

Nurton Developments Ltd

Representations to the Dudley Local Plan Review

Regulation 18 Consultation

Employment Land Needs Assessment (EDNA) 2020 – 2041 Updated Estimates, October 2023.

Introduction

1. Nurton Developments Ltd (NDL) is a Birmingham based developer of industrial and warehouse premises and promotor of strategic development opportunities.
2. NDL is particularly active in the West Midlands. It has successfully promoted Branston Locks, a mixed use sustainable urban extension to Burton-upon-Trent. This development has consent for up to 2,500 homes, 1 million sq ft of B Class industrial and logistics floorspace, and other uses. The industrial element of the scheme is marketed as Quintus and 425,000 sq ft has already been built and let.
3. NDL also has a controlling interest in Equation Properties, a specialist developer of industrial and warehouse premises – both big box (100,000 sq ft plus) and mid-box (25,000 sq ft to 100,000 sq ft). Equation Properties is actively pursuing development opportunities on allocated and consented sites in the West Midlands.
4. NDL is also promoting a strategic employment site in the wider sub-region. This is Hilton Park at Junction 11, M6. This site is located in the district of South Staffordshire, which has a close economic relationship with the Black Country. The site will be able to deliver close to 2 million sq ft of new industrial and warehouse floorspace.
5. NDL's principal concern, at this initial stage of the Local Plan review process, is to ensure that the evidence base on the need and supply of employment land in the Black Country is accurate realistic, and consistent. If it is, then it will provide a sound basis for the Black Country Local Planning Authorities, including Dudley, for discussions with neighbouring and other planning authorities which have a functional link with the Black Country, under the Duty to Co-operate, on the quantity and quality of employment land that they will provide in order to help to meet the need of the Black Country which cannot be met itself in the Black Country.

Black Country EDNA Update 2022

6. The 2023 EDNA is an update to the EDNA produced in 2022. This, in turn, was a revision of the EDNA reports produced in 2017 and 2021.
7. Through JLL, NDL commented upon the 2022 EDNA in March 2023. This formed part of NDL's response to consultation of the Sandwell Local Plan Issues and Options. For ease of reference, a copy of these representations is appended to this statement (**Appendix 1**).

8. These representations provided a critique of the 2022 EDNA. They concluded that:
 - the figures for employment land need had been under-estimated;
 - the assessment of deliverable supply had been over-estimated;
 - thus, the shortfall between need and supply had been significantly under-estimated; and
 - there was a clear mismatch between the quality and type of site demanded by occupiers and developers and those being supplied through the development plan-making process.

9. With regard to need, NDL agreed with WECD (the authors of the EDNA) that the past completions and GVA based forecasts provided a sounder basis than employment-based projections. However, NDL expressed some concerns how these methods were applied by WECD. Principally, these concerns covered: -
 - Arithmetic accuracy.
 - Consistency with market conditions.
 - Supressed demand.
 - Scale and rate of likely attrition of existing employment land.
 - Allowance for flexibility or market churn.

10. NDL's assessment was that the gross requirement should increase from 511.7 ha across the Black Country (from 2020 – 2040) to 730 ha. It was argued that this would have been a more realistic appraisal of need and a positive response to support the acceleration of growth of the economy.

11. With regard to supply, NDL reiterated previously voiced concerns. These covered: -
 - Yield by site.
 - Windfall sites.
 - Quality.
 - Deliverability.

12. For these reasons, NDL considered that the quoted supply of 356.25 ha was a notional ceiling, in quantitative terms, and that it was inconceivable that all the sites identified would be developed during the plan period. Instead, NDL suggested that any realistic assessment should apply a discount.

13. NDL contended that the resulting shortfall of supply over need would be around 375 ha (instead of 155 ha). In addition, this would be a minimum given the quoted supply of 356 ha was unlikely to be delivered.

14. In addition, NDL identified a qualitative issue with supply – a real shortage of sites in the Black Country that offer any scale. The average size of the 106 identified sites was 2.6 ha. Only three sites were greater than 10 ha.

EDNA 2023

Overview

15. The conclusions to the EDNA in terms of employment land need and supply are similar to the EDNA 2022. A summary of the two is provided below in Table 1.

Table 1 – Comparison of EDNA 2022 and EDNA 2023 (all figures in hectares)

| | Need ¹ | Supply ² | Shortfall |
|-----------|-------------------|---------------------|-----------|
| EDNA 2022 | 511 | 356 | 155 |
| EDNA 2023 | 533 | 380 | 153 |

16. However, some of the methodology has changed in terms of deriving need. Both EDNAs employ a composite of two methods – GVA based forecasts and past completions projections. However, the EDNA 2022 employed different scenarios by period (2020 – 2022, 2022 – 2025 and 2025 -2040) whilst the EDNA 2023 has deployed different scenarios by local planning authority (Dudley, Sandwell, Walsall and Wolverhampton). No substantive reason has been given to explain or justify this change in the methodology.
17. Table 2.7 of the EDNA 2023 sets out the two forecasts and breaks them down by Authority. For ease of reference, this is reproduced below.

Table 2.7: Future Employment Land Requirements accounting for loss of employment land to non-employment uses

| | OE forecasts | Past completions forecasts |
|------------------|--------------------|----------------------------|
| | Land (HA) | Land (HA) |
| Dudley MBC | 116+26= 142 | 72+26= 98 |
| Sandwell MBC | 186+26= 212 | 189+26= 215 |
| Walsall Council | 107+0= 107 | 140+0= 140 |
| Wolverhampton CC | 105+11= 116 | 115+11= 126 |
| All BCLAs | 577 | 579 |

18. The recommended land requirements used the past completions forecasts for Dudley and the GVA forecasts method (referred to as OE forecasts) for Sandwell, Walsall and Dudley. This is summarised by Table 2.8 and provides a breakdown by authority of the total derived need of 533 ha.

¹ Need for EDNA 2023 covers 2020-2041, whilst need for EDNA 2022 covers 2020 – 2040.

² Includes completions since 2020 and projected windfalls.

19. The supply of sites is summarised by Table 3.1. This table provides a breakdown by Local Planning Authority. This is an update on supply from the EDNA 2022 and includes new allocations, completions from 2020 – 2022, new urban sites and land proposed to be released from the Green Belt (by the withdrawn Black Country Development Plan). Table 3.1 is reproduced below.

Table 3.1: Supply of sites for Employment Use (HA), BCLAs, 2020-2041

| | Dudley MBC | Sandwell MBC | Walsall Council | Wolverhampton CC | Total HA |
|---|-------------|--------------|-----------------|------------------|--------------|
| Baseline supply | | | | | |
| Net additional completions 2020-22 (HA) ⁷ | 6.0 | 9.7 | 16.7 | 10.0 | 42.4 |
| Current Local Plan allocations carried forward into the Black Country Plan (BCP) | 12.9 | 5.3 | 107.1 | 31.4 | 156.7 |
| Non-current Local Plan Sites with planning permission allocated in BCP | 0.0 | 0.0 | 0.0 | 4.9 | 4.9 |
| Other large sites (over 0.4 ha) with planning permission not allocated in BCP | 0.5 | 0.0 | 0.0 | 1.0 | 1.5 |
| Current small sites (less than 0.4 ha) | 1.1 | 0.7 | 0.0 | 0.1 | 1.8 |
| New urban sites | | | | | |
| New urban | 4.6 | 26.4 | 0 | 16.6 | 47.6 |
| Land in the Green Belt | | | | | |
| Land in Green Belt | 0 | 0 | 47.3 | 0 | 47.3 |
| Total baseline supply to 2041 (HA) | 25.1 | 42.1 | 171.1 | 64 | 302.2 |
| Estimates of additional potential supply of land | | | | | |
| Projected large windfall sites | | | | | 70.3 |
| Projected small sites | | | | | 7.6 |
| Total supply incl. estimates of windfall large and small sites (HA) and excl. completions 2020-22 (HA) | | | | | 380.1 |

20. NDL is pleased to see that the principal methodology – using GVA and past completions based forecasts – has been retained. However, we still have a number of concerns about some of the assumptions used, the interpretation of data, and its subsequent analysis. These concerns are summarised below under the headings of Need, Supply and Contribution.

Need

21. NDL's principal concerns about the assessment of need cover the following: -
- Arbitrary deployment of method for each authority and lack of consistency.
 - No allowance for suppressed demand.
 - Under-estimation of replacement of future losses.
 - No allowance for flexibility or market churn.
 - Wider assessment of strategic employment land.

22. These are dealt with in turn below.

Deployment of Method

23. Table 2.7 breaks down the two separate forecasts – GVA (OE forecasts) and past completions – by authority. The totals are 577 ha and 579 ha respectively. Both are higher than the recommended projected need of 533 ha, but considerably lower than the GVA forecast using ONS based time series data which projects a net need (i.e. net of any allowance or replacement of losses) of 1,178 ha. The chances of this much higher forecasted need happening are dismissed as “extremely low” (paragraph 2.5), although no reason or explanation is given why this should be the case.
24. Moreover, the **lower projection** for each model for each authority is chosen. This results in a total forecasted need of 533 ha. For Dudley, the past completions forecast for 98 ha is chosen (as opposed to the GVA (OE) forecast of 142 ha). Conversely, the GVA (OE) forecasts for Sandwell (212 ha), Walsall (107 ha), and Wolverhampton (116 ha) are preferred over the corresponding forecasts based on past completions (215 ha, 140 ha and 126 ha respectively).
25. No real explanation or justification is provided for choosing the lowest projection in each case. In addition, no sensitivity analysis is provided – for example, a forecast based on the **higher projection** for each authority. Such a scenario would point to a total need of **623 ha** (i.e. 142 + 215 + 140 + 126).
26. In the absence of any other evidence presented, NDL considers that at the very least a range should be projected. This range would be between 533 ha and 623 ha – i.e. the lower and higher projections respectively. However, for reasons presented below, NDL contends that the higher figure – 623 ha – should be a minimum, based on other evidence (see below), and assuming the Black Country Local Planning Authorities are still looking to accelerate growth.

Suppressed Demand

27. NDL made reference to this issue in its response to the EDNA 2022 (paragraphs 15-21). In essence, the extent of past completions has been suppressed and does not truly represent levels of demand. This is because the supply of sites, particularly large sites, has been constrained by the urban and congested nature of the Black Country. This has been exacerbated by the extent of the Green Belt which envelopes the Black Country on three sides.
28. The past completions model projects a need for 579 ha. However, this projection also takes very little account of development just outside of the Black Country which clearly contributes to the Black Country's economic needs.
29. Table 2.4 refers to 14 ha of development in South Staffordshire that will meet the Black Country's needs over the plan period. It is not clear how this has been calculated. However, it would seem to be a very low estimate given the scale of development at i54, which is located just outside the boundary of Wolverhampton, over the last 15 years. This has included 2 million sq ft at the JLR engine facility, which has absorbed substantially greater than 14 ha of development land being well over 50 ha.
30. It is to be noted further that the most recent EDNA for South Staffordshire (by DLP) has not accounted for this development at i54 in projecting local need. Instead, it has been discounted on the basis that it was 'atypical' and met a sub-regional need (i.e. the Black Country).

Replacement of future losses

31. This is covered also in representations made by NDL in respect of the EDNA 2022 (paragraphs 22-28) under the sub-heading *Attrition of existing employment land*. NDL questioned then how realistic the assumed loss of 63 ha over the whole plan period would be and suggested that a much greater allowance should be made.
32. Specifically, the allowance for losses takes into account only **allocations** for alternative uses (mostly housing). No allowance is made for any future **windfall** redevelopment of existing employment sites for alternative uses. Such losses are predicted by Policies DLP21 – Other Employment Areas – and DLP22 – Balancing Employment Land and Housing and Protecting the Viability and Integrity of Existing Industrial and Business Uses. These two policies recognise that poor quality employment land can be put to better use, but cannot always be anticipated.
33. This approach is inconsistent with the approach taken in assessing the future supply of employment land. The assessment of future supply makes a direct assumption that 77.9 ha of land will be **windfall** sites, with these being over and above sites **allocated** for employment uses.

Allowance for flexibility

34. This was also covered in NDL's response to the EDNA 2022 (paragraphs 30 and 31).

35. Ordinarily, an assessment of employment land need would provide for a safety margin of between two years' and five years' take up. This is to allow for market churn, development lag, choice, etc. No such margin has been provided in this case.
36. The net need for the Black Country based on past completions (i.e. without any allowance for future losses) is 24.5 ha per annum (Table 2.6). A minimum margin based on two years' take up would represent an additional allowance of 49 ha over the plan period.

Strategic employment land

37. The EDNA makes no reference to the West Midlands Strategic Employment Sites Studies. The 2nd iteration of this study was published in May 2021. It concluded that there was a shortage of large sites across the West Midlands, especially serving the Black Country and southern Staffordshire, and an 'urgent' need to bring forward a new portfolio of sites.
38. A 3rd iteration of this study has been commissioned and is being currently produced by consultants Icenl. It is expected to be published in the New Year. We understand that this study will endorse the recommendations of the previous study, seek to quantify the need for strategic sites and identify broad locations or corridors based on the motorway and strategic road network. This study should be taken into account in considering the wider balance between need and supply of sites, particularly on a qualitative basis.

Summary

39. For the above reasons, NDL considers that the need assessed by the EDNA 2023 remains a significant under-estimation. The base need should be increased to 623 ha. To this should be added a further minimum allowance of 49 ha, as a margin for flexibility. This would generate a **minimum need of 672 ha** for the plan period.

Supply

40. NDL has three principal concerns about the assessment of supply. These are: -
 - The nature of the supply.
 - The likely yield.
 - The assumption that windfall sites should be counted.

41. These are dealt with in turn below.

Nature of supply

42. The assessment of need is a projection of **new** employment land. However, it is not clear, with the exception of net completions between 2020 and 2022, whether the categories of supply in Table 3.1 cover only new land.

43. Specifically, 156.7 ha of current Local Plan allocations have been carried forward from the draft Black Country Plan. Do any of these allocations involve the redevelopment or regeneration of **existing** employment land? If they do, then they should be taken out of the supply in order to be consistent with the projection of need.

Yield

44. As with the EDNA 2022, the assessment of supply assumes that **all** identified sites will be delivered. This would be unrealistic for any local planning authority. It is even more so for the Black Country due to the inherent constraints on much of the land supply. These include contaminated land, historic mining, proximity to housing, road access and congestion.
45. A realistic assessment would apply a discount on supply when balanced against need. At best, the identified supply of 302 ha represents a **maximum** figure.

Windfall sites

46. As referred to above, it is inconsistent to allow for windfall employment sites in assessing the overall supply of employment land but not to allow for windfall housing on existing employment land in allowing for the future loss of employment land. In the absence of any specific evidence, NDL argues that this element of supply should not be included.

Summary

47. On this basis, NDL considers that the **maximum** supply of new employment land will be 302 ha.

Contribution

48. Table 4.1 of the EDNA 2023 identifies a shortfall of 153 ha for the Black Country. This is derived by deducting a supply of 380 ha from a need of 533 ha.
49. For the reasons set above, NDL contends that there is a **minimum need of 672 ha** and a **maximum supply of 302 ha**. This leaves a **minimum shortfall of 370 ha**.
50. Table 4.2 of the EDNA 2023 identifies potential contributions as follows: -
- Shropshire – 30ha
 - South Staffordshire – 36.6 ha.
 - West Midlands Interchange – 67 ha.
51. If all these contributions were realised, it would contribute 133.6 ha. However, by NDL's estimation, this would still leave a further shortfall of 236.4 ha (based on a minimum shortfall of 370 ha).

52. It is to be noted that the potential contribution from South Staffordshire is based on South Staffordshire's estimate that it has an over-supply of 36.6 ha to meet local need. However, NDL considers that its assessment is flawed and that, instead of a surplus, its supply is significantly less than its need. To this end, NDL made representations to the South Staffordshire Pre-Submission Draft Local Plan in December 2022. These representations are also appended (**Appendix 2**).
53. Overall, it is clear to NDL that there is a much larger shortfall in quantitative terms, between need and supply, than the EDNA is articulating. In addition, there is a clear qualitative shortage of large strategic employment sites, which the EDNA makes no reference to.
54. The EDNA has adopted an overly conservative approach. This approach does not accord with the aspirations and ambitions of the Black Country's Strategic Economic Plan.
55. Instead, a much bolder approach is called for. The release of significantly greater levels of employment land in the Black Country and its neighbouring authorities, particularly large strategic employment sites, will provide the Black Country with a range and choice of sites. This would confer an important and necessary competitive advantage in attracting inward investment.

PJL

21 December 2023

Appendix 1 – Response of NDL to the 2022 EDNA forming part of representations made to the Sandwell Local Plan Issues and Options.

Appendix 2 – Response of NDL to the South Staffordshire Pre-Submission Draft Local Plan on Development Needs.