Nathaniel Lichfield & Partners
Planning. Design. Economics.

Staffordshire Moorland ELR Update

Staffordshire Moorlands District Council

February 2017

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1.0 Introduction

1.1 Nathaniel Lichfield & Partners [NLP] has been commissioned by Staffordshire Moorlands District Council [SMDC] to prepare an update to the Employment Land Review [ELR] Update that NLP produced as a joint study for SMDC and High Peak Borough Council [HPBC] in July 2014.

1.2 The joint ELR update study formed part of the evidence base to inform High Peak's emerging Local Plan (since adopted) and Staffordshire Moorland's District Core Strategy Review. The update covered the period 2011 to 2031. It provided an update of employment land requirements for both High Peak and Staffordshire Moorlands separately, but did not include an assessment of employment sites as this work was completed by the respective local authorities.

1.3 The key outputs of the study were as follows:

1. An update of the economic factors driving the demand for employment land in the local authority areas, including the results of the 2013 Oxford Economics forecasts and also labour supply factors, including the relationship of jobs and economically active population;
2. A commentary on the nature of employment typologies in the long-term and its implications for floorspace and land requirements, including the requirements of specific sectors, use classes and types of B-Class and non B-Class employment uses;
3. Consideration of the significance of all employment including non B-Class uses on overall employment land requirements and the potential nonlinear relationship between (net) job growth and land/floorspace requirements;
4. Forecasting of the likely floorspace and land requirements for the local authority areas based on the above, to guide employment and land provision; and,
5. A commentary of the current state of comparative market demands on the districts and immediate vicinity for different types and locations of employment land provision.

1.4 High Peak adopted its Local Plan in April 2016. Staffordshire Moorlands District is working towards producing an updated Local Plan. The Planning Practice Guidance [PPG] requires Local Plans to be based on up-to-date evidence [§158]. Therefore SMDC has instructed NLP to update the 2014 joint ELR study to incorporate more recent data releases; to align with an updated SHMA; and also to reflect the changing economic context post-Brexit. The study recommendations relate to that part of the District that lies outwith the Peak District National Park, which is consistent with the 2014 joint ELR study. The study will cover the period 2014 – 2031/2033, with a base date of 2014 to synchronize with the SHMA start date (which utilises the 2014-based household and population projections).

1.5 At the time the 2014 joint ELR update was produced, the economy was in recovery, but now there is uncertainty caused by the EU referendum outcome in June 2016. This update will use post-Brexit projections that were released by Oxford Economics in October 2016 and also a new set of econometric projections produced by Experian in December 2016.

1.6 The Council has also commissioned a SHMA update which is currently being prepared, and the results of which will feed into the labour supply projections of this ELR update.

Policy Update

Emerging Staffordshire Moorlands Local Plan

1.7 The SM Core Strategy was adopted on the 26th March 2014. Staffordshire Moorlands District Council is seeking to submit its early review of the adopted Local Plan later this year and there is therefore a pressing need to ensure that the housing and employment land evidence upon which it will be based is as up-to-date and robust as possible which is the main purpose of NLP undertaking this update study. An update to the SHMA has also been commissioned and is currently being prepared.

1.8 The review will incorporate work underway on the Site Allocations Development Plan Document (DPD) in the form of a single comprehensive Local Plan for the plan period up to 2031. Land for future development to help deliver the objectives set out in the Council's adopted Core Strategy will be identified. Public consultation on site options and development boundaries was held between 6th July and 14th September 2015 with subsequent public consultation on the preferred site options and development boundaries taking place April 28th to 13th July 2016.

1.9 The joint SMDC and HPBC ELR study, produced in July 2014, underpins the employment land requirements of the High Peak Local Plan that was adopted in April 2016. In his report the Inspector made several references to the ELR study. The Inspector agreed with and supported the range of employment land requirements suggested in the study, and stated that these had been '*appropriately identified and justified*.[1]' He concluded that '*the overall land provision in the LP [Local Plan] has been justified*[2]'. The Inspector had no adverse comments on the approach and methodology used by NLP in the joint study; the same approach is applied in this update Study for Staffordshire Moorlands District.

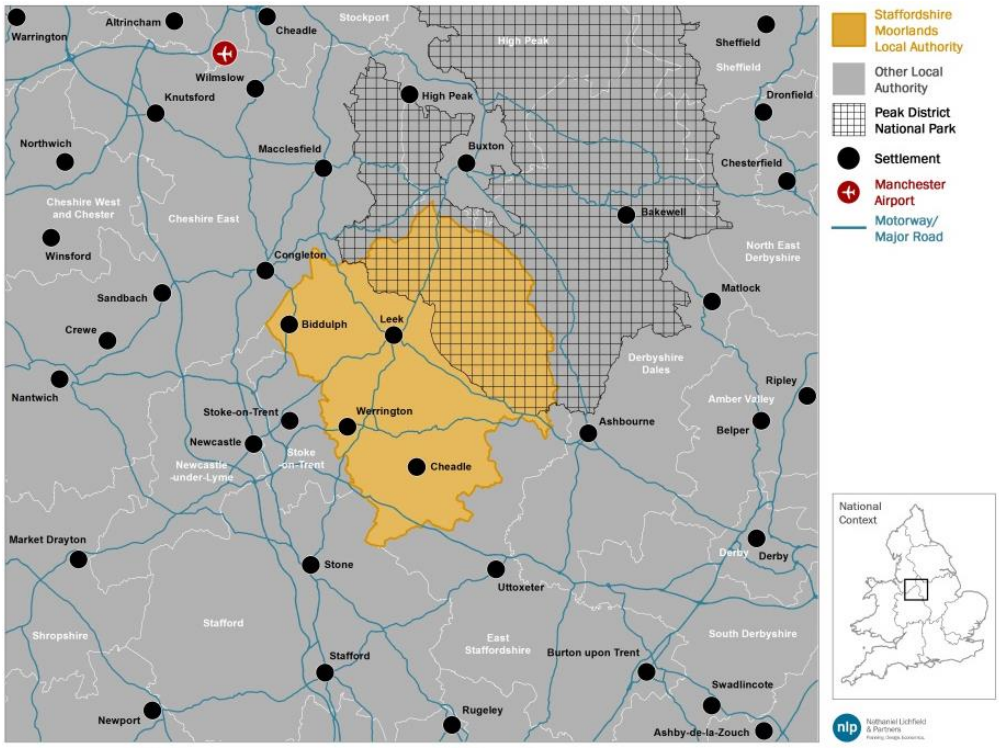
[1] Paragraph 107 of the Planning Inspector's report on the examination into High Peak Local Plan (24 March 2016)
[2] Ibid, Paragraph 108

2.0 Economic Context

Introduction

2.1 This section provides an update to the economic context in Staffordshire Moorlands District. It summarises recent economic conditions and trends within Staffordshire Moorlands where there have been significant changes since the joint ELR update was produced in 2014.

Figure 2.1 Staffordshire Moorlands Sub-Regional Context



Source: NLP

2.2 Key main changes are summarised below:

- **Funding** - Following the 2015 Spending Review, no future rounds of the Regional Growth Fund [RGF] are proposed. This was a national scheme that supported £1m+ projects through investing in capital infrastructure or research and development. RGF money is still available through RGF programmes however. These programmes are run by national or local organisations offering grants and/or loans to eligible businesses. Stoke on Trent and Staffordshire Jobs and Growth Fund will provide gap funding for existing companies that wish to expand or invest to create sustainable jobs, where this investment would otherwise not happen due to lack of available finance. Grant funds can be used for premises expansion, new premises, plant and machinery and infrastructure (i.e. capital expenditure) where this creates substantial new employment or safeguards jobs. The closing date to apply for

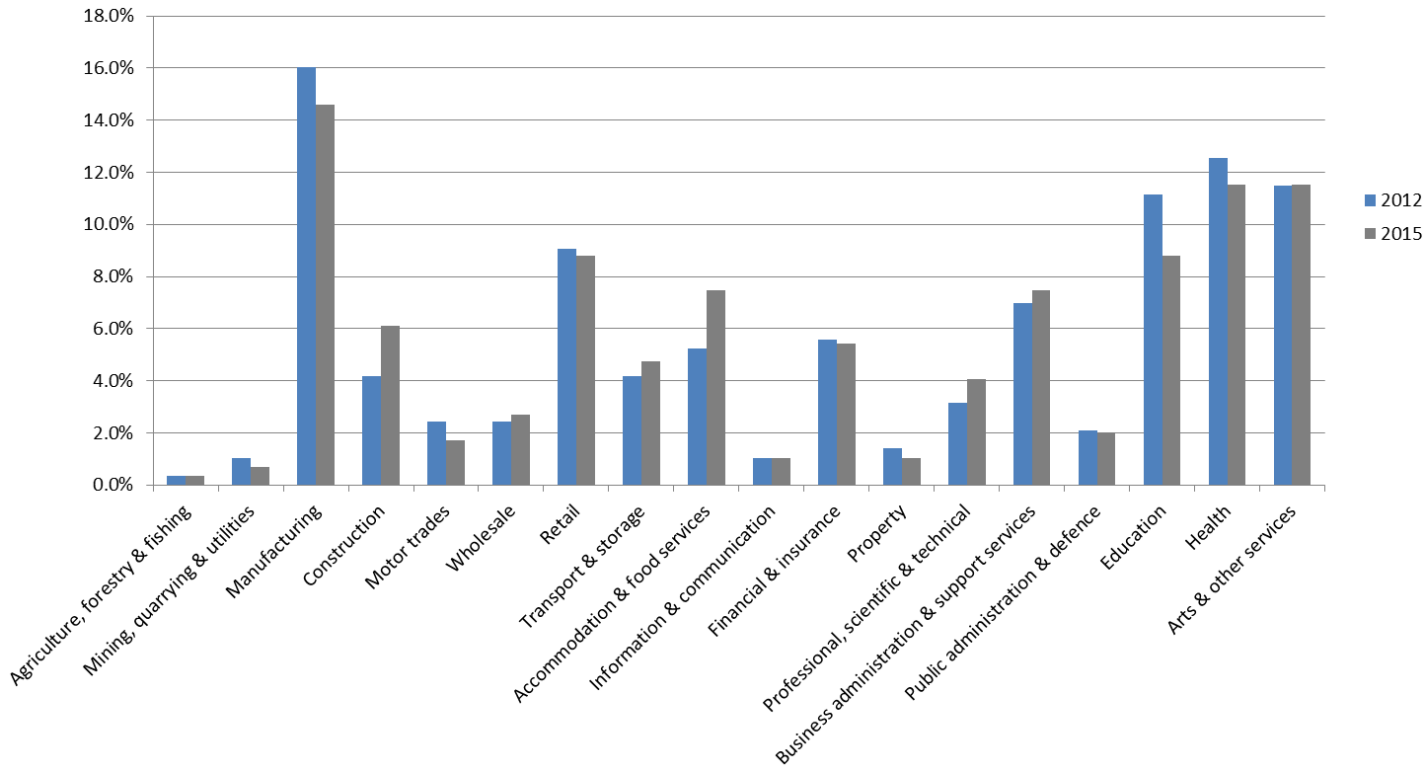
funding is February 2017. There are other funding streams available such as Staffordshire Business Funding that is available through the Staffordshire Business Innovation Centre and also the Staffordshire Business Loan Fund, the Staffordshire LEADER Programme and the Low Carbon Business Evolution Programme to name a few.

- **JSA Claimants -** Unemployment in Staffordshire Moorlands was estimated at 884 JSA claimants in November 2013, (1.5% of the working age population). This was well below the West Midlands average of 3.6% and the national average at the time. More recent data from May 2016 estimates 340 JSA claimants (0.6%) of the work age population in Staffordshire Moorlands compared to 1.7% in the West Midlands and 1.3% for Great Britain. Staffordshire Moorlands therefore continues to have a much lower JSA claimant rate than the County and British averages.
- **DWP out-of-work benefits –** DWP data for May 2013 indicated that 8.2% of Staffordshire Moorlands' working-age population were claiming key out-of-work benefits (comprising job seekers, incapacity benefits, lone parents and other on income related benefits). This was significantly below the West Midlands (12.3%) and British average (11.2%) at the time. The latest data for May 2016 shows a fall across all geographical areas: Staffordshire Moorlands (6.7%), West Midlands (9.7%) and Great Britain (8.7%).
- **Business Start Ups –** The latest ONS Business Demography Enterprise Births, Deaths and Survivals data is available for 2014. In 2012 there were 255 business births in Staffordshire Moorlands, increasing to 380 in 2013 but declining slightly in 2014 (to 355). In 2012 there were 285 business deaths, which fell marginally to 265 in 2013 before rising again to 280 in 2014. The latest data therefore highlights an increase in business births from 2012 to 2014, whilst business deaths remain relatively stable over the same period.
- **Economic Activity –** In 2012/13 Staffordshire Moorlands District had an estimated 47,800 (77.4%) economically active residents[3]. In 2015/16 this had increased to 50,200 economically active residents, which equates to an economic activity rate of 84.6%[4]. This is higher than the regional (75.2%) and national (77.9%) averages in 2015/16. The proportion of working age residents with no qualifications in Staffordshire Moorlands totalled 9.2% in 2015, which has fallen since 2011 (11.3%). The latest figure remains above the average for Great Britain (8.6%) but lower than the regional average (13.0%) in 2015[5].
- **Employment Sectors -** Figure 2.2 compares employment across key industrial sectors between 2012 and 2015. Manufacturing remains the main sector with 14.6% of jobs, although this represents a decline from the 16% recorded in 2012. The proportion of jobs in the Education

[3] ONS Annual Population Survey
[4] Ibid
[5] Ibid

sector in the District has fallen from 11.1% in 2012 to 8.8% four years later. The purchase of Leek College by Derby University and its merging to form 'Buxton & Leek College' may account for some of the decline in the education sector as people are now officially employed by organisations outside the district or work jointly across different work-bases. There has been an increase in the absolute number (and also the proportion) of professional, scientific and technical jobs over that time period to compensate, rising from 900 jobs (3.1%) in 2012 to 1,200 (4.1%) in 2015. Whilst this is a relatively small percentage change, the absolute number of jobs has increased by approximately 300. This is still below the regional (6.6%) and national (8.8%) rates for this sector.

Figure 2.2 Employment Jobs by Industry (2012 and 2015)



Source: ONS Business Register and Employment Survey

- **Employment Jobs –** Oxford Economics Data (October 2016) provides current and projected employment figures by sector. Table 2.1 compares the number of jobs based in each sector in 2014, 2031 and 2033. The sector providing the most FTE jobs in 2014 was manufacturing, although the sector is forecast to lose almost 1,000 jobs by 2033. In contrast, the construction industry is expected to increase by around 500 FTE jobs over the same time period. It should be noted that over the same time period the latest Experian projections indicate that the District will gain around 1,300 FTEs, with the main difference comprising the growth in B2 manufacturing jobs. This discrepancy is analysed in Section 4.0.

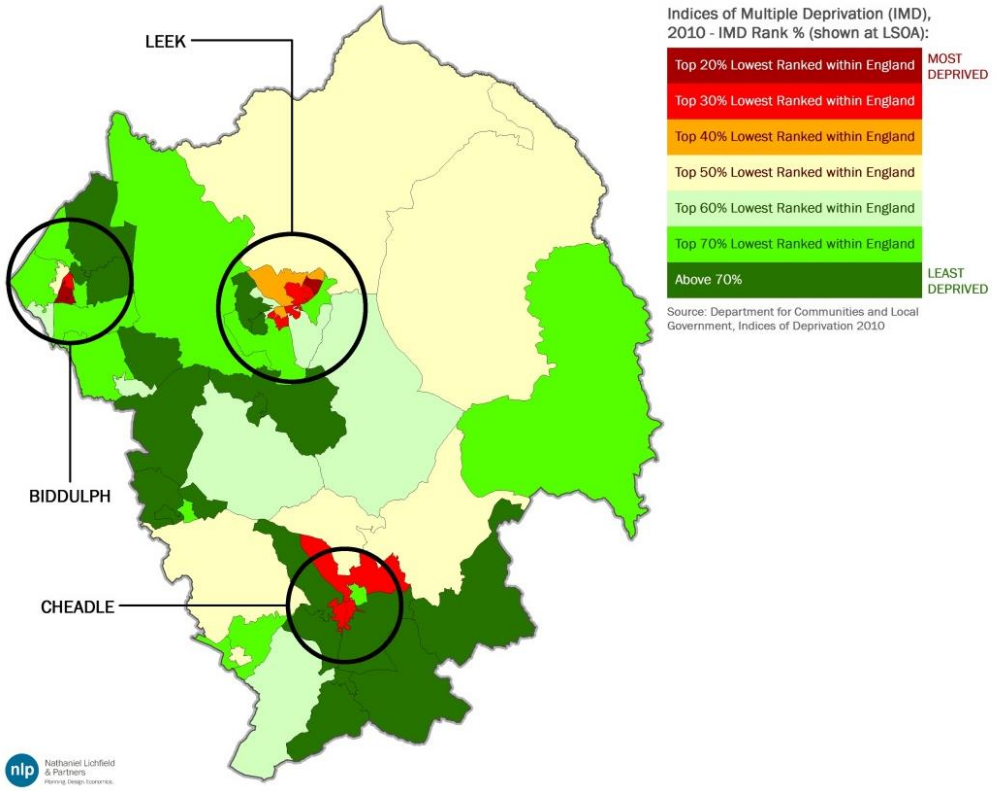
Table 2.1 Comparison of Employment (in thousands) 2011/2031/2033

Employment Sector	2014	2031	2033	Change (2014-2033)
Agriculture, forestry and fishing (A)	1.0	1.2	1.2	0.2
Mining and quarrying (B), Electricity, gas, steam and air conditioning supply (D) and Water supply; sewerage, waste management and remediation activities (E)	0.4	0.4	0.4	0.0
Manufacturing (C)	5.0	4.2	4.1	-0.9
Construction (F)	2.2	2.6	2.7	0.5
Wholesale and retail trade; repair of motor vehicles and motorcycles (G)	3.7	3.4	3.4	-0.3
Transportation and storage (H)	1.0	1.1	1.1	0.1
Accommodation and food service activities (I)	1.3	1.2	1.2	-0.1
Information and communication (J)	0.4	0.5	0.5	0.1
Financial and insurance activities (K)	1.7	1.5	1.5	-0.2
Real estate activities (L)	0.4	0.4	0.4	0.0
Professional, scientific and technical activities (M)	1.2	1.5	1.5	0.3
Administrative and support service activities (N)	2.2	2.7	2.7	0.5
Public administration and defence; compulsory social security (O)	0.6	0.5	0.4	-0.2
Education (P)	2.3	2.2	2.2	-0.1
Human health and social work activities (Q)	3.3	3.1	3.1	-0.2
Arts, entertainment and recreation (R)	4.2	4.4	4.4	0.2
Other service activities (S)	0.7	0.8	0.8	0.1
Total	**31.4**	**31.7**	**31.6**	**0.2**

Source: Oxford Economics (October 2016)

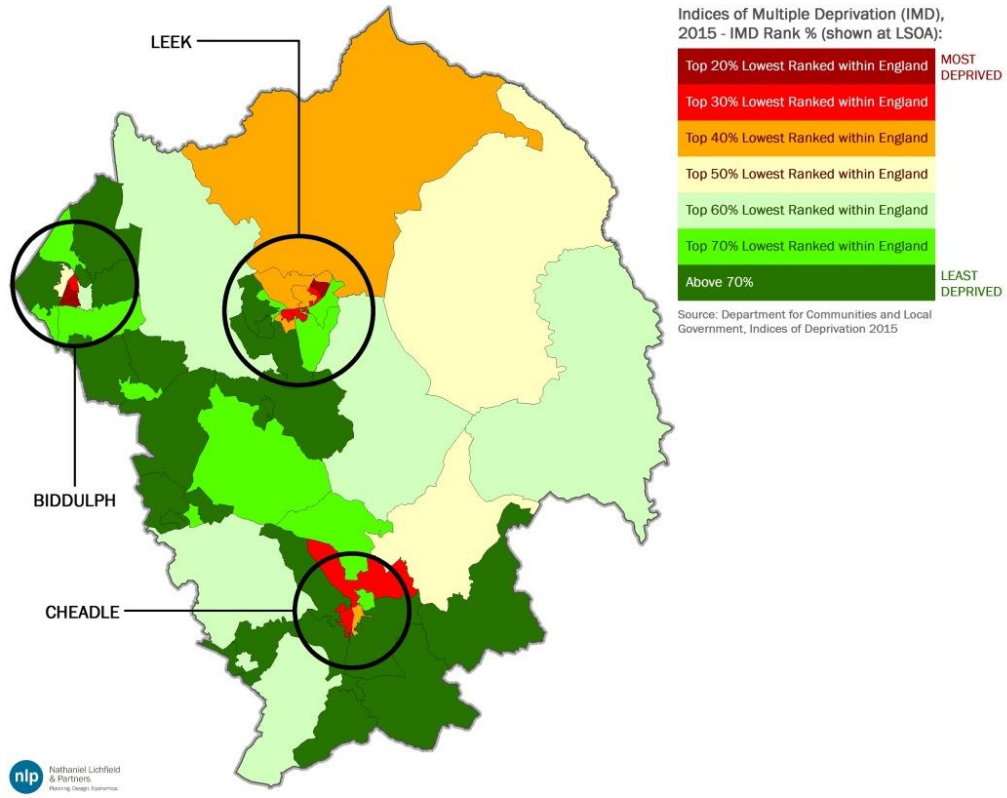
- **Deprivation –** Figure 2.3 and Figure 2.4 illustrate levels of deprivation across the District, based on the Index of Multiple Deprivation [IMD] for 2010 and 2015. The figures illustrate that whilst there has been some variation across the District over the intervening five years, with several parts of the District particularly to the north of Leek) experiencing a slight downgrade, many other parts of the District around Cheadle and south of Leek in particular, have seen greater levels of affluence. This mirrors the District-wide picture; based on the IMD 2010 (rank of average rank), Staffordshire Moorlands District was rated the 185th most deprived out of 326 authorities (1 being the most deprived); however the latest IMD 2015 data ranks Staffordshire Moorland at 203rd demonstrating that in relative terms Staffordshire Moorlands has seen an improvement in levels of deprivation.

Figure 2.3 IMD 2010 Staffordshire Moorlands District



Source: CLG/NLP Analysis

Figure 2.4 IMD 2015 Staffordshire Moorlands District



Source: CLG/NLP Analysis

Functional Economic Area

2.3 This section provides a broad overview of Staffordshire Moorlands District and its likely relationship 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. The 2014 ELR concluded that Staffordshire Moorlands District would fall within the wider economic area of Stoke-on-Trent, within which some 76% of the District's economically active residents worked according to the 2011 Census.

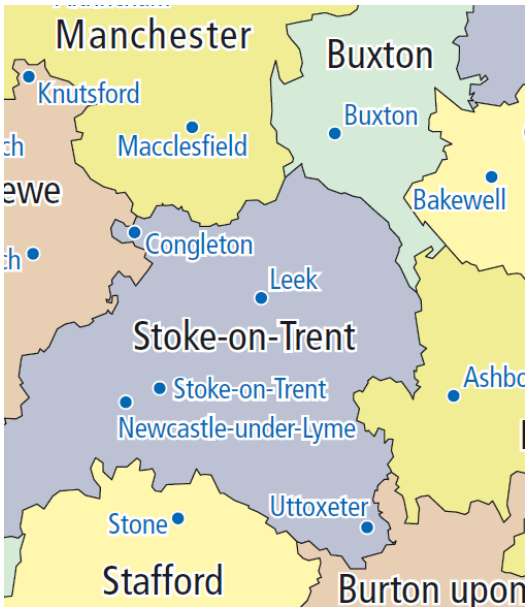
2.4 The Practice Guidance[6] provides advice on how a FEMA can be defined. It states that commercial property market geographies should be thought of in terms of market requirements for the location of premises and spatial factors used in analysing demand and supply. The Practice Guidance[7] goes on to state that since patterns of economic activity vary from place to place, there is no standard approach to defining a FEMA. However FEMAs can be defined by taking account of factors including travel to work areas and housing market areas[8].

2.5 More detailed guidance on how to define a FEMA is provided by CLG. This states that examining commuting flows can help to define the FEMA of an economy[9]. These commuting flows can be assessed using the latest travel-to-work flow data from the 2011 Census.

2.6 Analysis of Travel to Work Areas [TTWAs] across the country was carried out by ONS in 2015, based on 2011 commuting patterns (Figure 2.5). From the modelling work undertaken, ONS considered that Staffordshire Moorlands was entirely contained within a larger 'Stoke-on-Trent' TTWA that also takes in other local authorities including Stoke-on-Trent, Newcastle-Under-Lyme, and parts of East Staffordshire and Cheshire East.

[6] Practice Guidance Reference 2a-012-20140306
[7] *Ibid*
[8] *Ibid*
[9] CLG (2010) Functional Economic Market Areas: An Economic Note

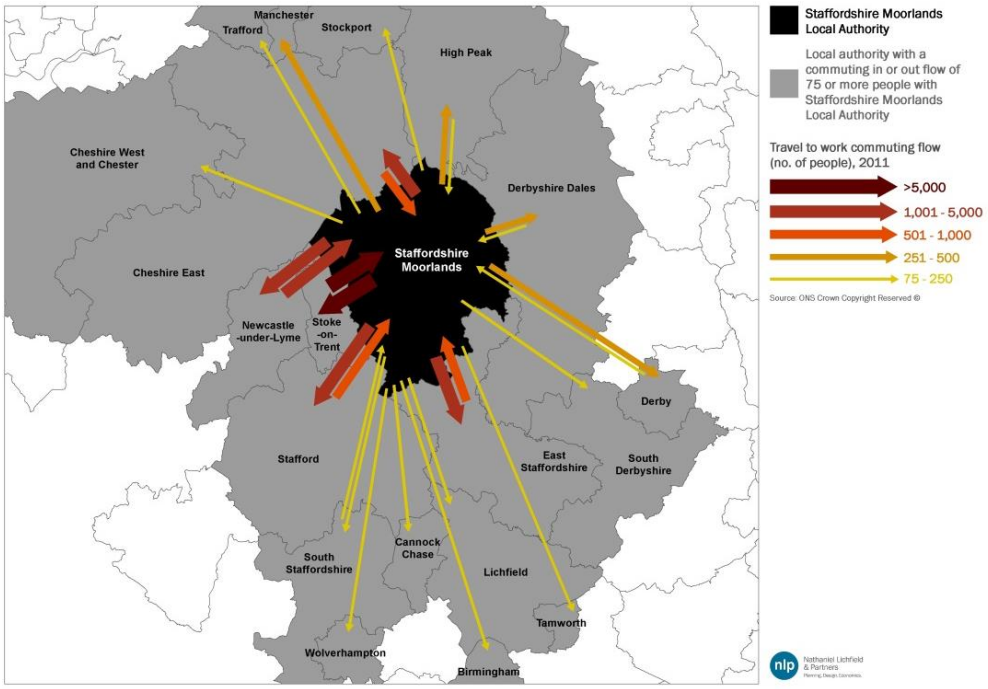
Figure 2.5 ONS Travel-to-work-area analysis based on 2011 Census commuting data



Source: ONS (2015)

2.7 At the time of the 2011 Census, Staffordshire Moorlands was recorded as having an inflow of 10,204 workers commuting into the District on a daily basis against 22,941[10] out-commuters, giving a net total of 12,737 out-commuters. The District has high levels of out-commuting to Stoke-on-Trent, East Staffordshire and Newcastle-under-Lyme.

Figure 2.6 Staffordshire Moorlands District Commuting Patterns



Source: ONS Census 2011

[10] This excludes those commuting out of the District to work overseas

2.8 This represents a change from the time of the previous Census, when 22,101 residents commuted out of the District daily, against 8,145 in-commuters, giving a net total of 13,956 out-commuters.

2.9 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.

2.10 Applying this methodology to the 2011 Census data, it is possible to determine whether Staffordshire Moorlands can be considered a self-contained FEMA. The results of commuting flows are presented in Table 2.2. The table indicates that Staffordshire Moorlands in isolation cannot be said to represent a TTWA and therefore it is unlikely to be a FEMA. It also demonstrates that the combined authorities of Staffordshire Moorlands, Newcastle-under-Lyme and Stoke-on-Trent have an employment market that is self-contained at levels well above those commonly accepted when defining a TTWA.

Table 2.2 Commuting data and FEMA tests

	Live and work in LA	Resident workforce population	Workplace population	Net commuters	FEMA Test #1	FEMA Test #2
Staffordshire Moorlands	47,942	35,248	24,991	-12,694	**52.1%**	**70.9%**
Staffordshire Moorlands and Stoke-on-Trent	156,480	150,054	114,382	-6,426	**73.1%**	**76.2%**
Staffordshire Moorlands, Newcastle-under-Lyme and Stoke-on-Trent	214,122	199,730	173,821	-14,392	**81.2%**	**87.0%**

Source: 2011 Census

2.11 The analysis shows that Staffordshire Moorlands District alone has very low commuting self-containment (52.1%) based on the FEMA Test #1. In contrast, the analysis demonstrates that the District forms part of the wider Stoke-on-Trent TTWA (including the administrative areas of Stoke-on-Trent, Newcastle-under-Lyme and Staffordshire Moorlands). The FEMA tests show that the three authority areas have self-containment levels of between 81% (Test 1) and 87% (Test 2).

2.12 Housing Market Areas [HMAs] are a further criterion that can be used to help identify a FEMA according to the Practice Guidance[11]. The Staffordshire Moorlands SHMA[12] states that internal migration within Staffordshire

[11] §2a-012-20140306
[12] Staffordshire Moorlands SHMA (June 2014)

Moorlands District accounts for 52% of all inward migration and 57% of all outward migration. In contrast, factoring in migration data to and from Stoke on Trent and Newcastle-under-Lyme accounts for 69% of all in migrations and 73% of all out migrations (including long distance moves)[13]. The SHMA considers that on the basis of the PPG definition Staffordshire Moorlands District could not be seen as a self-contained HMA. It concludes that the situation is more complex and parts of the District have much stronger relationships with the adjoining district of Stoke-on-Trent than with other settlements in Staffordshire Moorlands District.

2.13 In terms of the implications of this, the Framework is not as prescriptive regarding addressing business needs in full across the FEMA as it is regarding the need to meet housing needs across an HMA. Instead, paragraph 160 requires LPAs to have a *"clear understanding of business needs within the economic markets operating in and across their area".* To achieve this, they should:

- *"work together with county and neighbouring authorities and with LEPs to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and*
- *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."*

2.14 This nevertheless raises important considerations for the effective planning of employment space in Staffordshire Moorlands District. The duty to cooperate with neighbouring authorities is especially important given Staffordshire Moorland District's economic relationship and commuting patterns with neighbouring authorities, namely Stoke-on-Trent and Newcastle-under-Lyme. The District will need to co-operate with neighbouring authorities over the plan period to ensure that the needs of businesses and commuting residents are being effectively met.

2.15 Pragmatically, it is also vital that SMDC considers the supply and demand for employment space within its own District boundaries. The Local Plan must ensure that there is sufficient local supply in Staffordshire Moorlands District for its businesses to expand and grow.

2.16 Although some of the local authorities have strong commuting and migratory relations with Staffordshire Moorlands District, as part of the consultation exercise undertaken in 2014, none of the LPAs have specifically requested that SMDC should take on some of their employment land shortfall, or vice versa. This position was established through stakeholder consultation in 2014 and whilst NLP has not contacted neighbouring authorities individually as part of this partial update, officers at SMDC have confirmed this is still the position.

2.17 In accordance with the Duty to Cooperate, it is recommended that SMDC continue to partake in close discussions with Stoke-on-Trent and Newcastle-

[13] Ibid

Under-Lyme to ensure that their economic strategies and emerging development plan polices align.

Policy Update

Emerging Staffordshire Moorlands Local Plan

2.18 The Core Strategy was adopted on the 26th March 2014. Staffordshire Moorlands District Council is seeking to submit its early review of the adopted Local Plan in 2017 and there is therefore a pressing need to ensure that the housing and employment land evidence upon which it will be based is as up-to-date and robust as possible which is the main purpose of NLP undertaking this update study. An update to the SHMA has also been commissioned and is currently being finalised.

2.19 The review will incorporate work underway on the Site Allocations Development Plan Document (DPD) in the form of a single comprehensive Local Plan for the plan period up to 2031. Land for future development to help deliver the objectives set out in the Council's adopted Core Strategy will be identified. Public consultation on site options and development boundaries was held between 6th July and 14th September 2015 with subsequent public consultation on preferred site options and development boundaries taking place between April 28th and 13th July 2016.

3.0 The Current Stock of Employment Floorspace

Introduction

3.1 This section provides an update of the current stock of employment space in Staffordshire Moorlands, as well as recent trends in, and changes to, supply. It also provides detail of development planned for future and past losses of land.

3.2 The analysis contained within this section draws upon the following data sources:

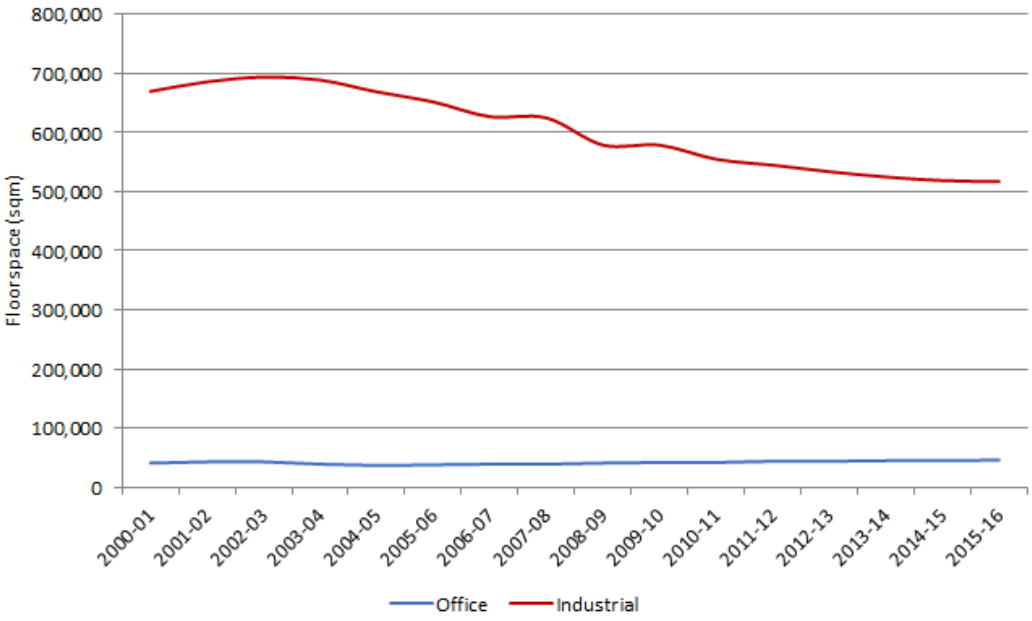
- Commercial floorspace data from the Valuation Office (VOA);
- Staffordshire Moorlands District Council's monitoring data on employment development; and
- Websites of agents active in the local area.

3.3 An assessment of employment sites has also been undertaken separately by the LPA to help inform the study.

Commercial Floorspace

3.4 The most up-to-date information from the VOA provides commercial/value floorspace dates to 2015/16. In 2015/16, Staffordshire Moorlands had over 560,000 sqm of industrial/office floorspace. As illustrated in Figure 3.1, the vast majority of this related to industrial/warehousing floorspace – 517,000 sqm, or 92% of the total. This bias was slightly more pronounced in 2000, with 94% of the total stock comprising industrial and warehousing floorspace. Over this period B2/B8 floorspace has declined by 23% (153,000 sqm), or 10,200 sqm per annum. In contrast, B1 office space has actually increased by 12% (5,000 sqm) over this period.

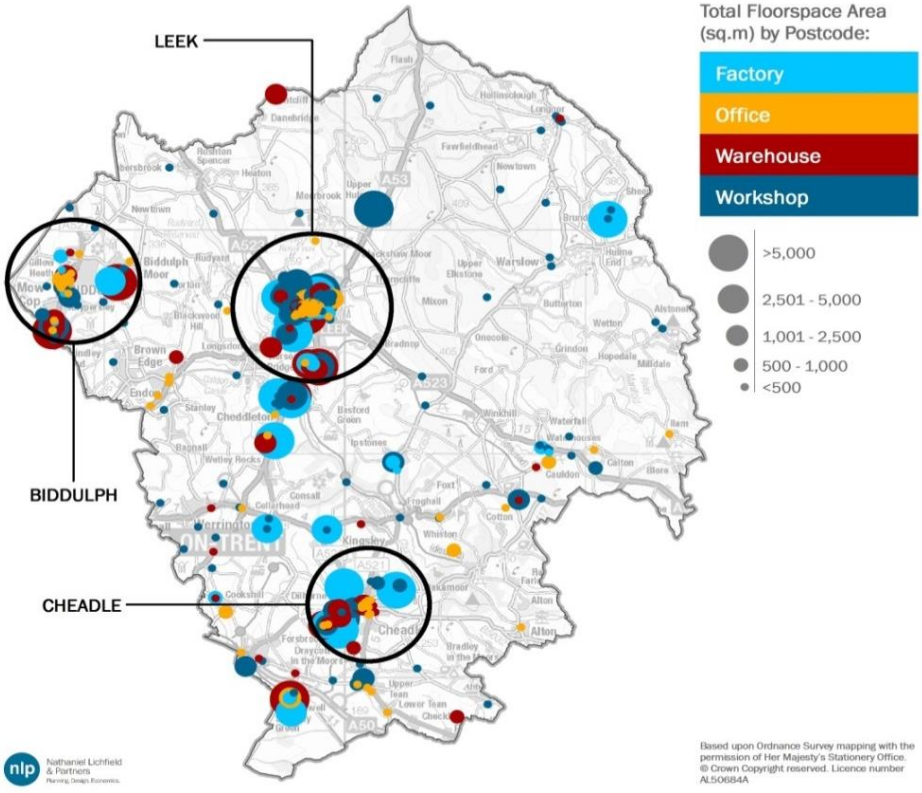
Figure 3.1 Stock of Floorspace in Staffordshire Moorlands District 2000-2016



Source: VOA Floorspace Statistics/NLP Analysis
Note: The term 'Industrial' as used by the VOA in this experimental data includes B1c, B2, B8 and some Sui Generis uses. From the data provided by VOA it is not possible to extract the Sui Generis uses from the overall floorspace figures.

3.5 Figure 3.2 illustrates the spatial distribution of employment space across Staffordshire Moorlands District. The figure shows the size of different types of employment space, based on records held by the Valuation Office Agency.

Figure 3.2 Spatial Distribution of Employment Floorspace

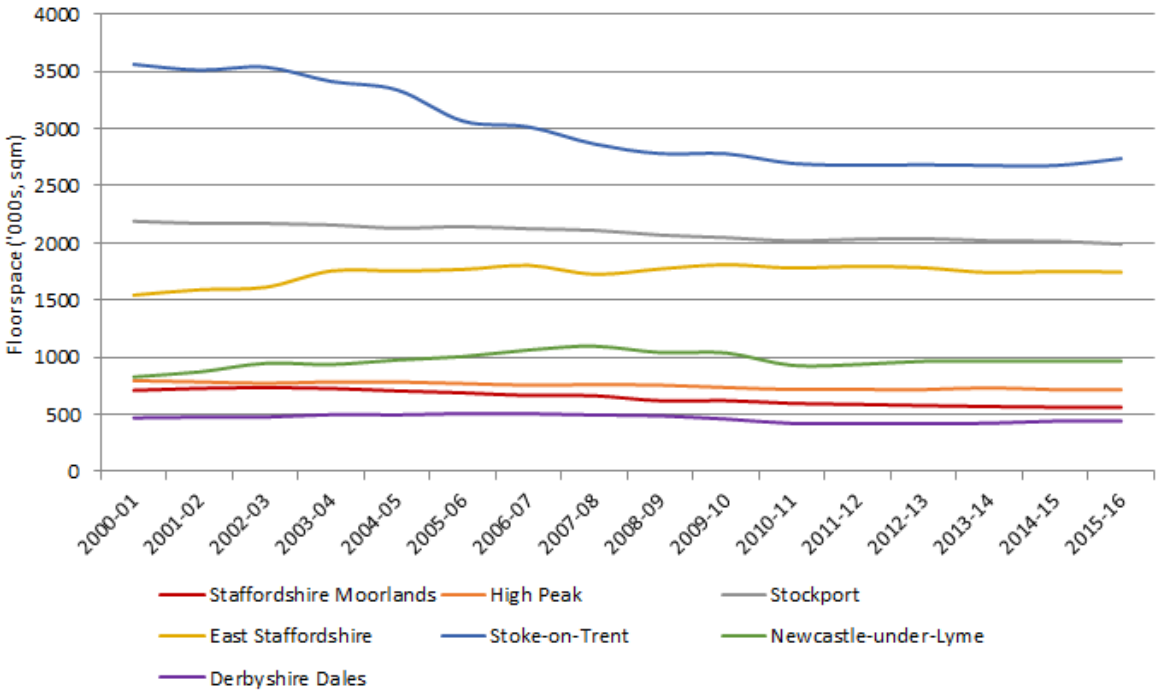


Source: VOA 2016 / NLP

3.6 The distribution of employment space reflects the scale of key settlement centres within the District: Leek has the largest cluster of employment floorspace followed by Cheadle and Biddulph. Figure 3.2 illustrates clearly that businesses are clustered in these settlements and close to the main transport corridors that serve the District. Other smaller pockets of employment floorspace, principally small workshops (<1,000 sqm), are spread along key A-roads such as the A52 which runs east to west and connects the District to Stoke-on-Trent.

3.7 A comparison with employment space levels in nearby districts is presented in Figure 3.3. This suggests that Staffordshire Moorlands District has a higher level of floorspace than the neighbouring rural authority of Derbyshire Dales, but with similar trends exhibited (i.e. rising during the early 2000s, followed by a continuous fall from around 2006 onwards). The surrounding urban areas such as Stockport and Stoke-on-Trent have much higher levels of floorspace, although Stoke in particular has experienced a very significant level of decline over this period.

Figure 3.3 Stock of Floorspace by Comparator Areas, 2000-2016



Source: VOA Business Floorspace Statistics / NLP Analysis

Vacancy Levels

3.8 Across Staffordshire Moorlands District based on an online survey of commercial estates agents[14] there was around 7,840 sqm of industrial floorspace available and being actively marketed in October 2016, equivalent to 1.6% of the total B2/B8 industrial stock (492,085 sqm). This compares to c.6,400 sqm of available industrial floorspace being actively marketed in 2014.

[14] Rightmove and Movehut were analysed in detail to identify vacant industrial and office floorspace. The findings provide a snapshot of vacancy levels from the time of the research undertaken in October 2016.

The latest figures are still lower than might be expected, which suggests that the variety and supply of premises in the District is limited and hence available properties are occupied quickly.

3.9 For offices, the available stock was around 1,330 sqm in 2014, equivalent to almost 3% of the total stock[15]. This was below the typical normal market level of 8-10%. The latest data suggests that there is around 7,200 sqm of available office stock, equivalent to 14% of the total stock (49,965 sqm), a significant increase. The increased proportion of available office stock can be partly attributed to the inclusion of Cross Street Mill which comprises a series of offices of varying sizes totalling approximately 5,350 sqm.

Development Rates

3.10 SMDC officers collate data on the development of employment land for Annual Monitoring purposes. Take-up of floorspace (i.e. completion rates) for employment development has been provided by SMDC offices from 2006 onwards.

3.11 As Table 3.1 illustrates, take-up of employment sites in Staffordshire Moorlands District over the period 2007/08 to 2014/15 totalled 10.06 ha, or 1.26 ha per annum.

3.12 Although much of the take up in recent years relates to just one year, 2011/12, this is not limited to one development and actually relates to a number of schemes that happened to be recorded in that year including:

- around 1.87 ha for a new Adams Food factory on existing Kerrygold premises;
- 1.09 ha involved the completed components of a new John Pointons Energy Centre, a major scheme involving extensive new build;
- 0.31ha related to new building expansion as Esterchem;
- 0.083ha involved a large extension to Croda Chemicals; and,
- various other mixed B1/B2/B8 completions under 300 sqm.

[15] Ibid

Table 3.1 Gross Employment Completions in Staffordshire Moorlands District (ha)

Year	B1	B2	B8	Mixed B1, B2, B8	Total B-Class
2007/08	0.22	0	0	0.02	0.24
2008/09	0.64	0	0.21	0	0.85
2009/10	0.02	0.10	0.32	0.52	0.95
2010/11	1.29	0.34	0	0.05	1.67
2011/12	0.16	0.64	0	3.40	4.19
2012/13	0.23	0.04	0.17	1.50	1.95
2013/14	0.02	0.19	0.00	0.00	0.20
2014/15	0.01	0.00	0.00	0.00	0.01
TOTAL	**2.59**	**1.31**	**0.70**	**5.49**	**10.06**
Annual Average	**0.32**	**0.16**	**0.09**	**0.69**	**1.26**

Source: Staffordshire Moorlands District Council 2016

3.13 Forma 1 and 2 of the West Midlands Employment Land Survey were used for 2013/14 data. 'Existing Sites', defined as 'sites still available for development', are not included.

3.14 2014/15 uses data provided on 'positive commitments' and does not include the temporary change of use (SMD/2014/0416) in this figure.

3.15 The latest take up figures provided by the Council demonstrate there has been limited development in 2013/14 and 2014/15. No data is available for 2015/16 at the time of writing.

Losses of Employment Land

3.16 Information provided by SMDC indicates that losses of employment land in the period 2007/08 to 2014/15 have been as follows:

Table 3.2 Losses of Employment Land

Use Class	Losses 2007/08 – 2014/15 (ha)
B1a	0.08
B1b	0.00
B1c	0.24
B2	0.99
B8	0.14
Mixed B1/B2/B8	7.15
TOTAL	**8.60**

Source: SMDC

3.17 The rate of losses in Staffordshire Moorlands totals 8.60ha over that 8 year period at a rate of 1.08 ha per annum. Much of this is attributable to the redevelopment of the Churnet Works site at Macclesfield Road, Leek, for a

Sainsbury's foodstore, B1/B2/B8 industrial units and other retail units in 2012/13. In total, of the 9.514 ha site, 3 ha comprised undeveloped land, 1.45 ha was redeveloped for new employment units, and the remaining 5.06ha is to be redeveloped for A1 retail. Whilst this development is not complete, we understand from SMDC that no further development occurred on this site between 2013 and 2015 and in any case the full extent of losses has been accounted for in the year 2011/12. This has resulted in a large decline in losses for the most recent period.

Anticipated Future Losses

3.18 The Council consulted on the latest version of its SHLAA in 2015 as part of its site options and development boundary consultation between 6th July and 14th September 2015.

3.19 SMDC Officers confirmed that around 30 ha of employment land in Staffordshire Moorlands may be lost to residential and mixed use development over the period 2011 to 2031. It includes a mixture of allocated sites and existing employment sites and equates to a loss of approximately 1.5 ha per annum over the 20 year period.

Available Employment Land

3.20 Data collated by SMDC suggests that there was around 17.13ha of 'available' B-class employment land across Staffordshire Moorlands in July 2014[16]. It should be noted that this supply does not include the Regional Investment Site (RIS) at Blythe Bridge. The RIS site was identified in the Preferred Options Sites and Boundaries consultation (2016) as the Northern Gateway Opportunity Site to link it to the emerging Northern Gateway initiative. The site may have a role to play in supporting the project, which aims to maximize the regeneration benefits of HS2 investment in the vicinity of Crewe. The Northern Gateway Development Zone spans north Staffordshire and Cheshire. Although it is a commitment of 50 hectares, it does not count against the Core Strategy requirements, because it is considered to be a strategic provision for North Staffordshire rather than being specific to the Staffordshire Moorlands.

Emerging Supply of Employment Floorspace

3.21 An analysis of SMDC's development pipeline also helps us to understand the projected supply of employment space. Information has been provided by the Council detailing applications granted planning permission which have not yet been completed. In Staffordshire Moorlands, the site area of planning permissions for new industrial/commercial development is 0.73 ha that remain extant but have not yet be completed (as of the monitoring year 2014/15).

[16] This figure was provided by SMDC and was considered accurate by the Council at the time of the Joint ELR Study prepared by NLP in July 2014

Summary

3.22 The key findings can be summarised as follows:

- Staffordshire Moorlands District has over 598,000 sqm of B-class floorspace, the vast majority of which relates to industrial floorspace (546,000 sqm), or 91% of the total.
- In Staffordshire Moorlands District, 7,844 sqm (2%) of industrial floorspace and 7,206 (14%) of office floorspace is currently being marketed. Since 2014 the amount of office floorspace being marketed has increased, which is attributable to a number of large units becoming available.
- Take-up of employment sites in Staffordshire Moorlands over the period 2006 to 2014 totalled 10.06 ha, or 1.26 ha per annum, although it should be noted that completions in 2013/14 and 2014/15 have been very low.
- An average of 1.08 ha gross of B class space has been lost annually in Staffordshire Moorlands District since 2007; this is a total of 8.60 ha. Losses have tailed off since the substantial losses associated with the Churnet Works development for a new Sainsbury's foodstore in 2012.

4.0 Future Requirements for B-Class Employment Space

Introduction

4.1 This section considers the future economic growth requirements in Staffordshire Moorlands District by drawing upon several methodologies that reflect the requirements of 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 warehousing) for the period 2014 to 2031 and 2014 to 2033.

Methodology

4.2 The Housing and Economic Development Needs Assessment section of the Practice Guidance advises that *"local authorities should develop an idea of future needs based on a range of data which is current and robust."* [17] In particular, it recommends that Plan-makers consider a variety of forecasting techniques:

1 Sectoral employment forecasts and projections (labour demand);

2 Demographically-derived assessments of future employment land needs (labour supply);

3 Analysis based on the past take-up of employment land and property and/or future property market requirements; and,

4 Consultation with relevant organisations, studies of business trends and monitoring of business, employment and economic statistics.

4.3 Within this context, a number of potential future scenarios are considered within this section in order to provide a framework for assessing future B-class employment space requirements in Staffordshire Moorlands District over the 17-year period 2014 to 2031 and 19-year period 2014 to 2033. The quantitative forecasting techniques applied clearly align with items 1-3 outlined above:

a Baseline employment forecasts **(labour demand)**, using Oxford Economics' Local Market Quarterly Forecasts for October 2016; Experian's local area-based projections and a Combined jobs growth scenario;

b Estimated growth in the local **labour supply** – and the jobs and employment space that this could be expected to support – having regard to analysis presented as part of the District's Strategic Housing Market Assessment [SHMA]; and

[17] 2a-032-20140306

c Consideration of **past take-up of employment space** based upon monitoring data provided by SMDC and how these might change in future.

4.4 All of these approaches have their own individual strengths and limitations. In order to be robust, however, the District's economic growth potential (and the likely demand for employment space) needs to be assessed under a variety of future scenarios that reflect alternative growth conditions that could arise over the study period. In reconciling the various scenarios, consideration needs to be given to how appropriate each is to the particular circumstances and aspirations of SMDC.

4.5 The ultimate judgement regarding the level of employment need that SMDC should plan for is not, therefore, simply shaped by a consideration of quantitative analysis. Rather, a number of qualitative factors must also be taken into account (as discussed in other sections of this report). These factors, which have been identified through an analysis of economic and market conditions – as well as earlier consultation with economic stakeholders, commercial agents and local businesses – will influence the employment space requirements that need to be planned for and must be considered alongside the modelled scenarios.

4.6 It is important to note at the outset that the two forecasting houses appraised in this ELR, namely Oxford Economics [OE] and Experian, both produce credible and robust estimates of job growth at a local area level. However, there are methodological differences between them regarding how the various job projections are derived. This can mean that in certain circumstances and in certain spatial areas, one may produce a more realistic, or appropriate, level of job growth than another. A commentary is provided below of how each forecasting house calculates job growth at a local spatial area.

Growth Scenarios

A. Econometric Job Forecasting

Scenario 1) Oxford Economics Staffordshire Moorlands Economic Forecasts (October 2016)

4.7 Oxford Economics [OE] job forecasts were commissioned by Staffordshire Moorlands District Council to underpin this analysis.

4.8 It should be emphasised that such forecasts tend to be most reliable at regional and national scales and consequently less so at the local economy level. Nevertheless, they provide a valuable input in respect of understanding future land needs by indicating the broad scale and direction of economic growth in different sectors.

4.9 Oxford Economics [OE] forecasts start with national forecasts of demand for labour set out in 19 individual sectors, then move to regional and local

forecasts in turn, constraining each of these to the larger geographical area figures.

4.10 Unlike Experian, OE produces its own forecasts of population, which are economically driven. The births and deaths figures are taken from the ONS population projections, but projected migration levels are generated by OE.

4.11 As with Experian local forecasts, OE adjusts the proportion of the working age population that is in employment, in order to reflect the level of demand for labour; OE frames this as a combined 'employment rate', rather than separate economic activity and unemployment rates. OE also adjusts migration, based on the view that fewer people would move into an area if the employment rate is falling too fast, i.e. employment prospects are weak.

4.12 As with the Experian model, commuting rates are fixed. Therefore, there are three variable elements in the OE model (migration, economic activity rates and unemployment rates), compared to just two in the Experian model (economic activity rates and unemployment rates). In contrast to the approach adopted by Experian, this recognises that migration (and hence, population levels) will change in response to employment growth.

4.13 OE's local forecasts are led and constrained by its macroeconomic forecasts and to a lesser extent by the ONS population projections. For further information on the OE methodology, see the OE Local Authority District Forecasting Model Guide in Appendix 2.

4.14 Oxford Economics' detailed Local Authority Forecasts take account of the existing economic structures of each Local Authority (broken down by economic sector) and the historical performance observed at the Local Authority level.

4.15 Before presenting the job growth outcomes from the scenarios it is worth highlighting, in broad terms, limitations in how these were generated:

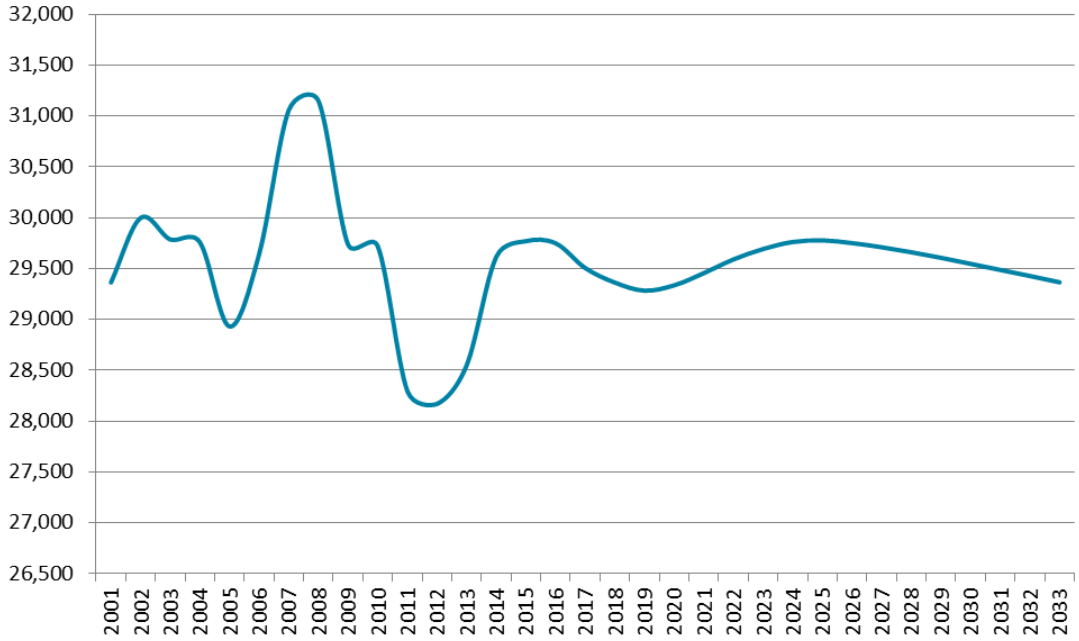
1 They are predominantly trend-based estimates projecting historic growth patterns into the future;

2 The forecasts do not take into account policy influences and unforeseen impacts of individual business decisions; and,

3 It is important to recognise that there is not always a clear cut relationship between employment change and employment land needs. Additional employment space can be needed even if employment itself is falling, for example if a manufacturing firm requires more space to enable greater automation and achieve job reductions through productivity gains.

4.16 For Staffordshire Moorlands District, the October 2016 OE jobs-based employment projections suggest that, following a rapid increase between 2012 and 2014, Staffordshire Moorlands District is likely to experience a decline in employment to 2019, picking up again to 2025 before declining steadily to 2033 (see below).

Figure 4.1 Jobs based (FTE) Employment Change in Staffordshire Moorlands District (Historic and Projected) 2001-2033



Source: Oxford Economics / NLP Analysis

4.17 The OE forecasts project a FTE job growth in Staffordshire Moorlands District of just 288 (net) for the period 2014-2031 as can be seen in Table 4.1. The strongest growth (in absolute terms) is expected in Administrative and Support Service activities (+460 or +20.6%) and Construction (+401 or 17.9%). The greatest (proportionate) increases are anticipated in Arts, entertainment and recreation (+25.4%) and Professional, scientific and technical activities (+26.3%). It is important to note that each category comprises more specific sub-sectors, so for example, much of the job growth in Administrative and support service activities is not in the B-class uses (includes Travel agency, tour operator and security and investigation activities).

Table 4.1 Fastest Growing and Declining FTE Employment Sectors in Staffordshire Moorlands District, 2014-2031 and 2014-2033

OE Sector	Use Class	Employment Change (2011-2031)	% Change (2011-2031)	Employment Change (2011-2033)	% Change (2011-2033)
Professional Services	B Class	+302	**26.3%**	+315	**27.4%**
Recreation	Non B Class	+169	**25.4%**	+160	**24.2%**
Administrative & Supportive Services	Part B Class	+460	**20.6%**	+489	**21.9%**
Information and Communication	B Class	+77	**20.2%**	+79	**20.7%**
Agriculture	Non B Class	+225	**22.5%**	+199	**19.9%**
Manufacturing	B Class	-833	**-16.6%**	-952	**-19.2%**
Public Administration	Part B Class	-99	**-18.0%**	-106	**-19.2%**

Source: OE 2016 / NLP Analysis

4.18 Although job growth is projected to be in the order of 0.9% 2014-2031, GVA growth outstrips this, increasing by 25.7% over the same time period (illustrated in Table 4.2).

Table 4.2 Staffordshire Moorlands Oxford Economics Summary

	2011	2014	2021	2026	2031	2033	2014-2031	
							+/-	%
Workforce Jobs (thousands)	34.7	36.7	37.0	37.3	37.0	36.9	+338	0.9
Total FTE Employment (thousands)	29.4	31.4	31.8	32.0	31.7	31.6	+288	0.9
Staffordshire Moorlands GVA (£m 2013)	1,339.4	1,278.0	1,372.2	1,499.5	1,606.4	1,652.2	+328.4	25.7

Source: Oxford Economics October 2016

4.19 The overall employment change in Staffordshire Moorlands District resulting from these forecasts is shown in Table 4.2 and Table 4.3 along with expected employment growth in the main B-class sectors. This includes an allowance for jobs in other non B-class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. This is because a certain proportion of these jobs will occupy premises falling within the B-class sectors (see Appendix 1).

4.20 To translate the resultant job forecasts into estimates of potential employment space, it is necessary to allocate the level of employment change forecast for office, industrial, and wholesale / distribution uses as follows:

- The office floorspace requirement is related to job growth / decline in the financial and business service sectors[18];
- The industrial floorspace requirement is related to job growth / decline in the manufacturing sectors[19]; and,
- The wholesale / distribution floorspace requirement is related to job growth / decline in the Industrial sectors of wholesale and land transport, storage and postal services.[20]

4.21 These figures indicate a slight decrease in the level of net FTE job change (-320 jobs) in the B-use classes in Staffordshire Moorlands District over the period to 2031, with B1a/b sectors seeing a cumulative increase of +523 jobs, but neutralised by B8 seeing a cumulative decrease of -92 and large decline in B1c/B2 manufacturing (-751). This is within the context of overall job growth of 288 jobs projected for Staffordshire Moorlands District between 2014 and 2031 (i.e. non B-class sections are forecast to grow by over 600 jobs).

[18] i.e. BRES Sectors 58-75, Office administration and support and 10% of Public Administration and Defence
[19] Manufacturing sectors, plus car repair, some construction and waste and remediation activities
[20] Wholesaling less car repairs retail car sales, plus post/couriers and land transport

Table 4.3 Forecast FTE Change in Staffordshire Moorlands District (2014 – 2031/33)

	Staffordshire Moorlands FTE Jobs			Change
	2014	2031	2033	2014-2031
Offices (B1a/b)*	4,549	5,072	5,091	**+523**
Manufacturing (B1c/B2)**	6,469	5,718	5,594	**-751**
Distribution (B8)***	1,781	1,689	1,681	**-92**
Total B-class Jobs	**12,799**	**12,479**	**12,366**	**-320**
Other Non B-Class Jobs	18,628	19,236	19,199	**+608**
Jobs in All Sectors	**31,427**	**31,715**	**31,565**	**+288**

Source: Oxford Economics / NLP Analysis
** includes a proportion of public sector employment and administration & support services

** includes vehicle repair and some construction activities

*** includes elements of transport & communications sectors

4.22 In order to translate the resulting figures into employment land projections, employment densities (based upon the latest 2015 HCA[21] guidance on employment densities), adjusted to translate FTEs into workforce jobs and plot ratios by use class, were then applied to the employment change.

4.23 It was assumed that:

1 One B1a/b general office FTE job requires 14 sqm of employment floorspace [Gross External Area, or GEA];

2 One B1c light industrial FTE job requires 60 sqm of employment floorspace [GEA];

3 One B2 industrial FTE job requires 38 sqm of employment floorspace [GEA];

4 A combined B1c/B2 factor of one FTE job per 49 sqm was obtained by taking an average of the aforementioned B1c/B2 GEA equivalents;

5 One warehousing/distribution FTE job requires 70 sq. m. of employment space [GEA] [22].

4.24 The HCA Guidance takes account of recent trends in terms of the changing use of employment space, the main change being the more efficient utilisation of office space due to increased flexible working and hot-desking. This has resulted in a decrease in the amount of floorspace per office worker compared to previous guidance.

4.25 An adjustment has been made to reflect the fact that vacancy rates in Staffordshire Moorlands are currently around 14% for office floorspace and around 2% for industrial/warehousing floorspace[23]. On the basis that a figure of 10% better reflects 'normal' market conditions, the model has assumed that there is a need for slightly less office floorspace, and more industrial

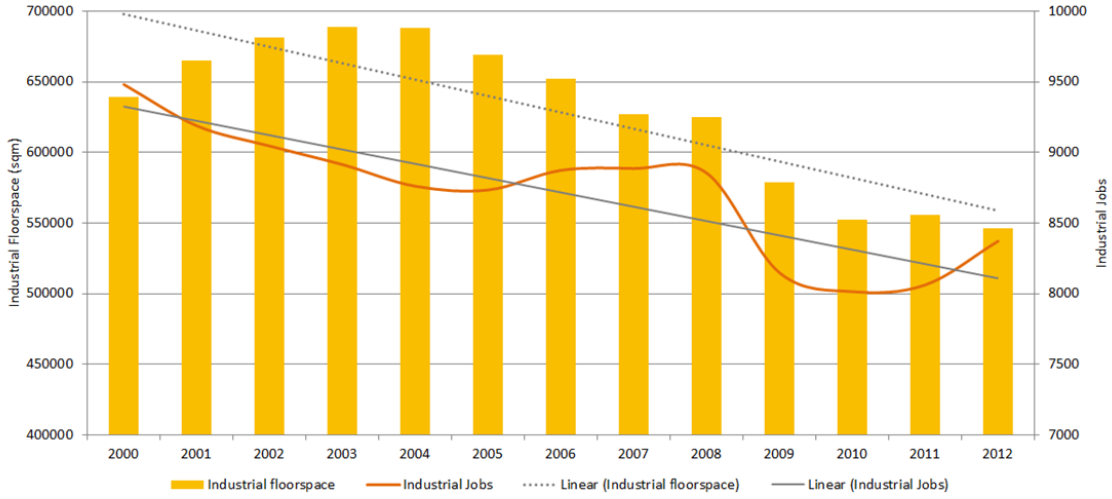
[21] HCA (November 2015), Employment Densities Guide, 3rd Edition
[22] Given that the majority of B8 warehousing has been low bay warehousing in recent years, the 'small' warehousing jobs ratio of 1 FTE job per 70 sqm has been used from the HCA guidance as agreed with Council Officers at the time of the Joint ELR Study in 2014. We have retained this ratio as we are not aware of anything that is likely to have significantly changes this assumption in the intervening period.
[23] On the basis of an assessment of commercial property websites in October 2016 set against the VOA Business Floorspace statistics.

floorspace, to help bring the market back to something approaching an equilibrium by 2031.

4.26 The relationship between job growth and floorspace is not, however, straightforward. As can be seen in Figure 4.2, whilst the number of industrial jobs in Staffordshire Moorlands declined between 2000 and 2012 (by -12%), the amount of industrial floorspace in occupation declined by -15%. However, this is due to an upsurge in jobs in the last couple of years of this period which has skewed the figures and the general trend over this period has been that jobs have fallen at a faster rate than floorspace. Furthermore, office floorspace has grown at a slower rate than FTE jobs: 111%, compared to 151% which implies an element of landless growth.

4.27 As such, where a reduction in industrial jobs is forecast, the associated negative floorspace was halved, to reflect the fact that not all of this employment space is likely to be lost.

Figure 4.2 Comparison of Historic Industrial FTE Jobs/Floorspace in Staffordshire Moorlands



Source: NLP Analysis/Oxford Economics/Experimental Business Floorspace Statistics 2000-2012 (VOA)

Note: 'linear' refers to a line of best fit of average change

4.28 The resultant floorspace and land estimates are provided in Table 4.4. They indicate a negative net floorspace requirement for B1a/b, B1c/B2 and B8 uses in Staffordshire Moorlands District of -16,112 sqm. This is despite strong B1a/b growth over the 17-year assessment period. In contrast, future B8 floorspace is estimated to be strongly negative, alongside a more modest negative requirement for B2. Applying a standard 40% plot ratio suggests that the net land requirements under this scenario are in the order of -4 ha to 2031 and -4.7 ha to 2033.

Table 4.4 OE FTE Job Growth based Net Employment Floorspace and Land Requirements 2014-2031 and 2014-2033

	Staffordshire Moorlands District Net Floorspace Requirement (sqm)		Staffordshire Moorlands District Net Land Requirement (Ha)	
	2014-2031	2014-2033	2014-2031	2014-2033
Offices (B1a/b)	5,514	5,813	**1.38**	**1.45**
Manufacturing (B1c/B2)	-18,408	-21,437	**-4.60**	**-5.36**
Distribution (B8)	-3,217	-3,504	**-0.80**	**-0.88**
Total	**-16,112**	**-19,128**	**-4.03**	**-4.78**

Source: Oxford Economics / NLP Analysis

Scenario 2): Experian Job Growth Projections

4.29 The Experian econometric forecasts begin with UK-wide economic variables to create a core macro-economic forecast, indicating the national demand for labour. Regional forecasts of employment change are constrained to conform to these UK-wide employment figures, and local forecasts are constrained to match the regional totals. These forecasts set out the expected levels of growth across 12 broad sectors and 38 categories.

4.30 For its local forecasts, Experian begins with ONS population projections along with its own employment forecasts. It then creates and adjusts its own economic activity and unemployment rates to align with both the population and employment figures. Appendix D to the Experian Data Guide (December 2016) states that "*the participation rate is an endogenous variable in all our models. It is not a fixed assumption*." Hence, if demand for labour is high (i.e. there are a large number of new jobs), the economic activity rate is assumed to increase and/or unemployment to decrease.

4.31 Commuting rates are fixed for the local forecasts, although if there is deemed to be insufficient demand or supply for labour after the adjustment of economic activity and unemployment rates, the resulting commuting rate may be different. Therefore, Experian's local forecasts are led and constrained by both the ONS population projections and its own macroeconomic jobs forecasts.

4.32 For further information on the Experian methodology, see the Experian UK Regional Planning Service Data Guide (December 2016) in Appendix 3.

4.33 The Experian forecasts project a FTE job growth in Staffordshire Moorlands District of 1,300 (net) for the period 2014-2031 as can be seen in Table 4.5.

The strongest growth (in absolute terms) is expected in the manufacture of Transport Equipment (+944 or +179%) and Machinery & Equipment (+732 or 50%), with the former also comprising the greatest (proportionate) increase. The largest reductions in employment are projected for the manufacture of Metal Products (-317, or -43%); Wholesale (-214 or -1%) and Agriculture, Forestry and Fishing (-213 or -18%).

Table 4.5 Fastest Growing and Declining FTE Employment Sectors in Staffordshire Moorlands District, 2014-2031 and 2014-2033

Experian Sector	Use Class	Employment Change (2011-2031)	% Change (2011-2031)	Employment Change (2011-2033)	% Change (2011-2033)
Transport Equipment (manufacture of)	B Class	+944	**179%**	+1,140	**216%**
Machinery & Equipment (manufacture of)	B Class	+732	**50%**	+818	**56%**
Recreation	Non B Class	+310	**15%**	+395	**19%**
Finance	B Class	+206	**13%**	+191	**12%**
Administration and Support Services	Part B Class	+205	**10%**	+187	**9%**
Chemicals (manufacture of)	B Class	-211	**-50%**	-213	**-51%**
Non-Metallic Products (manufacture of)	B Class	-211	**-50%**	-213	**-51%**
Public Administration & Defence	Part B Class	-212	**-34%**	-215	**-34%**
Agriculture, Forestry & Fishing	Non B Class	-213	**-18%**	-220	**-19%**
Wholesale	Part B Class	-214	**-15%**	-224	**-15%**
Metal Products (manufacture of)	B Class	-317	**-43%**	-320	**-43%**

Source: OE 2016 / NLP Analysis

4.34 The overall employment change in Staffordshire Moorlands District resulting from these forecasts is shown in Table 4.6 along with expected employment growth in the main B-class sectors. This includes an allowance for jobs in other non B-class sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities. As with the OE commentary above, this is because a certain proportion of these jobs will occupy premises falling within the B-class sectors. We have applied similar assumptions regarding the alignment of sectoral growth with office/industrial and wholesale floorspace requirements.

4.35 These figures indicate a healthy increase in the level of net FTE job change +1,190 FTE jobs) in the B-use classes in Staffordshire Moorlands District over the period to 2031, with B1a/b sectors seeing a cumulative increase of +471 jobs, a slight decrease in B8 employment, and a strong increase in B1c/B2 manufacturing (+761) which is entirely due to the aforementioned growth in the manufacture of transport equipment and machinery & equipment. This is within the context of overall job growth of 1,300 FTE jobs projected for Staffordshire Moorlands District between 2014 and 2031 (i.e. non B-class sections are forecast to grow by 110 FTE jobs).

Table 4.6 Forecast FTE Change in Staffordshire Moorlands District (2014 – 2031/33)

	Staffordshire Moorlands FTE Jobs			Change
	2014	2031	2033	2014-2031
Offices (B1a/b)*	3,690	4,162	4,128	**+471**
Manufacturing (B1c/B2)**	5,394	6,155	6,417	**+761**
Distribution (B8)***	1,680	1,638	1,713	**-42**
Total B-class Jobs	**10,764**	**11,954**	**12,258**	**+1,190**
Other Non B-Class Jobs	15,036	15,146	15,042	**+110**
Jobs in All Sectors	**25,800**	**27,100**	**27,300**	**+1,300**

Source: Experian / NLP Analysis
** includes a proportion of public sector employment and administration & support services

** includes vehicle repair and some construction activities

*** includes elements of transport & communications sectors

4.36 In order to translate the resulting figures into employment land projections, employment densities (based upon the latest 2015 HCA[24] guidance on employment densities), adjusted to translate FTEs into workforce jobs and plot ratios by use class, were then applied to the employment change as per the approach applied to the OE projections set out in Scenario 1. We have also made similar allowances for vacancy rate adjustments and halved negative B8 floorspace.

4.37 The resultant floorspace and land estimates are provided in Table 4.7. They indicate a positive net floorspace requirement for B1a/b, B1c/B2 and B8 uses in Staffordshire Moorlands District of 68,574 sqm to 2031. This is due to strong B1a/b and B1c/B2 growth over the 17-year assessment period. In contrast, future B8 floorspace is slightly negative. Applying a standard 40% plot ratio suggests that the net land requirements under this scenario are in the order of +17 ha to 2031 and +22 ha to 2033.

Table 4.7 Experian FTE Job Growth based Net Employment Floorspace and Land Requirements 2014-2031 and 2014-2033

	Staffordshire Moorlands District Net Floorspace Requirement (sqm)		Staffordshire Moorlands District Net Land Requirement (Ha)	
	2014-2031	2014-2033	2014-2031	2014-2033
Offices (B1a/b)	4,657	6,015	**1.16**	**1.50**
Manufacturing (B1c/B2)	65,397	69,707	**16.35**	**17.43**
Distribution (B8)	-1,481	13,754	**-0.37**	**3.44**
Total	**68,574**	**89,476**	**17.14**	**22.37**

Source: Experian / NLP Analysis

Scenario 3: Combination of Job Growth Forecasts

4.38 As noted above, whilst both forecasting houses produce reliable and robust job growth projections, there can be some variance at a local area level due to the slightly different methodologies employed and increased data volatility at this spatial level. This section explores whether we could attach more or less

[24] HCA (November 2015), Employment Densities Guide, 3rd Edition

weight to either of these projections in the context of Staffordshire Moorlands District, and if not, whether it would be appropriate to combine the forecasts to generate a new scenario.

Sectoral Job Growth

4.39 Table 4.8 presents a comparison of the two econometric job projections. Although the three forecasting houses release data broken down across a number of sectors, these have been amalgamated by NLP into 12 broad SIC sectors to enable comparisons to be made. Figure 4.3 demonstrates the overall divergence between the two employment forecasts.

4.40 Whilst both projections indicate growth over the plan period, the magnitude varies considerably between the two projections. For instance, the OE projections suggest a growth of just 288 jobs over the projection period, whilst the Experian projections (starting from a lower base) project a level of growth 4.5-times higher, at 1,300.

Table 4.8 Comparison of Econometric Models' Workforce Net Job Growth

Sectors	Staffordshire Moorlands District		
	Oxford Economics	Experian	Average
Agriculture, Forestry & Fishing	225	-213	6
Mining and Quarrying	3	0	2
Manufacturing	-833	829	-2
Utilities	-23	-1	-12
Construction	351	102	227
Wholesale and Retail	-292	-324	-308
Transport and Storage	114	103	108
Accommodation, Food Services & Recreation	-80	412	166
Information and Communication	77	0	39
Finance and Insurance	-101	310	105
Professional & Other Private Services	976	307	641
Public Services	-130	-225	-178
TOTAL	**288**	**1,300**	**794**

Source: Oxford Economics October 2016 / Experian December 2016 / NLP analysis

Note: cells highlighted in red are more than 300 jobs higher/lower than the average.

Figure 4.3 Staffordshire Moorlands Total FTE Job Growth by Scenario (2014-2031)

Source: Oxford Economics / Experian / NLP analysis

4.41 For the most part, the key sectors that are increasing / decreasing the most for Staffordshire Moorlands are similar; the issue is the scale of change. For instance, Construction, Transport & Storage, and Professional Services are sectors that are forecast to grow across both sets of projections. Conversely, Wholesale & Retail and Public Services are projected to decline by OE and Experian.

4.42 The most obvious discrepancy between the 2 projections relates to the Manufacturing sector. Whilst OE projects a net decline of 833 FTE jobs between 2014 and 2031, the Experian projections indicate a net growth of 829 FTE jobs. This is primarily due to the difference projected in just two sub-sectors, specifically the manufacture of Machinery & Equipment, and Transport Equipment. The OE projections suggest a decline of -427 FTE jobs for these two sectors, whilst the Experian projections suggest a growth of 1,676 FTE jobs net.

4.43 Historic Business Register and Employment Survey [BRES] data for the period 2009-2015 suggests that employment in Staffordshire Moorlands District has bene static in the manufacture of machinery sector (at 1,250 jobs), whilst the number of people employed in the manufacture of transport equipment has declined from 530 to 380 over the same time period.

4.44 On the face of it therefore, this would suggest that the OE projections bear a closer resemblance to what has happened in these two sectors in recent years, whilst the Experian projections are indicating a step change in growth across both sectors.

4.45 This is not to say, however, that the Experian forecasts are necessarily unsound. As set out above, Experian constrains its local forecasts to match the regional totals, hence sectors where the West Midlands has a particular

competitive advantage and which are likely to grow strongly over the coming years, are also forecast to perform well in Staffordshire Moorlands.

4.46 The West Midlands region has a world-renowned automotive, aerospace and rail technologies cluster, as exemplified in the ambitions set out in the 'Midlands Engine' Prospectus[25]:

"*Our manufacturing output will continue to be driven by global companies like Alstom, Bombardier Jaguar Land Rover, JCB and Rolls-Royce. These companies also contribute strongly to the wider transport technology and engineering sectors, and their supply chains extend across the Midlands. This is a significant economic network. Our strong supply chain base will be central to the success of the Midlands Engine*."

4.47 Whilst the extent to which Staffordshire Moorlands District can benefit from this region-wide growth in advanced manufacturing in these highly specialised sectors is open to question, there are a number of companies located in the District that could be well placed to support these aspirations. This includes the likes of JCB (with two large factories producing Earthmovers and Compact Products to the north-east of Cheadle) and Belle Engineering (a manufacturer of light equipment, including mini-dumpers and snowploughs for the building and construction markets, based in Sheen).

4.48 Hence whilst the Experian projections for these sectors may appear very ambitious, it would be wrong to discount them entirely as they align with region-wide growth opportunities and are founded on the growth of existing long established, successful manufacturing companies based in the District.

4.49 Furthermore, changing the base date of the projections from 2014 to 2011 would have a significant impact on the level of job growth for the OE forecasts in particular. OE indicates that over the 20-year period 2011- 2031, FTE job growth would be in the order of 2,278, compared to 2,300 for Experian over the same time period – a very modest difference indeed.

Conclusion on suitability of the two projections

4.50 It is important to recognise that there are inevitably uncertainties and limitations associated with modelling assumptions under any of the future labour demand scenarios considered. In particular, depending upon the methodology applied, there may be data anomalies in the source data used to build the forecasts, which then have the potential to become accentuated over time.

4.51 Whilst Experian and OE provide overall methodologies setting out their broad assumptions in defining their local area based econometric models, they do not disclose the many detailed assumptions they make concerning the local and regional economy, along with the adjustments made to the raw data in order to calculate such forecasts. Because of this, it is difficult to make robust decisions concerning the comparative weight to attach to each forecast for Staffordshire Moorlands.

[25] HM Government (2016): *The Midlands Engine Prospectus*, page 6

4.52 From a review of the two datasets, there are no apparent coding errors in the data that would justify any amendments. Although the Experian projections project what may appear to be very ambitious growth in certain advanced manufacturing sectors when compared with the OE forecasts (and past trends), it would be difficult to justify excluding this sectoral growth altogether. This is due to the strong regional prospects for growth in these core LEP sectors and the existence of existing successful companies in Staffordshire Moorlands that specialise in the type of advanced manufacturing that is targeted for growth.

4.53 On balance, it is considered that there is merit in taking forward a combination of the two scenarios. It is stressed that taking an average level of growth for individual sectors across the two projections is problematic due to the different methodologies used, and should be treated with caution by SMDC.

4.54 With this caveat in mind, taking an average of the net land growth for the OE/Experian scenarios would suggest a requirement for +6.6 ha to 2031 and +8.8 ha to 2033. This is based on a net increase of 435 B-Class FTE jobs (794 FTEs in total) over the period 2014-2031.

Table 4.9 Combined Land Requirements 2014-2031 and 2014-2033

	Staffordshire Moorlands District Net Land Requirement (Ha)	
	2014-2031	2014-2033
Offices (B1a/b)	**1.27**	**1.48**
Manufacturing (B1c/B2)	**5.88**	**6.04**
Distribution (B8)	**-0.59**	**1.28**
Total	**6.56**	**8.79**

Source: OE / Experian / NLP Analysis

Scenario 4) Past Trends

4.55 The Planning Practice Guidance states:

Plan makers should make an assessment of the likely change in job numbers based on past trends and/or economic forecasts as appropriate and also having regard to the growth of the working age population in the housing market area.[26]

4.56 In line with Planning Practice Guidance and using OE 2016 data, past trends in FTE job growth over the periods 2014-2031 (2,609) and 2014-2033 (2,930) were considered. This FTE job growth was broken down by the key B-class use groupings as before (B1a/B1c&B2/B8) and job density ratios applied to each. The past trends scenario suggests growth in office FTE jobs (B1a) but declining FTE jobs in industrial (B1c/B2) and warehousing (B8) land use. Modelling these past trends suggests a need for +15,400 sqm or 3.87 ha to 2031 and +15,366 sqm or 3.84 ha to 2033.

[26] 2a-019-20140306

Table 4.10 Past Trends FTE Job Growth based Net Employment Floorspace and Land Requirements 2014-2031/33

	Staffordshire Moorlands District Net Floorspace Requirement (sqm)		Staffordshire Moorlands District Net Land Requirement (Ha)	
	2014-2031	2014-2033	2014-2031	2014-2033
Offices (B1a/b)	11,230	12,344	**2.81**	**3.09**
Manufacturing (B1c/B2)	-8,156	-10,020	**-2.04**	**-2.50**
Distribution (B8)	12,409	13,042	**3.10**	**3.26**
Total	**15,482**	**15,366**	**3.87**	**3.84**

Source: NLP Analysis

Scenario 5) Job Stabilisation

4.57 For this Scenario, it has been assumed that the District's overall job growth will stabilise over the coming years (i.e. zero job growth post 2014). An adjustment has been made to the B-Class job forecasts on the basis that the latest OE projections suggest a gradual shift away from employment based on traditional B-Class land. Hence to maintain an overall zero net job growth (and based on the trends outlined in Scenario 1), it has been assumed that B-Class job growth will reduce by 433 to 2031, and -545 to 2033, to reflect this shift. All other assumptions mirror those applied for scenarios 1 and 2, with the results set out in Table 4.11.

Table 4.11 Job Stabilisation FTE Job Growth 2014-2031/33

	Staffordshire Moorlands District Net Floorspace Requirement (sqm)		Staffordshire Moorlands District Net Land Requirement (Ha)	
	2014-2031	2014-2033	2014-2031	2014-2033
Offices (B1a/b)	4,804	5,100	**1.20**	**1.28**
Manufacturing (B1c/B2)	-19,681	-22,682	**-4.92**	**-5.67**
Distribution (B8)	-3,754	-4,038	**-0.94**	**-1.01**
Total	**-18,632**	**-21,621**	**-4.66**	**-5.41**

Source: NLP Analysis

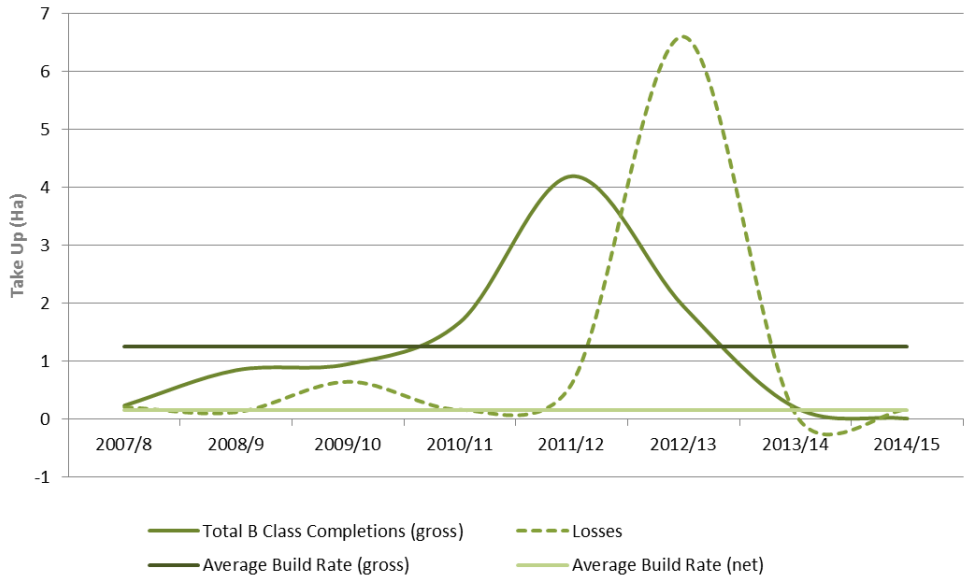
Scenario 6) Past Take Up Rates

4.58 Long term completion rates employment floorspace reflect market demand and actual development patterns on the ground. For many situations, they can provide a reasonable basis for informing future land needs, particularly where land supply or demand has not been unduly constrained historically. However, the future demand picture may not necessarily reflect past trends and some adjustments may be needed.

4.59 Data on past completions and losses by B-class sector was provided by SMDC. As Figure 4.4 illustrates, take-up of employment sites in Staffordshire Moorlands District over the period 2007/08 to 2014/15 totalled 10.06 ha, or 1.26 ha per annum.

4.60 Losses totalled 8.6 ha over the same time period (2007/08-2014/15), at a rate of 1.08 ha annually, meaning that more employment land was developed than was lost over the period, resulting in a 0.18 ha net increase in floorspace per annum.

Figure 4.4 Past Take Up of Employment Land in Staffordshire Moorlands



Source: SMDC

4.61 This scenario simply assumes that future development rates of employment space up to 2031 will be similar to those that have occurred in Staffordshire Moorlands District over previous years (the period for which take-up information is available for). However, it should be noted that the information provided by SMDC covers a relatively short period (8 years) which may not reflect longer term trends.

4.62 The calculation of the net employment land figure set out below is therefore considered a relatively pessimistic approach. However, it can be used in this instance due to the detailed information made available by the Council regarding take up and losses of individual sites which allows a direct net comparison to be made.

4.63 This approach produces a gross requirement in Staffordshire Moorlands District for around 1.26 ha per annum gross, or around 0.18 ha per annum net. The latter figure is equal to 3.06 ha over the 17-year period to 2031 or 3.42 ha over the 19-year period to 2033. These floorspace projections are higher than the OE econometric projections (Table 4.4).

Table 4.12 Employment Floorspace and Land Requirements for Staffordshire Moorlands based on Past Trends Continuing, 2014-2031 and 2014-2033

	Staffordshire Moorlands District Net Floorspace Requirement (sqm)		Staffordshire Moorlands District Net Land Requirement (Ha)	
	2014-2031	2014-2033	2014-2031	2014-2033
Offices (B1a/b)	5,363	5,994	**1.34**	**1.50**
Manufacturing (B1c/B2)	3,812	4,260	**0.95**	**1.07**
Distribution (B8)	3,065	3,425	**0.77**	**0.86**
Total	**12,240**	**13,680**	**3.06**	**3.42**

Source: NLP Analysis

4.64 This approach assumes that past trends of development would continue unchanged, which may not fully reflect changes in the economy as it returns to growth. It may also underestimate future demand if the supply was constrained in the past, for example because of few sites becoming available or infrastructure / funding factors.

4.65 On the other hand, future development rates for industrial space may be less than has been achieved historically as the sector rationalises and/or makes more efficient use of space.

4.66 Clearly the recession and prolonged economic downturn (and the continued uncertainty surrounding Brexit) have had a significant effect on the viability of development schemes and in this regard Staffordshire Moorlands is no different from the majority of other areas outside London and the Greater South East.

4.67 Nevertheless, clearly the OE modelling work demonstrates limited (and indeed negative for B2 and B8) prospects for growth for the B-class employment sectors. The practical physical constraints and relative inaccessibility of certain areas suggest that realistically, an upsurge in large developments in the authority area is unlikely for the foreseeable future.

4.68 In addition, all of the following suggest that take up rates may not significantly increase in the future:

1 The move towards a more Business Services-orientated economy with significantly higher employment densities;

2 The future supply of land in the authority is particularly constrained by topographical and environmental constraints;

3 The restructuring of the traditional manufacturing economy with the potential for 'recycling' of older sites;

4 The Government's measures to facilitate the change of use from B1a office and B8 warehousing (and, from October 2017, B1c light industrial) to residential without the need for planning permission;

5 The long term impacts of the economic downturn and uncertainty surrounding the implications of Brexit;

6 The significant reduction in public sector spending available to deliver difficult brownfield sites; and,

7 The need to consider alternative uses for existing B-class sites (i.e. for waste and recycling).

4.69 On balance, for Staffordshire Moorlands, it is suggested that the 0.18 ha net annual past take up rate represents a valid figure going forward.

Scenarios 7 & 8) Labour Supply

4.70 It is also important to take into account how many jobs, and hence how much employment space, would be necessary to broadly match forecast growth of the resident workforce in the District. In contrast to the other approaches, this approach focuses on the future supply of labour rather than the demand for labour. This scenario then projects the amount of new jobs needed to match the future working-age population, and how much employment space would be needed to accommodate these jobs.

4.71 At the time of writing, a Strategic Housing Market Assessment [SHMA] Update is being undertaken by NLP on behalf of Staffordshire Moorlands District Council. Using the PopGroup demographic modelling tool and its outputs, two main demographic scenarios have been identified for Staffordshire Moorlands District that result in a need for 170 dpa and 196 dpa.

4.72 To translate this job growth[27] 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. The following two scenarios have been modelled:

Scenario 7) Labour Supply (170 dpa)

4.73 This scenario models the 2014-based SNPP and applies the headship rates within the 2014-based SNHP. Under this scenario, workforce jobs are projected to be 35,485 in 2031 (a decline of 1,637 since 2014) and 35,357 in 2033 (a fall of 1,764).

Scenario 8) Labour Supply (196 dpa)

4.74 Under this scenario the 2014 and 2015 mid-year population estimates were included as a population constraint in the requisite years. The population was then rebased going forward applying the fertility, mortality and migration rates from the 2014 SNPP. The workforce jobs are projected to decrease by 1,579 from 2014 to 2031 and by 1,704 from 2014 to 2033.

4.75 The results are presented in Table 4.13. Under these two scenarios, addressing the future employment requirements of local residents would require between –32,770 sqm and -33,234 sqm between 2014 and 2031, and

[27] The labour supply scenarios are based on workforce job growth unlike scenarios 1,2,3 which use FTE job growth, hence slightly different job densities have been applied as per the HCA Guidance.

between -37,312 sqm and -36,833 sqm of B-class employment space (net) between 2014 and 2033 in Staffordshire Moorlands District.

Table 4.13 Staffordshire Moorlands District B-Class Net Floorspace Required from Labour Supply Growth Scenarios, 2014-31 and 2014-33

Use	Staffordshire Moorlands District			
	Scenario 7) 170 dpa		Scenario 8) 196 dpa	
	2014-2031	2014-2033	2014-2031	2014-2033
Offices (B1a/b)	1,407	1,421	1,535	1,555
Industrial (B1c/B2)	-27,739	-31,318	-27,503	-31,077
Warehousing (B8)	-6,902	-7,416	-6,802	-7,311
Total	**-33,234**	**-37,312**	**-32,770**	**-36,833**

Source: NLP

Table 4.14 Staffordshire Moorlands District B-Class Land Required from Labour Supply Growth Scenarios, 2014-31 and 2014-33

Use	Staffordshire Moorlands District			
	Scenario 7) 170 dpa		Scenario 8) 196 dpa	
	2014-2031	2014-2033	2014-2031	2014-2033
Offices (B1a/b)	0.35	0.36	0.38	0.39
Industrial (B1c/B2)	-6.93	-7.83	-6.88	-7.77
Warehousing (B8)	-1.73	-1.85	-1.70	-1.83
Total	**-8.31**	**-9.33**	**-8.19**	**-9.31**

Source: NLP

Convert Net to Gross Floorspace Requirements

4.76 To convert the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be developed for other, non B-Class uses in future. This is a widely accepted approach in planning for future employment land needs.

4.77 A judgement was therefore made on the suitability and degree of the allowance for future losses which it would be appropriate to apply here based on the consultants' understanding of supply-side deliverability factors in Staffordshire Moorlands District and current trends in the market. Not all losses need necessarily to be replaced as some will reflect restructuring in the local economy as less space may be needed in some sectors in future. However, some replacement is needed to refresh the quality of the stock and to avoid the employment land supply continually declining.

4.78 There is an argument that not all such losses of employment land should necessarily be replaced or reflected in an increased gross land requirement. This would be on the basis that the stock of employment land in Staffordshire Moorlands District contains some older sites less likely to meet future needs

and is of a scale that reflects past industrial patterns, rather than the amounts of land needed in future.

4.79 However, against this argument is the likelihood that other sites may also be lost by 2031, and these will represent losses to the overall land portfolio, reducing choice within the market. For instance, the District's Strategic Housing Land Availability Assessment [SHLAA] (dated 2015) provides an indication of how many sites presently used for employment purposes may be suitable for housing suitability over the period (to 2031). Based on the SHLAA, SMDC advised that around 30 ha of employment land in Staffordshire Moorlands may be lost to residential and mixed use development over the period 2011 to 2031 or 1.5 ha annually.

4.80 Extant planning permissions relating to the loss of B-Class employment land to alternative, usually higher value uses such as residential or retail can also lead to future losses. In Staffordshire Moorlands over the past 2 years, extant planning permissions account for around 1 ha of land that could be lost from the employment land portfolio if/when the planning permission is implemented in addition to the 0.26 ha that have already been lost during this time.

4.81 Whilst it is possible that not all of these identified developed and previously developed sites will be lost to residential purposes, it is worth considering given the recent introduction of Permitted Development Rights permitting streamlined 'office-to-residential' conversion, especially given that commercial agents have pointed this out as being an issue (alongside the suggestion that a considerable amount of the existing employment land stock in Staffordshire Moorlands District is no longer fit for purpose and needs replenishing with better quality units more suited to meeting modern operator requirements)[28].

4.82 Balancing these considerations, it is suggested that a replacement factor of 1.08 ha per annum for Staffordshire Moorlands provides a reasonable basis to go forward. It is accepted that the 1.5 ha loss replacement was factored into the previous ELR's analysis; however more recent data suggests that the level of losses has continued to tail off over the past 2 years and as such a slightly lower rate of replacement is considered appropriate in this instance.

4.83 This nevertheless indicates that our loss replacement figure may be on the conservative side and it should therefore be monitored by the authority over the next few years and adjusted as necessary to ensure that it is approximate to future losses.

4.84 An alternative approach to calculating gross land requirements with a margin of choice is to apply a rate of 'churn' equivalent to 1% of Staffordshire Moorlands District's existing stock per annum (see other local employment land studies e.g. Lichfield District, Nuneaton and Bedworth). For Staffordshire Moorlands, this could roughly equate to demand for around 1.35 ha per annum (based upon 1% of 540,817 sq. m. of existing floorspace in the District and multiplied

[28] Commercial Agents were engaged at the time of the Joint ELR Study in 2014 which is when these views were expressed.

by 40% plot ratio), a figure that is just slightly above the 1.08 ha allowance for losses identified above, which suggests the figure taken forward is reasonable.

Safety Margin

4.85 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to allow some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. This margin is a contingency factor, providing a modest additional land buffer so that supply is not too tightly matched to estimated demand, and so that shortages of land do not arise if future demand turns out to be greater than the forecasts. Such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space.[29]

4.86 The South East England Planning Partnership Board (SEEPB)[30] guidance on employment land assessments recommends an allowance that is equivalent to the average time for a site to gain planning permission and be developed, typically about two years. For Staffordshire Moorlands District, on the basis of the gross take up analysis set out in the Past Take Up Scenario, the following safety margins were added for B-class uses:

Table 4.15 Staffordshire Moorlands Safety Margin Allowances

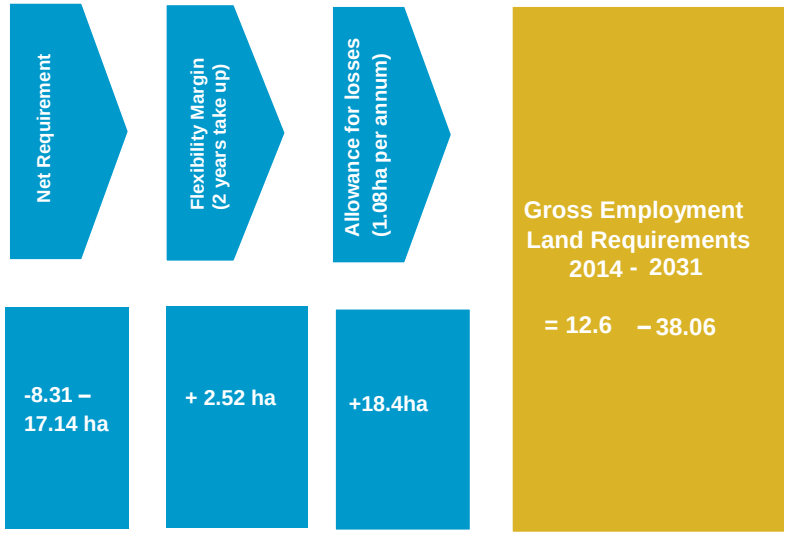
All B-Class Uses	Gross Average Annual Take-up (ha)	2-year Safety Margin Added 2014-2031
Staffordshire Moorlands	1.26	2.52

Source: NLP Analysis

4.87 The model steps are summarised in Figure 4.5. The same steps described above to convert the net employment projections from net to gross (with a 2 year margin of choice) have been applied to the net historic take up figures described above for consistency.

[29] This safety margin is separate from the consideration of vacancy rate which is dealt with in §7.20.
[30] SEEPB Economic and Employment Land Assessments Supplementary Guidance Consultation Document, 2009. Although the SEEPB no longer exists and the formal status of this guidance is not established, it is considered to be a source of good practice.

Figure 4.5 Staged Approach to Employment Land Requirements (2014-2031)



4.88 In summary, the demand-led range of indicative total gross land requirements to 2031, factoring in a 2-year margin of choice, results in the following demand projections for Staffordshire Moorlands:

- Econometric demand led projections: 16.3 – 38.1 ha
- Past Take Up: 24.0 ha
- Labour Supply Projections: 12.6 – 12.7 ha

4.89 An extension of the modelling period by two years to 2033, factoring in a 2-year margin of choice, increases the land requirement for each scenario as follows:

- Econometric demand led projections: 17.7 – 45.5 ha
- Past Take Up: 26.5 ha
- Labour Supply Projections: 13.8 – 13.9 ha

Table 4.16 Staffordshire Moorlands Gross Employment Land Comparisons 2014-31 and 2014-33

		B1a/b	B1c/B2	B8	TOTAL
1) OE Baseline	2014-2031 (net)	1.38	-4.60	-0.80	**-4.03**
	2014-2031 (gross)				**14.37**
	+ Flexibility factor				**16.89**
2) Past Trends	2014-2031 (net)	2.81	-2.04	3.10	**3.87**
	2014-2031 (gross)				**22.26**
	+ Flexibility factor				**24.79**
3) Experian	2014-2031 (net)	1.16	16.35	-0.37	**17.14**
	2014-2031 (gross)				**35.53**
	+ Flexibility factor				**38.06**
4) Combination Job Growth	2014-2031 (net)	1.27	5.88	-0.59	**6.58**
	2014-2031 (gross)				**24.95**
	+ Flexibility factor				**27.47**
5) Job Stabilisation	2014-2031 (net)	1.20	-4.92	-0.94	**-4.66**
	2014-2031 (gross)				**13.74**
	+ Flexibility factor				**16.26**
6) Past Take Up Rates	2014-2031 (net)	1.34	0.95	0.77	**3.06**
	2014-2031 (gross)				**21.45**
	+ Flexibility factor				**23.98**
7) Labour Supply (170 dpa)	2014-2031 (net)	0.35	-6.93	-1.73	**-8.31**
	2014-2031 (gross)				**10.09**
	+ Flexibility factor				**12.61**
8) Labour Supply (196 dpa)	2014-2031 (net)	0.38	-6.88	-1.70	**-8.19**
	2014-2031 (gross)				**10.20**
	+ Flexibility factor				**12.73**
1) OE Baseline	2014-2033 (net)	1.45	-5.36	-0.88	**-4.78**
	2014-2033 (gross)				**15.78**
	+ Flexibility factor				**18.30**
2) Past Trends	2014-2033 (net)	3.09	-2.50	3.26	**3.84**
	2014-2033 (gross)				**24.40**
	+ Flexibility factor				**26.92**
3) Experian	2014-2033 (net)	1.50	17.43	3.44	**22.37**
	2014-2033 (gross)				**42.93**
	+ Flexibility factor				**45.45**
4) Combination Job Growth	2014-2033 (net)	1.48	6.04	1.28	**8.79**
	2014-2033 (gross)				**29.35**
	+ Flexibility factor				**31.88**

		B1a/b	B1c/B2	B8	TOTAL
5) Job Stabilisation	2014-2031 (net)	1.28	-5.67	-1.01	**-5.41**
	2014-2031 (gross)				**15.15**
	+ Flexibility factor				**17.68**
6) Past Take Up Rates	2014-2033 (net)	1.50	1.07	0.86	**3.42**
	2014-2033 (gross)				**23.98**
	+ Flexibility factor				**26.50**
7) Labour Supply (170 dpa)	2014-2033 (net)	0.36	-7.83	-1.85	**-9.33**
	2014-2033 (gross)				**11.23**
	+ Flexibility factor				**13.75**
8) Labour Supply (196 dpa)	2014-2033 (net)	0.39	-7.77	-1.83	**-9.21**
	2014-2033 (gross)				**11.35**
	+ Flexibility factor				**13.87**

Figure 4.6 Staffordshire Moorlands District Employment Land Projections (2014-2031)

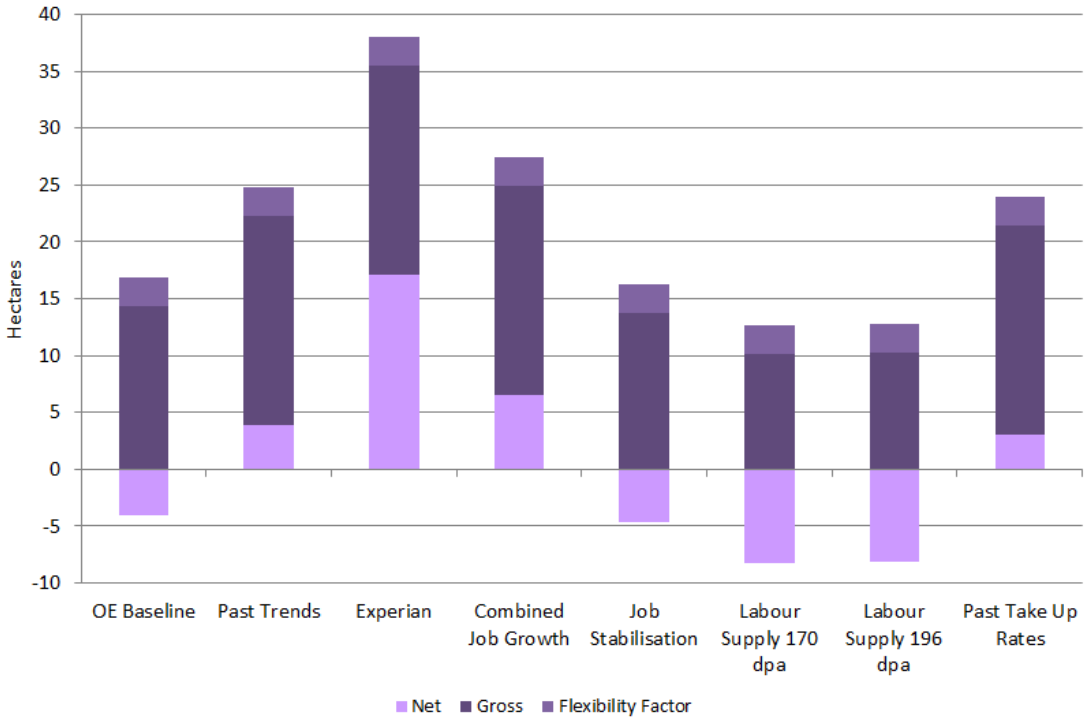
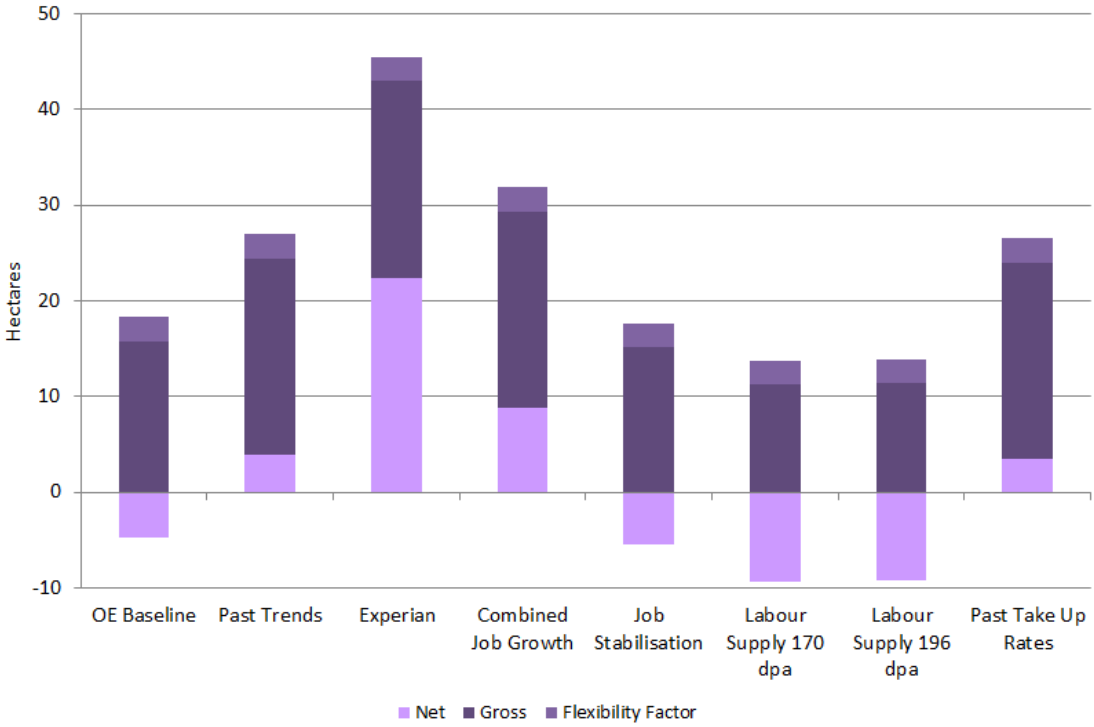


Figure 4.7 Staffordshire Moorlands District Employment Land Projections (2014-2033)



4.90 The labour supply projections for Staffordshire Moorlands District are illustrated alongside the aforementioned econometric and past take up projections in Figure 4.6 and Figure 4.7. The labour supply projections, at around 13 ha to 2031 (gross) are below the broader range based on the demand-led projections of 16 ha (Job Stabilisation) 17 ha (OE baseline), 24ha (based on past take up rates), 25 ha (Past Trends), 27 ha for the Combined Job Growth scenario and up to 38 ha for the Experian projections for the period 2014-2031.

Reality Check

4.91 Clearly the levels of future demand for B-use class land projected by the various projections differ. The projections are largely trend-based; in particular, the past take up has been (at least partly) recorded during an unprecedented recession in the commercial market nationally. It is likely that the actual performance of Staffordshire Moorlands District's economy and commercial property market will lie somewhere between the econometric and past trends projections.

4.92 In order to provide a clearer steer as to what level of growth Staffordshire Moorlands District should be planning for, it is important to apply a series of reality checks.

Adjustments to Plot Ratios

4.93 The estimates of land requirements are clearly highly sensitive to the various assumptions used. The job / floorspace ratios and plot ratios adopted here

reflect those in the former ODPM guidance[31]. At present, it is assumed that the plot ratio[32] of 40% is generally applied to out-of-centre office space, industrial space and warehousing.

4.94 If a lower level were applied to all types of employment land of, say, 30%, this would make a modest difference to the overall net requirement of office floorspace. However, given that the OE forecasts predict the strongest growth for SMDC to be in administrative and support service activities, and 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 authority areas will be at plot ratios closer to 40% than 30%.

Adjustments to the Margin of Choice

4.95 A more significant assumption in terms of sensitivity is the 2-year safety margin added. A 2-year margin of choice may ordinarily be seen as being reasonable, particularly in the light of the on-going economic uncertainties and the need to provide market ready sites to prevent occupiers from moving beyond the authority areas when searching for appropriate sites. Hence an increased margin of choice would help to provide a balanced portfolio.

4.96 It should also be noted that the UK as a whole is likely to experience a period of economic recovery in the coming years which may result in increased demand for employment land beyond that projected by the various scenarios.

4.97 To consider the likely impact of increased demand a further sensitivity test was modelled that excluded the vacancy rate. This resulted in a modest reduction in the level of land required, of around 6%, which is within the margin for error for such work and suggests that the approach taken is robust.

4.98 In summary, it is recommended that the approach taken in defining a two-year margin of choice, incorporating an adjustment for vacancy, remains valid.

Conclusions

4.99 This report has appraised a range of employment land projections for Staffordshire Moorlands District using a variety of methodologies in accordance with Government Guidance.

4.100 It should be noted that the OE forecasts used in the production of this report cover the areas of the Peak District National Park which fall within Staffordshire Moorlands District. The employment land take-up and loss information covers the area of the local authority outside of the National Park. However, it is not considered that this anomaly has any discernible impact upon the findings

[31] Employment Land Reviews Guidance Note, ODPM (2004)
[32] A plot ratio is the total building square footage (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.

because the majority of industrial centres in Staffordshire Moorlands District are located outwith the National Park. In addition, the majority of jobs in the National Park are related to non B class uses such as tourism and leisure which do not have a direct impact upon the requirement and supply of B class employment land.

4.101 **It is also stressed that this report considers indigenous need for employment land in Staffordshire Moorland District and does not consider strategic employment land; the c.50 ha allocation at Blythe Bridge is still required to meet wider sub-regional requirements.**

4.102 It is important to identify an appropriate level of need that achieves a balance between market realism and economic and planning policy objectives. A range of qualitative and quantitative factors have been considered within this report that can help to inform a judgment on the appropriate level of need, with the key issues set out below[33]:

1 Staffordshire Moorlands benefits from a relatively high value manufacturing base with linkages to sector expertise and clusters of businesses. There are a high number of small businesses and entrepreneurialism, combined with strong business survival rates. A highly skilled workforce, combined with the exceptional Peak District landscape and quality of life offer make the authority area an ideal location for knowledge and creative businesses. The visitor economy is a key sector and the local authority area provides a market for Peak District businesses and branded products. This may result in a requirement for B-class uses such as offices for tourism-related business and manufacturing premises for niche food products.

2 There is a lack of good quality small to medium-sized industrial premises, which is suppressing demand. In particular, the limited level of development in recent years has restricted the availability of sites for local businesses to expand.

3 Future realisable demand may be further restricted by the current poor and ageing existing stock, lack of public investment in infrastructure, poor access to many industrial estates/business parks, and weak inward investment offering relative to adjoining areas (notably Stoke on Trent).

4 A high level of net out-commuting is also an issue in Staffordshire Moorlands where 12,737 (previously 13,956[34]) more people commute out to work than commute in. There is significant level of net out-commuting to Stoke-on-Trent and Newcastle-under-Lyme. The three authorities are considered to constitute a FEMA based on methodology in the Planning Practice Guidance (See Section 2.0 of this report). Therefore SMDC will need to undertake discussions with the relevant neighbouring authorities (Stoke-on-Trent and Newcastle-Under-Lyme) to satisfy their obligation

[33] The key issues for Staffordshire Moorlands District were considered at the time of the joint SMDC and HP ELR Update in 2014, many of the issues remain unchanged.
[34] Based on data from the 2001 Census

under the duty to co-operate and confirm that each authority's needs can be met across the FEMA.

5 The job density ratio of 0.64[35] (an increase from 0.55 at the time of the 2014 Joint ELR Update) in Staffordshire Moorlands District is very low compared to the West Midlands average of 0.78. Rebalancing the land uses of Staffordshire Moorlands District to ensure that more, and better quality, jobs are provided could help to reverse this trend and 'claw-back' out-commuters, reducing net out-commuting rates (although this would need to be a choice made by the authority and supported by corporate decisions and policies in their economic strategy and emerging Local Plan).

6 Labour supply analyses for Staffordshire Moorlands based on the delivery of between 170 dpa and 196 dpa, indicates that the number of economically active residents is forecast to increase slightly over the coming years. On this basis, around 13 ha (gross) could be required up to 2031 and around 14 ha (gross) up to 2033.

4.103 Consequently, on the basis of these considerations, for Staffordshire Moorlands District, a range of between **13 ha and 27 ha** (gross) of employment land may be considered appropriate to 2031 and **14 ha and 32 ha** (gross) to 2033. This is approximate to Labour Supply scenario at the lower end and a combination of projection at the top end, including past trends and past take up rates.

4.104 We have noted earlier that caution should be applied before taking forward the Combined Job Growth scenario; hence if SMDC were to allocate this level of employment land it would need to monitor the situation closely to ensure that the scale of job growth associated with this is realistic. The 27ha upper end of the range is only slightly higher than the level that would be suggested by the past take up of land, however, which would lend weight to the supposition that it is not unreasonable.

4.105 The Joint ELR Update produced in 2014 concluded a range of between 25 ha and 45ha (gross) of employment land may be considered appropriate to 2031 for Staffordshire Moorlands District. This was approximate to the Labour Supply Scenarios at the lower end, and the OE Baseline/Policy On projections at the top end.

4.106 The ranges are different particularly at the top end due to a number of changes since the previous modelling work:

- The latest OE (October 2016) projected job growth for Staffordshire Moorlands District is +288 compared with +3,009 based on an earlier (pre Brexit) model.
- The modelling period has been shortened by 3 years (2014-2031) and 1 year (2014 – 2033).

[35] A Jobs Density Ratio of 0.5 means that there are 0.5 jobs within the local authority for every resident of working age. The data is source is ONS, 2014

- Take up and losses have declined very significantly over the past couple of years.

4.107 The updated range would synchronize with Staffordshire Moorlands District's housing needs identified in the emerging SHMA; meet previously identified needs to revitalise current poor quality stock; help address the imbalance of the portfolio in terms of the size of properties available; meet continued demand for B2 floorspace (particularly from indigenous companies) and the emerging digital and creative, and knowledge economy business service sectors, whilst factoring in the continued economic uncertainty and the practicalities of the physical constraints of the authority area which would preclude a step-change in delivery.

4.108 If Staffordshire Moorlands District seeks to accommodate new developments of large-scale warehousing schemes (which has not been the case in the past), then this could necessitate higher levels of provision well above the current portfolio such as the strategic site at Blythe Bridge.

4.109 Furthermore, it is recognised that the labour supply projections which link to the Objectively Assessed Housing Need are at the lower end of this range. Whilst it has been 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.

4.110 As such, if Staffordshire Moorlands District was to consider going for the top end of the employment land range, it 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 Staffordshire Moorlands District.

4.111 It is recognised that this may be difficult to achieve and would therefore require a strong policy intervention by the Local Authority, set out in its Local Plan. This could include an aspiration to increase the job density in Staffordshire Moorlands District to, 0.78 (up from 0.64 currently to equal the West Midlands average), followed up by suitable policy measures such as the provision of better quality employment opportunities, and monitored on a regular basis by the Council to test whether the aspirations and policy measures remain appropriate.

4.112 In terms of how the 13 – 27 ha range for Staffordshire Moorlands could be split between the B1a/ B1b, B1c/B2 and B8 uses, it is not possible to directly translate the net split in Table 4.16 into gross requirements, as the data is not sufficiently robust to enable a precise breakdown of land lost/margin of choice by use type. However, There are a number of conflicting considerations:

1 Between 2007/08 and 2014/15, past take up has totalled 2.59 ha / 56% (B1 Use), 1.31 ha / 29% (B2 Use), 0.70 ha / 15% (B8 Use) plus a further 5.49 ha for Mixed B-uses.

2 The latest OE (October 2016) FTE job growth forecasts project growth in office based sectors such as IT, Professional Services and Administrative & Supportive Services, and the most significant levels of decline in Manufacturing and Public Administration.

3 The OE growth forecasts project that B1a floorspace will increase from 14.5% in 2014 to 16% in 2031; B1c/B2 is anticipated to decline from 20.6% in 2014 to 18.0% in 2031; and B8 from 5.7% to 5.3% over the same period.

4 The OE growth forecasts indicate stronger growth in B1a/b office floorspace requirements; a more modest decline in in B8 land requirements; and a greater decline in demand for B2 industrial.

5 Alternatively, the Experian projections indicate much stronger growth in B1c/B2 manufacturing, of 761 net jobs to 2031;

6 Based on the current 'stock' of floorspace in Staffordshire Moorlands District, there is a considerable supply of industrial (B2/B8) units, comprising 92% of all floorspace in the District, compared to 9% for B1a/b office[36].

7 Vacancy levels are high for office space, at around 14% of the total stock across the District. In contrast, vacancy rates for industrial units are much lower, at around 2%, representing supply shortage when considered against demand.

8 Based on the current land use of B-class sites identified as having the potential for redevelopment for non-employment uses in future through the SHLAA, the majority relate to industrial sites.

4.113 On the basis of the (often conflicting) factors summarised above, it is considered that an indicative split of around 50% for B1a/B1b office and the remaining 50% for B1c/B2/B8 industrial/warehousing land could be appropriate. This is broadly proportionate to past take up, reflecting the key growth sectors in the OE (October 2016) projections, albeit set within a context of an oversupply of office stock presently in the District.

4.114 This seeks to balance the replacement of some existing industrial stock with aspirations for heightened demand in this sector going forward; the higher growth in B1a/b office requirements, the decline of the industrial sector reported by OE and the growth projected by Experian, and the slight negative demand of B8 warehousing (albeit recognising that this 'land hungry' sector requires a disproportionate amount of land relative to employment generated).

[36] VOA statistics (2016)

Advice for Staffordshire Moorlands District

This report does not seek to make a planning or policy judgement; this is a matter for SMDC when taking account of the information before them. The report therefore represents a first stage for further consideration of all relevant factors through the Local Plan process.

On this basis, the recommended employment land requirement range for SMDC is as follows:

13 ha – 27 ha 2014-2031.

14 ha – 32 ha 2014 -2033

The selection of the final figure will depend upon the preferred level of employment growth for Staffordshire Moorlands District and its alignment with housing needs. The identification of the number of new jobs that are to be sought will be based upon the identification of policy aspirations relating to the promotion of key sectors in accordance with the economic and spatial vision for the area.

5.0 Conclusion

5.1 This section draws together the key messages from the previous sections and considers potential policy choices for the delivery of employment space in Staffordshire Moorlands District.

5.2 The ELR was undertaken to provide SMDC with an updated evidence base to inform the preparation of its emerging Local Plan. Since the original 2014 Joint ELR was undertaken there have been a number of changes to the economy. Unemployment claimant levels in Staffordshire Moorlands have improved, reducing to 0.6% of the working age population. The economically active population has increased to 84.6% from its previous base of 77.4%. There has also been an increase in business start-up rates. Despite these recent improvements to the economy, Staffordshire Moorlands is forecast to have relatively flat employment growth up to 2031.

5.3 Staffordshire Moorlands has a very low self-containment rate (based on the commuting patterns of the resident workforce), and cannot be considered to constitute a self-contained FEMA as a consequence. Analysis of commuting patterns in Section 2.0 suggests that it is instead part of the wider Stoke-on-Trent TTWA. This means that SMDC must continue to cooperate with its neighbouring authorities to ensure that the needs of businesses and its residents are being met. This may be through a formal arrangement agreeing employment land supply. Particular emphasis should be placed on its relationships with Stoke-on-Trent and Newcastle-under-Lyme. Pragmatically, it is also vital that SMDC considers the supply and demand for employment space within its own District boundaries. SMDC's emerging Local Plan must ensure there is sufficient local supply of employment land within the District for its businesses to expand and grow.

Recommended Requirement

5.4 This report has considered a range of demand and labour supply-led employment land scenarios for Staffordshire Moorlands. This has been undertaken in line with the Practice Guidance. The range of B-Class employment land required in SMDC ranges from 13 ha to 27 ha (gross) up to 2031, and between 14 ha and 32 ha (gross) up to 2033. This is approximate to Labour Supply scenario at the lower end and Combined Job Growth, Past Take Up / Past Trend projections at the top end. This range excludes the Blythe Bridge strategic site which addresses wider sub-regional needs.

5.5 The ranges are lower than the estimates provided in the previous ELR. This is due (in part) to a shorter modelling period, aligned with weaker levels of take up and losses in recent years, whilst the latest OE projected job growth data is also more pessimistic than before.

5.6 Furthermore, it is recognised that the labour supply projections which link to the Objectively Assessed Housing Need are at the lower end of this range.

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.

5.7 As such, if SMDC was to consider going for the top end of the employment land range, it 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 the District.

5.8 It is recognised that this may be difficult to achieve and would therefore require a strong policy intervention by the Local Authority, set out in its Local Plan. This could include an aspiration to increase the job density in Staffordshire Moorlands District to meet the West Midlands average of 0.78.

5.9 The requirement for B-Class employment space is recommended to have an indicative split of 50% for B1a/B1b office, 50% for B1c/B2/B8 industrial and warehousing land could be appropriate. This is roughly proportionate to past take up and reflects projected changes to employment, high office vacancy rates as well as qualitative factors such as the need to replace existing industrial stock.

Policy Implications

5.10 To meet the future requirements for office and industrial space in Staffordshire Moorlands, it will be necessary for the Council to make choices about which employment sites to protect or allocate for employment development or which to bring forward as mixed-use schemes either in part or whole. These judgements need to consider:

1 the local benefits of B class employment sectors and the need to sustain a diversified and resilient economy that is able to capitalise on economic growth opportunities as they arise;

2 the economic and market outcomes that would arise if particular sectors become displaced from the economy, or are otherwise constrained from expanding in the District;

3 the need to promote growth in high value employment roles/jobs that require a skilled worked force in Staffordshire Moorlands, that meet the aspirations of resident workers and supports the relatively productive nature of the economy; and

4 the requirement to set targets for delivery of new B class employment space particularly on strategic sites to provide clarity and certainty for developers, which will require a practical assessment of what the market can deliver at any point in time.

5.11 For mixed-use allocations, masterplans and delivery strategies should be developed to help ensure that the indicative quantum of employment floorspace/land suggested is delivered in practice over the plan period. Without this additional clarity, these sites could present a higher risk in terms of their ability to meet business needs in Staffordshire Moorlands.

5.12 It is recommended that the Council should evidence how its portfolio of allocations and other development opportunities will support delivery of new space over the short, medium and long-term (structured broadly in five year periods). This accords with the approach set out in the former SEEPB guidance on employment land assessments which encouraged local authorities to demonstrate a five-year rolling supply of employment land.

5.13 Where any gaps are identified, the Council will want to consider options for how this can be addressed (potentially in the form of new allocations). 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. It will also be important in establishing any potential mismatch between identified allocations and those areas of the District that attract the strongest levels of market demand. The different needs between rural and urban areas should also be considered. For example, rural areas are likely to generate a requirement for smaller and more flexible employment space than larger settlements like Leek.

5.14 In determining the likely timing and availability of land, this delivery trajectory should have regard to:

1 the planning status of sites (extant planning permission, allocation etc);

2 development constraints/costs and known requirements for infrastructure (more detailed assessment work may be required);

3 current developer/landowner aspirations; and

4 market delivery and viability factors.

5.15 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 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 new Local Plan period.

5.16 The Blythe Bridge site has a strategic importance beyond the District boundary and across the sub-region, and is designated as a Regional Investment Site. This site should therefore be considered separate from the requirement range. This approach would ensure that the District's needs are being met whilst inward investment opportunities can be protected and promoted.

Appendix 1 Definition of B Class Sectors

The method used for re-categorising the employment forecasts by sector into B-Class uses is summarised below.

Apportionment of B Class Sectors to Land Uses

Sector	Proportion of Jobs by Use Class		
	B1 office	B2 industrial	B8 warehousing
Agriculture, Forestry & Fishing	Non B-Class		
Extraction & Mining	Non B-Class		
Food, Drink & Tobacco	0%	100%	0%
Textiles & Clothing	0%	100%	0%
Wood & Paper	0%	100%	0%
Printing and Recorded Media	0%	100%	0%
Fuel Refining	0%	100%	0%
Chemicals	0%	100%	0%
Pharmaceuticals	0%	100%	0%
Non-Metallic Products	0%	100%	0%
Metal Products	0%	100%	0%
Computer & Electronic Products	0%	100%	0%
Machinery & Equipment	0%	100%	0%
Transport Equipment	0%	100%	0%
Other Manufacturing	0%	100%	0%
Utilities		88%	
Construction of Buildings	Non B-Class		
Civil Engineering	Non B-Class		
Specialised Construction Activities	0%	48.7%	0%
Wholesale	0%	31.5%	59.9%
Retail	Non B-Class		
Accommodation & Food Services	Non B-Class		
Land Transport, Storage & Post	0%	0%	84.1%
Air & Water Transport	Non B-Class		
Recreation	Non B-Class		
Media Activities	100%	0%	0%
Telecoms	100%	0%	0%
Computing & Information Services	100%	0%	0%
Finance	100%	0%	0%
Insurance & Pensions	100%	0%	0%
Real Estate	100%	0%	0%
Professional Services	100%	0%	0%
Administrative & Supportive Services	39.1%	0%	0%
Other Private Services	Non B-Class		
Public Administration & Defence	10%	0%	0%
Education	Non B-Class		
Health	Non B-Class		
Residential Care & Social Work	Non B-Class		

Source: OE 2016 / NLP analysis

Appendix 2 Oxford Economics Local Authority District Forecasting Model (2015)

Appendix 3 Experian Data Guide: UK Regional Planning Service (December 2016)

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