen prior to the recession, WFDC notes that there has been an increasing trend of companies starting to re-occupy existing employment space. For instance the former Sealine building has now been reoccupied by NTM-GB and Quantum Mouldings, whilst Amtek International has built a new production unit on the former Lawrence's site. These developments alone represent c.260,000sqft of floorspace, and signal a renewed confidence and interest in the space available in the District.
- 4.10 In summary, over the period 2005/2006 – 2013/2014, a total of 13.44 ha of employment land was developed at a rate of **1.49 ha a year**.

Losses and Net Completions

- 4.11 Losses are not recorded in Wyre Forest's Annual Monitoring Report, as past completions are, but WFDC has separately provided information relating to the losses of B-Class land for alternative uses. In addition to the 23.85 ha loss of the British Sugar site on Stourport Road back in 2001/2002 (which has been excluded from this analysis to prevent a skewing of the figures) a total of 16.82 ha of B-Class employment land has been lost across the District over the period 2006/07 – 2013/14, a rate of losses which averages 1.87 ha a year. As can be seen in Figure 4.3 this high rate of losses is mostly due to a handful of large losses in a few individual years – the majority of these losses relate to three sites - Carpets of Worth factory (5.3 ha in 2006), Churchfields Business Park North, Kidderminster (5.5 ha in 2011) and Morgan Technical Ceramics, Stourport-on-Severn (3.34 ha, 2012) as opposed to a sustained rate of losses over consecutive years.

4.12 Across the period as a whole the net development rate (i.e. taking account of losses of employment space) was negative at -0.38 ha annually. This reflects a level of losses of employment space which, on average, has outpaced the level of new build B1, B2 and B8 (Figure 4.3).

Figure 4.3 Net Development Rates in Wyre Forest, 2005/06 – 2013/14



Source: WFDC / NLP analysis

Employment Space in Adjoining Areas

4.13 It is also important to understand the extent of available employment land in adjoining local authorities and any major new economic developments coming forward there which might compete with Wyre Forest District Council for future demand. A brief review has therefore been undertaken (below) of the current position in each area.

Bromsgrove District Council

4.14 Gross employment land supply within Bromsgrove District equates to just over 47 ha. This figure includes Areas of Development Restraint (several of which now have planning permission for development or are at the pre-application stage) and existing commitments at Ravensbank Business Park (which are intended to meet the employment development needs of Redditch) and Longbridge (which is related to the Birmingham area). Excluding the contribution made by these sources, available supply serving Bromsgrove District as a whole is approximately 22 ha.

4.15 Based on the outputs of a small area forecasting model, a minimum of 19.9 ha of land above that in current occupation is required in the District to accommodate the forecast growth in employment floorspace in the area up to 2030. Overall, there is reasonable quantity of existing employment land supply

within the District as a whole when compared against forecast minimum requirements.⁴⁴

- 4.16 WFDC have confirmed that there are no cross boundary Duty to Cooperate issues.

Birmingham City Council

- 4.17 The Birmingham Development Plan [BDP] will set out the statutory framework to guide decisions on development and regeneration in Birmingham up to 2031. It will set out how and where new homes, jobs, services and infrastructure will be delivered and the type of places and environments that will be created. An Employment Land and Office Targets Study (2013) was undertaken to inform the policies of the BDP⁴⁵, and the BDP makes provision for Birmingham's full employment land needs.
- 4.18 With regard to housing, on the other hand, the BDP is unable to accommodate all of Birmingham's housing need so there is some potential for WFDC to take some of this growth, although it would need to be an 'export option' as WFDC is not classed within in the same Housing Market Area. This was clarified in the recently commissioned Housing Needs Assessment for the GBSLEP authorities.⁴⁶

Dudley Metropolitan Borough Council

- 4.19 Dudley is part of the Black Country together with Sandwell, Wolverhampton and Walsall. The Black Country Core Strategy contains a number of policies on the economy and employment. The total employment land stock target by 2026 set out in the Core Strategy for Dudley Borough is 648 ha, made up of 580 ha of local quality employment land and 374 of high quality employment land (both to 2026)⁴⁷.
- 4.20 WFDC confirmed there are no cross boundary employment issues although there are significant links between the two authorities in terms of commuting flows.

Malvern Hills District Council

- 4.21 In the South Worcestershire Employment Land Review (2011) the former targets of the West Midlands Regional Spatial Strategy (RSS) are used as a guideline. Therefore given Malvern Hills' requirement (44ha between 2006 and 2026) the report concludes Malvern Hills (along with all the other councils) are already promoting enough new land.⁴⁸

⁴⁴ Drivers Jonas Deloitte, on behalf of Bromsgrove District Council (2015) *Bromsgrove District Employment Land Review*, page 2

⁴⁵ Birmingham City Council (2013) *Employment Land and Office Targets Study* paragraph 8.6

⁴⁶ Peter Brett Associates, on behalf of Greater Birmingham and Solihull LEP Black Country Local Authorities (2014) *Strategic Housing Needs Study: Stage 2 report*

⁴⁷ Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Walsall Council, Wolverhampton City Council (2011), page 88

⁴⁸ Malvern Hills, Wychavon And Worcester City Councils (2011) *South Worcestershire Employment Land Review*, page 57

- 4.22 WFDC have confirmed that there are no cross boundary Duty to Cooperate issues.

South Staffordshire Council

- 4.23 In coming to a potential portfolio of employment land, the Black Country Employment Review (2011) concluded that the projected future employment land demand to 2030 was 47 ha, whereas the total supply of land available was just over 62 ha. When the quality of the sites was taken into account the total land available for employment related development falls to circa 59 ha. Overall therefore, taking the quality of sites into account, there is a slight oversupply of 12.3 ha.⁴⁹

- 4.24 WFDC have confirmed that there are no cross boundary Duty to Cooperate issues.

Shropshire Council

- 4.25 Shropshire's Core Strategy (based on the 2011 Employment Land Review) determined the need for 290 ha of employment land between 2006 and 2026.⁵⁰ The Council has indicated that no land will need to be provided in WFDC to cater for Shropshire's employment land demand.

Wychavon District Council

- 4.26 The South Worcestershire Employment Land Review (2011) use the former targets of the West Midlands Regional Spatial Strategy (RSS) are used as a guideline. Therefore, given Wychavon's requirement (92ha between 2006-26), the report concludes Wychavon (along with all the other councils) are already promoting enough new land.⁵¹

- 4.27 Two significant employment sites lies beside the border between Wychavon and WFDC. Hartlebury Trading Estate is located near to the WFDC boundary and provides a significant number of jobs. Likewise the Summerfield/Roxel site is located on the border and Wychavon DC has recently removed this from the Green Belt. WFDC has identified there to be greater scope for further employment provision here in the longer term which would benefit both authorities.

Changing Requirements for Employment Space

- 4.28 Given that this study assesses Wyre Forest's business needs over the longer term (to 2032), it is relevant to consider some of the key drivers and macro trends that are likely to influence the type, scale and locational requirements for employment space in the District over this period. Because it is impossible to know precisely what impact they will have, it will be important to closely

⁴⁹ Warwick Economics and Development, on behalf of South Staffordshire Council (2012) *Employment Land Study*, paragraph 9.8-9.10

⁵⁰ Shropshire Council (2011) Core Strategy, Policy CS14

⁵¹ Malvern Hills, Wychavon And Worcester City Councils (2011) South Worcestershire Employment Land Review, page 57

monitor their implications within the context of the District's evolving portfolio of land and sites for business.

- 4.29 These trends as set out below, mainly relate to office occupier requirements; aside from the use of increasingly advanced technologies and resulting efficiencies, the nature of industrial activity in future is not expected to have a significant impact upon spatial requirements for workspace. These trends should also be considered within the context of increasing flexibility in the way in which workspace is used, whereby business activity and operations do not always align neatly with any one particular use class.

Spaceless Growth

- 4.30 At the national level, long-term trends show the growth in the number of office workers outpacing office floorspace, particularly over the past decade. Whilst the percentage of workers within Wyre Forest employed in office-based sectors increased over the period 1997 - 2015 (compared to large declines in industrial-based sectors), relatively little new B1a/B1b employment development took place (vacancy rates for office units across the District are below what might be expected for a 'liquid' market). As a result, the density ratio of sq.m per employee has declined, partly due to technology with devices such as computers having reduced in size making it possible for workspaces to become smaller and more compact. Use of office floorspace has become increasingly efficient, sometimes configured to allow dedicated, complementary amenity space and collaborative workspace.

Technology

- 4.31 Increasingly sophisticated technology is changing the way in which firms and employees interact with each other and reduces the need for a fixed workplace. For instance, mobile and wireless technology allows information to be accessed almost anywhere from a single platform while video conferencing negates the requirement for face-to-face interaction in many situations. The traditional 'desk' can be situated almost anywhere, whether inside a building, in a café, on the move, or in a public open space. Furthermore, cloud computing enables IT services to be piped into an office building through the internet, reducing the space required by a building's IT infrastructure.

Rise of the Self-Employed

- 4.32 Self-employment nationally is at its highest level for 40 years according to data from the ONS, at 10.1% of the total British workforce. Since 2008 there has been a significant growth in self-employment, with two thirds of all employment growth relating to this group. Partly due to the attractive, rural nature of the District, the rise of high-speed broadband and the increasing ease with which 'homeworking' is possible (which is explored in the next section), self-employment is at a slightly higher rate within Wyre Forest than the West Midlands as a whole (8.7% versus an average rate of 8.3% across the region) and therefore this issue is particularly relevant for this study.

- 4.33 While the most common jobs for the self-employed tend to be in construction, taxi driving and agriculture (leisure and hospitality), over the past five years (given the increase in the availability of broadband) there has also been significant growth in self-employment among industries such as management consultancy, information technology and chartered accountants – professions that typically have some requirement for office space. The implication is that these self-employed workers will either work from home (see below) or seek more formal, small scale workspaces for example with access to shared facilities and opportunities to collaborate with like-minded entrepreneurs.

Homeworking

- 4.34 An improvement to broadband connectivity combined with more tolerance of working remotely by employers has led to a rise in the levels of home working in the UK. According to the ONS the number of homeworkers in the UK amounted to 4.2 million in the first three months of 2014, equivalent to 13.9% of the total workforce. Wyre Forest has around 5,300 workers who work mainly at or from home, which is equivalent to the national rate of 13.9% of the workplace population⁵². Businesses are increasingly adapting their practices to account for the varying lifestyle of modern workers, many of whom often need to balance flexible working hours with family commitments and busy social schedules.
- 4.35 The changing attitudes towards homeworking have had an impact on space requirements across some sectors. For some companies increased levels of remote working can lead to a reduction in the proportion of permanent or formal desk space required and the introduction of hot desking/hoteling systems in the office.

Conclusions

- 4.36 Wyre Forest's employment space is dominated by industrial (factory and warehousing) uses, although over time this has decreased whilst the level of office stock has increased. The majority of the District's office stock is located in Kidderminster, whilst the industrial stock is split between Kidderminster; Stourport; the employment corridors between the two settlements; and a smaller quantity within Bewdley and other rural parts of the District.
- 4.37 Over the six years between 2005/06 and 2009/10 the District witnessed a relatively large rate of employment land development (with an average of 2.23 ha developed annually). Following this, however, development reduced significantly to just 0.57 ha over the period 2010/11 – 2013/14, due to a tightening of finances and a more challenging business environment following the financial crisis. The employment land losses within the District (16.82 ha between 2006/07 – 2013/14, at an average of 1.87 ha a year) have been large enough to ensure net development rates have been negative over the period examined (-0.38 ha per annum).

⁵² ONS (2011) Census

4.38

A number of key drivers and macro trends are likely to influence the type, scale and locational of requirements for employment space in the District over the plan period, including self-employment and homeworking and increasing use of technology amongst many growth sectors. It is therefore important that WFDC monitors and responds to these changing preferences, to ensure that business needs can be met within the District.

5.0 Stakeholder Consultation

Introduction

5.1 Stakeholder consultation is vital for commercially realistic and robust outputs, particularly as it must be defensible in EIPs and planning inquiries. In this situation, significant weight has been given to the views of local businesses, local agents, economic development officers, surrounding local authorities and other key stakeholders.

Employment Land Stakeholder Consultation

5.2 Discussions took place with WFDC's economic development officers to help identify the policy initiatives and sectors which present significant opportunities for economic growth, the details of which are outlined in the 'Policy-On' scenario (as detailed in a later chapter).

5.3 A further part of the consultation process involved undertaking a business survey, in order to gain a better understanding of the needs of businesses operating within Wyre Forest and the main factors that support and inhibit business growth. WFDC sent the questionnaires to local businesses using emails listed on a business database; the North Worcestershire Economic Development & Regeneration monthly newsletter; and via social media in June 2015, seeking feedback on a number of issues including:

1. future expansion plans;
2. the locational requirements of particular types of business;
3. the suitability of their existing sites and availability of land for future expansion; and,
4. the perceived strengths and weaknesses of Wyre Forest as a business location.

5.4 80 online responses were received. A summary of the business survey's key findings are set out in the next chapter, with a selection of business quotes presented in Appendix 2.

5.5 Business enquires obtained from the Birmingham LEP's inward investment agency 'Business Birmingham' (detailed in a later section) were also examined to help further understand the market in relation to economic uses and requirements.

5.6 A workshop was held on the 22nd September 2015 with a range of stakeholders, in order to introduce the study and present:

1. the area's key issues;
2. The study's general methodology; and
3. emerging findings, including the preliminary results of the economic forecasting and the likely implications for future economic growth.

- 5.7 A range of developers, agents, planners and other business partnerships/organisations active in the area attended, and further consultation took place on the key issues raised by NLP's initial analysis.
- 5.8 In accordance with the Duty to Co-operate, consultation has taken place with adjoining local authorities. The purpose of this was to identify cross boundary work being undertaken and to understand the extent of their employment land portfolio and any major new economic developments which might compete with Wyre Forest for future demand. Details of these discussions are presented in the previous chapter.
- 5.9 This consultation has provided a wider view of economic potential and market demand than statistical data or employment forecasts, which are not always a reliable indicator of employment land needs at local levels. The main findings of this consultation are set out in various sections of this study and have helped to inform the conclusions and recommendations set out in Chapter 10.0.
- 5.10 A list of consultees contacted is included in Appendix 1.

6.0 **Commercial Property Market Signals and Intelligence**

Introduction

6.1 This section provides an overview of the commercial property market in Wyre Forest, including recent trends in demand and supply. The findings are based on discussions with a number of commercial property agents currently active in the District, the stakeholder workshop, respondents from the business survey (see Appendix 1 for a list of consultees contacted). Where appropriate this has been supplemented with information derived from a number of sources including an analysis of commercial property availability and published reports.

UK Property Market Overview

6.2 The UK economic recovery, which began in 2013, has now become firmly entrenched. Sentiment in commercial property appears to be the most positive it has been for many years. Improvements in market conditions have been supported by the greater availability of real estate debt and equity finance, occupier demand is steadily increasing, and generally rents and capital values are broadly stable.

6.3 While central London offices are still the outperforming market segment, some investors and developers are also looking further afield in an attempt to access stock and achieve good returns. However, much of this activity is focusing on the best performing locations in the South East or major provincial cities. In more economically marginal locations, and those without a significant existing commercial property market, there is still uncertainty and lenders and developers are likely to remain cautious.

Wyre Forest Market Overview

6.4 As with commercial property markets across the country the recession saw a significant drop in both the activity and rental values of the office and industrial market, with agents estimating a reduction in rental values of approximately 30-40%. Whilst this appears severe, agents noted that the negative effects to the commercial property market were not as detrimental as the effect of the recession on Wyre Forest's retail market.

6.5 Agents praised WFDC's Local Development Order [LDO], a scheme to introduce permitted development to any site within the boundaries South Kidderminster Enterprise Park. Whilst it has only been implemented since 2012, agents have praised the businesses the LDO has thus far attracted (as explored in a previous chapter) in addition to being optimistic regarding the effect it will have on incentivising expansion and attracting inward investment to the South Kidderminster Enterprise Park in the future.

- 6.6 Agents raised concerns that congestion within the District, particularly on key employment corridors such as Stourport Road and Worcester Road, was a major issue that was restricting the level of development in the area. This was a significant factor in the construction of the Hoo Brook Link Road, which will connect these two employment corridors. Once the road is in operation it is likely to ease such congestion, create further capacity across the road network and therefore make these employment corridors more desirable from a business perspective. The potential benefits of this Link Road on facilitating further development have been incorporated into the modelling of future employment land requirements as outlined in Section 7.0

Market Segments

Offices

- 6.7 The vast majority of offices in Wyre Forest are located in Kidderminster and are characterised by either being:
1. Office accommodation above retail units within the town centre;
 2. Ancillary office units within industrial estates (often outside of the town centre); and
 3. Converted residential units or refurbished industrial premises (such as Elgar House).
- 6.8 There are very few purpose built Grade A office units, with much of the existing space serving an indigenous market. Much of the stock that does exist in the District tends to be older, with a significant proportion built in the 1960s. The lack of modern, Grade A office space contributes to the low rents observed within the District, although this does vary. Poor quality, tertiary offices tend to achieve a rental value of around £4-5/sqft, whereas the higher quality office accommodation that does exist in the District (such as 33,000 sq ft (3,000 sqm) of office stock in Elgar House on Green Street, which despite being a former industrial building has been refurbished to a high specification) can reach up to £11/12 sqft. Green Street is an area where a large amount of the District's main office units are located, and whilst agents commented this stock tends to be of a reasonably good quality, its lack of on-site car parking is a restraint on its popularity.
- 6.9 Other established areas of office accommodation in Kidderminster include the Church Street Area, which tends to be used by local professional occupants, such as solicitors, accountants etc. Limited volumes of office development have come forward recently, due in part to finance being hard to access. Notable exceptions include a small number of office units that have recently been developed at the Finepoint site on Stourport Road, which are currently occupied by Wyre Forest District Council.
- 6.10 Whilst much of the office stock is dated, vacancy rates are low, at around 3% according to an analysis of marketed commercial property online. This is below the 8-10% widely indicative of a healthy, 'liquid' market.

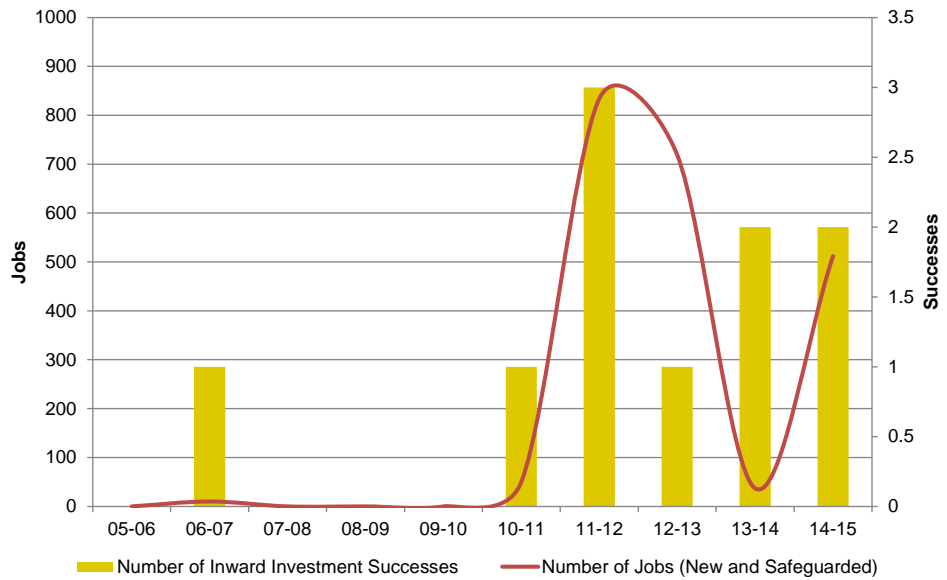
- 6.11 The demand for office accommodation within Wyre Forest tends to be indigenous in nature, with occupiers most likely to be small firms within local professional and business services sectors (solicitors, accountants etc) who serve the local area, seeking modest office space. The market is not particularly 'established' in the sense that it struggles to attract occupiers from further afield.
- 6.12 The District does not readily attract substantial levels of office inward investment partly because of the lack of high-quality accommodation, and partly because of its location. Wyre Forest faces competition from employment areas which are both closer to larger conurbations (such as Birmingham) and also the strategic motorway network.
- 6.13 The vast majority of office units are located within Kidderminster and this is also where demand tends to be centred. In terms of size of units, demand is greatest for smaller office units of up to 1,000 sqft (93 sqm). Agents noted that demand for larger offices (of units greater than 10,000 sqft (930 sqm)) is very limited, and they cited examples of landlords splitting larger offices into multiple smaller offices in order to increase the chances of the premises being let.
- 6.14 Prior to recession rental values for office accommodation were higher than industrial properties. Following a drop in demand, rental values have also fallen and the situation has been reversed. Older, tertiary, office stock now fetches around £4-5 sqft whereas higher-quality stock can reach around £11/12 sqft. It is noted that whilst office rents in Kidderminster may be slightly higher than in other parts of the District, such values do not vary significantly.
- 6.15 Some agents confirmed that there may be potential for a new purpose-built office complex on a 1-2 hectare site containing units of around 1,000 sqft (93 sqm) in a 'court-yard' design (with car parking spaces in the heart of the development); they caveated this with the fact that a higher headline rent – estimated at around £16 – 18 sqft - would likely be required to attract a developer to build this speculatively, some way from the values achieved even from the best quality stock within the District currently. In the past, local authority funds may have helped to spur developments such as these, but with local authorities feeling the effect of budget cuts this seems unlikely to occur. In the meantime, demand is flowing to larger conurbations such as Birmingham and areas with stronger links to the M5.
- 6.16 Other factors are currently suppressing supply. Landlords who own vacant commercial property are liable for void rates. In May 2013, the Government introduced Permitted Development [PD] Rights to allow for change of use from B1 (a) offices to residential, whereby premises can undergo change of use without the need to obtain planning permission. If demand for offices in an area is limited, the owner of the property is incentivised to change its use. Some agents noted that they expected owners of large offices within District to be under pressure to convert such properties to residential purposes, due to the lack of demand for such large office premises.

Industrial

- 6.17 Wyre Forest is characterised by a relatively large supply of industrial premises, a legacy of its carpet manufacturing heyday, which provide competitively priced employment space for firms. Established industrial estates which contain a large amount of the industrial stock in the District include Hoo Farm, Hoo Brook, Lisle, Foley and Greenhill. Many of these industrial estates lie within the South Kidderminster Enterprise Park, which features the Stourport Road (A451) and Worcester Road (A449) employment corridors.
- 6.18 A large amount of the current industrial B2 stock was built in the 1960s and now is relatively dated, whereas the stock of B8 distribution units tends to be more modern.
- 6.19 Demand for industrial properties is strongest for units up to 2,500 sqm (27,000 sqft) and beside strategic locations (such as on A-roads connecting the District to other conurbations). Whilst agents noted that demand exists for larger units, this rarely extends to any industrial properties over 20,000 sqm (215,000 sq ft). This is likely due to the fact that Wyre Forest's economy is dominated by small-and-medium sized businesses.
- 6.20 Whilst the extra distance to the M5 from Wyre Forest (relative to other nearby business locations such as Bromsgrove or Redditch) makes the District a less desirable location for logistics firms, and as with the office market, industrial occupants tend to be indigenous in nature, serving local communities. However, there are some positive examples of inward investment within the District and agents were optimistic that this was going to continue. This will partly build on the strength of the region's competitive advantage in Advanced Manufacturing (such as the recent investments in the area by Amtek and Morgan Advanced Materials) in addition to the South Kidderminster Enterprise Park's LDO, which streamlined the planning process and begun to attract new investment to the area in addition to increasing the expansion of existing firms' operations. Amtek International melts aluminium and casts it into complex components for the automotive industry, and serves clients such as Jaguar Land Rover and Ford across the UK, Europe and Asia. Morgan Advanced Materials is a world leading manufacturer of highly engineered materials, and has announced the creation of a 'Global Materials Centre of Excellence' for structural ceramics materials and applications.
- 6.21 Details on the levels of inward investment within the District, and the number of associated new/safeguarded jobs were obtained from 'Business Birmingham', Birmingham City Council's inward investment agency. Figure 6.1 indicates that the number of inward investment successes was very low during the recession and its immediate aftermath, before accelerating in 2011/12. This is associated with the introduction of the LDO, which helped stimulate is associated with a large uplift in both the number of inward investment successes⁵³ and the number of new and safeguarded jobs associated with it.

⁵³ an enquiry which results in a foreign firm acquiring a local firm, or an external firm which relocates within the authority

Figure 6.1 Number of Inward Investment Successes and associated jobs (New and Safeguarded)

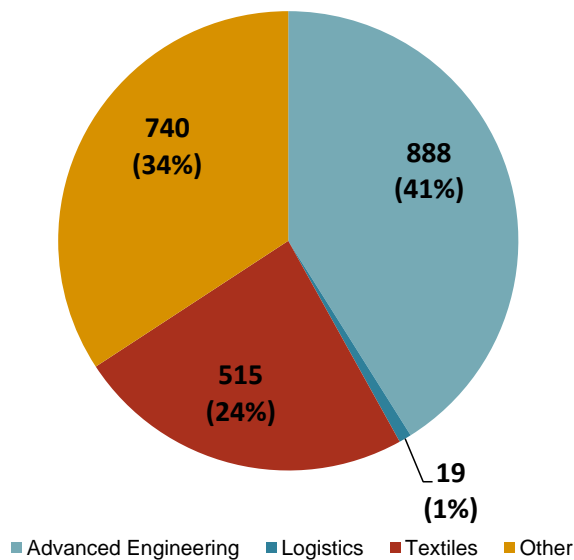


Source: Business Birmingham (2015)

6.22

In terms of how this relates to individual sectors, over 40% of the new and safeguarded jobs are listed within the ‘Advanced Engineering’ sector, including the creation of around 500 jobs⁵⁴ in the new Amtek plant in the former Lawrence’s site. Furthermore, over a fifth (24%) of new and safeguarded jobs are within the textiles sector, such as the acquisition of Brintons Carpets by the North American firm The Carlyle Group.

Figure 6.2 New and Safeguarded jobs, by sector



Source: Business Birmingham (2015)

⁵⁴ ‘Kidderminster gets 500 jobs from new Amtek Auto foundry’: Available online at: <http://www.bbc.co.uk/news/uk-england-hereford-worcester-29549260>

- 6.23 Despite these positive developments, agents noted that the District remains hampered by its ageing stock, which lacks good quality, flexible units which are suitable for the needs of modern industrial and logistics businesses (for instance, there are few warehouses available with HGV loading bay access).
- 6.24 Rental levels in Wyre Forest's industrial market declined by around 30% since their pre-recessionary peak (a large reduction but one which was less severe than the equivalent drop in the retail market). Whilst rental values have since recovered they still tend to be lower than competitor locations such as Malvern Hills and Redditch, although this is partly due to the fact that such properties tend to be older and hence of a worse quality. Agents noted that rental values now vary between around £5-6 / sqft for small industrial properties (defined as under 10,000 sqft (930 sqm)) versus £3-4 / sqft for larger properties (defined as being larger than 10,000 sqft (930 sqm) and above, for which there is comparatively less demand). Whilst this can be positive in the sense that the area has competitively priced property relative to other locations in the region, conversely the level of these rental values are not sufficiently high to enable speculative development to occur, and as such limited new industrial property is being considered.

Rural Employment Space

- 6.25 Whilst the vast majority of the District's employment land is centred in and around the main settlements of Kidderminster, Stourport and Bewdley, there exists a few large sources of employment land within more rural areas of the District, such as Rushcock Trading Estate and Titan Steel Works in Cookley.
- 6.26 Agents pointed out that businesses and their staff like to remain in the communities where they have historically been based. As such, agents consider that rural locations within the District continue to be viable, with continued growth of this type of premises considered inevitable to meet the needs of what is essentially a local market consisting of rural businesses which operate in the area. These premises can also play an important role in providing affordable workspace and retaining home-based businesses within the local community, although as these locations are characterised by existing businesses expanding (as opposed to new businesses locating) demand can be very patchy.
- 6.27 Many rural businesses face particular challenges to their continued economic growth and prosperity, including poor infrastructure and access to facilities (such as high speed broadband); low density of firms leading to a poorer choice of local employment opportunities for rural residents; and limited access to affordable housing for employees in many areas. The availability of broadband is essential to ensuring the growth and expansion of the local rural economy and should continue to be recognised by planning policy in the District.

Broadband Provision

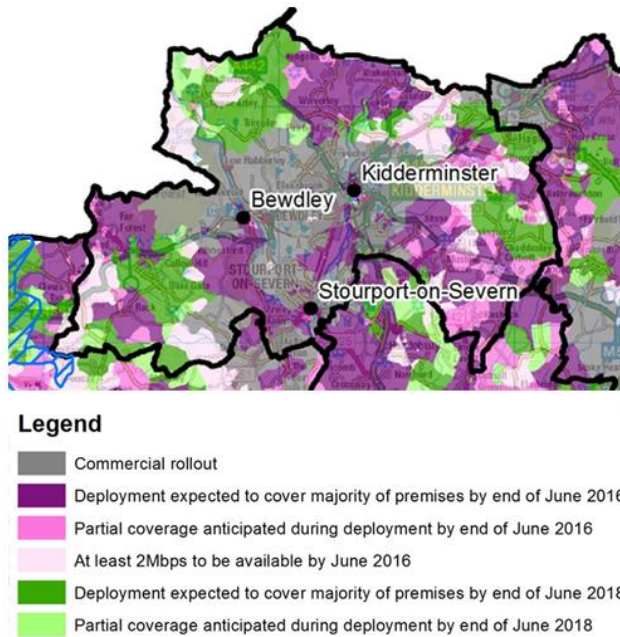
- 6.28 Availability of broadband has significant positive economic, environmental and social impacts. Recent research⁵⁵ emphasises that at the local level, economic impacts arise from construction effects, productivity growth, enterprise creation, job creation and increased labour force participation. Broadband is also an enabler for international trade and innovation. BT estimates that for a typical rural area, provision of superfast broadband could lead to an annual increase in GVA of 0.3% per annum over 15 years. The availability and quality of broadband coverage is therefore increasingly essential to the relative attractiveness of an area to do business.
- 6.29 The Government's Universal Service Commitment aims to ensure that everyone will have access to at least basic broadband (with a download speed of 2 MBs). However, as bandwidths available in urban areas improve at a more rapid rate it is possible that a 'digital-divide' is emerging.⁵⁶
- 6.30 'Superfast Worcestershire' is a partnership between Worcestershire County Council and BT that aims to bring fibre broadband to more than 90% of homes and businesses in the County. When businesses were surveyed by Superfast Worcestershire 95% of respondents said faster broadband would help their business grow in 2-5 years. Of the 95%, 75% said it would allow them to increase turnover. Furthermore, 33% of businesses who responded stated that faster Broadband would enable them to create new jobs.
- 6.31 The project aims to improve access to high-speed fibre broadband infrastructure by SMEs in Worcestershire in order to contribute to improving the competitiveness of the business base. Survey responses suggest that businesses anticipate that faster Broadband speeds will allow them to create over 1,000 new jobs within the next five years. Based upon the average GVA per employee, this will equate to approximately £38.5million per annum of additional contribution to Worcestershire's economy.⁵⁷ As of September 2013 the scheme has reached more than 58,000 premises across the region.
- 6.32 Figure 6.3 illustrates the extent of existing and future fibre broadband coverage within Wyre Forest. Whilst the majority of the main settlements (Kidderminster, Stourport and Bewdley) are already covered by commercial providers, not everywhere within these settlements are covered. Likewise, there are large tracts of the rural, less densely populated areas in which there is not currently any commercial coverage and which the scheme has the capacity to improve connectivity and hence economic output, given the ease and prevalence of home-working.

⁵⁵ Regeneris, on behalf of BT (2012): 'Superfast Broadband: Boosting Business and the UK Economy'

⁵⁶ SQW (February 2013): 'UK Broadband Economic Impact, Literature Review'

⁵⁷ Superfast Worcestershire (2015) available online: <http://www.superfastworcestershire.com/faqs>

Figure 6.3 Map showing anticipated deployment of fibre Broadband within Wyre Forest (black boundary)



Source: Superfast Worcestershire (2015)

Provision for Small Firms/Start-ups

- 6.33 Launched by Wyre Forest District Council, 'Space' provides 7,000 sqft (650 sqm) of flexible workspace for businesses to start, develop and grow. Offering 'per month' rents, the premises provide individual workspaces but with shared meeting areas, kitchens and toilet facilities. There is a 50% reduction in rent for start-up businesses during their first year and a 25% reduction in their second. Occupants also have access to business support, advice and funding.
- 6.34 Agents also cited 'Citibase' in Bewdley as another example of serviced commercial property within the District, a facility which provides office furniture, meeting rooms, and personalised call answering. Whilst this type of accommodation is relatively expensive these units tend to be used as a 'stepping stone' for start-ups which may have outgrown working from home and which tend to occupy the units for around 3-6 years before outgrowing them and moving to larger, independent premises.
- 6.35 Stakeholders noted that whilst the District has a reasonable selection of premises for start-up industrial firms to locate in (usually around 100-200 sqm in size) there is a severe lack of 'follow-on' or 'grow-on' spaces (which tend to be around 200-400 sqm in size) which cater to firms which have outgrown these incubator spaces.
- 6.36 Owing to the District's wide SME business base agents considered there to be scope in future for additional small scale provision of flexible work spaces to accommodate both start-ups and expansion of such firms

6.37 However, a reason cited by stakeholders as to why this gap in the market was not being filled was related to the difficulty in getting the funding for these premises. Unlike conventional commercial property, letting terms are more likely to be short-term and flexible, due to the nature of the firms which occupy the units. There is therefore considerable uncertainty, from a developers perspective, over building such units, and as a result relatively few are developed. Stakeholders raised the idea of Wyre Forest District Council using 'pump-priming' to gap-fund the development of these units.

Future Growth Potential

6.38 Agents highlighted a lack of modern, purpose-built, premises across the District. As a result of this shortage and preferences to become owner occupiers (stimulated in part by very low interest rates making capital loans an attractive proposition), a growing number of businesses are now looking to purchase the freehold interest in industrial buildings or acquire land on which to develop their own schemes.

6.39 Agents considered that it is smaller industrial units that there is the greatest demand for within the property market currently. Whilst agents identified a recent increase in demand for larger industrial properties, they noted a lack of supply of these properties. Key requirements for any industrial developments would include being in close proximity to strategic transport links and having premises which are specified to the needs of modern businesses. This includes having adequate access for HGV vehicles and loading bays which much of the older stock in the District is unable to do.

6.40 Agents noted that because many offices in the District were occupied by small firms with modest requirements, a key factor these firms look for when identifying property is flexible lease terms.

6.41 Despite improved market conditions, local agents are very much of the view that speculative industrial development is unlikely to occur in the area for the foreseeable future. This is partly due to the fact that development funding is now very difficult to secure without an occupier in place - agents noted that banks often require a deposit of up to 25% before they will release the funds to purchase or develop a piece of land, and this has become a major issue for all types of commercial property, regardless of where it may be located. It also reflects a reluctance to jump into what is still generally perceived to be 'choppy waters'. Developers remain fearful about speculatively developing schemes and, if they fail to be let, to face uncertainty over when lettings would take place (whilst losing out on letting revenue) in addition to the liability of paying expensive empty business rates.

6.42 Agents were more optimistic regarding the future success of Wyre Forest's industrial market as opposed to its office market. Whilst it is not in close proximity to a motorway junction Wyre Forest was described as being a 'good location', with the LDO having a dual effect of both encouraging firms to stay within the District (by streamlining the planning process and incentivising them to expand their premises) and also encouraging new firms to locate within it.

Specsavers has already taken advantage of the LDO by expanding a 75,000 sqft production and distribution facility on the former Romwire site on Stourport Road, as well as Amtek being drawn to the District and building a production unit on the former Lawrence's site.

- 6.43 In terms of locations for any future possible employment land allocations (if required), being in close proximity to strategic transport links was raised as a key requirement. In this regard stakeholders suggested the A456 corridor as being an ideal location.

Business Premises Survey

- 6.44 A business survey was undertaken as part of the study in order to gain a better understanding of the needs of businesses operating in Wyre Forest and the main factors that support and inhibit business growth in the area. This involved a sample of 80 responses from firms across a range of B-class sectors and locations across the District. A summary of the key findings are set out below, with a selection of business quotes presented in Appendix 2.

Business Profile

- 6.45 When compared to the actual demography of business size within the study area, the firms which responded to the survey encompassed a slightly lower percentage of 'micro' (0-9 employees) businesses, along with a higher percentage of small, (10-249 employees), medium (50-249) and larger (250+ employees) businesses across the study area as a whole:

1. 'Micro' (0-9 employees): 70%
2. Small (10-49): 21%
3. Medium (50-249): 6%
4. Large (250+ employees): 3%

- 6.46 Staff were four times as likely (81%) to come from within the same town/village or elsewhere in Wyre Forest District than they are to coming from further afield (elsewhere in the North Midlands or the UK, 19%). This is in contrast to where these firms' suppliers, customers and competitors were based. Only 29% of the respondent's competitors were based within Wyre Forest District, 32% of their customers and 32% of suppliers.

- 6.47 The relatively low percentage of respondent's customers being based within the District or wider region (51%) show that whilst on the whole Wyre Forest firms tend to cater to indigenous demand there are many firms which compete on a national arena.

Current Business Premises

- 6.48 Respondents occupied a wide range of businesses, with the most common being 'Professional and Other Private Services' (22%) and Manufacturing (11%). The majority of companies (65%) felt that their current premises/sites

met their space requirements. Whilst 51% of respondents rated their current premises as being of high quality (4 or 5 stars), nearly a third rated their premises 3 stars, and 16% rated them 1 or 2 stars, suggesting occupants see room for improvement there. 30% of respondents felt their premises were not big enough, whilst fewer than 8% felt their premises had surplus space.

6.49 44% of businesses have been based in their current premises for under 5 years, 26% between 5 – 10 years and 30% over 10 years. Of the 45 businesses that were previously located elsewhere, 30 (67%) were based within the same town or village, reiterating the point explained previously that many businesses within the District are indigenous and serve the local communities they have historically been based within.

6.50 Premises were most likely to be selected based upon:

- 1 Cost of premises;
- 2 Running cost of premises;
- 3 Quality of premises; and
- 4 On-site car parking.

6.51 The location was most likely to be selected based upon:

- 1 Proximity to home;
- 2 Access to road network;
- 3 Quality of environment;
- 4 Speed of internet; and
- 5 Proximity to customers.

Future Growth Plans

6.52 36 firms (51% respondents) are considering expanding their business premises, by an average of 750 sqm⁵⁸. The majority (81%) of those are planning to do so within the next 1-5 years.

6.53 Whilst around 40% of respondents with expansion plans wish to expand their current premises, the remaining 60% plan to relocate to another premises. Of these, 84% plan to stay within the same town/village; 5% wish to move elsewhere within Wyre Forest; and the remaining 11% wish to relocate outside Wyre Forest District. 30% of those who wish to relocate plan on moving to an industrial estate, versus 35% who wish to offices/workshops within town or village centres (this is reflective of the District's current supply of commercial property).

6.54 Business reserves are almost four times more likely to be used to finance future growth plans than loans or grants are, possibly due to the stricter lending

⁵⁸ It was decided that one respondent's answer of a 20,000 sqm expansion should be excluded so as not to skew the other results.

criteria that commercial agents cite as a barrier to further commercial development and business expansion.

- 6.55 The most common barrier to further expansion was a lack of affordable premises, along with a lack of suitable land or premises (relating to the issue agents raised that much of the existing stock within the District is relatively old and hence is not always suitable for the needs of modern businesses). Lack of finance was the third most common barrier to expansion.

Wyre Forest as a Business Location

- 6.56 Overall half of respondents were satisfied with Wyre Forest as a business location, with 56% rating it as a 4 or 5 (out of 5), compared with 14% giving the District a rating of 1 or 2 and the remaining third rating the District three stars.
- 6.57 In terms of positives, respondents praised the natural environment, resulting in Wyre Forest being a pleasant area to both live and work. Lower than average workplace wages means that the cost of labour is relatively cheap. Highlighting the fact that many firms cater to indigenous demand, many positives focused on the fact that firms are based within close proximity to both their staff and customers. Whilst the District is further away to the M5 compared to some adjoining authorities, District is geographically central relatively central and so serves as a strong location to firms who supply goods across not only the Black Country but also the UK more widely.
- 6.58 Furthermore Wyre Forest District Council was praised, being viewed as having a 'pro-business' attitude, with positive policies such as the LDO across the South Kidderminster Enterprise Park and the ReWyre initiative (a public/private sector partnership to improve and promote Wyre Forest as a business location welcomed). Some also praised the authority for having low overheads from a business point of view (rent, business rates etc).
- 6.59 Negative aspects of the area identified by the survey responses focused particularly on traffic congestion. One negative of such congestion highlighted by a respondent was the increased difficulty of travelling to clients, and vice versa. Other respondents downplayed the negative impacts of congestion, acknowledging that whilst it is an issue it is one issue that is not unique to Wyre Forest, and highlighting that the Hoo Brook Link Road will vastly improve the situation.
- 6.60 Another criticism of the area focused on the District's relatively poor communication infrastructure, relating to both the availability of mobile phone signals and broadband coverage.
- 6.61 A weakness of the authority was its lack of small, starter units, in addition to 'follow-on' spaces for growing firms which have out-grown starter units. However, this appears to be an issue not just within Wyre Forest but across the wider Black Country as a whole. A further weakness raised was the inflexibility of landlords with regard to property terms and leases (a start-up

company, for instance, is unlikely to be able to commit to a standard three year lease).

6.62 Whilst a strength of the District relates to the relative low cost of labour, a related weakness is the difficulty some businesses face with the availability of a skilled, motivated workforce. Firms spoke of the challenge with recruiting entry-level employees, with many lacking basic spelling and grammar skills. Concerns were also raised with the recruitment of higher-skilled positions, as skilled young people often leave the District to go in search of higher-paid employment in areas seen as more 'desirable' such as Birmingham. Retaining more of these highly-skilled young people will be a challenge for WFDC, although ReWyre is working with local schools to identify specific skills and attributes which employers seek in school-leavers.

6.63 A further scheme designed to improve skills and work opportunities in the area is Worcestershire Business Central's 'Connecting Schools and Businesses'. This programme includes:

- **Worcestershire Skills Central:** a portal in which Worcestershire businesses can register, post placement details, receive student applications and provide supported work placements to young adults starting out on their career path;
- **Worcestershire Careers Central:** An innovative online career support for students, parents and careers advisors. The first of its kind in the UK, it provides all the information a young person will need to map out their career pathway. Focused on Worcestershire's key growth sectors, it highlights the qualification, work experience and skills required; and
- **Worcestershire Apprenticeships:** A website which lists everything a business needs to know about providing apprenticeships in Worcestershire, in addition to supporting 16-24 year-olds across Worcestershire with accessing Immediate, Advanced and Higher Level Apprenticeships, providing specific industry sector qualifications⁵⁹.

6.64 Several respondents to the Survey highlighted that there is a lack of cohesion or networking opportunities between businesses within the District, something which will be vital to build upon if the area has ambitions to reap the benefits of agglomeration.

Conclusions

6.65 The District's commercial property market is largely centred around Kidderminster, Stourport and the employment corridors connecting the two settlements.

6.66 The District lacks the necessary critical mass to attract and sustain larger office occupiers and faces strong competition from larger, more established and growing office centres with better links to larger conurbations (such as

⁵⁹ Worcestershire Business Central, available online at: http://www.business-central.co.uk/BC/homepage/28/connecting_schools_and_business_programme

Birmingham) and the strategic road network (particularly the M5). As a result, the office market remains very localised, and what limited demand there is generally comes from local SMEs for good quality, small, modern premises. Rents also tend to be lower and this restricts speculative development, which has not occurred in the District for many years.

6.67 The industrial market, whilst suffering from some of the same problems as the office market (characterised by stock which tends to be older and is not always suitable for the needs of modern businesses), has recently seen an increase in inward investment. This is particularly within the advanced manufacturing industries, but also has been helped along by the streamlined planning process which has occurred thanks to the South Kidderminster Enterprise Park's LDO.

6.68 Agents highlighted the need for high quality industrial premises which are suitable for the needs of modern businesses, located on strategic transport routes. These need to offer flexibility, both in terms of the uses such premises can be harnessed for and also with flexible terms of contract – which is especially relevant for SME firms, which Wyre Forest has an above average representation of. Demand for rural employment space in Wyre Forest is reported to be steady. There is scope for greater provision of modern, industrial accommodation (ideally with flexible contracts with shorter leases, as is the case elsewhere) for start-up and small businesses, of which Wyre Forest has a disproportionately large number in order to enable local firms to expand and/or upgrade.

7.0 Review of Employment Sites Portfolio

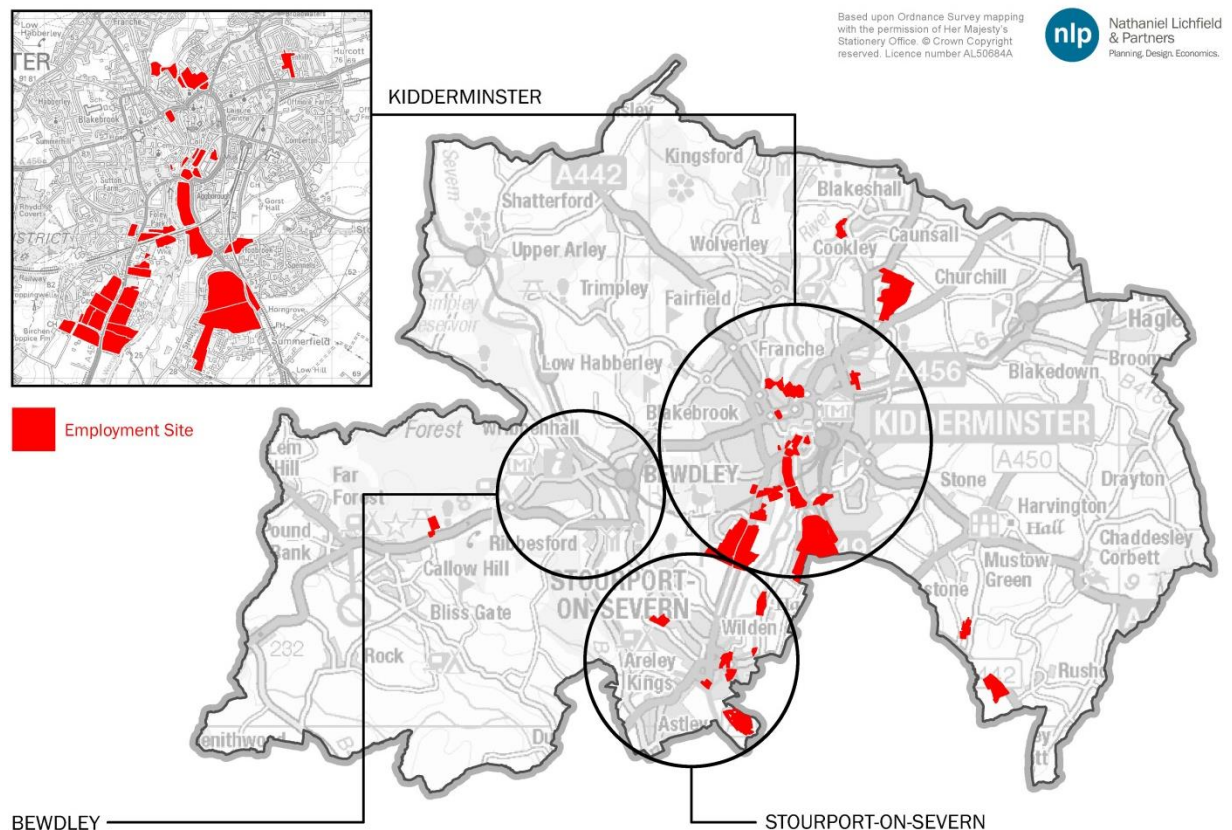
Introduction

7.1 This section presents the findings of an assessment of the employment land supply in Wyre Forest. This considered the characteristics and quality of existing and undeveloped employment sites in the District and their suitability to meet future employment needs.

Overview of Assessed Sites

7.2 The ELR considered all those sites which could be part of a meaningful and deliverable employment land portfolio and could therefore potentially be allocated or protected for employment use in the emerging Local Plan. In consultation with the Council it was agreed that the assessment should be focused on 46 employment sites. The location of these sites is presented in Figure 7.1, with detailed site pro-formas provided in Appendix 5.

Figure 7.1 Map of Employment Sites Assessed



Committed Supply of Employment Space

7.3 The committed stock of employment space in the study area comes from three key sources:

1. Allocated employment sites: sites allocated for employment development under policies in the Site Allocations and Policies Local Plan and the Kidderminster Central Area Action Plan (both adopted July 2013);
2. Non allocated employment sites: sites which are in use for employment purposes but which have not been formally allocated for such a purpose; and
3. Sites with extant planning permission: other sites with extant planning permission (i.e. permissions that have not yet expired and could be implemented) for employment development (as of September 2015).

7.4 The committed supply of employment space has been identified by WFDC as falling within the above categories. A full list of the category each site falls within is available in the site assessment matrix of Appendix 4.

Allocated Employment Sites

7.5 The Wyre Forest Site Allocations and Policies Local Plan (adopted July 2013) allocates and retains 37 sites assessed as part of this study for employment use or mixed-use for new or continued employment use throughout the plan period. These employment areas not only provide space for current employers and businesses, they also provide opportunities for new investment and rejuvenation, through intensification or reuse. All of these sites have been assessed as part of this ELR.

7.6 The Kidderminster Central Area Action Plan also allocates six sites⁶⁰ suitable for office and industrial uses, all of which are assessed as part of this study.

7.7 In total the gross area of these 43 sites equates to 321.01 ha (although as the vast majority of them are occupied, the net developable area comes to 22.47 ha).⁶¹

Non-Allocated Existing Employment Sites

7.8 The Council has provided details of three employment sites, with a gross area of 12.15 ha (all fully occupied) which are not formally allocated / protected for employment use. These sites are:

1. Cursley Distribution Park, Shenstone (Ref: 10)
2. Titan Steel Wheels, Cookley (Ref: 41)
3. Mitton Mill Industrial Estate, Mill Road, Stourport (Ref: 27)

⁶⁰ Policy KCA.GPB5; KCA.Ch7 KCA.WG1; KCA.CW1; KCA.HP3 and KCA.HP4

⁶¹ It was decided by WFDC that this net developable figure should exclude the Lea Castle Site, as it is allocated for mixed-use and at this stage it is unknown what proportion is likely to be used for employment purposes.

Sites with Extant Planning Permission

- 7.9 WFDC monitoring data records the amount of employment space with extant planning permissions for B-Class uses. WFDC did not require NLP to assess these, as the total stock of sites with extant planning permission totals just 1.05 ha (net). This excludes allocations with extant planning permissions which have already been assessed as part of this ELR, in order to avoid double counting.
- 7.10 It is of course noted that there is no guarantee that these permissions will be implemented and brought forward for employment use over the plan period. If any permissions were to lapse, this could have implications for the overall demand/supply balance, for example, by increasing any surplus of employment space or reducing any shortfall.

Approach

- 7.11 All 46 employment sites were inspected and, in accordance with the Practice Guidance, assessed against the following criteria:
- a Strategic Road Access;
 - b Local Accessibility;
 - c Proximity to Urban Areas and Access to Labour and Services;
 - d Developmental and Environmental constraints;
 - e Compatibility of adjoining uses;
 - f Market Attractiveness;
 - g Barriers to Delivery; and
 - h Planning Factors.
- 7.12 Although flood risk is considered as part of the assessment, it is recognised that location within a flood zone does not necessarily in itself preclude certain types of commercial uses from coming forward for development.
- 7.13 Details of the criteria used to assess sites are provided in Appendix 3, Appendix 4 contains a table summarising the assessment of each site against these criteria whilst Appendix 5 provides a pro-forma containing site photographs, aerial red-line boundaries, a site description/assessment and the final recommendations for each site.
- 7.14 The broad categories of 'very good', 'good', 'average', 'poor' and 'very poor' are intended to provide a broad indication of the overall quality of employment land supply rather than a comparison of one site against another.
- 7.15 It should be noted, however, that this assessment process in itself does not necessarily provide a complete picture of the local significance of certain sites. A site, for example, could be considered as having the potential of satisfying particular business or sector needs, which can be important reasons for retaining it, even if it does not perform well against conventional site

assessment criteria. A broader commentary is therefore provided on each site to supplement the formal scoring exercise.

- 7.16 It is also important to note that the assessment is based on the current conditions and intrinsic qualities of each site and the associated rating has been derived on this basis. It is possible that the rating and relative ranking of sites could change in future if measures were to be put in place to improve their functioning as employment sites (for example through new infrastructure and servicing).
- 7.17 We have not undertaken detailed site viability analysis, or have been provided with details regarding land ownership. The site assessments have been based purely on site observations.
- 7.18 The assessment provided, and the recommended site portfolio in the following sections, is presented on a “without prejudice” basis as evidence to inform the preparation of Wyre Forest’s Local Plan. It does not constitute Council policy, and future employment allocations will be determined through the formal consultation process as part of the Local Plan.

Overview of Sites

- 7.19 As summarised in Table 6.1, in overall terms 333 ha of gross employment land, with a net developable area of 22 ha reviewed.⁶²

Table 7.1 Distribution of employment sites

Location	Number of sites	Total Gross Site Area (ha)	Total Net Developable Area (ha) (estimated)
Kidderminster	31	215.23	20.77
Stourport	10	42.40	0.40
Rural	5	75.53	1.30
Total	46	333.16	22.47

Note: At the request of WFDC the net site area of Lea Castle Hospital Site (Ref: 24) has been excluded from these figures

- 7.20 The 321.01 ha (gross) relates to 43 sites which are wholly or partly allocated for employment use. The remaining 12.15 ha of land assessed comprised the other three sites which are in use for employment, with no allocated protection for that purpose in the existing Local Plan documents.

⁶² It was agreed with WFDC that headline figures should exclude any possible employment land provision as part of a mixed-use Lea Castle site, because at this stage it is unclear at this point in time whether the site will be developed and if so what percentage of the site area would be employment-generating.

Site Assessment Results

7.21 The final recommendation for each site is informed by the site assessment and commentary (in Appendices 3 and 4) but is essentially based on a rounded qualitative judgement which reflects a detailed consideration of the following key issues:

1. **Sustainability** –whether a site demonstrates characteristics that make it sustainable, such as being: previously developed land; accessible by public transport; compatible with neighbouring uses; and in an area at a lower risk of flooding;
2. **Market Attractiveness** - whether a site is: likely to be commercially attractive from a developer’s perspective (taking into account the possible need for site remediation, levelling and off-site and on-site infrastructure work); in an area of strong demand; and likely to be viewed as attractive by agents/occupiers;
3. **Policy Adherence** - whether there are any known policy constraints affecting the site or immediate surrounding area. These may relate to the natural, built and/or historic environment, such as whether the site lies within the Green Belt.

7.22 Overall, the site assessments indicate that the District has a reasonable range of employment sites of varying quality and type. The majority of sites assessed accommodated a mix of B2 and B8 uses. B1 office sites were nearly all within and around Kidderminster.

7.23 A summary of site rankings are provided in Table 7.2 and Table 7.3.

Table 7.2 Site Scoring Summary

Site Score	Number of sites	Size (ha) (gross) (%)	Size (ha) (net) (%)
Very Good	15	96.70 (29%)	19.86 (88%)
Good	16	116.84 (35%)	2.21 (10%)
Average	10	50.91 (15%)	0.40 (2%)
Poor	5	68.74 (21%)	0.00 (0%)
Very Poor	0	0	0
Total	46	333.19	22.47

Source: WFDC / NLP analysis

Table 7.3 Summary of Site Assessments

Ref	Site Name [Ref]	Size (Ha) (gross)	Size (Ha) (net)	Rank
11	Easter Park, Worcester Road, Kidderminster	3.12	0	
12	Finepoint, Finepoint Way, Kidderminster	7.32	1.7	
14	Foley Business Park, Stourport Road, Kidderminster	6.89	0.28	
15	Foley Industrial Estate, Stourport Road, Kidderminster	6.59	0	
16	Former British Sugar Site, Stourport Road, Kidderminster (Part of site only)	27.59	13.1	
17	Former Romwire Site. Stourport Road, Kidderminster	4.99	3.48	
21	Kidderminster Bus Depot and Green Street Depot	3.30	0	
23	Lawrences, Stourport Road, Kidderminster	5.75	0	

28	Morgan Technical Ceramics, Bewdley Road, Stourport	5.18	0	Good
38	Spennells Valley Estate, Spennells Valley Road, Kidderminster	4.18	0	
40	Thomas Vale, Worcester Road, Stourport on Severn	1.30	0	
42	Vale Industrial Estate, Stourport Road, Kidderminster	3.90	0	
45	Worcester Road, Kidderminster	11.16	0	
1	Bewdley Business Park	5.43	1.3	
2	Brintons, Stourport Road, Kidderminster	5.41	0	
3	Brockway Carpets, Spennells Valley Road, Kidderminster	1.14	0	
4	Castle Wharf Area, Kidderminster	3.86	0	
7	Churchfields Business Park – Phase 3a and 3b.	9.30	0	
5	Ceramaspeed (former) Zortech Avenue, Kidderminster	3.25	0	
31	Coppice Trading Estate, Stourport Road, Kidderminster	2.86	0	
9	Crossley Park, Kidderminster	2.65	1.86	
13	Firs Industrial Estate, Stourport Road, Kidderminster	8.76	0	
19	Hoo Brook Industrial Estate, Worcester Road, Kidderminster	9.89	0	
20	Hoo Farm Industrial Estate, Worcester Road, Kidderminster	24.30	0.35	
22	Klark Industrial Park, Walter Nash Road West, Kidderminster	0.59	0	
26	Meadow Mills, Dixon Street, Kidderminster	1.35	0	
30	OGL, Worcester Road, Stourport on Severn	0.85	0	
8	Oldington Trading Estate, Walter Nash Road West, Kidderminster	6.49	0	
33	Park Street Industrial Estate, Kidderminster	1.67	0	
39	Summerfield, Worcester Road, Kidderminster	34.47	0	
6	Cheapside, Stourport	2.20	0	Average
18	Greenhill Industrial Estate, Birmingham Road, Kidderminster	4.43	0	
25	Lisle Avenue, Kidderminster	5.25	0	
29	Oasis Arts and Crafts, Goldthorne Road, Kidderminster	1.80	0	
32	Park Lane, Kidderminster	0.33	0	
34	Puxton Mill, Puxton Lane, Kidderminster	2.66	0	
37	Sandy Lane Industrial Estate, Stourport on Severn	18.25	0	
43	Wilden Lane Industrial Estate, Wilden Lane, Stourport on Severn	7.18	0.4	
46	Worcester Road, Stourport on Severn	2.52	0	
41	Titan Steel Wheels, Cookley	5.28	0	
27	Mitton Mill Industrial Estate, Mill Road, Stourport	1.01	0	
24	Lea Castle Hospital Site	44.21	-	Poor
35	Riverside Business Centre, Baldwin Road, Stourport on Severn	3.09	0	
36	Rushock Trading Estate, Rushock	14.74	0	
44	Worcester Road Car Garages, Worcester Road, Stourport	0.83	0	
10	Cursley Distribution Park, Shenstone	5.87	0	

7.24

The vast majority of the sites rated either 'good' or 'average'. Whilst there are a few sites which score poorly, even these sites fulfil wider functions that would justify their retention, in particular by providing cheap, cost effective accommodation for local businesses. For example:

1. **Lea Castle Hospital Site (24):** Currently vacant and semi-derelict brownfield former hospital site. The previous allocation (through the 2004 Adopted Local Plan) sought the development of part of the land for

a High Technology Business Park. This failed to stimulate any interest and it is now considered that the site would be best suited to a comprehensive mixed-use development, which would include an element of B1. Whilst it is located in the Green Belt in a comparatively unsustainable location, the provision of an employment element to the development mix would enhance the future sustainability of the site by helping to reduce out-commuting levels;

2. **Riverside Business Centre (35):** Although this industrial park appears relatively dated with a number of poorer quality light industrial buildings, the site is clearly fulfilling an important local function in providing cheap accommodation in a highly sustainable location – as exemplified by the Centre’s relatively low vacancy rates;
3. **Rushock Trading Estate (36):** Ex-military base in a relatively remote rural location. Although some of the stock appears outdated, recent refurbishment by the site’s owners have enhanced the site’s overall appearance and vacancy rates are low. It is fulfilling a role in providing employment to surrounding villages;
4. **Worcester Road Car Garages (44):** This is a small site located towards the east of Stourport-on-Severn which currently consists of a number of uses, but is predominantly used as a car sales area and other Sui Generis uses. Whilst the site currently lacks ‘kerb appeal’ and is not contributing significantly towards the District’s B-Class employment land portfolio at present, its sustainable location presents an opportunity for the site to be comprehensively redeveloped for a mix of uses including an element of B1 floorspace;
5. **Cursley Distribution Park (10):** As with the nearby Rushock Trading Estate, this site is an ex-military base in a relatively remote rural location with poor local road access. Although some of the stock appears outdated, it is fulfilling a role in providing local employment to surrounding villages;

7.25 The recommended site portfolio in the following sections is presented on a “*without prejudice*” basis as evidence to inform the preparation of the new Wyre Forest Local Plan. It does not constitute Council policy, and future employment allocations will be determined through formal consultation as part of the Local Plan preparation process.

Conclusions

7.26 Overall, the assessment of identified employment sites indicates that the District contains a reasonable range of employment sites of differing qualities and types, with low vacancy levels. The sites vary from large industrial estates in established employment areas to remote rural sites, some containing dozens of firms, and others with large, single occupiers.

7.27 Nearly all of the sites have some form of planning policy status/protection or are safeguarded for employment uses and are therefore afforded a degree of

protection from competing land uses. Most sites accommodated a combination of industrial (B1c/B2) and low grade warehousing (B8) uses, often with ancillary offices, although some specific office (B1a/b) sites were also evident (the majority of which were located within Kidderminster).

- 7.28 The vast majority of the sites rated either 'good' or 'average'. Whilst there are a few sites which score poorly, even these sites fulfil wider functions that would justify their retention, such as providing a sustainable source of employment for rural residents, or enabling indigenous companies seeking low overheads to remain in the local area. For instance, whilst many of the rural sites tend to be of a lower quality and are characterised by higher vacancy rates, they nevertheless fulfil important local needs. Furthermore, certain sites which are currently poorly performing have been earmarked for comprehensive redevelopment as part of wider masterplans. In particular, the Hoo Brook Link Road (once complete) is likely to significantly improve connectivity to many average/poorly performing sites to the south of Kidderminster and is likely to enhance the market attractiveness of multiple sites in and around the Stourport Road and Worcester Road employment corridors.
- 7.29 One common theme amongst the sites assessed was that of low vacancy rates. This is a feature even amongst some of the most poorly rated sites. These low rates of vacancy prevent the churn, intensification and upgrading of existing sites that would be expected to take place within a 'normal', or fluid, market environment.
- 7.30 Whilst most of the sites have good access to the strategic road network (defined as A-roads in the Wyre Forest context) a recurring theme with many of the sites (especially those within and around the South Kidderminster Enterprise Park) was local road congestion, especially during peak times. This may impact on whether businesses choose to expand or relocate there although it is of course acknowledged that the Hoo Brook Link Road (currently under construction) will ease this issue within the two main employment corridors in the District.

8.0 Future Requirements for Employment Space

Introduction

8.1 This section considers future economic growth needs in Wyre Forest by drawing on several methodologies recommended by the Practice Guidance. These scenarios are used to inform the assessment of the District's future employment land needs for office and industrial (i.e. manufacturing and distribution) uses.

Methodology

8.2 The Framework requires local authorities to “*set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth*” [§21]. Considering this in evidence base terms, this should be underpinned by a “*clear understanding of business needs within the economic markets operating in and across their area*” [§160].

8.3 Within this context, a number of potential economic scenarios have been developed in this study to provide a framework for considering future economic growth needs and B-Class employment space requirements in Wyre Forest up to 2032.

8.4 In line with Practice Guidance, these scenarios draw upon:

1. projections of employment growth in the main B-Class sectors (**labour demand**) derived from economic forecasts produced by Experian;
2. consideration of **past trends in completions of employment space** based on monitoring data collected by Wyre Forest District Council, and how these trends might change in the future; and
3. estimating future growth of **local labour supply** based on the latest housing requirements contained in Wyre Forest District's emerging SHMA⁶³, and the amount of jobs and employment space that this could support, based on the SHMA's demographic model runs.

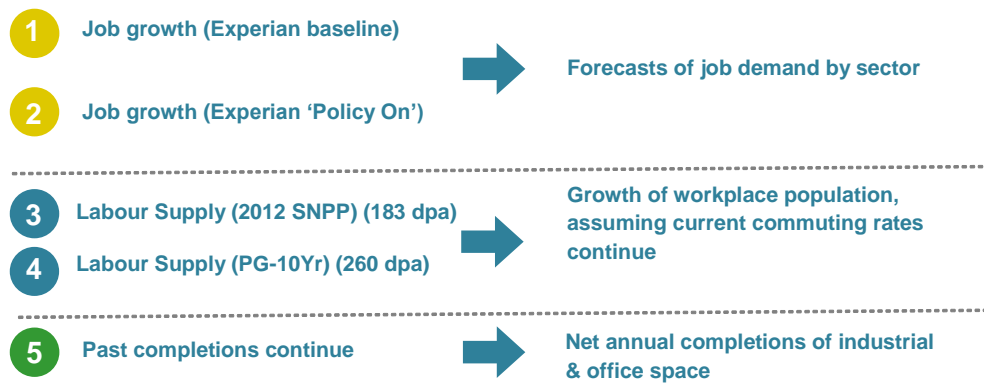
8.5 All these approaches have limitations and consideration needs to be given as to how appropriate each is to the circumstances in Wyre Forest. Further, to be robust, the economic growth potential and likely demand for employment space in Wyre Forest needs to be assessed under a variety of future scenarios, to reflect both lower and higher growth conditions that could arise in the future.

8.6 It is important to acknowledge that there will be an element of landless growth / contraction here, whereby job growth/decline will not automatically give rise to an immediate increase/decrease in floorspace, or land, requirements. This is due in part to the current spare capacity across many firms in the Midlands, where companies that have laid off staff in the immediate aftermath of the

⁶³ Amion (2015) Draft Wyre Forest District SHMA

recession, have been operating out of the same building and hence can accommodate a return to past staffing levels without having to physically expand their operations. Such latent capacity will have a bearing on the extent to which WFDC may wish to tailor its B1/B2/B8 allocations going forward, and should be monitored over time.

8.7 It should also be noted that the ultimate judgement as to the level of need that Wyre Forest should plan for is not purely quantitative, and that there will be a number of qualitative factors to consider (discussed in other sections). These factors will influence the employment space requirements that will need to be planned for, and which must be considered alongside the following modelled scenarios:



A. Forecasts of Job Growth

8.8 Forecasts of FTE employment growth in Wyre Forest for the period up to 2032 were obtained from Experian’s June 2015 release. It is important to note that there are inherent limitations to the use of economic forecasts of this type, particularly within the context of recent changes in the economy. National macro-economic assumptions are taken as the starting point and then modelled down to the regional and local levels by reference to the existing economic profile and sectoral composition of an area.

8.9 Local level data is less comprehensive and reliable than at national and regional levels, which can affect how the modelling is calibrated. Similarly, top-down forecasts do not take account of specific local factors that might influence employment growth. However, forecasts are seen as a valuable input to indicate the broad scale and direction of future economic growth within different sectors, which helps assess the future land requirements of a local area.

8.10 Population projections are just one of several inputs used to produce economic forecasts both in terms of future changes in working-age population (i.e. which directly impacts on the demand for jobs) and total population (i.e. which create demand for consumption activities). It is also important to note that population

projections are frequently revised, as are assumptions around future working-age populations, economic activity rates and national changes to the pension age.

Scenario 1: Baseline Job Growth [Experian]

- 8.11 The forecasts of job growth by sector reflect recent trends and are based upon projections at the regional level and how sectors within Wyre Forest have fared relative to historic growth in the region. For example, where particular sectors have performed well compared with the regional average (i.e. West Midlands) the forecasts generally assume that these sectors will continue to drive growth within the District in the future. These projections also reflect the current post-recession economic climate.
- 8.12 Experian's March 2015 Data Guide to its UK Regional Planning Service Model, setting out how its projections have been calculated, is included in Appendix 8.
- 8.13 These projections indicate an overall growth of 1,040 jobs for Wyre Forest over the 16 year period (Table 6.2), equivalent to around 65 jobs per year. Table 6.1 shows the employment growth amongst 32 industrial sectors across the Plan period.

Table 8.1 Employment Sectors in Wyre Forest, 2016 – 2032 (Experian)

Sector	Additional FTE Jobs (2016 - 2032)	% Change (2016 - 2032)
Residential Care & Social Work	610	34%
Accommodation & Food Services	330	20%
Health (Thousands)	240	15%
Transport Equipment (manufacture of)	120	16%
Recreation	100	10%
Specialised Construction Activities	90	9%
Finance	90	23%
Retail	80	2%
Construction of Buildings	70	15%
Land Transport, Storage & Post	50	5%
Real Estate	50	6%
Computer & Electronic Products (manufacture of)	40	15%
Other Private Services	30	6%
Computing & Information Services	30	9%
Utilities	20	7%
Media Activities	10	17%
Professional Services	10	1%
Telecoms	10	13%
Extraction & Mining	0	-
Food, Drink & Tobacco (manufacture of)	0	-
Fuel Refining	0	-
Pharmaceuticals	0	-
Metal Products	0	-
Civil Engineering	0	-
Air & Water Transport	0	-
Insurance & Pensions	0	-
Chemicals (manufacture of)	-10	-9%
Printing and Recorded Media (manufacture of)	-20	-22%
Machinery & Equipment (manufacture of)	-20	-5%
Administrative & Supportive Services	-20	-1%
Non-Metallic Products (manufacture of)	-40	-12%

Sector	Additional FTE Jobs (2016 - 2032)	% Change (2016 - 2032)
Public Administration & Defence	-40	-5%
Other Manufacturing	-50	-6%
Wood & Paper (manufacture of)	-60	-22%
Education	-90	-4%
Agriculture, Forestry & Fishing	-150	-83%
Wholesale	-180	-6%
Textiles & Clothing (manufacture of)	-260	-38%
TOTAL	1,040	4%

Source: Experian 2015 / NLP analysis

- 8.14 This analysis indicates that Residential & Social Care, Accommodation & Food Services and Health sectors are expected to be key drivers of employment growth within the District over the next 16 years. Sectors forecast to incur the largest employment losses during this period include Manufacturing (specifically Textiles and Clothing) as well as Wholesale and Agriculture, Forestry and Fishing.
- 8.15 It can be seen that there is not necessarily a match between the sectors that the Worcester or Greater Birmingham and Solihull LEPs are aiming to target (as outlined in their respective SEPs) and those in which the baseline econometric forecasts project employment growth within. However, the District shows strong growth in sectors which both LEPs have highlighted as being higher value sectors within which the region has an opportunity to develop a competitive advantage in. For instance, there is forecast to be a +16% increase in those employed in the Manufacture of Transport Equipment (building on the recent inward investment by firms such as Amtek) and a 15% increase in the manufacture of Computer and Electronic Products. Furthermore employment within Finance, another high-value sector, is also projected to be boosted by 23% up to 2032.
- 8.16 Recreation shows strong growth, and this is a sector (which includes Tourism-related industries) in which Wyre Forest, as an attractive semi-rural authority, shows positive signs. The Severn Valley Railway, located in Kidderminster, is the sixth most visited paid attraction in the West Midlands with 215,000 visitors in 2011. Furthermore the West Midlands Safari Park is one of the most important visitor attractions in Worcestershire. It is the third most visited zoo or park in the country; in 2009, there were over 580,000 paid admissions to the park, with a further 164,000 complimentary and free return visitors⁶⁴. The park has planning approval to develop a conference centre, hotel and water park at the existing site.
- 8.17 The total employment change in Wyre Forest resulting from these forecasts is shown in Table 6.3, alongside the forecast job growth in the B-Class sectors. This includes an allowance for jobs in other non B-Class sectors that generally use office or industrial space (see Appendix 7 for a full breakdown).

⁶⁴ NHC Limited (2014): *Developing a Strategic Framework for Growth in North Worcestershire 2015- 2021* page 40

Table 8.2 Forecasted FTE Employment Change in Wyre Forest, 2016 – 2032 [Experian]

	Number of Jobs		Change (2016 - 2032)
	2016	2032	
Offices/R&D (B1a/B1b)*	3,327	3,519	192
Manufacturing (B1c/B2)**	6,034	5,771	- 263
Distribution (B8)***	2,698	2,612	- 86
Total B-Class Jobs	12,059	11,902	- 157
Total Jobs in All Sectors	28,110	29,150	1,040

Source: Experian 2015 / NLP analysis

Note: * Includes publishing and a proportion of government offices.

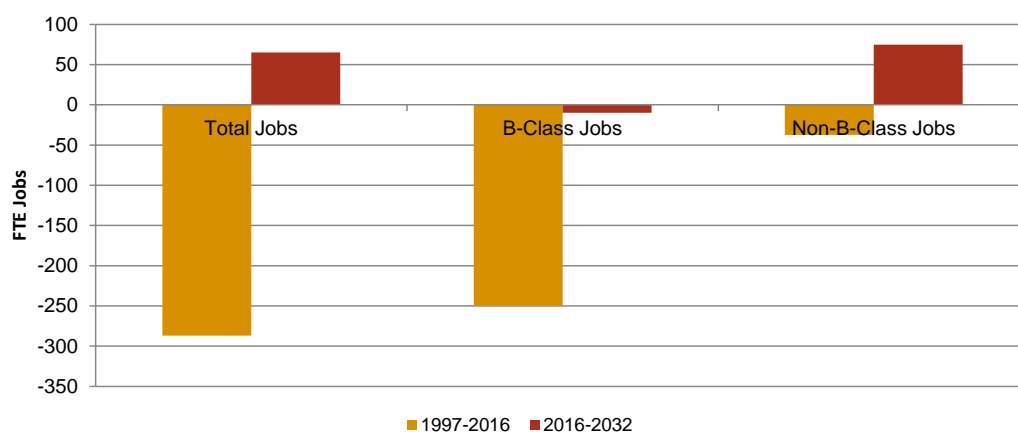
** Includes vehicle repairs and some construction activities.

*** Includes parts of transport and communication sectors that use industrial land.

8.18 These figures indicate moderate overall net decline in B-Class sectors (- 157 jobs) within Wyre Forest up to 2032, with moderate growth in office activities counteracted by a moderate decline in manufacturing and distribution jobs. This is within the context of total job growth of 1,040 jobs forecast for the District over the plan period, predominantly in the Residential & Social Care, Accommodation & Food Services and Health sectors. It should be noted that these key growth sectors will also require additional floorspace to accommodate an increase in employment over the period to 2032 (including some conventional office space), although the spatial implications of this growth are considered using different methodologies and other forms of technical evidence.

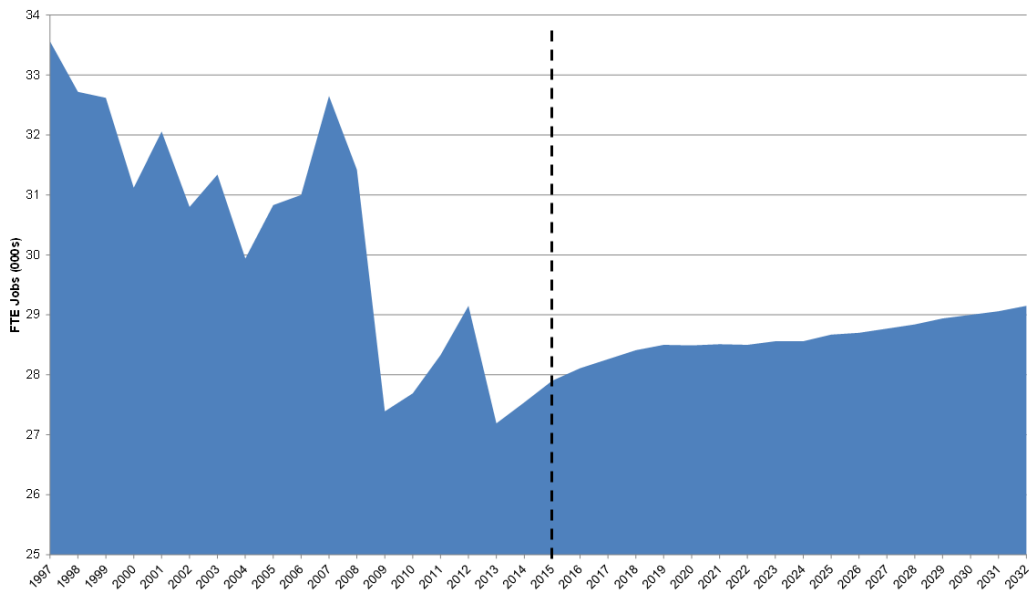
8.19 This projected net increase of 1,040 FTE jobs (and decline of 157 B-Class jobs) up to 2032, which underpins this estimate of future employment space needs, may appear relatively modest. However this level is a marked improvement relative to the level of job growth that was observed in Wyre Forest during the period 1997 to 2012, which Experian data indicates declined by an average of 76 jobs per annum over the 15 year period (Figure 8.1 and Figure 8.2).

Figure 8.1 Annual FTE Job Growth Implied by the Experian Baseline forecasts (versus historical data)



Source: Experian 2015 / NLP analysis

Figure 8.2 FTE Jobs (historical data and projections)



Source: Experian (2015)

8.20 Total B-Class job growth, whilst negative, is much less severe than the level of (negative) growth recorded in the District between 1997 and 2016 which, at around -10 jobs per annum from 2016-2032, is forecast to be far lower than the 250 job reduction seen in historic trends.

8.21 The B-Class element of these FTE employment growth forecasts have been converted to net future employment space requirements by applying the latest published density figures for employment space, which takes account of recent trends in occupancy for the different B-Class uses. To estimate space requirements, the following densities have been applied to the job forecasts:

- **Offices:** 1 job per 14sq.m for general office space;
- **Industrial:** 1 job per 37sq.m as an average across B1c and B2 uses; and
- **Warehousing:** 1 job per 70sq.m for general, smaller scale warehousing (assumed to account for all of Wyre Forest’s total stock)

8.22 These assumptions are based on the latest HCA/OffPAT guidance on employment densities.⁶⁵ The guidance takes into account recent trends in changes of employment space usage, with the main change being the more efficient use of office space through flexible working and hot-desking.

8.23 An adjustment has been made to reflect the fact that vacancy rates in Wyre Forest are currently around 2.9% for commercial floorspace and around 5.9% for industrial/warehousing floorspace. On the basis that a figure of 10% more accurately reflects ‘normal’ market conditions, the model has assumed that where current rates are lower, the future supply should be adjusted so that the stock is brought back into balance and to achieve a vacancy rate of 10%

⁶⁵ Based on HCA/OffPAT Employment Densities Guide (2010) and converted to Gross External Area (GEA) and total FTE jobs by NLP

overall. So in Wyre Forest, an area with a relatively low vacancy rate for both office and industrial units, the model ensures that slightly more land is provided to 'boost' vacancy rates to the required level.

- 8.24 Where a reduction in jobs is forecast (e.g. manufacturing), the associated negative floorspace was halved (in line with common methodological practice amongst ELRs undertaken elsewhere across the country), to reflect the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace, at least not in the short-medium term, due in part to companies being locked into leasing agreements etc.

Table 8.3 Experian Baseline Job Growth Based Net Employment Space Requirements in Wyre Forest, 2016 - 2032

	Floorspace (sq.m)
Offices (B1a/B1b)	6,776
Manufacturing (B1c/B2)	-4,863
Distribution (B8)	-3,020
Total B-Class Jobs	-1,107

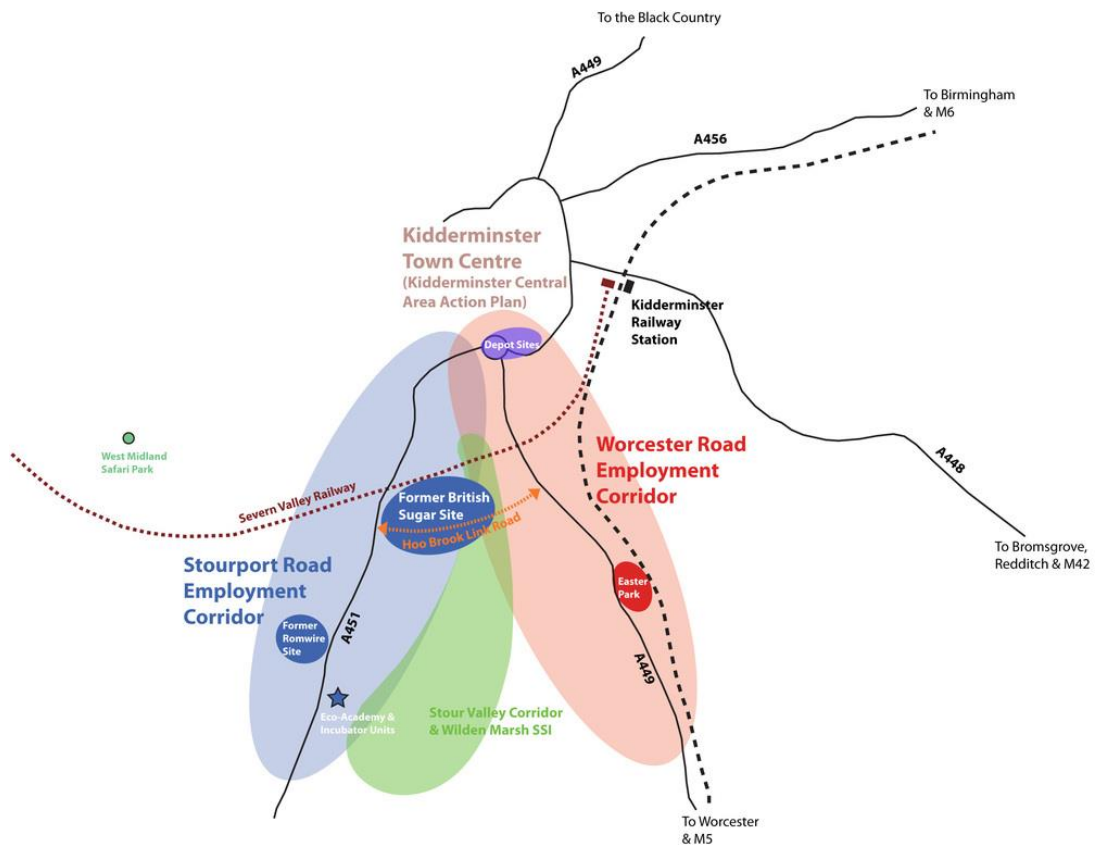
Source: NLP analysis

Scenario 2: Experian 'Policy On'

- 8.25 The Worcestershire LEP's Strategic Economic Plan concluded that economic growth within the county has been restricted in the past by the lack of strategic sites and premises. This finding was based upon research by DTZ in 2012 which concluded that there is an acute shortage of quality land for B1 (office, research and development and light manufacturing) and B2 (general manufacturing) accommodation in the county, and the lack of sites/premises have significantly constrained growth and led to lost investment. However, four initial 'Game Changer' sites have been identified – one of which is the South Kidderminster Enterprise Park. The development of the priority Game Changer sites is, however, dependent on specific off-site infrastructure to unlock them and wider growth opportunities.⁶⁶
- 8.26 The Hoo Brook Link Road Phase 2 is a planned road which will connect Stourport Road (A451) and Worcester Road (A449), the two main employment corridors within the South Kidderminster Enterprise Park (Figure 8.3). The project is classified as a 'Strategic Infrastructure and Connectivity Priority Project' in Greater Birmingham & Solihull Local Enterprise Partnership's [GBSLEP] Strategic Economic Plan [SEP]. Likewise the project is an 'Immediate Priority Project' in Worcestershire LEP's SEP. In discussions with WFDC it was decided that this project should be included in the Policy On scenario in order to model its effect on employment land requirements within the District.

⁶⁶ Worcestershire LEP (2014) *Worcestershire Strategic Economic Plan*, page 11

Figure 8.3 South Kidderminster Enterprise Park and the Hoo Brook Link Road



Source: Wyre Forest Site Allocations and Policies Local Plan (2013)

8.27 A report commissioned by Worcestershire County Council ⁶⁷ indicates that the Hoo Brook Link Road will not only generate direct employment impacts by unlocking a direct development barrier, with the employment land planned as part of the mixed-use former British Sugar development translated to jobs. In addition to this employment the link road is likely to accelerate development at several sites in both employment corridors which the link road is connecting. These have been combined, split by B-class use, as listed in Table 8.4.

Table 8.4 Direct and Indirect B-Class FTE Employment Impacts of the Hoo Brook Link Road

Use-Class	Direct FTE Employment	Indirect FTE Employment	Total FTE Employment
B1a / B1b	143	1,080	1,223
B1c / B2	270	657	927
B8	115	226	341
Total	528	1,963	2,491

Source: Ch2m, on behalf of Worcestershire County Council (2015) *Hoo Brook Link Road Phase 2, Value for Money Report*, page 11

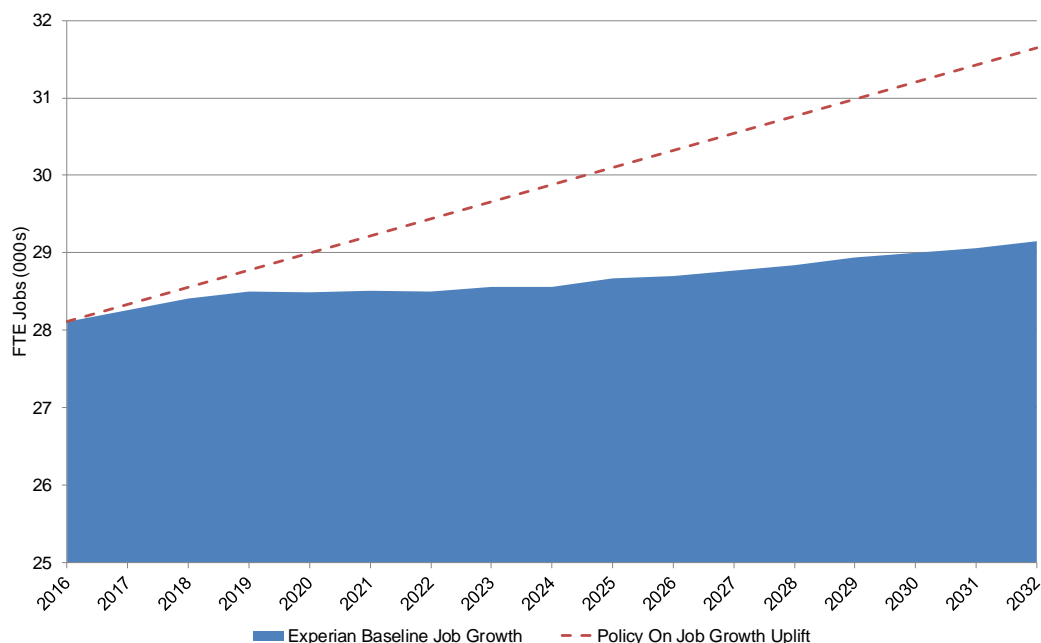
8.28 WFDC understands that all of the direct and indirect jobs resulting from this project will be net additional, in the sense that all of the jobs will be entirely ‘new’ to the area, and hence no job displacement factor needs to be applied.

⁶⁷ Ch2m, on behalf of Worcestershire County Council (2015) *Hoo Brook Link Road Phase 2, Value for Money Report*, page 12

8.29

The total employment change in Wyre Forest resulting from these forecasts is shown in Figure 8.4 and Table 8.5, alongside the forecast job growth in the B-Class sectors. This includes an allowance for jobs in other non B-Class sectors that generally use office or industrial space (Appendix 6).

Figure 8.4 Policy-On FTE Employment Uplift



Source: Experian (2015) / Hoo Brook Link Road Phase 2 - Value for Money Report / NLP analysis

Table 8.5 Forecasted FTE Employment Change in Wyre Forest, 2016 – 2032 [Experian 'Policy On']

	Number of FTE Jobs		Change (2016 - 2032)
	2016	2032	
Offices (B1a/B1b)*	3,327	4,742	1,415
Manufacturing (B1c/B2)**	6,034	6,698	664
Distribution (B8)***	2,698	2,953	255
Total B-Class Jobs	12,059	14,393	2,334
Total Jobs in All Sectors	28,110	31,641	3,531

Source: Experian 2015 / NLP analysis

Note: * Includes publishing and a proportion of government offices.

** Includes vehicle repairs and some construction activities.

*** Includes parts of transport and communication sectors that use industrial land.

8.30

These figures indicate strong overall net job gains in B-Class sectors (2,334 jobs) within Wyre Forest up to 2032, with strong growth in office activities, and moderate gains in manufacturing and distribution jobs (up from a decline in the Experian baseline scenario. This is within the context of total job growth of 3,531 jobs forecast for the District over the plan period. These employment forecasts were converted into floorspace requirements in a similar manner as before (Table 8.6).

Table 8.6 Experian 'Policy On' Job Growth Based Net Employment Space Requirements in Wyre Forest, 2016 - 2032

	Floorspace (sq.m)
Offices (B1a/B1b)	25,800
Manufacturing (B1c/B2)	38,112
Distribution (B8)	28,956
Total B-Class Floorspace	92,868

Source: NLP analysis

B. Future Labour Supply

8.31 It is also important to take into account how many jobs, and hence how much employment space, would be necessary to broadly match the forecast growth of the resident workforce in the District. In contrast to the other approaches, these scenarios focus on the future supply of labour rather than the demand for labour. These scenarios indicate the amount of new jobs needed to align with the future working-age population, and how much employment space would be needed to accommodate these jobs.

8.32 At the time of writing, an Objective Assessment of Housing Need in Wyre Forest District is being undertaken by consultants on behalf of the Council. Using the PopGroup demographic modelling tool and its outputs, two preferred demographic scenarios have been identified for Wyre Forest:

- **Housing OAHN scenario (254 dwellings per annum [dpa])⁶⁸; and**
- **Jobs-Led 'Policy On' scenario (368 dpa)⁶⁹.**

8.33 The resultant projections are presented in Table 8.7. They have been modelled by Edge Analytics using its PopGroup demographic modelling tool. Table 8.7 indicates that the net job growth for Wyre Forest could range from +88 per annum, to +102 per annum, depending on the level of housing growth targeted.

Table 8.7 SHMA Housing OAHN Modelling Outputs

Modelling Outputs (2016-2032)	Housing OAHN (254 dpa)	Jobs-Led 'Policy-On' (368 dpa)
Population	5,031	7,975
Households	3,882	5,087
Dwellings	4,064	5,888
Dwellings (per annum)	254	368
Jobs	1,408	1,632
Jobs (per annum)	88	102

Source: Edge Analytics (2016)

⁶⁸ This represents a blended average of the Cambridge, Experian and Oxford Jobs-Led Scenarios 'WM EX Rates and CR SENS' in Table 3.6 in the Wyre Forest Objective Assessment of Housing Need document (February 2016)

⁶⁹ This represents the 'Jobs-Led Experian OBR EA Rates and CR SENS' as per Table 3.5 in the Wyre Forest Objective Assessment of Housing Need document (February 2016).

- 8.34 To translate this job growth into employment floorspace requirements, similar assumptions concerning vacancy rates and employment densities as per the econometric demand side forecasting work were applied to the job projections. It has also been assumed that the projected floorspace split of B1a/B2 and B8 jobs will mirror the Experian projections in 2016 and 2032.
- 8.35 The results are presented in Table 8.8. Under these two scenarios, addressing the future employment requirements of local residents would mean a requirement of between -4,423 sqm and -2,479 sqm of B-class employment space (net) between 2016 and by 2032 for Wyre Forest.

Table 8.8 Wyre Forest B-Class Net Floorspace Required from Labour Supply Growth Scenarios, 2016-2032

Use	Wyre Forest	
	Housing OAHN (254 dpa)	Jobs-Led 'Policy-On' (368 dpa)
Offices (B1a/b)	10,566	10,986
Industrial (B1c/B2)	-9,087	-8,267
Warehousing (B8)	-5,901	-5,199
Total	-4,423	-2,479

Source: NLP analysis

Net Employment Space Requirements

- 8.36 Drawing together these results, Table 8.9 summarises the net floorspace requirements for the four labour demand/labour supply scenarios for Wyre Forest up to 2032.

Table 8.9 Net Floorspace Requirements in Wyre Forest by Scenario to 2032 (sqm)

Scenario Use	Labour Demand		Labour Supply	
	1. Experian Job Growth	2. Experian 'Policy On' Job Growth	3. Housing OAHN (254 dpa)	4. Jobs-Led 'Policy-On' (368 dpa)
Offices (B1a/b) (sqm)	6,776	25,800	10,566	10,986
Industrial (B1c/B2) (sqm)	-4,863	38,112	-9,087	-8,267
Warehousing (B8) (sqm)	-3,020	28,956	-5,901	-5,199
TOTAL	-1,107	92,868	-4,423	-2,479

Source: NLP analysis

- 8.37 These forecasts suggest a fairly wide range of potential net space requirements, from a low of around - 4,000 sqm of employment land (based on the Housing OAHN Labour Supply scenario), up to + 93,000 (based on the Experian 'Policy On' Job Growth scenario).

C. Past Development Rates

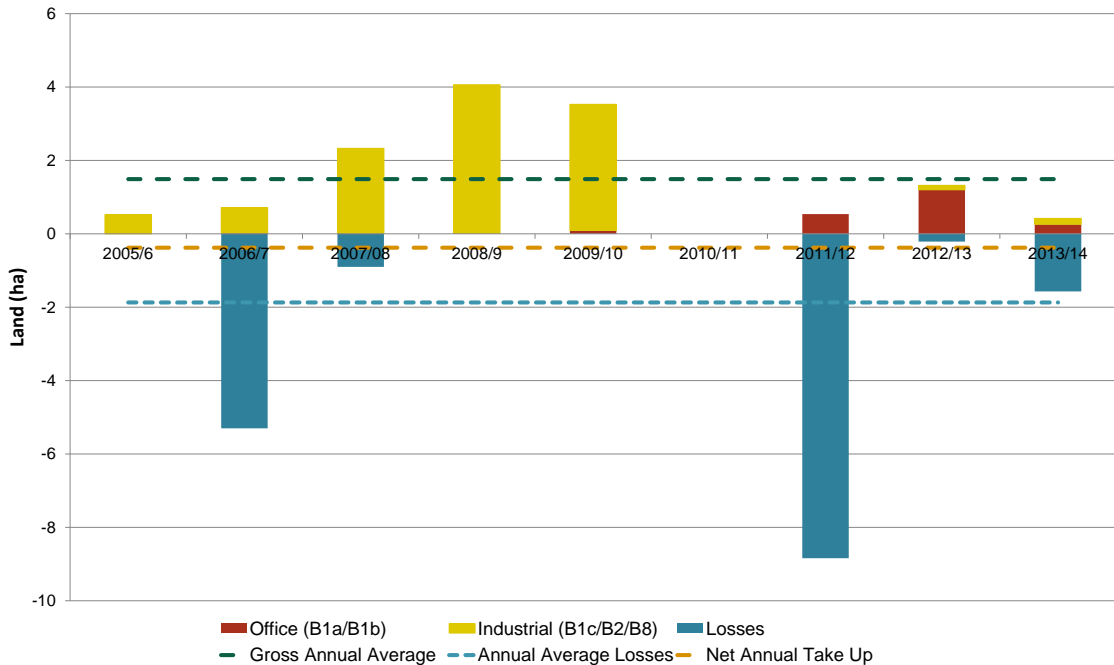
8.38 Because they reflect market demand and actual development patterns on the ground, in some cases long term completion rates of employment floorspace can provide a reasonable basis for informing future land needs. Whereas job forecasts show growth in net terms, past trend-based assessments include development that accounts for the redevelopment/recycling of employment sites.

Scenario 5: Past Development Rates

8.39 Monitoring data on past completions by B-Class uses between 2005/06 and 2013/14 was provided by WFDC. Between the period 2005/06 and 2009/10, average annual net completions for B-Class uses in Wyre Forest amounted to 11.16 ha of employment land. Following 2009/10 there was a large drop in development, such that the average yearly take-up drops from 2.23 (over the period 2005/06 and 2009/10) to 0.57 ha (over the period 2010/11 – 2013/14). On average, the 9 year overall rate of take up was 1.49 ha.

8.40 Over the same period, there has been a total of 16.82ha of losses,⁷⁰ equivalent to an annual rate of 1.87ha. Only 0.2 ha of this total related to B1a/B1b office units, with the remainder relating to B1c/B2/B8 industrial land. The annual gross take-up rate is presented in Figure 8.5.

Figure 8.5 Net Take-Up in Wyre Forest District, 2005/06 - 2013/14



Source: WFDC / NLP analysis

⁷⁰ It should be noted that for the purposes of creating a net development rate, data relating to both take-up and losses are necessary. Such information was available only from 2005/06 onwards, so as a result the 2001/02 loss relating to the British Sugar site (23.85 ha) has been excluded from this analysis

- 8.41 Table 8.10 presents the net annual take-up for the District by B-use class and projects this rate forward over the 16-year plan period. The data suggests that if past trends were to be replicated in future, this could justify the provision of around -6.02 ha (net) in Wyre Forest.

Table 8.10 Net Employment Space Requirements Based on Past Completion Trends, 2016 - 2032

		Annual Net Land Change (ha)	Total Net Land Requirement (2016-2032) (ha)
Wyre Forest	Offices (B1a/b)	0.214	3.42
	Industrial (B1c/B2/B8)	-0.590	-9.44
	Total	-0.376	-6.02

Source: WFDC / NLP analysis

- 8.42 The analysis has assumed that past rates of take up will simply continue at the same level for the remainder of the Plan period. This may or may not continue to be the case. For example, future development rates for industrial space may be lower than has been achieved historically as sectors rationalise and/or make more efficient use of space. Clearly the recession and prolonged economic downturn has had a significant effect on the viability of development and in this regard Wyre Forest is no different from the majority of other areas outside London and the Greater South East. However, given that the rates of take-up have been relatively stable throughout the time period analysed, and that there have been no abnormal anomalies or 'blips' in the data which may have distorted the figures used to forecast future requirements, it was decided that, on balance, this was a reasonable assumption to make.

Translating Floorspace into Land Requirements

- 8.43 The next step involves translating floorspace into land requirements for office, industrial and warehousing uses. Land requirements have been calculated by applying appropriate plot ratio assumptions to the floorspace estimates. It has been assumed that a gross area of 1 ha is required to develop 4,000 sqm of industrial or warehousing / distribution space (equal to a plot ratio of 40%). This plot ratio is taken from the former ODPM Guidance on ELRs⁷¹ and reflects typical development densities for these uses.

Replacement of Losses

- 8.44 To convert the net requirement of employment space into a gross requirement (i.e. the amount of employment space or land to be allocated/planned for), an allowance is typically made for some replacement of losses of existing employment space that may be developed for other, non B-Class, uses in future. This allowance ensures that sufficient space is re-provided to account for employment space that is anticipated to be lost in future and provides some protection against the continued erosion of employment space.

⁷¹ ODPM (2004) ELR Guidance Note

8.45

Judgements were therefore made concerning the suitability and degree of the allowance for future losses which it would be appropriate to apply based on the consultants' understanding of supply-side deliverability factors in Wyre Forest and current trends in the market. Not all losses need to be replaced as some will reflect restructuring in the local economy, for example as less manufacturing space is needed in future. Consideration has been given to a number of factors and property market dynamics:

1. **Permitted Development Rights:** In May 2013, the Government introduced Permitted Development [PD] Rights to allow for change of use from B1 (a) offices to residential, whereby premises can undergo change of use without the need to obtain planning permission.
2. The 2015 Housing Bill will make this temporary change permanent; furthermore, it will also enable developers to demolish offices and replace them with residential units under the same PD rights. These changes may encourage a greater degree of conversion of office and industrial land to residential purposes than previously, and as a result precipitate a higher rate of losses.
3. Several commercial property agents suggested that there remains a very limited demand for large office premises in the District, and they were of the opinion that these large units, such as the former Brinton's Carpets Premises, are vulnerable to being lost to residential uses as a way of 'clearing out' unsuitable office stock. However, looking at past rates of losses this has not yet been the case, with only 0.2 ha out of the total 16.82 ha of losses observed over the period 2005/06 – 2013/14 related to losses of B1a/b office stock.
4. **Potential Future Losses to Non-Employment Uses:** WFDC provided details of sites which may be lost to residential uses in the coming years in its 2015 SHLAA, some of which are likely to be lost to purely residential uses but others with an element of employment land in mixed-use developments. This generated a figure of 37.66 ha, or 2.35 ha a year. Whilst not all of these sites will necessarily be lost, windfall sites are not included in this analysis, so these two factors are likely to cancel each other out.

8.46

Whilst the rate of past losses in Wyre Forest (1.87 ha annually) covers a recessionary period, an economic recovery is underway. This rate of losses is below the amount of employment land that WFDC identifies could be lost to residential uses in the future (2.35 ha). Agents have identified a number of large office sites which they believe are vulnerable to being lost to residential purposes under Permitted Development Rights [PDR] in the future, which implies an uplift to the rate observed in the past may be suitable (even though losses of offices through PDR has not been an issue in the past).

8.47

On balance, it is considered that, given the uncertainties involved, it is prudent to plan for a replacement figure halfway between past losses (1.87 ha annually) and future losses (2.35 ha annually). Consequently, allowance has been made for the replacement of around **2.11 ha** of employment land

annually in Wyre Forest, or 33.75 ha over the 16-year plan period. This should be monitored by WFDC over the coming years and adjusted as necessary.

Safety Margin

- 8.48 To estimate the overall requirement of employment floorspace that should be planned for in allocating sites, and to give some flexibility of provision, it is usual to add an allowance as a safety margin (i.e. for such factors as delays in some sites coming forward for development).
- 8.49 The former South East England Planning Partnership Board [SEEPB] guidance on employment land assessments⁷² recommended an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Wyre Forest, the margin set out in Table 8.10 and the 2.11 ha annual loss replacement were added for B-Class uses, based on two years of average gross take-up and is considered to be an appropriate level relative to the estimated scale of the original requirement.

Table 8.11 Safety Margin Allowances

Use	Average Annual Gross Take-up (ha)	2-year Safety Margin Added (ha)
Offices (B1a/b)*	0.240	0.481
Industrial (B1c/B2/B8)*	1.493	2.986
Total	1.733	3.467

Source: NLP

Gross Employment Space Requirements

- 8.50 The results of the scenario modelling for the five sets of projections, including an allowance for a margin of choice and the replacement of losses, are summarised in Table 8.12.

Table 8.12 Wyre Forest Gross Employment Land Comparisons 2016-2032 (ha)

Wyre Forest		Office	Industrial	
		B1a/b	B1c/B2	B8
1) Labour Demand: Experian Baseline	2016-2032 (net)	1.69	-1.22	-0.75
	2016-2032 (gross)	33.47		
	+ Flexibility factor	36.94		
2) Labour Demand: Experian 'Policy-On'	2016-2032 (net)	6.45	9.53	7.24
	2016-2032 (gross)	56.97		
	+ Flexibility factor	60.44		
3) Labour Supply: 254 dpa [Housing OAHN]	2016-2032 (net)	2.64	-2.27	-1.48
	2016-2032 (gross)	32.65		
	+ Flexibility factor	36.11		

⁷² SEEPB (2009) Economic and Employment Land Assessments Supplementary Guidance Consultation Document. Although the SEEPB no longer exists and the formal status of this guidance is unclear, it is considered to be a source of good practice.

4) Labour Supply: 368 dpa [Policy On]	2016-2032 (net)	2.75	-2.07	-1.30
	2016-2032 (gross)	33.13		
	+ Flexibility factor	36.60		
5) Past Completions	2016-2032 (net)	3.44	-6.52	-2.92
	2016-2032 (gross)	27.74		
	+ Flexibility factor	31.20		

Source: NLP analysis
Note: * totals rounded

- 8.51 In summary, the demand-led, supply led and past-completions range of indicative total gross land requirements over the plan period 2016 to 2032, factoring in a 2-year margin of choice, results in the following range of demand projections of between **31 ha and 60 ha** of office and industrial land for Wyre Forest. It is considered that this represents the Objectively Assessed Need [OAN] range for employment land in the District.
- 8.52 Where within this range WFDC considers its employment land requirement to be depends upon the extent to which the Council wishes to fully align with its housing need, or whether other policy objectives, such as the need to reduce high levels of net out commuting or enhance the regeneration of a particular area, could potentially justify a higher requirement.
- 8.53 As per the Practice Guidance⁷³, WFDC should note than in considering their employment land requirement within this range, where the supply of the working age population as suggested by the demographic modelling underpinning the housing OAHN is lower than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances WFDC would need to consider how the location of new housing or infrastructure development could help to address these problems.

Sensitivity Testing

- 8.54 Clearly the levels of future demand for B-use class land projected by the various employment-based projections differ significantly. The projections are largely trend-based - in particular, the rate of past completions has been (at least partly) recorded during an unprecedented recession in the commercial market nationally. It is likely that the actual performance of Wyre Forest economy and commercial property market will lie somewhere between the higher 'Policy-On' labour demand scenario and the lower past completions projections.
- 8.55 In order to provide a clearer steer as to what level of growth the District should be planning for, it is important to apply a series of reality checks.

⁷³Reference ID: 2a-018-20140306

Adjustments to Plot Ratios

- 8.56 The estimates of land requirements are clearly highly sensitive to the various assumptions used. The job / floorspace ratios and plot ratios adopted here reflected those in the former ODPM guidance⁷⁴. At present, it is assumed that the plot ratio⁷⁵ of 40% is generally applied to industrial space and warehousing.
- 8.57 If a lower level were applied to all types of employment land of, say, 30%, this would make a fairly modest difference to the overall gross requirement, resulting in between -0.37 ha decrease and a 7.7 ha increase in the gross requirements for Wyre Forest (with the Policy On Scenario seeing the highest rate of change and the Labour Supply 254 dpa seeing a negative rate of change).
- 8.58 However, Wyre Forest is moving away from a more traditional industrial economy and towards an economy focused more towards the service sector (as can be seen by the priority sectors pursued by the LEPs that cover Wyre Forest District) which tend to have higher plot densities. With the Framework's requirement for office space to be located in town centres rather than out of centre, this could point to plot densities increasing, rather than decreasing in future. On this basis, it is considered reasonable to assume that the majority of future development in the districts will be at plot ratios closer to 40% than 30%.

No Allowance for Vacant Units

- 8.59 As noted above, an allowance has been made in the modelling work to bring the total stock of commercial and industrial floorspace into balance. At present, the stock of office and industrial floorspace that is currently vacant in Wyre Forest is below what might be considered a 'reasonable' level of vacancy necessary to ensure the smooth functioning of the market (at around 10%). As such, NLP's model seeks to avoid under-providing floorspace in the future which could have the effect of further restraining current vacancy levels. Hence an adjustment is made to bring the likely future vacancy figure back up to around 10%. This has the effect of increasing the amount of land that is required for 4 of the 5 scenarios.
- 8.60 To test the likely extent of this impact, NLP ran a sensitivity test that excluded any uplift to address the vacancy rate. This had the effect of reducing the amount of employment land required under all of the scenarios, from a broadly neutral change (Past take up rate scenario) to -5.9 ha (Policy On scenario).
- 8.61 In general, whilst the sensitivity testing demonstrates that a reduction in the total amount of employment land could be justified in the authority were a different assumption to be taken in the modelling concerning vacancy levels, in general, NLP considers the approach taken to be justified. There is a danger that under-providing floorspace in areas which already have a deficit of land

⁷⁴ Employment Land Reviews Guidance Note, ODPM (2004)

⁷⁵ A plot ratio is the total building square meterage (building area) divided by the site size square meterage (area of the plot). Therefore, a plot ratio of 150% would indicate that the total floor area of a building is 1.5 times the gross area of the plot on which it is constructed. For practical purposes, this would equate to a 3 storey building with fifty percent plot coverage, the remaining plot area being occupied, for example, by access roads, parking and landscaping.

will only serve to exacerbate the mismatch between supply and demand, driving up rental levels and making business creation/expansion less likely overall.

Adjustments to the Margin of Choice

- 8.62 Another significant assumption in terms of sensitivity testing is the 3.47 ha 2-year safety margin added. A 2-year margin of choice may ordinarily be seen as being reasonable, particularly in the light of uncertainties in the commercial property market and the need to provide market ready sites to prevent occupiers from moving beyond the District when searching for appropriate sites. Hence an increased margin of choice would help to provide a balanced portfolio.
- 8.63 It should also be noted that the UK is currently witnessing an economic recovery, which is likely to continue in the coming years. The consequence of this may be increased demand for employment land beyond that projected by the various scenarios.
- 8.64 In summary, it is suggested that the approach taken in defining a two-year margin of choice remains valid.

Split between B1/B2/B8

- 8.65 In terms of how the 31 ha - 60 ha range for Wyre Forest could be split between the B1a/ B1b, B1c/B2 and B8 uses, it is not possible to directly translate the split into gross requirements, as the data is not sufficiently robust to enable a precise breakdown of land lost/margin of choice by use type.
- 8.66 Furthermore, there are a number of conflicting considerations:
- 1 Based on the latest available data relating to the **'stock' of floorspace** in Wyre Forest, there is a considerable supply of industrial/warehousing units, comprising 90% of all B-class floorspace in the District, compared to just 10% for B1a office⁷⁶;
 - 2 The **Experian job growth forecasts** indicate moderate growth in B1a/b office jobs and a decline in the number of B2 and B8 industrial jobs. However the overall decline in industrial employment masks wide variation within it, with some manufacturing industries seeing large declines in employment (which may not necessarily result in an equivalent decline in floorspace) versus other industrial sectors (such as transport equipment) which demonstrates strong growth;
 - 3 The **Policy-On scenario** has around half of its job growth within the office (B1a/b) sectors, although it should be noted that this does not necessarily mean an equal allocation of office and industrial is required, due to the higher employment densities associated with the latter;

⁷⁶ VOA (2012) *Business Floorspace Statistics*

- 4 Analysis of Wyre Forest's **inward investment data** suggests that of the successes relating to office and industrial firms, 80% relate to industrial firms and 20% to office firms;
- 5 **Past completions** have been dominated by industrial/warehousing (B1c/B2/B8) developments, with 11.3 ha (84%) coming forward between 2005/06 and 2013/14, versus just 2.14 ha of B1a/b offices over that 9-year time period. However, very high rates of past losses have taken place on former B2/B8 industrial/warehousing land, with virtually all past losses resulting in a reduction in former B2/B8 industrial/warehousing land;
- 6 From a qualitative perspective, agents considered that whilst the District is relatively well serviced by small industrial accommodation for start-up firms (units of around 100 – 200 sqm) the market severely lacks 'grow-on' industrial spaces (units of around 200 – 400 sqm) for firms who have outgrown these smaller units. Whilst industrial property exists in Kidderminster, Stourport and rural areas of the District, the majority of Wyre Forest's industrial estates are located within the South Kidderminster Enterprise Park, which benefits from a Local Development Order (a scheme to streamline the planning process for certain commercial uses);
- 7 As with the industrial market, the office market is not particularly mature in the sense that it struggles to attract inward investment. Kidderminster is considered the most sustainable location in the District with the strongest public transport links and the main rail station,⁷⁷ but even here the demand that does exist for office space is for small units of up to 100 sqm.

8.67 **On the basis of the points above, it is considered that an indicative split of a third (33%) for B1a/B1b office and two thirds (67%) for B1c/B2/B8 industrial and warehousing land could be appropriate.**

8.68 This seeks to balance the strong growth in past take up / losses in B2/B8 land against the prospective higher growth rates in the B1a/b office sectors suggested by the Experian and Policy On scenarios. This also recognises that the office market in Wyre Forest remains relatively weak and significant further office allocations could serve to weaken the attractiveness of its existing office market still further.

Conclusions

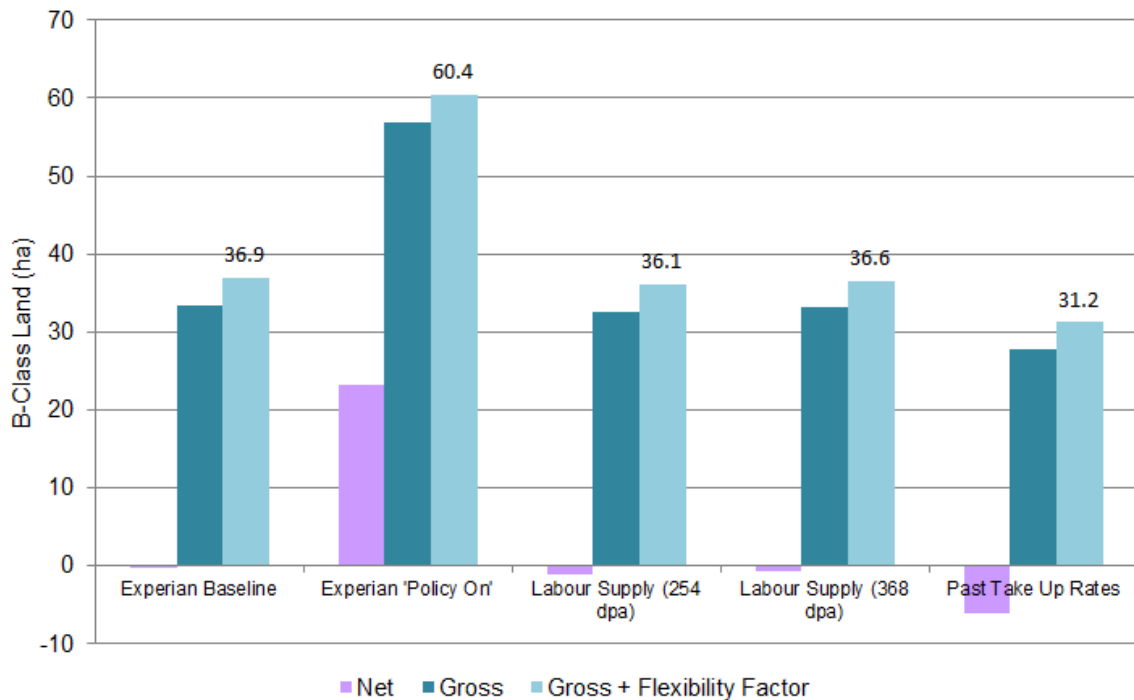
8.69 In interpreting the outputs of this section, it is important to recognise that there are inevitably uncertainties associated with modelling assumptions under any of the future growth scenarios considered. In particular, there are some inherent limitations to the use of local level employment forecasts generally and also where there may be data anomalies in the source data used to build the forecasts (which then have the potential to become exacerbated over time).

⁷⁷ Wyre Forest District Council (2014) *Kidderminster Central Area Action Plan*, paragraph 5.38

In addition, it should be noted that economic forecasts do not take into account market shocks, and because they are regularly updated the resulting employment outputs will change across WFDC’s plan period.

8.70 Five different scenarios of future employment space requirements were considered based on a number of approaches which reflect economic growth (Experian ‘Baseline’ and ‘Policy On’); past development trends and potential labour supply scenarios (using two different dwelling requirements taken from the emerging SHMA). The results are summarised in Figure 8.6.

Figure 8.6 Modelling Scenarios –Wyre Forest Employment Land Requirements 2016-2032



Source: NLP analysis

8.71 In interpreting the outputs of this section, regard should be had to the Practice Guidance which states that Local Authorities should develop an idea of future economic needs based on a range of data and forecasts of quantitative and qualitative need. In this respect, planning for employment growth should avoid relying upon using single sources of data or projections which tend to rely upon a number of different variables which are inevitably subject to change.

8.72 It is also important to recognise that there are always uncertainties and limitations associated with modelling assumptions under any of the future growth scenarios considered. For example, there are some inherent limitations to the use of local level economic forecasts, particularly in the context of significant recent changes in the economy. For example, economic forecasts are regularly updated and the resulting employment outputs will change over the plan period.

8.73 Five different scenarios of future employment space requirements have been considered, based on a number of approaches which reflect economic growth, past development trends and potential housing supply factors.

- 8.74 The overall land requirements related to these different scenarios range from 31ha to 60ha of all types of employment space to 2032. Given an uncertain economic outlook, it is difficult to select the most likely option from these growth pictures and all scenarios have been tested against the District's supply position (Chapter 9.0).
- 8.75 WFDC Officers consider that the employment growth associated with their Housing OAHN (Scenario 3, 254 dpa) is to be viewed as a 'Policy-Off' employment land requirement. A higher dwelling requirement (Scenario 4 / 368 dpa) has been modelled to reflect WFDC's policy aspirations which aims to encourage employment growth, in addition to taking steps to address an ageing population structure and deliver more affordable housing.
- 8.76 The annual job growth generated by the baseline Experian job growth scenario would exceed the level of employment growth recorded by the District in the past, and would also exceed the past take up rates achieved in recent years. The Experian 'Policy-On' scenario is even higher and could be considered an aspirational target, representing a very significant uplift from both the baseline labour demand and labour supply scenarios. However local commercial agents were optimistic regarding the potential for the Hoo Brook Link Road to ease congestion and make the two employment corridors a more attractive location from a business point of view, hence there was support amongst the business community that the higher levels of employment growth were not necessarily unrealistic.
- 8.77 Within the context of the Framework's requirement to plan positively for growth and to ensure that the employment need and housing requirements dovetail together, it is considered that WFDC should plan to accommodate at least the 254 dpa labour supply based requirement (Scenario 3, at 36 ha), to ensure that the District's indigenous growth potential (i.e. arising from its resident workforce) is not constrained by lack of spatial capacity in future. Furthermore, it is understood that WFDC plan to use a higher dwelling requirement than the OAHN figure suggested by the consultants in their report, in order to encourage jobs growth, address an ageing population structure and deliver more affordable housing. If the higher dwelling target of 368 dpa is taken forward, this could justify a further (marginal) uplift to the employment land requirement (to 37 ha).
- 8.78 The employment land requirement of this higher housing scenario also aligns with the Experian Baseline employment growth scenario (Scenario 1, at 37 ha), and as such it seems reasonable to use this level as a base for a 'realistic' OAN for employment land.
- 8.79 Whilst it is acknowledged that there is not a direct causal link between housing and employment land requirements, there is nevertheless a need to ensure that the two dovetail together to avoid any unsustainable outcomes.
- 8.80 As such, if the District were to consider going for the top end of the employment land range (i.e. 60ha), they would need to be mindful of the housing implications by either considering a higher level of housing delivery, or

reviewing other policy interventions to minimise any adverse labour force and economic implications. This could include the need to 'claw back' out-commuters and planning for a mix of housing which encourages the retention of residents of an economically active age or encourages younger economically active people to move into Wyre Forest District.

8.81

In summary, the employment land OAN range is likely to be in the order of between 37 ha to 60 ha over the 16-year plan period to 2032, with greater weight to be attached to the lower end of this range.

9.0 Demand/Supply Balance

Introduction

9.1 This section draws together the forecasts of future employment land needs in Section 8.0 and the estimates of land available on the area's existing and allocated employment sites in Section 7.0 to identify whether there is any need for additional employment space, or whether there is a surplus of it, in both quantitative and qualitative terms.

Quantitative Balance

9.2 Section 8.0 identified a need for between 37 ha and 60 ha of employment space up to 2032, with greater weight to be attached to the lower end of this range. This included making suitable provision for a modest safety margin to allow for delays in sites coming forward for development, reflecting a wide variation in the level of growth that could be supported by Wyre Forest's economy over the plan period.

Pipeline Supply

9.3 The detailed site surveys discussed in Section 7.0 and Appendix 5 provide a snapshot of the current available employment land within the District. This section compares actual levels of available land with anticipated requirements to understand the extent to which new allocations may be required.

9.4 In terms of how the employment land requirements relate to the current employment land portfolio, various factors make any such quantitative analysis an inexact science. On the supply side of the equation the total amount of land available at any given point in time is indeterminate. The exact amount depends upon:

- 1 The size of private reserves (i.e. industrial land held with existing buildings for expansion). These are normally excluded from the analysis as they are not generally available for development;
- 2 The number of windfall sites arising which are not presently allocated for employment uses, but which may become available for such uses in future;
- 3 The number of further sites becoming available through the recycling of land currently in industrial use.

9.5 Bearing these points in mind, and as set out in Section 6.0, the detailed site surveys provide a snapshot of the current available employment land across the authority. This comprises:

- 1 Sites allocated for employment use in the Local Plan that are currently in employment use or remain undeveloped;
- 2 Current employment sites not formally allocated in the Local Plan; and,

3 Other sites with extant planning permission for B-Class uses.

9.6 The existing space available to help meet future needs is estimated to comprise 23.52 ha (net) of which 22.47 ha was reviewed as part of this study, as set out Table 9.1.

Table 9.1 Existing Supply of Employment Land within Wyre Forest District

Source	Potential new Employment Space (ha) (net)
Existing Supply of Employment Land	
Allocated Employment Sites	22.47*
Non-Allocated Existing Employment Sites	0
Other Sites with Extant Planning Permission (not assessed as part of this ELR)	1.05
Total	23.52

Source: WFDC / NLP analysis

*Note – this includes 13.1ha relating to the B-class element of a wider mixed use development at the former British Sugar site

Table 9.2 Site rankings

Site Score	Number of sites	Size (gross) (ha)	%	Size (net) (ha)	%
Very Good	15	96.70	29%	19.86	88%
Good	16	116.84	35%	2.21	10%
Average	10	50.91	15%	0.40	2%
Poor	5	68.74	21%	0.00	0%
Very Poor	0	333.19	0%	0	0%
Total	46	96.70	100%	22.47	100%

Source: WFDC / NLP analysis

9.7 Of the sites assessed, none were deemed to be no longer suitable for employment purposes going forward. This judgement is not based solely on the grade given to a particular site but is informed by a rounded consideration of factors set out in the Practice Guidance⁷⁸ including:

- 1 The suitability of the site in accordance with the development plan, emerging plan policy and national policy;
- 2 Market and industry requirements in the FEMA;
- 3 Physical limitations or problems such as access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination (as far as is practicable given the limited scope of this ELR and based on the information provided to NLP by WFDC Officers);
- 4 Potential impacts including the effect upon landscapes including landscape features, nature and heritage conservation;
- 5 Appropriateness and likely market attractiveness for the type of development proposed;
- 6 Contribution to regeneration priority areas in Wyre Forest; and,
- 7 Environmental/amenity impacts experienced by would be occupiers and neighbouring areas.

⁷⁸ ID: 3-018-20140306

- 9.8 Notwithstanding the advice contained in the Framework, it is also appropriate to acknowledge that the UK entered a recession in 2008 which lasted for five quarters and resulted in a substantial decline in manufacturing output. Local Authority data on completion figures confirms that the onset of the recession subdued the development of employment land within the District and this figure has remained low ever since.
- 9.9 Whilst traditional indicators such as rates of unemployment show that Wyre Forest has indeed recovered from the recession, and whilst there is reasonably strong activity in the commercial property market, a great deal of new build development has yet to take place across the area. Consequently, it is necessary to adopt a judicious approach when considering sites for de-allocation and to recognise that the lack of activity on any given site over recent years does not necessarily indicate that it is unattractive to the commercial property market at present, or will remain unattractive for the duration of the Plan period.
- 9.10 For instance, despite lying in an attractive position immediately off the strategic road network, the former Romwire site on Stourport Road lay dormant for some time before permission was recently granted for Specsavers to build their manufacturing and distribution facility on it.
- 9.11 It should also be noted that the site assessments have not been informed by detailed site investigation work or site ownership information (other than where this has been provided by the client) and no detailed viability analysis has been undertaken.
- 9.12 A basic quantitative comparison of estimated demand for B Class space against the identified supply is presented in Table 9.3. When set against any of the demand forecasts, Wyre Forest has a quantitative undersupply of employment land available. The potential surplus/shortfall of space under the five scenarios would vary from -7 ha under the Labour Supply 183 dpa Scenario (3) to -36 ha under the Experian 'Policy On' Scenario (2).

Table 9.3 Demand/Supply of B Class Employment Space in Wyre Forest (to 2032)

	Demand/Supply Balance (ha)
Requirement for B Class Space (ha)	37 to 60 ha
Existing Supply of Employment Space (net) (ha)	24 ha*
Surplus (+) / Shortfall (-) (ha)	-13 to -36 ha

Source: WFDC / NLP analysis

*Note: the 23ha includes 13.1ha relating to the B-class element of a wider mixed use development at the former British Sugar site

- 9.13 This demand/supply analysis assumes that the authority's undeveloped employment allocations (such as within the former British Sugar site and Crossley Park) come forward in full for employment development over the plan period. Any significant deviation from this assumption could impact upon the overall balance, for example by further tightening the existing shortfall.

9.14 Conversely, and at the request of WFDC Officers, no allowance has been made for the Lea Castle Hospital Site (Ref: 24), which has the potential to contribute a substantial amount of employment land as part of an (as yet unquantified) mixed use development. This would be likely to reduce the scale of the imbalance between supply and demand in the District.

9.15 Even allowing for the potential contribution of the Lea Castle Hospital site, in purely quantitative terms, it is likely that the identified pipeline supply, as it currently stands, does not provide sufficient employment land to meet Wyre Forest's employment development needs to 2032.

Qualitative Factors

9.16 Even where no quantitative shortfall of employment space is identified, in some circumstances additional land may be needed for qualitative reasons, in order to:

- a Improve the choice of provision for occupiers;
- b Meet gaps in the supply of particular types of premises;
- c Improve or modernise the quality of current provision and so help attract more occupiers; and/or
- d Provide a better spatial distribution of employment sites to meet the needs of different settlements.

9.17 In addition, consultation with local businesses across the authority indicated that whilst over half of respondents are considering to move to bigger premises, only 40% of which are looking to expand within their current site. Of the 60% who are looking to relocate, although 9 out of 10 were keen to stay within the District, one of the main obstacles to expansion was cited as being a lack of suitable land or premises. This mirrors comments raised by agents that much of the existing stock within the District is relatively old and hence is not always suitable for the needs of modern businesses.

9.18 Qualitative needs are considered for each broad property type below.

Industrial

9.19 Commercial agents commented that occupier sentiment for industrial accommodation across the District remains strong and is likely to continue to be so for the foreseeable future. Further market improvements as the economy recovers should lead to increased levels of new development taking place as freehold and rental values increase, although agents were hesitant to suggest a point at which speculative development would return. Vacancy levels have also been modest for some time, preventing the churn, intensification and upgrading of existing sites that might otherwise be expected to take place within a normal market environment (i.e. in a District that faces few land constraints).

9.20 According to local agents there remains an acute shortage of good quality industrial accommodation across the District. This mainly relates to the fact

that much of the industrial property within the District is relatively old, and hence is often unsuitable for the needs of modern businesses. There is therefore a risk that an underlying shortage of good quality, modern, business accommodation could threaten the District's longer-term ability to retain the business base needed to facilitate continued economic growth.

- 9.21 Demand for industrial properties was considered to be strongest for units up to 2,500 sqm (27,000 sqft) and beside strategic locations (such as on A-roads connecting the District to other conurbations). Whilst agents noted that demand exists for larger units, this rarely extends to industrial properties over 20,000 sqm (215,000 sq ft).
- 9.22 Furthermore, very low interest rates have made capital loans an attractive proposition for many businesses, a growing number of which are now looking to purchase the freehold interest in industrial buildings or acquire land on which to develop their own modern, purpose-built, premises – which are again lacking in Wyre Forest.

Offices

- 9.23 Whilst Wyre Forest is not perceived by the market to be a prime office location (particularly in the context of nearby competing areas such as Birmingham), there is still a sizeable amount of office stock within the District. Whilst some of this is higher quality, recently renovated, office stock, much of it comprises older, poorly specified units, which tend to accommodate smaller, lower value businesses looking for affordable premises. Agents noted that office occupiers have become more discerning since the recession and now expect accommodation to be presented to a good standard. With the roll-out of super-fast broadband (and within the context of continued economic uncertainty) it is suggested by agents that some micro businesses are choosing to work from home as opposed to leasing poorly-presented office space.
- 9.24 There is therefore some demand for high quality, small, office suites and serviced office-type units that are able to offer flexible space. Agents considered that demand is greatest for smaller office units of up to 1,000 sqft (93 sqm). Stakeholders noted that whilst the District has a reasonable selection of premises for start-up industrial firms to locate in (usually around 100-200 sqm in size) there is a severe lack of 'follow-on' or 'grow-on' spaces (which tend to be around 200-400 sqm in size) which cater to firms which have outgrown these incubator spaces.
- 9.25 Agents also underlined the significance that office occupiers attach to the availability of on-site car parking, and this is something which many central sites in Kidderminster (which houses the vast majority of offices within Wyre Forest) struggle to offer.

Potential Employment Sites

- 9.26 The quantitative analysis therefore concludes that there is a need for new employment land allocations in Wyre Forest. Ensuring an adequate choice of types of sites is vital if the needs of different employment sectors are to be met.
- 9.27 Whilst WFDC are yet to identify potential new sites that could fill this quantitative and qualitative shortfall, this process will occur through the forthcoming Call for Sites process as part of the District's emerging Local Plan. It is worth noting, however, that agents confirmed that the A456 Corridor represented a growth area for the future that was currently under-represented in terms of employment land at present.
- 9.28 It should be noted that given the OAN range that has been identified, with different employment land requirements depending upon where on the scale the Council wishes to align with, the decision on how many and which sites to allocate, or choose not to take forward, is ultimately a policy choice for WFDC.
- 9.29 Clearly, any site-specific recommendations contained in this document cannot be viewed in isolation. Recommendations will need to be taken forward and tested through the proper preparation of policy by WFDC and subject to formal consultation as part of the Local Plan preparation process.

Conclusions

- 9.30 The matrix at Appendix 4 identifies site specific recommendations for the employment sites in Wyre Forest. These are summarised in Table 9.4.

Table 9.4 Resultant Portfolio of Employment Land (net) in Wyre Forest to 2032

Recommendation	Number of Sites	Gross Site Area (ha)	Net Developable Area (ha)
Current Employment Land Portfolio (sites assessed by NLP)	46	333.16	22.47
Retain current employment allocations and existing non-allocated employment sites	37	238.39	9.37
Retain Mixed-Use allocation, with an element of B-class employment use*	9	94.77	13.10
Recommend for de-allocation / alternative uses	0	0	0
Other sites with extant planning permission for employment use to be retained (but not assessed as part of this ELR)	-	1.05	1.05
Adjusted Employment Land Portfolio	-	334.21	23.52

Source: WFDC / NLP analysis

*Note: this includes the following sites identified for Mixed Use comprising an element of B-class uses: Castle Wharf, Cheapside, Churchfields Business Park, the Former British Sugar Site, Kidderminster Bus Depot and Green Street Depot, Lea Castle Hospital Site (although no net allowance has been made at the request of WFDC Officers), Oasis Arts and Crafts, Park Street Industrial Estate, and Worcester Road Car Garages.

- 9.31 Section 8.0 identified that between 37 ha and 60 ha of employment land are required over the 16-year plan period to 2032 for Wyre Forest. The analysis does not recommend that the current portfolio of land be rebalanced to de-

allocate any sites (noting that a number of these sites are allocated for mixed use with an element of employment land, although of these only the former British Sugar site has any undeveloped land at the time of writing). This means that a shortfall exists of between 13 ha and 36 ha, depending upon where in the employment land OAN range WFDC targets in its emerging Local Plan (excluding the potential contribution a mixed use development scheme could make to the employment land portfolio at the former Lea Castle Hospital Site (Ref: 24)).

10.0 **Conclusions and Policy Implications**

10.1 This section draws together overall conclusions and considers potential policy approaches in relation to employment space as well as other measures which may be required to support Wyre Forest's economic growth objectives.

Overview of Wyre Forest's Economy

10.2 Wyre Forest has a relatively successful economy, with higher levels of economic activity and lower claimant unemployment levels than the regional averages. It also benefits from a strong level of entrepreneurship (with stronger levels of business start-ups than elsewhere in the West Midlands) and has been the recipient of inward investment from firms such as Morgan Advanced Materials and Amtrak.

10.3 However, the authority suffers from a historic legacy of manufacturing restricting, relating to the decline of carpet manufacturing in Kidderminster, which is still ongoing. The authority also has relatively few high-skilled residents and higher levels of those with no qualifications than comparator areas. Furthermore, the gap between Wyre Forest's resident and workplace wages implies a disconnect between the quality of employment available to commuters travelling out the Districts and those available in Wyre Forest (suggesting a 'brain drain'). There are also particular pockets of deprivation in Kidderminster Town, set within surrounding rural affluence. Further growth is also constrained by road congestion which exists within the District, especially on the main employment corridors to/from Kidderminster (although this will be relieved to an extent by the Hoo Brook relief road).

10.4 Wyre Forest's employment space is dominated by industrial (factory and warehousing) uses, although over time this has decreased whilst the level of office stock has increased. The majority of the District's office stock is located in Kidderminster, whilst the industrial stock is split between Kidderminster; Stourport; the employment corridors linking the two settlements; and a smaller supply within Bewdley and dispersed across more rural parts of the District.

10.5 Over the 6 years between 2005/06 and 2009/10, the District witnessed a relatively strong rate of employment land development, averaging 2.23 ha annually. Following this however, development reduced significantly to just 0.57 ha over the period 2010/11 – 2013/14, due to a tightening of finances and the challenging business environment following the financial crisis. The employment land losses within the District (16.82 ha between 2006/07 – 2013/14, at an average of 1.87 ha a year) have been large enough to ensure net development rates have been negative over the period examined (-0.39 ha per annum).

10.6 The District lacks the necessary critical mass to attract and sustain larger office occupiers and faces strong competition from larger, more established and growing office centres with better links to larger conurbations and the strategic

Motorway network. As a result, the office market remains very localised and what limited demand there is generally comes from local SMEs for good quality, small, modern premises. Rents also tend to be lower and this restricts speculative development, which has not occurred in the District for many years.

10.7 The industrial market, whilst suffering from some of the same problems as the office market (characterised by stock which tends to be older and is not always suitable for the needs of modern businesses), has recently seen an increase in inward investment. This is particularly focussed within the advanced manufacturing industries, but also has been helped along by the streamlined planning process which has occurred due to South Kidderminster Enterprise Park's LDO.

10.8 Agents highlighted the need for small, high quality, industrial premises suitable for the needs of modern businesses located on strategic transport routes. There is scope for greater provision of modern, industrial accommodation (ideally with flexible contracts with shorter leases, as is the case elsewhere) for start-up and small businesses, of which Wyre Forest has a disproportionately large number, in order to enable local firms to expand and/or upgrade. Demand for rural employment space in Wyre Forest is also reported to be steady.

Policy Approaches

10.9 The scenarios considered in Section 8.0 indicate the broad scale and type of growth arising from different approaches to modelling the District's future employment space needs. In the context of the Framework, the District's policy approaches should aim to at least fully meet Wyre Forest's employment space needs so that its economy is not constrained, recognising that developments in adjoining areas will also be a key influence. This is particularly important in the aftermath of a period of economic recession and the Government's Productivity Plan: '*Fixing the Foundations*' (2015).

10.10 However, to ensure a flexible and responsive policy framework it will be necessary not just to focus on meeting forecast quantitative requirements (which will fluctuate over time), but to think about the qualitative opportunities and risks that flow from particular policies. This might concern how delivery can be prioritised in some locations or for some types of employment uses and how scope can be created for meeting as yet undefined inward investment opportunities.

10.11 Planning for employment land will need to be balanced against pressures from other land uses, as well as other Local Plan objectives such as planned housing growth. B-class employment space also competes with non B-class uses, some of which may also generate local economic benefits or have identified needs that the Framework indicates should be supported. This is especially relevant in Wyre Forest, where only a modest percentage of total

employment growth within the District over the plan period is likely to be within B-class sectors.

10.12 This requires choices in the Local Plan about which sites to protect or allocate for employment development, or which to consider for mixed use development (either in whole or part). That judgement must ultimately take account of:

- 1 The suitability of the site in accordance with the development plan, emerging plan policy and national policy;
- 2 the local benefits of B-class sectors and the need to maintain a diversified and resilient economy that is open to growth and new economic opportunities as they arise (as envisaged by the Framework);
- 3 the economic and other outcomes (e.g. labour market) if some sectors become displaced or are otherwise constrained from expanding within this part of West Midlands;
- 4 the need to encourage growth of high quality jobs of Wyre Forest District to address the disparity between resident employee earnings (higher) and workplace earnings (lower);
- 5 the trade-off between seeking more intensive use of the current supply of sites and thereby yielding higher net job creation over time, and identified business needs (as specified in the Framework) which may for some activities or sectors imply a less efficient use of land in order to function effectively; and
- 6 maintaining a delivery trajectory for employment space with short, medium and longer-term opportunities over the life of the Plan.

10.13 The emerging Local Plan will need to plan for a choice of sites and locations to meet the needs of particular sectors and occupier needs. Some further commentary on the approach and potential options for providing for the different B-class uses in the District is considered below.

Industrial Uses

10.14 Wyre Forest represents a reasonably strong industrial location, with a mix of firms serving both indigenous needs in addition to a small number of firms serving national and international markets.

10.15 Vacancy rates on modern industrial estates are now at a relatively low level. An improvement in the general economy and occupier confidence coupled with very limited new development prior to and during the recession has caused vacancy levels to remain low across a range of floorspace sizes and age of stock.

10.16 Agents report a gap in supply for modern industrial units, particularly in the 200 sqm to 500 sqm size bracket suitable for B1c, B2 and B8 uses although there is a continued demand from occupiers across a much broader range of sizes. Demand is spread across the various settlements within the District but supply

is currently focused on sites along Wyre Forest's two main employment corridors linking Kidderminster and Stourport.

Office Uses

- 10.17 The office market in Wyre Forest is relatively small and indigenous, lacking the critical mass to attract larger office occupiers, particularly in light of strong competition from nearby established centres such as Birmingham. The vast majority of office stock (in addition to office demand), is located in and around Kidderminster. Whilst there are sites which house good quality office accommodation, much of the stock tends to be old and often of a poor quality. As a result, the demand that does exist for these units tends to be indigenous in nature. Agents also cited evidence of people who may have otherwise usually occupied offices instead working from home (although the variable provision of broadband was raised as a concern of local businesses).
- 10.18 Whilst there has been some examples of conversions of offices to residential under permitted development rights and agents believed there may be an appetite from developers for further conversions, it was considered that these are likely to be focused on poor quality offices which show limited market demand. This view may need to be revised following the Government's proposed changes to the PD rights under the Housing Bill and should be kept under review by WFDC.
- 10.19 Agents suggested that there may be some potential for a new purpose-built office complex on a 1-2 hectare site containing units of around 1,000 sqft (93 sqm) in a 'courtyard' design (with car parking spaces in the heart of the development). This was caveated with the fact that a higher headline rent – estimated at around £16 – 18 sqft - would likely be required to attract a developer to build this speculatively, some way from the values achieved even from the best quality stock within the District currently. In the past, local authority funds may have helped to spur developments such as these, but with local authorities feeling the effect of budget cuts this seems unlikely to occur. In the meantime, demand continues to flow to the 'safe haven' larger conurbations such as Birmingham and areas with stronger links to the M5.

Future Requirements

- 10.20 The demand forecasting analysis concluded that the realistic employment land OAN for Wyre Forest was between 37 ha and 60 ha, with greater weight to be placed towards the lower end of that range.
- 10.21 The analysis in Section 8.0 concluded that an indicative split of 33% for B1a/B1b office and 67% for B1c/B2/B8 industrial and warehousing land would be appropriate for the District. This indicative split sought to balance the current strong appetite for industrial stock and proven delivery, against the prospective growth in the B1 office sector as suggested by the Experian/policy-on econometric forecasting.

- 10.22 Across the District overall, therefore, this would equate to a need for between 37 ha and 60 ha over the 16-year plan period, or 11.6 ha – 18.75 ha across 5-year rolling supply periods.
- 10.23 This is set against an overall adjusted supply of 23.52 ha (net) in the District (as set out in Section 7.0, and excluding the potential contribution of the former Lea Castle Hospital site).
- 10.24 There is therefore a quantitative shortfall in Wyre Forest even if the bottom end of the employment land OAN range is pursued. This potential shortfall is supported by qualitative market feedback which indicates that the District requires more industrial space in particular to accommodate indigenous growth and enable the necessary churn and upgrading/ intensification of existing sites. It is considered that the area continues to suffer from a shortage of reasonably sized, good quality, readily available and serviced employment land which is attractive to the occupier market. The provision of good quality employment land could also go some way towards attracting new businesses to the District, which would help to diversify what is currently a relatively low wage economy.
- 10.25 In this context, a number of options emerge:

1. Allocate new industrial sites

- 10.26 The option of allocating additional sites for industrial development would increase the current choice of sites and provide the District with new development opportunities of the size and scale necessary to accommodate indigenous firms expansion (of which the majority of development within Wyre Forest takes the form of, as opposed to external inward investment). This should be set out in more detail in a new Policy of the emerging Local Plan, setting out precise locations and sites to allocate.
- 10.27 Within the current climate of fragile (albeit strengthening) demand and limited access to finance/capital for development, focus should be placed upon those sites in areas of strongest market demand, that have the greatest appeal to potential occupiers and developers, and that are most readily available to be brought forward for development (i.e. have the fewest infrastructure barriers such as poor access and environmental issues).
- 10.28 It is considered that the focus should particularly be on providing further industrial allocations. Although the econometric projections suggest a potential growth in office jobs over the plan period in the District, there are concerns regarding the amount of office space that is required across the District, given that the office market remains relatively weak and further office allocations could serve to weaken their attractiveness still further.
- 10.29 That said, it may be appropriate to consider allocating at least one new office site/extending an existing better-performing site in the District in order to provide the choice and flexibility for occupiers. This would also provide a site of the scale and size to potentially enable Wyre Forest to attract larger office occupiers that historically the area has been unable to do. This would also

provide the opportunity for high quality space for office development to be located in the areas of the District that continue to attract strongest demand (such as in and around Kidderminster) and that can provide longer term, sustainable and viable development opportunities.

2. Intensification of existing sites

- 10.30 The upgrading and refurbishment of existing industrial areas, and where possible, redevelopment so that they can be used more efficiently, provides a further option for accommodating future requirements. Better utilisation of the existing industrial stock could be achieved through gradual redevelopment of individual plots, for example replacing a large older unit with development of modern smaller units for which there is good demand.
- 10.31 The approach adopted in WFDC's adopted Core Strategy is to prioritise the redevelopment of underused and vacant sites into high quality employment areas, so as to reduce the need for further allocations in the Greenfield and / or Green Belt locations. For instance, the Stourport Road Employment Corridor is identified as a key strategic area within the District and the Core Strategy highlights the importance of retaining and enhancing the existing sites within this corridor, whilst developing opportunities for new businesses and sites in the area.
- 10.32 The site assessments reveal that there remains some scope for upgrading and renewing the poorer performing sites to ensure that this space remains attractive and viable to the market. In the first instance, this approach could focus on older employment sites that do not currently reflect modern working layouts, densities, technology and premises and perform relatively poorly based on recent site assessments. This may comprise redevelopment, but qualitative improvements could also be delivered through refurbishment of existing buildings to some extent.

3. Policy Delivery Mechanisms

- 10.33 Alongside provision of new supply (as noted above), upgrading and renewal of the District's existing stock of office accommodation will also be important. It will not only ensure that this space remains attractive to the market, but may also provide the opportunity to create some additional supply. This may comprise redevelopment, but qualitative improvements can also be delivered through refurbishment of existing buildings to some extent.
- 10.34 Barriers to the redevelopment of industrial premises in the District include reluctance to provide finance, alongside potential viability considerations even given the current (improving) market climate. Better utilisation of the stock on these estates could be achieved either through gradual redevelopment of individual plots (e.g. replacing a large older unit with development of modern small units (particularly move on workspace) for which there is good demand, or the sub-division of larger units. Based on experience elsewhere, qualitative improvements on the larger estates could also include the stripping and repainting of older industrial units, and making environmental, security and

traffic management improvements through a Business Improvement District [BID] mechanism. Similar processes of gradual upgrading could be encouraged on larger industrial areas to ensure they can make a positive contribution to meeting some of Wyre Forest's future growth requirements.

- 10.35 There may also be the potential to explore different funding sources to enable small/medium firms to upgrade premises or develop new premises if the market does not deliver these improvements, either through gap funding assistance or de-risking through up-front finance. This could include a number of forms of direct Council/LEP financial support such as a Business Improvement Grant, direct lending to small firms and/or mortgage support, as well as grants to install renewable energy equipment. Such measures may be harder to fund in the current economic climate but could appear worthwhile as future actions.
- 10.36 Section 106 agreements could potentially be used, either directly or indirectly, to deliver workspace. This particularly applies to schemes which involve a mixed-use redevelopment of existing employment land. Provision could be either on-site or in some cases, at an alternative location. It should be noted that the ability for projects to generate sufficient profit to enable such levies may be limited in all but the most buoyant markets.
- 10.37 This would be particularly relevant for the former Lea Castle Hospital site which has the potential to make a very significant contribution to the employment land portfolio, depending upon the amount of office/light industrial land that could come forward as part of a residential-led mixed use development.
- 10.38 Any requirement to use s.106 to cross fund employment development from residential or retail uses will need to be underpinned by strong evidence justifying the need and viability of such an approach. WFDC may also wish to explore the potential for using CIL to deliver infrastructure, such as highways and communications infrastructure, to support the delivery of employment sites. This would be subject to such provision according with the legislation and regulations governing CIL.
- 10.39 Whilst this approach offers the prospect of new employment space in Wyre Forest, there are some potential problems in ensuring such provision is attractive to the market. The layout of the site and uses, particularly for mixed-use schemes, can make a significant difference to their commercial appeal, with most office occupiers for example wanting a relatively high profile location towards the front of a site and without any potential for amenity conflicts. In addition, there may be issues about matching the type of space delivered to demand in that area.
- 10.40 Where the development lies within an area of low industrial and office demand, subject to the legal provisions governing such approaches, funding from sources such as CIL/s.106 contributions could be pooled and used to develop workspace space on other sites, perhaps including those in Council ownership, and loans or grants to firms to support upgrading of premises. This could also potentially be used to fund further enterprise or incubation workspace.

- 10.41 Wyre Forest's Local Development Order [LDO] has provided benefits to occupiers/developers through greater flexibility, speed, certainty of outcome and reduced cost. Mixed use schemes can also be a way forward in delivering some new office or industrial space. This tends to be more effective on larger schemes, although it is an approach Wyre Forest is adopting on smaller sites as well.⁷⁹
- 10.42 The market alone is unlikely to deliver these improvements. Encouragement for owners/developers may be necessary, and could be aided by a range of planning and economic development interventions including:
- 1 A Local Plan policy encouraging such forms of upgrading, although this will only work in combination with other actions;
 - 2 Continued and stronger Local Plan policy protection for certain industrial sites (reducing the potential for residential 'hope value' pricing out development);
 - 3 Local initiatives to publicise to local firms case studies of successful upgrading of business premises, including costs, local contractors involved and rental or other benefits achieved;
 - 4 Encouragement of mixed use developments to help facilitate and cross-subsidise the creation of B-class premises; and
 - 5 WFDC economic development officers engaging with owners on upgrading of premises.

Other Policy Issues

Constructing a delivery trajectory for employment sites

- 10.43 In light of significant uncertainty surrounding the future pipeline of employment land supply, it would appear sensible to identify a realistic delivery trajectory for employment sites over the plan period to 2032 to enable the Council to evidence how their portfolio of allocations, extant planning permissions and other development opportunities will support delivery of new space over the short, medium and long-term (structured broadly in 5-year periods).
- 10.44 This accords with the approach set out in the former SEEPB guidance on employment land assessments which encouraged local authorities to demonstrate a 5-year rolling supply of employment land, alongside a requirement in the Framework for local planning authorities to plan proactively to meet the development needs of business as well as guidance in the Government's White Paper⁸⁰ for local authorities to support growth and development through ensuring a responsive supply of land that supports business growth.

⁷⁹ As detailed in the adopted Wyre Forest Site Allocations and Policies Local Plan (2013)

⁸⁰ HM Government, Local Growth: Realising Every Place's Potential, October 2010

- 10.45 Where any gaps are identified, the Council will want to consider options for how this can be addressed (potentially as part of the emerging Local Plan). It is helpful for sites to be assessed on a consistent basis in order to determine at broadly what point in the Plan period they may become available, and how important any individual site is for meeting either office or industrial needs within any rolling five-year period.
- 10.46 As noted above, across the District overall, the employment land OAN generated a need for between 11.6 ha – 18.75 ha across five year rolling supply periods. In determining the likely timing and availability of land that could meet these 5-year requirements, this delivery trajectory should have regard to:
- a the planning status of sites (extant planning permission, allocation etc);
 - b development constraints/costs and known requirements for infrastructure;
 - c current developer/landowner aspirations; and
 - d market delivery and viability factors.
- 10.47 The assessment provides the opportunity to identify and map out the / Local Plan's 'when', 'whom' and 'how' employment space delivery actions for each site. In turn, it will also offer a basis to continually assess the potential role of a site in meeting employment land and other emerging Local Plan objectives (and, inter alia, the policy benefits that would accrue if earlier delivery of the site was encouraged). The trajectory should be linked to the annual monitoring process and periodically updated to ensure the rolling supply of employment land during the Plan period.

Affordable space for small businesses

- 10.48 As noted in the Commercial Market Analysis Section, there is strong demand in the District for small 'no frills' industrial units let on relatively flexible, short term leases. It is understood that no developers are currently building for this market and as a result Wyre Forest has limited existing provision of space geared towards smaller businesses, such as 'Space' at Hoo Farm. However, given the District's concentration of SMEs and strong track record of micro business activity, it is important that WFDC provide this type of space (alongside wider business support) if indigenous business growth is to be encouraged and retained within the District. The Business Survey, supported by responses to the stakeholder consultation, has suggested that there is a mismatch between the limited supply of this small scale, affordable space and the growing demand for these types of facilities. Demand for these types of units is also likely to continue to grow in future as businesses increasingly seek flexible and efficient workspaces, including those that offer hot-desking and shared facilities.
- 10.49 Whilst re-development and intensification of the District's existing employment sites should be encouraged to allow sites to be used more efficiently and

accommodate additional employment space, it will be important to re-provide any cheaper/affordable business units that currently occupy these sites either on-site or elsewhere within the District. This could involve delivery of new, purpose-built space and/or the refurbishment of older accommodation into affordable start-up space. Based on experience elsewhere, two approaches to providing such premises could be considered:

- 1 seek provision of small units within larger employment developments, residential or mixed use schemes; this could be achieved as part of the s106 obligations with the developer delivering the units for management by the Council or another operator. Caution will be needed during a period of market uncertainty to ensure this does not damage delivery of potentially valuable development; and
- 2 encouraging conversion/sub-division of older industrial space into a number of small, lower cost office units (e.g. a small business centre) which can provide a more cost effective option than provision of new bespoke space; if the market did not bring this forward, such a scheme could be instigated by the Council with a development partner or consortium.

Monitoring

- 10.50 Reflecting guidance set out in the Practice Guidance, it will be important to monitor future change in the demand and supply of employment space to identify changing patterns and inform any policy responses required.
- 10.51 Specific items which it could be useful to monitor are identified below and should be incorporated into the Monitoring Framework of the emerging Local Plan:
- a levels of future demand for office/industrial space and which of the study's estimates of future requirements this best relates to;
 - b how much of the currently identified supply of employment space commitments are likely to come forward and whether any new sites emerge;
 - c the extent and type of any losses of existing employment land to non B-uses, particularly residential (part of the on-going monitoring of office losses under the amended Permitted Development rights); and
 - d any on-going deficiencies in provision for specific types of employment premises (e.g. small, low cost, business or industrial units).