

STAFFORD BOROUGH

**REVIEW OF THE
EMPLOYMENT LAND STUDY**

FUTURE LAND ESTIMATION

SUMMARY REPORT

AUGUST 2010

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1.0 Background to project

- 1.1 This report is an updated of the Stafford Borough Employment Land Study, Future Land Estimation Summary report, July 2007 and is an integral part of Stafford Borough's Employment Land Review.
- 1.2 The Employment Land Review is being undertaken in accordance with the broad guidelines set out in the document "Employment Land Reviews: Guidance Note" published by the Office of the Deputy Prime Minister in December 2004. This consists of three key elements:
- i. An assessment of the existing employment land situation
 - ii. An examination of how much employment land may be required for the future
 - iii. The identification of a portfolio of sites for the future
- 1.3 Staffordshire County Council's Research Unit in the Development Services Directorate has been commissioned to provide input into a review and update of second element of this work for Stafford Borough. This input takes the form of technical advice and support to help assist in the identification of future employment land requirements in Stafford Borough. The findings of this work is summarised in this report. An accompanying technical appendix highlights the detailed findings, and outlines the methodologies employed in assessing the employment land requirements.
- 1.4 In order to estimate the potential levels of employment land that may be required, two approaches to land estimation have been employed. The two methods comprise:
- i. A "Continuation of past development trends" approach, which analyses employment land completions over recent years to establish average annual building rates for the periods of the past 5 years and past 10 years. Average building rates are then factored forwards to provide estimated land requirements.
 - ii. A "Labour Demand" approach, which focuses on the amount of employment land required, as generated by the demand of forecasted employment change from published employment forecasts.

In the previous study a third methodology, the Labour Supply approach, was also used. However, for this update it was decided not including this methodology for two principal reasons. Firstly, the lack of more up to date information particularly in relation to economic activity and secondly, having considered to results generated in the previous study the results from this methodology was considered not to add anything additional to the study.



- 1.5 The two approaches to estimation of future employment land requirements should be considered collectively and on the basis of their own strengths and weaknesses. A further examination of each of the approaches is outlined later in this report.



2.0 The Stafford Borough Context

- 2.1 Stafford Borough is a large district situated in the central west of the administrative county of Staffordshire. In 2008 the Borough had an estimated population of 125,200¹. The Borough is characterised by a significant rural area particularly to the west of the M6 motorway, a number of small hamlets, villages and larger villages such as Eccleshall, Gnosall and Great and Little Haywood. There are two main towns in Stafford Borough, the County town of Stafford and the canal town of Stone. These two towns act as the main focus for development, with a number of the smaller settlements interspersing the rural area.
- 2.2 Stafford Borough is significantly influenced by, and exerts its own influences on surrounding areas. The town of Stafford is placed quite centrally within the County and has strong links with many of the surrounding areas such as Cannock, Rugeley and northwards towards Stone and the North Staffordshire conurbation. Stafford also has quite considerable linkages with the West Midlands conurbation to the south. Further north, Stone has stronger links with the North Staffordshire conurbation, and tends to look northwards to higher level services. There are also relationships to the west and east of the Borough, although these tend to be less strong than those to the north and south.
- 2.3 Several major communications routes cut through the Borough, and these have been important in shaping the local area. The M6 and A34, provide excellent road links to both the north and south meaning that the majority of the Borough is within an hour drive of the major centres of Birmingham and Manchester. Links to the east and west are less well developed, although the nearby A50 offers improved links to the east at Uttoxeter and Blythe Bridge, in the very north of the Borough. Rail links are concentrated along the West Coast Main Line which cuts through the district. With services concentrated on Stafford station. Birmingham can be reached in around 30 minutes and Manchester within 1 hour. Improvements to the West Coast Main Line means that London Euston is a 1 hour 20 minute journey. Stone station has recently re-opened and is served by the London Midland train service.
- 2.4 The employment land study will help to identify a range of the locally important factors in Stafford Borough which may not be borne out by hard quantitative evidence, but are significant in their influence on the local economy, and in particular, how they may relate to the future employment land requirements of the district.
- 2.5 Recently the new coalition Government has moved to abolish the Regional tier of planning and as such the West Midlands Regional Spatial Strategy² (WMRSS) and all work of the phase 2 and 3 review of the WMRSS has been placed on indefinite hold. At this stage it is unclear how this will impact on Stafford Borough particularly as Stafford town is identified as a Strategic Centre and Settlement of Significant

¹ Office for National Statistics, 2008 Registrar General's Mid Year Population Estimates

² Government Office for the West Midlands, Regional Spatial Strategy for the West Midlands, 2008



Development, and has Growth Point status. However, Stafford Borough remains uniquely placed to accommodate significant levels of development in the coming years both in terms of new employment and housing land.

- 2.6 The identification of a balanced supply of employment land, spread across a portfolio of good quality sites will be a key element to the sustainable development of the area for future years, in particular through its ability to support and drive forward these growth proposals.



3.0 The Current Economic Base of Stafford Borough

- 3.1 As at 2006³, Stafford Borough was home to some 61,000 employee jobs. This means that it has the highest number of employee jobs of the eight district council areas in Staffordshire. Table 1 below highlights the levels of employment by broad industrial group in the Borough, and how this compares to the situation in Staffordshire County, the West Midlands Region and Nationally. Since 2003 there has been an increase of 5,800 employee jobs in Stafford Borough, an increase of 10.5%.
- 3.2 Stafford has a proportionally very large concentration of its employee jobs in the public administration, education and health sector (40.1% or 24,500 jobs) than these comparison areas. This extremely high level of employment can be attributed to the fact that Stafford is the main location for central jobs of Staffordshire County Council, whilst also having significant employment provided by Stafford Borough Council and in the health sector through Mid Staffordshire General Hospitals NHS Trust. Employment in the education sector is provided by the local schools and further boosted by the presence of the campus of Staffordshire University and Stafford College of Further Education. Therefore, while the Borough has a good concentration of quite stable service sector employment, it is potentially vulnerable to any major changes which could occur within these sectors, particularly in the light of the new coalition Government's budget deficit reduction programme.
- 3.3 Although Stafford Borough currently has proportionally less jobs than comparison areas of Staffordshire County and the West Midlands Region in the manufacturing sector, (12.9% of all employment at 2006 or 7,900 employee jobs) the sector is still more important proportionally than for Great Britain as a whole. Stafford Borough has seen one of the greatest levels of decrease in employment among the manufacturing sector of any district in the West Midlands Region. Between 2001 and 2006 some 3,900 manufacturing jobs were lost in the district (a -32.5% decrease in employment in the sector). It is important that the employment land lost as a result of such cyclical changes in the local economy is used to its best potential. Whether that use is for new employment land, housing or a mixture of uses.
- 3.4 After the public administration, education and health sector, the second most important sector locally for employee jobs is the distribution, hotels and restaurants sector which provides 12,800 employee jobs or 21% of the employment in Stafford Borough. Recent developments taking advantage of the Borough's good links to the M6 motorway in particular suggest that the market for further development in the distribution and warehousing sector could potentially expand further.
- 3.5 The banking, finance and insurance sector (which is seen as a key driver for the future growth of the service sector in local economies) employs proportionally less people in Stafford Borough than for Staffordshire County, Nationally or the West

³ Annual Business Inquiry 2006. NOMIS



Midlands Region. There is therefore potential for some growth in these sectors. In order to develop its economy further into the future, growth in the financial and business sector will be important.

- 3.6 Representing 3.2% of all employee jobs, Construction employs a proportionally lower level of people against the comparison areas. The Transport and Communication Sector is also under represented in Stafford Borough, accounting for 4.2% of employee jobs in the Borough compared with 7.1% in County as a whole.
- 3.7 A valid employment land study will also need to take account of the needs of existing businesses in the local area, as well as the predicted future requirements which may be generated as a result of increased employment, or labour force in the area. An assessment of existing employment locations in Stafford Borough is being undertaken as a separate part of this employment land study.

Table 1. Economic Structure (Employment by Broad Industry Group)

	Stafford Borough (Number)	Stafford Borough (Percentage)	Staffordshire County	West Midlands Region	Great Britain
Manufacturing	7,900	12.9%	15.8%	14.8%	10.9%
Construction	1,900	3.2%	5.4%	5.0%	4.8%
Distribution, hotels and restaurants	12,800	21.0%	24.9%	23.4%	23.4%
Transport and communications	2,600	4.2%	7.1%	5.7%	5.9%
Banking, finance and insurance, etc	7,100	11.7%	15.0%	17.9%	21.2%
Public administration, education & health	24,500	40.1%	26.1%	26.6%	26.9%
Other services	3,000	5.0%	5.1%	5.1%	5.3%
Total	61,000	100.0%	100.0%	100.0%	100.0%

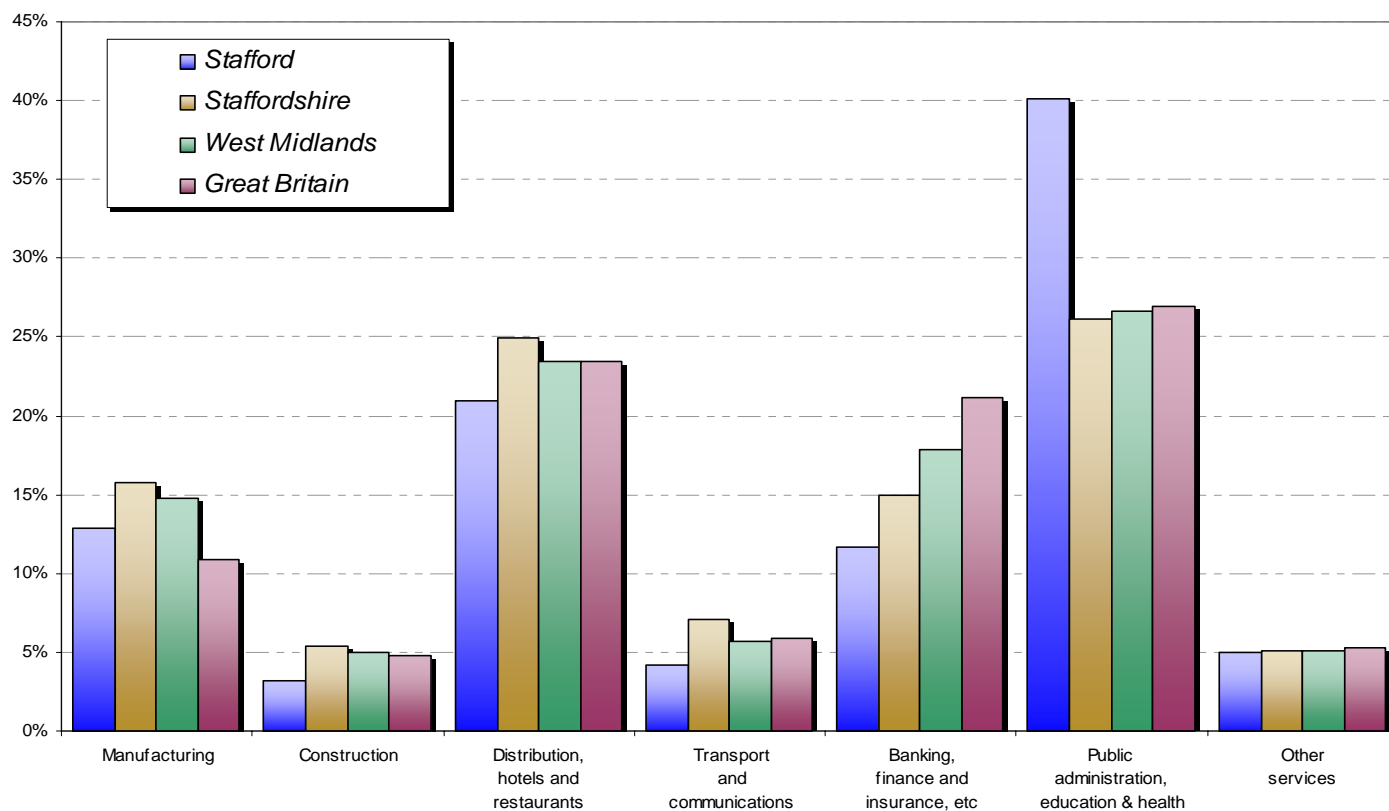
Source: NOMIS, Annual Business Inquiry, 2006, Crown Copyright

Notes. Information relating to Agriculture and Fishing, and Energy and Water Broad industry Groups has been excluded from this table due to disclosure controls issues.

Due to rounded figures may not sum to the total.



Figure 1. Comparison of the Proportion of Employee Jobs in each Broad Industry Group



Source: NOMIS, Annual Business Inquiry, 2006, Crown Copyright



4.0 The Future of the Economy

- 4.1 Predictions of how the economy is likely to change over the medium and longer term future form an important part of the basis of identifying the suitability of the existing employment land stock, and for the identification of new employment land into the future.
- 4.2 Forecasts of the extent to which a local economy is expected to change over time can never be exact, but an appreciation of the way in which patterns of employment may change offers a key input to an employment land study, particularly when assessing the level of labour demand. A significant caveat of employment forecasts is that they are based on trends of historical economic performance and predict how these trends are likely to carry on into the future.
- 4.3 For the purposes of this study, Staffordshire County Council has sourced “off the peg” employment forecast projections based on the “Local Economic Forecasting Model” as produced by the recognised economic forecasting company “Cambridge Econometrics”. As highlighted above, these forecasts employ a trend based analysis, informed by locally important factors, taking into account historical trend data, and predicting the trend for future economic and employment growth.
- 4.4 “Off the peg” economic forecasting models do not take into account local policy implications which can have significant influence on an area. Although the Phase 2 review of the West Midlands Regional Spatial Strategy has been placed on indefinite hold and as such Stafford town’s designation as a Settlement of Significant Development, Stafford has retained its status as a Growth Point from the Government, the implications of which will be addressed in the content of the emerging Local Development Framework.
- 4.5 The forecasted employment projections in the Stafford Borough area are presented below in Table 2.
- 4.6 The employment forecasts are based on an input data year of 2006. Any data beyond this date should therefore be treated as a forecast, with appropriate caution applied.
- 4.7 Table 2 highlights employment in Stafford Borough for each 5 year period between 2006 and 2026. The projection identifies a substantial decrease in the overall levels of employment between 2006 and 2011, some 2,500 jobs over the 5 year period. This decrease follows the trends identified in the reduction in employment of the manufacturing sector in particular since 2001. Over the 2006 to 2026 period employment in Stafford Borough is predicted to fall by 9,800 (a decline of 14.4%)
- 4.8 In 2006, the largest industry in Stafford Borough by these projections is forecast to be the Government and Other Services sector, with 29,800 employees. This sector is forecast to remain the largest sector employing most people in the Borough all the way through till 2026 when it is expected to employ around 26,800 people. The



importance of the Distribution, Hotels and Catering Sector in Stafford Borough is reflected in it being the second most important sector in employment terms at 2006 (14,100 jobs), although the number of jobs in this sector is projected to experience a marginal decline over the 20 year period, with the total number of jobs in 2026 around 12,900, it remains an important sector for the local economy.

- 4.9 The financial and business sector is forecast to become much more important to the local economy, and is predicted to rise from 7,800 jobs in 2006 to around 9,500 jobs by 2026. This is a common pattern throughout the Staffordshire area, and nationally, where the financial and business sector is becoming one of the biggest areas of growth.
- 4.10 The decline of the manufacturing sector in the Borough is highlighted by the employment forecast. A decrease in the manufacturing sector of some 2,800 jobs was forecast for the period between 2006 and 2011. The pattern of decline is predicted to continue up to 2026 where the manufacturing sector is forecast to employ around 3,900 people. The overall predicted decline between 2006 and 2026 is some 4,600 jobs or a -54.1% decline in employment in the sector. It should be noted that the model is a forecast that uses past trends in employment as an input. Therefore, it is not possible for the model to reflect any potential future investment in the manufacturing sector at an individual local authority level.
- 4.11 Employment forecasts do suggest that there will also be small increases in the numbers of jobs in the construction, and the electricity, gas and water sectors.
- 4.12 The findings of these employment forecasts are the key component used to inform the labour demand approach to establishing a future employment land requirement.
- 4.13 By way of summary, the employment forecasts would suggest the following as likely trends in the district up to 2026:
- Over the 2006 to 2026 period employment in Stafford Borough is predicted to decline by 9,800 (a decline of 14.4%)
 - The financial and business sector of the economy is forecast to become much more important to the local economy
 - The decline of the manufacturing sector in the Borough is predicted to continue up to 2026
 - Employment forecasts do suggest that there will also be a small increase in the numbers of jobs in the construction and electricity, gas and water sectors.



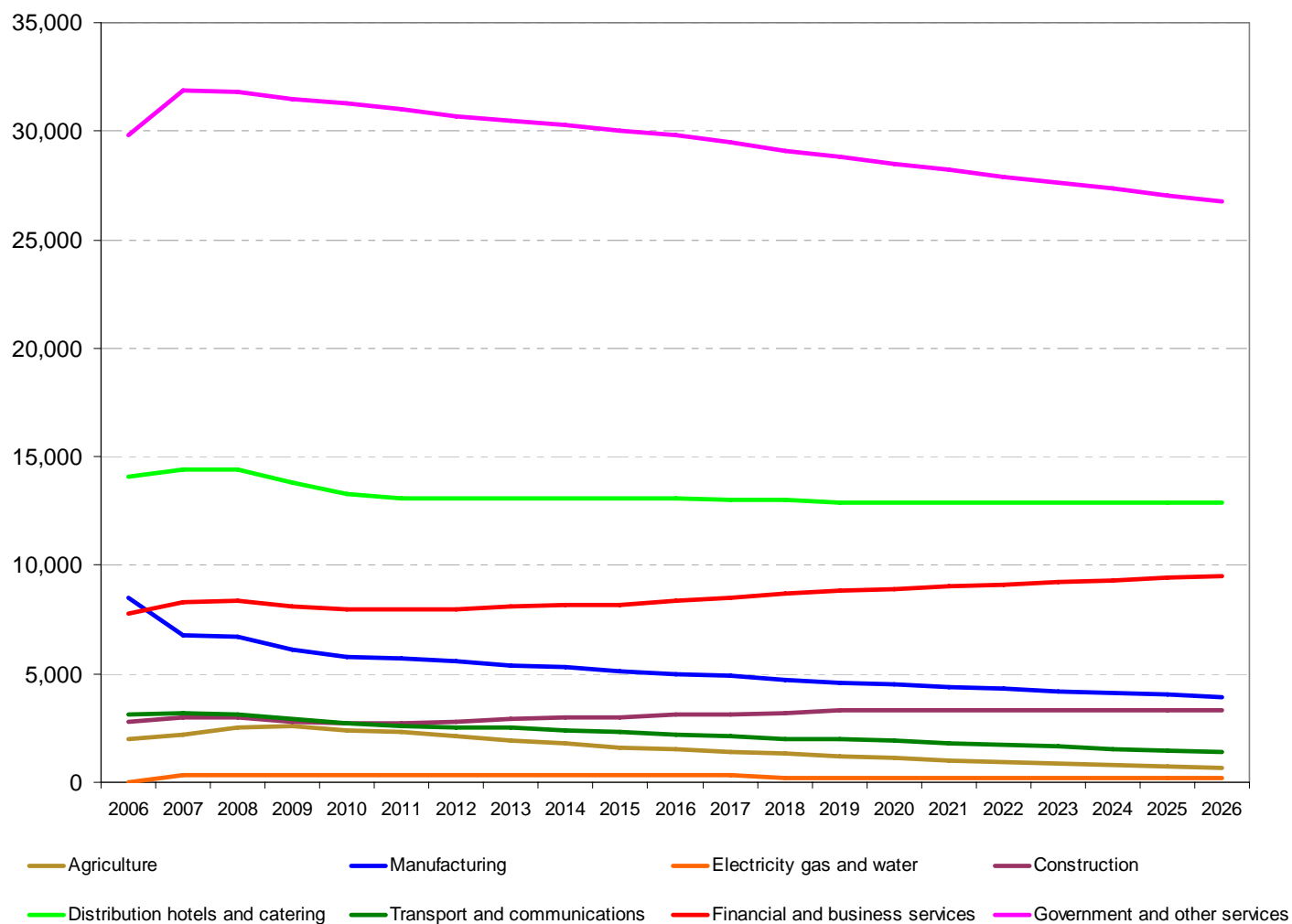
Table 2. Local Economic Forecast by Sector 2006-2026

Industry	2006	2011	2016	2021	2026	Change 2006-26	Percentage Change 2006-26
Agriculture etc	2,000	2,300	1,500	1,000	700	-1,300	-65.0%
Mining and quarrying	0	0	0	0	0	0	0.0%
Manufacturing	8,500	5,700	5,000	4,400	3,900	-4,600	-54.1%
Electricity gas and water	0	300	300	200	200	200	0.0%
Construction	2,800	2,700	3,100	3,300	3,300	500	17.9%
Distribution hotels and catering	14,100	13,100	13,100	12,900	12,900	-1,200	-8.5%
Transport and communications	3,100	2,600	2,200	1,800	1,400	-1,700	-54.8%
Financial and business services	7,800	8,000	8,400	9,000	9,500	1,700	21.8%
Government and other services	29,800	31,000	29,800	28,200	26,800	-3,000	-10.1%
Total	68,200	65,700	63,300	60,800	58,400	-9,800	-14.4%

Source: Cambridge Econometrics, Local Economic Forecasting Model. Data has been extrapolated by Staffordshire County Council's Research Unit to 2026, (published 2010)



Figure 2. Local Economic Forecast by Sector 2006-2026



Source: Cambridge Econometrics, Local Economic Forecasting Model. Data has been extrapolated by Staffordshire County Council's Research Unit to 2026, (published 2010)



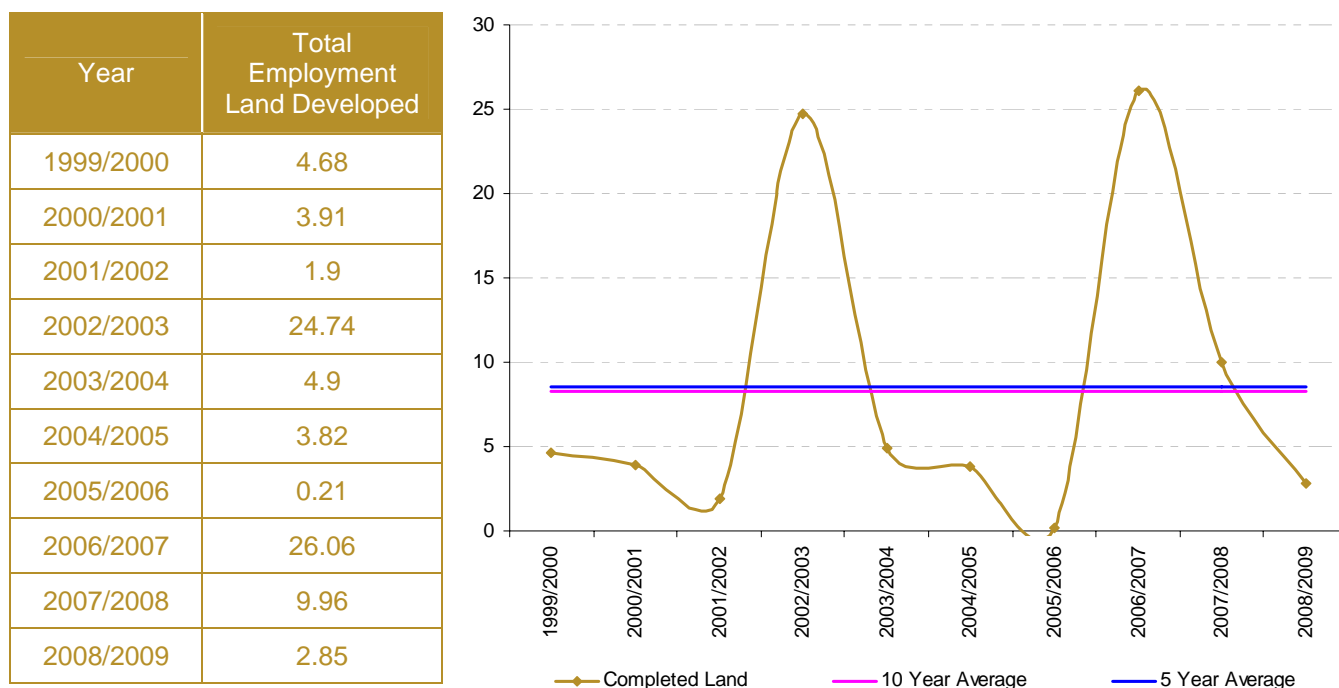
5.0 Identifying a future employment land supply

- 5.1 This report follows the advice set out in the document – “Employment Land Reviews: Guidance Note” published by the Office of the Deputy Prime Minister in December 2004.
- 5.2 In this report, two different approaches have been used for the calculation of a potential future employment land supply in Stafford Borough. The two methods are:
- i. A continuation of past development trends approach
 - ii. A labour demand led approach – based on likely employment land requirements as a factor of forecasted employment change
- 5.3 The two approaches differ quite significantly in both their methodologies and the results that they yield. It is important to recognise that no single approach should be classed as preferable to another, rather these approaches should be considered together. Likewise, the suggested land requirement results generated from the two approaches should be seen only as a starting point for the identification of employment land requirements rather than a definitive statement of future needs.
- 5.4 An indication of the potential land requirements generated under each of the land forecasting approaches is presented below, alongside a brief commentary on the implications of each approach. For further more detailed explanation of the methodology used in each of these approaches, and the technical data which sits behind them, please see the accompanying technical appendix document.

Continuation of past trends approach

- 5.5 The continuation of past trends approach is a relatively straight forward land estimation method which considers the levels of B Class employment land development in the district over recent years to create an average building rate. This building rate is then factored forwards over the period of interest to calculate a potential land requirement.
- 5.6 For the purposes of this project, past development rates have been calculated for the past 5 years (2004/05 to 2008/09) and the past 10 years (1999/2000 to 2008/09). During the previous decade a total of 83.03 hectares of employment land has been developed in the Borough. The largest amount of development occurred in 2002-03 (24.74 ha) and 2006-07 (26.06 ha) and the lowest amount in 2001-02 (1.90 ha) and 2005-06 (0.21 ha). Table 3 below highlights total employment land completions in Stafford Borough over the past 10 years.



Table 3. Employment Land Completions 1999/2000 to 2008/2009 (Hectares)

Source: Staffordshire Employment Land Survey 2009

5.7 The average building rate over the 5 years between 2004 and 2009 in Stafford Borough was 8.58 hectares per annum, while the average build rate over the 10 years from 1999 to 2009 in Stafford was 8.30 hectares per annum. These average build rates are shown below as part of Table 4. The high levels of employment land development in certain years may be skewed in part by the significant levels of distribution and warehousing development which have come forward recently in Stafford Borough, most notably at the Prime Point 14 site.

Table 4. Average Building Rates - past 5 year and past 10 year (Hectares)

Total Completions 2004/05 to 2008/09	Average Build Rate (5 years)	Total Completions 1999/2000 to 2008/09	Average Build Rate (10 years)
42.90	8.58	83.03	8.30

Source: Staffordshire Employment Land Survey 2009



- 5.8 The average build rates are then factored forward over the period of interest (20 years) to provide an indication of the future employment land requirements of the district. Using the average build rates from 2004 to 2009 a total of 171.6 hectares of land would be required, while the development trends between 1999 and 2009 would generate a new employment land requirement of 166.6 hectares. These requirements are highlighted below in table 5.

Table 5– Potential land required - based on past 5 year and past 10 year averages (Hectares)

Average Build Rate (5 years)	Land Supply 2006-26 (based on 5 year build rate)	Average Build Rate (10 years)	Land Supply 2006-26 (based on 10 year build rate)
8.58	171.60	8.30	166.00

Source: Staffordshire Employment Land Survey 2009

- 5.9 The land requirements provided by this approach are likely to be towards the “upper end” of the expected employment land requirements in Stafford Borough into the future. The approach uses recent development trends to calculate requirements for the future. In Stafford Borough, development trends may have been skewed by the high levels of B8 type distribution and warehousing developments that have been completed in some of the recent years. The extent to which these land requirements will be reflective of the situation of land development in Stafford Borough will be somewhat shaped by the types of development that the area is likely to accommodate, and willing to attract into the future.
- 5.10 As with all approaches to land estimation, an element of caution should therefore be applied to these findings. They do however offer a useful “at a glance” approach estimate to the levels of employment land which may be required if Stafford Borough was to experience sustained levels of growth similar to those which have taken place over recent years.

Labour Demand led approach

- 5.11 The labour demand led approach uses forecasted employment change to identify potential future land requirements in the district over the next 20 years. Forecasted employment change for each of the 5 year periods between 2006 and 2026 is taken into account. Employment change is then attributed to employment densities for different sectors to create an employment floor space requirement. This floor space requirement is then multiplied by a plot ratio factor to give an allocation of total employment land to accommodate the required level of floor space, and an overall employment land requirement is the final result.



5.12 The labour demand approach is useful, in that it takes account of the likely changes to employment in the area into the future. The approach uses the employment forecasts from Cambridge Econometrics as highlighted in Tables 6 and 7 below as it's starting point.

Table 6 – Employment Forecasts 2006-26 (absolute jobs)

Industry	2006	2011	2016	2021	2026	Total Change 2006-26	Percentage Change 2006-26
Agriculture etc	2,000	2,300	1,500	1,000	700	-1,300	-65%
Mining and quarrying	0	0	0	0	0	0	0%
Manufacturing	8,500	5,700	5,000	4,400	3,900	-4,600	-54%
Electricity gas and water	0	300	300	200	200	200	0%
Construction	2,800	2,700	3,100	3,300	3,300	500	18%
Distribution hotels and catering	14,100	13,100	13,100	12,900	12,900	-1,200	-9%
Transport and communications	3,100	2,600	2,200	1,800	1,400	-1,700	-55%
Financial and business services	7,800	8,000	8,400	9,000	9,500	1,700	22%
Government and other services	29,800	31,000	29,800	28,200	26,800	-3,000	-10%
Total	68,200	65,700	63,300	60,800	58,400	-9,800	-14%

Source: Cambridge Econometrics



Table 7 – Employment Forecasts 2006-26 (change in absolute jobs)

Industry	2006-2011	2011-2016	2016-2021	2021-2026	Total Change 2006-26
Agriculture etc	300	-800	-500	-400	-1,300
Mining and quarrying	0	0	0	0	0
Manufacturing	-2,800	-700	-600	-500	-4,600
Electricity gas and water	300	0	-100	0	200
Construction	-100	400	200	0	500
Distribution hotels and catering	-1,000	0	-200	0	-1,200
Transport and communications	-500	-400	-400	-400	-1,700
Financial and business services	200	400	600	500	1,700
Government and other services	1,200	-1,200	-1,600	-1,400	-3,000
Total	-2,500	-2,400	-2,500	-2,400	-9,800

Source: Cambridge Econometrics

- 5.13 The employment change highlighted in Table 7 forms the basis of employment land demand in each of the 5 year periods. Sectors which yield a forecasted negative employment change will not generally form a need for additional employment land so are discounted from further calculation. An allowance is made however for relocations from the important manufacturing sector.
- 5.14 An assumption is then made as to the expected proportions of forecasted employment change that will require the development of new B class industrial land. This assumption has been made using data from Industrial Estates Survey undertaken by Staffordshire County Council's Research Unit. The detailed background to these assumptions is highlighted in step 3 (page 11) of the accompanying technical appendix report.
- 5.15 To develop a floor space requirement, resulting from expected employment change, employment densities are applied as set out in Table 8 below. Floor space is then factored by "plot ratios" (which are also highlighted in Table 8 below) to create an overall employment land requirement. All sectors in Table 8 with the exception of Agriculture and Mining and quarrying require an element of B Class land.



Table 8 – Employment density and plot ratio factors

Industry	Use Class (Best fit)	Floorspace Density (sq.m.)	Plot Ratio
Agriculture etc	N/A	N/A	N/A
Mining and quarrying	N/A	N/A	N/A
Manufacturing	B2	30	0.4
Electricity gas and water	B2	30	0.4
Construction	B2	30	0.4
Distribution hotels and catering	A1, A3, B8, C1, Sui Generis	20 / 65	0.4 / 0.6
Transport and communications	B1, Sui Generis	20	0.6
Financial and business services	A2, B1	20	0.6
Government and other services	A2, B1, D1, D2	20	0.6

Source: *Densities – English Partnerships, Plot Ratios – Atkins Staffordshire Moorlands Employment Land Study*

Notes: *Densities have been extracted and interpreted from the English Partnerships publication – “Employment Densities – A Simple Guide”. This publication identifies data generated for the average densities nationally.*

Employment Densities calculated by the Research Business unit from surveys of local industrial estates and business parks developed by Staffordshire County Council suggest that local densities are lower than those reported nationally meaning that locally more land could be necessary.

Floorspace density is the amount of floorspace (sq.m.) required to accommodate a job. Plot Ratios is the factor of the additional land required to accommodate the floorspace.

- 5.16 Using a preferred methodology, which takes into account assumptions on the amounts of new employment taking B class employment land, and including a factor for relocations from manufacturing a total expected land requirement between 2006 and 2026 would be in the region of 25 hectares. Table 9 below provides details of the land requirement from the labour demand approach.
- 5.17 For further information on the methodologies and assumptions used in the development of the labour demand land requirement please see pages 13 and 14 of the accompanying technical appendix document. The technical appendix also includes details of the potential land requirements generated by alternative development scenarios to this preferred method, including a scenario where all positive employment change would be catered for by B class land. This scenario which could be seen as an “upper end” estimate using the labour demand approach generated a requirement of around 34 hectares of employment land over the 2006-2026 period.



- 5.18 The labour demand led approach gives a good indication of the likely levels of land required under a trend based growth in the local economy. It is by nature a rather conservative approach as it does not take into account the influences on the local economy of planning policy led growth scenarios, and takes into account the economic trends of the past 25 years to predict what may happen into the future.

Table 9 – Indicative Land Requirement from Labour Demand Approach (Hectares)

Industry	2006-2011	2011-2016	2016-2021	2021-2026	Total Change 2006-26
Manufacturing	6.38	4.28	3.75	3.30	17.70
Electricity gas and water	2.25	0.00	Neg	0.00	2.25
Construction	Neg	0.30	0.15	0.00	0.45
Distribution hotels and catering	Neg	0.00	Neg	0.00	0.00
Transport and communications	Neg	Neg	Neg	Neg	Neg
Financial and business services	0.43	0.87	1.30	1.13	3.73
Government and other services	0.40	Neg	Neg	Neg	0.40
Total	9.46	5.44	5.20	4.43	24.53

Conclusions – Identifying future land requirements

- 5.19 The two approaches to quantifying new employment land requirements used in this study have yielded significantly different results. The continuation of past trends approach, which looks to roll forward historical development patterns to establish a predicted land requirement yields a much greater indicative land requirement than the labour supply approach which seeks to predict levels of land needed to serve predicted future growth in employment.
- 5.20 It is not the purpose of this report to provide a definitive employment land requirement in Stafford Borough over the next 20 years. Rather the indicative figures should be seen as a starting point to stimulate the further investigation of both the suitability and availability of the existing stock of employment land in the district, and how appropriate this will be for the future development vision of the area.
- 5.21 In the simplest terms, if Stafford Borough continues to develop its employment land along the lines of recent years, with a significant focus on development in the distribution and warehousing sector it is likely that new sites for employment land will need to be identified, above and beyond the portfolio of land currently identified. The



exact amount of land will be subject to a detailed market testing of the employment land portfolio to assess its fitness for purpose for the range of likely future uses.

- 5.22 At the other end of the development scale, if Stafford Borough's future employment development pipeline follows the lines of that forecast by the labour supply projections, the existing portfolio of land could quite possibly accommodate expected levels of growth. Once again, this would be subject to the detailed market testing of the portfolio of land to ensure sites are suitable both in type and quality and their location.
- 5.23 The key consideration for identification of employment land in Stafford Borough will therefore be linked to the development vision of the Borough, and how this vision will relate to employment land requirements. A high growth vision would therefore intimate much higher employment land requirements and potentially the need to identify new land, whereas a conservative development approach may see employment growth accommodated by the existing supply, albeit subject to the testing of the suitability and quality of sites.
- 5.24 An investigation of some of the issues which are not necessarily highlighted by the quantitative land identification approach is considered in further detail in section 6 below.



6.0 Further issues to take into account

- 6.1 In addition to the issues drawn out in earlier sections of this report, there are a number of other important local factors which need to be taken into account as part of this employment land study. The two methods of land estimation provide a good starting point for the investigation of the needs of future employment land requirements. However, finer details of interest which are not necessarily picked up by examining quantitative evidence, form an important basis to the study. These issues will be considered in some part below, and while these issues are by no means exhaustive, they do offer an additional insight to the employment land situation in Stafford Borough.

The Economic Structure of Stafford Borough

- 6.2 Stafford Borough's economic structure at 2006 was skewed very heavily towards the public administration, education and health sector, accounting for 24,500 jobs, or 40.1% of the total employee jobs in the district. The major employers in this sector include Stafford Borough Council, Staffordshire County Council (as Stafford is the county town of Staffordshire), Mid Staffordshire General Hospitals NHS trust, Staffordshire University and Stafford College of Further Education and local schools and the Ministry of Defence at Beacon Barracks in Stafford. Although employment in these sectors is considered to be relatively stable, there are now uncertainties in the sector given the current economic climate and the Government's budget deficit reduction programme which could lead to job losses and restructuring of this sector.
- 6.3 The vision of Stafford Borough Council is to promote some diversity of the local economy to try and reduce the potential vulnerability in having an economy which is too reliant on a single sector.
- 6.4 Indeed the vulnerability of Stafford Borough's economic base over recent years can be highlighted by the massive changes in the levels of manufacturing employment over the past decade or so. Manufacturing employment at 2006 suggests it is still an important sector locally, accounting for 7,900 jobs or 12.9% of the total employment in Stafford Borough. Between 2001 and 2006 some 3,900 manufacturing jobs were lost in the Borough, making this one of the biggest losses of manufacturing employment in the whole of the West Midlands region. An employment land review cannot predict when and how such closures may occur into the future, although key considerations of employment land reviews are to identify land / premises that were in industrial use and which are currently vacant or considered to be redundant, and it will be up to the Borough Council to consider how best to manage the potential re-use of such land. Whether that be for a continuation / re-introduction of an employment use, or whether it may be more appropriate to be released for other potentially beneficial uses. Despite the decline in manufacturing employment in recent years, there have been some encouraging developments in the Borough with continuing investment by Areva in specialised manufacturing processes. There is also the potential for the Borough to attract and benefit from



green technologies and medical technologies, the latter linked to Keele University's proposals for Government back office relocation. Therefore, the decline in employment in the manufacturing sector indicated in the model may be a little on the high side.

- 6.5 One of the most important implications for the identification of the location and type of future employment land supply in Stafford Borough will be the extent to which new development will be concentrated among the different types of property which will be suited to office, general industrial and distribution / warehousing style premises. The employment forecasts provided by Cambridge Econometrics suggest that the greatest levels of growth in employment in the area will be experienced in the financial and business sector; therefore appropriate accommodation should be provided which is likely to be office style accommodation. New employment developments in the Borough should support enhanced enterprise formation rates and look to graduate retention opportunities from Staffordshire University in the future. Office accommodation is more likely to be demanding of town centre locations which should (and are likely to) act as the primary focus for office development. Edge of centre development in areas accessible to good public transport links should form the next most suitable locations for office development, with out of centre development the next level of the sequential approach to development.
- 6.6 Although the employment forecasts provided by Cambridge Econometrics do not specifically identify the distribution and warehousing sector (this group is contained within other sectors) there has been a significant increase in employment in the sector and it should be recognised as an important driver of employment growth in the Borough in recent years. The availability of sites such as Prime Point 14 with excellent access to the M6 motorway has helped to fuel the buoyancy in this sector. A continuation of employment land development at these buoyant levels would likely require identification of employment land towards the upper end of those identified by the two methodologies of land estimation. In addition, as the distribution and warehousing sector becomes ever more sophisticated and technologically advanced, operators may require new and updated premises which may therefore introduce some relocation requirements. It would be pertinent to allow for such possibilities when investigating the future portfolio of employment land for Stafford Borough.
- 6.7 Stafford Borough has an important economic role to play and understanding this is vital in moving the Borough forward. As part of this understanding the West Midlands Regional Observatory commissioned a study into Functional Economic Geographies in the Region in 2006. Functional Economic Geography provides a conceptual approach to economic analysis which attempts to understand a local economy over the spatial level at which it operates, rather than the less perceptive administrative local government boundaries. Work on understanding Functional Economic Geographies is being picked up as part of the Local Economic Assessment currently being undertaken by Staffordshire County Council.



The Recession

- 6.8 The impact of the recent recession has been felt in Stafford Borough but perhaps it has not been as dramatic as in other parts of the County, West Midlands Region or the Country. As a result of the recession, a number of key developments have not come forward as expected, most notably the redevelopment of the old leisure centre and Tesco's sites on the south eastern edge of Stafford town centre.
- 6.9 Stafford Borough has seen a considerable increase in unemployment during the last two years. The number of people living in the Borough and receiving Job Seekers allowance more than doubled between April 2008 and April 2009. In April 2008 the number of claimants totalled 1,040 (1.4%) by April 2009 this had increased to 2,452 claimants (3.2%). The number of claimants has fallen back slightly since then and at April 2010 there were 2,131 people in receipt of Job Seekers Allowance. This represents 2.8% of the working age population living in the Borough and it remains lower than average rates for the County (3.4%), West Midlands region (5.2%) and Great Britain (4.1%).
- 6.10 Up until recently the majority of the job losses in the Borough have been in the private sector. However, with the Coalition Government's desire to address the current budget deficit, it is likely that the public sector will be hit hardest in the next couple of years. Stafford town will be particular affected by any job losses in the public sector as just over 50% or 17,100⁴ of the jobs in town are in the public sector. In addition, there are an additional 2,800 public sector jobs located on the eastern edge of the town including Staffordshire University, Staffordshire Police and MoD Stafford. Any reduction in public sector funding and job losses will have an indirect affect on local businesses and companies that supply goods and services to the public sector, so potentially there could be further jobs losses in the private sector as well.
- 6.11 The recession, with a lack of affordable credit, increased unemployment and low economic growth, in the short-term is likely to have a considerable impact on the level of employment related development and demand for employment land in the Borough. Stafford Borough needs to explore how it can make the best of opportunities that may arise as the economy moves out of recession, putting itself in the best position as possible so it can meet demand when the markets return to their pre-recession state and are more buoyant.

Commuting patterns

- 6.12 The most reliable source of data for commuting patterns comes from the Journey to Work analysis which was undertaken for the 2001 Census of Population. This analysis, however, is now some nine years old and although the overall patterns of movement to and from work are likely to be broadly similar, there will have

⁴ Office for National Statistics, NOMIS – Annual Business Inquiry, 2008



undoubtedly been some significant changes to the journey to work dynamics of the area over this period of time. At the time of the 2001 Census of Population Stafford Borough had very similar numbers of people working in the district as those that came into the district to work, but slightly more travelled out for work giving a net commuting factor of -0.2%.

- 6.13 It is difficult to predict with any certainty how commuting patterns may have changed over time since the publication of the 2001 Census of Population. The levels of development in Stafford Borough since 2001 suggest that there has been an increase in employee jobs in the Borough and as such there may be slightly different commuting dynamics in place.
- 6.14 Recent improvements to the rail network in Stafford means that it is now easier to commute to the West Midlands conurbation and northwards towards Manchester. The fastest train to London Euston now completes the journey in 1 hour 20 minutes also offering the potential to commute to the capital. While these improved links may mean greater levels of out commuting than in 2001, they also offer the opportunity to capitalise on these improved links to attract people to work in Stafford. Similarly, the re-opening of Stone station has improved the links from the town to other areas and also links to the town.
- 6.15 The road network of Stafford Borough offers good links to other towns in the area and to further afield, offering the chance to commute both into and out of the Borough. Travel to work patterns from the 2001 Census have identified that Stafford town can be seen as a relatively defined travel to work area with people travelling in from some distance to help service the local economy. Stone, although a smaller employment centre, sees a similar number of people travelling into the town to those travelling out for employment purposes.
- 6.16 Although the levels of in commuting into the Borough do not suggest that these would create significant additional demand for employment land, commuting issues should be considered with some importance in the preparation of the employment land review as the development of a comprehensive portfolio of land can have the potential to help in the development of sustainable local growth where expected housing development and employment development are considered in parallel.

The Impact of Migrant Workers

- 6.17 The impact of migrant workers to the local economy is a further potential consideration for this employment land study, although since the start of the recession in 2007 this has become less of an issue. In common with the majority of localities in Staffordshire, the population of Stafford Borough has a relatively small proportion from Black and Minority Ethnic (BME) groups. The town of Stafford tends to have a slightly greater proportion of persons from BME backgrounds, a characteristic that is somewhat shaped by the significant student population attending the Staffordshire University's Stafford campus. More recently, the area



has seen some increases in migrants, in particular from the Accession 8 countries which joined the European Union in 2004.

- 6.18 The National Insurance Workers Registration Scheme has identified that in 2005/06 just under 600 persons registered for National Insurance purposes. In 2007/08 this figure had fallen to just under 350, a reflection perhaps of the recession. A sizable proportion of those registering under this scheme were Polish, possibly attracted to the area by the existing strong Polish community in Stafford. These figures represent a significant increase on the numbers of people registering for National Insurance prior to the Accession 8 countries joining the European Union.
- 6.19 It is not possible to identify the impact migrant workers have on the economy of the Borough with any certainty. However, it is clear it is an important factor for the local labour market. The data only represent those people that have registered for employment purposes on the National Insurance (NI) register, and does not take into account the possibility for double counting. Neither does it take into account those people who may be operating in a less formal economy and thus are not registered for NI. Nevertheless, the influence of migrant workers to the local labour market, and more widely the local economy, could have some impact on the future land requirements, especially if their numbers rise significantly.

Portfolio of Employment Land

- 6.20 Using a base situation as at April 2009, Stafford Borough's portfolio of employment land extended to a total of around 85 hectares of land. Of this total, some 71.5 ha of land had the benefit of full or outline planning permission, with around 13.3 ha not having planning permission. At April 2009 just 0.31 ha was under construction, with 79.6 ha of land classed as being readily available for development and a further 8.5 ha being classed as not readily available for development within the next five years. None of the identified land was constrained beyond five years for development purposes.
- 6.21 At April 2009 a total of 75 hectares of land was identified on sites above 5 hectares in size. The remaining 10 hectares of land being identified on 23 smaller sites which range up to 1.76 ha (many of these smaller plots of land relate to parcels of land within a much larger industrial estate).
- 6.22 In considering the portfolio of employment land against the range of categories identified in the previous Regional Spatial Strategy and Regional Employment Land Study, Stafford Borough has no employment land in the category of Regional Logistics Site, Major Investment Site or Regional Investment Site. The majority of the employment land portfolio (57 hectares) is classed as sub-regional employment site, with a further 26.5 hectares classed as good or other local employment sites.
- 6.23 The suitability of this portfolio of employment land to accommodate the potential levels of growth suggested in this paper will be an important element of the



examination of the existing stock of employment land in Stafford Borough, and the market testing of these sites. This element of the employment land review, combined with an identification of future requirements, will go towards the objective of identifying the suitable portfolio of employment land for the future.

- 6.24 It is quite possible that the existing portfolio of employment land in Stafford Borough will not be suitable for the expected levels and types of economic growth in the area (for example with regard to the office sector). In this respect, there is a possibility that new employment land allocations may need to be identified, once the existing portfolio has been tested for its fitness for purpose. Furthermore the loss of employment land to other uses in recent years should be addressed by new provision of modern and appropriate floorspace.

Constraints to the development of sites

- 6.25 Whilst the current portfolio of employment land in Stafford Borough is not subject to a high degree of physical constraints, these issues are always important and should be considered whilst undertaking an assessment of employment land in the area. It is possible that any future additions to the local portfolio of employment land may be subjected to some elements of development constraint, possibly more so in the case of land which is to be found on recycled or Brownfield land.
- 6.26 Access constraints to the road and rail network are often some of the most complex to consider. The former Meaford Power Station site to the north of Stone is one of the most significant employment land proposals in the Borough.
- 6.27 As well as the physical and infrastructural constraints to a particular site, ownership issues of a site can provide some additional barriers to development. Some sites have sat dormant for long periods of time as developers and other owners may prefer to sit on their land (especially if they have significant other land banks in their own portfolios) to speculate on whether a site may be reallocated for a more profitable use in the future.
- 6.28 The lack of intent to develop identified land is a key constraint, and together with physical and infrastructural constraints were key considerations for investigation of the employment land study. Information gleaned during the assessment of existing employment land can then be tested alongside the findings of section 5 of this study to identify whether new employment land should be allocated, with the ultimate aim of establishing a sustainable portfolio of employment land.



Phasing of employment land and identifying a “buffer” of land

- 6.29 In order to establish a sustainable supply of employment land in Stafford Borough up to 2026, it may be pertinent to establish a phasing policy, which will help to manage the release of land over the full plan period, rather than seeing significant spikes of development which has occurred in recent years in the Borough.
- 6.30 Any phasing policy would also ideally be tied into the possible phasing of housing development proposed for Stafford Borough.
- 6.31 An additional element to the phasing of employment land is the concept of providing a “buffer” of employment land which attempts to resolve some of the issues related to landowners stock piling land, and not bringing forward their sites for development, as well as to take into account the problems associated with those sites which although they have been identified for employment development, are less likely to come forwards for development as a result of infrastructural and other constraints as identified above. For this reason it is sensible to identify an additional “buffer” of employment land additional to the indicative requirements identified in section 5 to help alleviate some of these problems.
- 6.32 It is difficult to accurately estimate the extent of land to be included in this buffer for future requirements. An Employment Land study in South Derbyshire undertaken by Roger Tym and Partners suggested that the equivalent of an additional 10% of the existing employment floor space in the district should be identified as “buffer” land, which can help to satisfy the ongoing churn of the property market. This part of the Stafford Borough employment land study (which is primarily based around identifying a future supply of land) has not assessed the existing property market in detail. In order to quantify a buffer of employment land under the same approach used by Roger Tym and partners, a 10% element of the existing office (B1) and general industrial floor space stock (B2) and warehousing floor space (B8) of the district is calculated. This floor space is then factored by the relevant plot ratios to establish an overall land requirement. To meet the methodology adopted by Roger Tym and Partners, this additional buffer of land should then be added to the predicted land requirements, as identified in section 5 above.
- 6.33 While these approaches will not necessarily alleviate the problems associated with land banking, and related to infrastructural problems, they do offer some potential for helping to ensure that an adequate supply of land is made available. The prudent identification of future employment land requirements should incorporate some element of phasing and land buffers. These issues will need to be taken into account when considering the future portfolio of employment land.



The need to match housing development with complimentary growth in employment land

- 6.34 Stafford Borough has been identified as the potential location for some significant levels of housing growth. This clearly has significant implications for the future development of the Borough as a whole as well as the major settlements of Stafford and Stone which are likely to be expected to absorb the majority of development in the Borough.
- 6.35 Increased housing growth will represent an important opportunity to increase employment development and strengthen the local economy in the future. Therefore it will be important to ensure that the scale and phasing of this potential development promotes the sustainable development of the two main towns and the wider Stafford Borough area.
- 6.36 This report provides an initial indication of the potential additional employment land requirements of the area based on identifying historic development trends and predicted forecasts of employment in the area. Neither of these approaches take into consideration policy led growth assumptions for the Borough.



7.0 Overall Summary

- 7.1 This report has consistently highlighted the need to interpret future land requirements cautiously, and to appreciate that the findings of section 5 of the report represent the very first steps towards the identification of a future portfolio of employment land.
- 7.2 The methods of land forecasting have yielded quite different results, with the lowest levels of requirement being identified through using the labour supply projection led approach, whilst the pre-recession buoyancy experienced in the distribution and warehousing sector has led the continuation of past development trends approach to yield the greatest future land requirement.
- 7.3 For the identification of the future portfolio of employment land in Stafford Borough, it will be important to establish the development vision that Stafford Borough Council has for the Borough up to 2026. Such a development vision will ultimately shape the future land requirements.

