BLACK COUNTRY JOINT CORE STRATEGY ASSESSMENT OF EMPLOYMENT SITES FINAL REPORT

November 2009

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CONTENTS

FIGURES & TABLES

APPENDICES

1. INTRODUCTION AND APPROACH

1.1 This report sets out the processes and findings of our assessment of employment land within the Black Country as part of the emerging Black Country Joint Core Strategy (BCJCS). It has been produced taking into consideration ODPM (as was) Guidance on conducting employment land reviews (Employment Land Reviews – Guidance Note 2004) and has been undertaken by GVA Grimley.

Brief

1.2 The Client, a consortium comprising Dudley Metropolitan Borough Council, Sandwell Metropolitan Borough Council, Walsall Metropolitan Borough Council and Wolverhampton City Council, approached GVA Grimley to undertake this study to build upon the Black Country Employment Land Review undertaken by GVA Grimley and GHK Consulting in April 2008. Whilst the 2008 study concentrated largely on the demand forecasts of employment land (and the assumptions that drive these), the purpose of the 2009 study was to examine in more detail the current and potential future supply of employment land within the Black Country, in order to provide an evidence base for each of the Local Authorities that could be used in preparation of the emerging BCJCS and their Allocations Development Plan Documents (DPD's).

1.3 The main requirements of the Brief were to:

1) Identify and assess both the quantitative and qualitative supply of employment land that will come forward during the Plan period to meet the long term target set out in the West Midlands Regional Spatial Strategy (WMRSS) (Policy PA6A) including within the following areas:

   a) Potential employment sites (approx. 100 sites - taken from RELS).

   b) Employment land that is proposed to be High Quality;

   c) Existing employment areas that are proposed to be retained (for employment); and

   d) Free-standing employment sites.

   In assessing the types of employment sites identified above, it would be important to obtain a strategic view of the market attractiveness, viability, suitability and deliverability of each site, having regard to the current and future market conditions, and the hierarchy of employment land as set out within Policy PA6 of the WMRSS (Portfolio of Employment Land and Premises):

- Sub-regional Employment Sites;
- Good Quality Employment Sites; and
- Other Employment Sites

2) Provide an assessment of the amount of employment land within each Regeneration Corridor, specifically identifying the quantum of:

    a) High Quality employment land; and

    b) Local employment land.

3) Undertake a comparison of forecast need with the existing supply of 'suitable' and 'market attractive' sites to identify the quantity and type of sites needed to meet longer term requirements.

4) Consider the amount of land required for waste management uses and identify sites to be allocated to accommodate demand in conjunction with the emerging Waste Strategy.

5) Provide guidance on a new portfolio of employment land having regard to Tasks 1 - 4 set out above and the employment land requirements set out within the WMRSS (Phase 2 Revision) and the quantum of land within each of the categories identified within Policy PA6.

RSS and its Relationship to this work

1.4 The West Midlands Regional Spatial Strategy (WMRSS) provides a long term land use and transport planning framework for the Region and guides the preparation of Local Authority development plans and local transport plans. The RSS is currently undergoing a revision and the consultation period for the Phase Two Revision (housing and employment) closed in December 2008. The RSS sets out requirements for the provision of employment land for each Local Authority in the Region. Within the Black Country, there is a requirement to provide a rolling supply of 185 hectares (ha) of readily available employment land and a longer term requirement of 555ha over the plan period, subject to testing and possible revision as part of the Preferred Options as a result of the Examination in Public that took place earlier this year.

1.5 This report will provide an evidence base concerning the amount of employment land that is likely to be available in the Black Country to 2026, and whether this supply will be able to meet the requirements from employment growth across the sub-region.

Report Structure

1.6 The remainder of the report is structured as follows:

- **Section 2** – Review of Employment Land Demand;
- **Section 3** – Review of Employment Land Supply;
- **Section 4** – Comparison of Demand with Supply;
- **Section 5** – Sensitivity Analysis;
- **Section 6** – Recommendations for a New Portfolio of Employment Land; and
- **Section 7** – Conclusions.

1.7 The following section reviews the employment land demand.

2. EMPLOYMENT LAND DEMAND

2.1 The demand for employment land within the Black Country over the period 2006 – 2026 was analysed in the report produced jointly by GVA Grimley and GHK International in April 2008. This section summarises that demand, as well as highlighting the demand for employment land arising from redevelopment of sites for alternative uses, such as residential, and the need for additional waste facilities in the Black Country, which will need to be provided on employment land.

2.2 This report has been prepared amid the economic downturn and subsequent recession that is currently affecting the global economy, and whilst we recognise that the demand figures for employment land that were produced in the April 2008 could have been negatively affected by the downturn in the intervening period, we have chosen not to re-visit them on the basis that this report forms part of a long term, ambitious land use planning strategy for the Black Country, and therefore we have assumed that the growth of the UK economy will be broadly in line with that predicted within the model used in 2008.

Forecasts of Employment Land Demand

2.3 The methodology for predicting employment land demand from employment growth is based on translating economic forecasts into Land Use classes and then applying density assumptions to calculate floorspace demand projections. The economic forecasts and density assumptions are explained in extensive detail in the 2008 report. Two scenarios were produced, based on a different set of employment densities – high density and low density.

2.4 The high density scenario assumes that the density of workers per sq m is higher than in the low density scenario. Therefore in the high density scenario the use of land is more efficient and the same number of jobs could be accommodated on less land than in the low density scenario. For the current study we have used both scenarios to compare against employment land supply.

Black Country – Employment Land Demand

2.5 The resulting estimates of employment land requirements to 2026 for the Black Country are detailed below.

Table 2.1 – Employment Land Requirements (ha) within the Black Country to 2026 (Low Density)

Use Class	2009	2011	2016	2021	2026
B1b	1.34	1.23	0.96	0.72	0.53
B1c / B2	963.03	881.12	728.06	610.80	517.20
B8	640.62	646.23	660.48	670.69	682.32
Automotive	171.49	172.85	176.30	178.63	181.39
Total	**1,776.48**	**1,701.43**	**1,565.80**	**1,460.85**	**1,381.43**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Table 2.2 – Employment Land Requirements (ha) within the Black Country to 2026 (High Density)

Use Class	2009	2011	2016	2021	2026
B1b	1.34	1.23	0.96	0.72	0.53
B1c / B2	822.03	752.06	621.23	521.01	441.03
B8	547.10	551.87	564.02	572.71	582.61
Automotive	144.81	145.96	148.87	150.85	153.17
Total	**1,515.28**	**1,451.13**	**1,335.08**	**1,245.29**	**1,177.33**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

2.6 Table 2.1 and Table 2.2 above both show employment land requirements in terms of total stock required. They show that the total stock required for employment uses by 2026 will be between 1,177ha and 1,381ha, representing a decrease in demand of between 338ha and 395ha from 2009 – 2026. This takes account of the predicted decrease in demand for employment premises in the manufacturing (B2) sector.

2.7 Table 2.1 shows the implied change in requirements under the Low Employment Density scenario – which shows a similar pattern to the High Employment Density scenario. There are significant decreases in the requirement for B1c / B2 type land, which fall by around 446ha from 2009 – 2026 indicating a downturn in manufacturing across the sub-region, which is also reflective of the picture nationally. Requirements for B1b fall by around 0.5ha, whilst Distribution and Automotive uses increase by around 52ha in total.

2.8 Table 2.2 shows that under the High Employment Density scenario there is a large decrease in the amount of employment land required for B1c / B2 uses, equivalent to a “loss” of around 479ha. There is a slight downturn in B1b requirements of around 1ha, however it should be noted that predicting employment land requirements for a small sector such as B1b is extremely difficult. Distribution (B8) and Automotive uses show an upturn in requirements rising by around 44ha in total from 2009 to 2026.

Local Authority Demand Forecasts

Dudley

2.9 Table 2.3 and Table 2.4 below show the predicted employment land requirements within Dudley under the two scenarios.

Table 2.3 – Employment Land Requirements (ha) within Dudley to 2026 (Low Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.57	0.46	0.26	0.13	0.07
B1c / B2	220.43	202.75	169.30	143.24	122.14
B8	166.63	169.00	174.15	176.90	179.16
Automotive	44.40	44.95	46.13	46.66	47.07
Total	**432.03**	**417.17**	**389.84**	**366.93**	**348.45**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Table 2.4 – Employment Land Requirements (ha) within Dudley to 2026 (High Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.57	0.46	0.26	0.13	0.07
B1c / B2	188.02	172.93	144.35	122.10	104.09
B8	142.33	144.35	148.74	151.08	153.00
Automotive	37.49	37.96	38.95	39.40	39.75
Total	**368.41**	**355.70**	**332.31**	**312.71**	**296.91**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

2.10 As can be seen in Table 2.3 and Table 2.4 above the total employment land requirement within Dudley by 2026 amounts to between 297ha and 348ha, representing a fall in demand of around 72ha - 84ha from 2009, dependent on scenario.

Sandwell

2.11 Table 2.5 and Table 2.6 below show the predicted employment land requirements within Sandwell under the two scenarios.

Table 2.5 – Employment Land Requirements (ha) within Sandwell to 2026 (Low Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.61	0.64	0.65	0.57	0.45
B1c / B2	318.46	292.56	244.15	206.97	177.22
B8	228.02	227.61	227.49	227.43	228.90
Automotive	53.26	53.09	52.90	52.75	52.99
Total	**600.35**	**573.91**	**525.19**	**487.73**	**459.56**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Table 2.6 – Employment Land Requirements (ha) within Sandwell to 2026 (High Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.61	0.64	0.65	0.57	0.45
B1c / B2	271.98	249.83	208.41	176.61	151.16
B8	194.80	194.45	194.34	194.29	195.54
Automotive	44.98	44.84	44.67	44.55	44.74
Total	**512.36**	**489.76**	**448.07**	**416.01**	**391.89**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

2.12 The total employment land requirements within Sandwell by 2026 are predicted to range between 392ha to 460ha. This represents a reduction in demand for employment land of between 120ha to 141ha from 2009, dependent on scenario.

Walsall

2.13 Table 2.7 and Table 2.8 below show the predicted employment land requirements within Walsall under the two scenarios.

Table 2.7 – Employment Land Requirements (ha) within Walsall to 2026 (Low Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.02	0.02	0.01	0.00	0.00
B1c / B2	244.99	223.20	182.93	152.34	128.04
B8	116.38	118.53	123.87	128.18	132.55
Automotive	34.27	34.85	36.29	37.42	38.58
Total	**395.66**	**376.60**	**343.11**	**317.95**	**299.17**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Table 2.8 – Employment Land Requirements (ha) within Walsall to 2026 (High Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.02	0.02	0.01	0.00	0.00
B1c / B2	209.51	190.86	156.36	130.16	109.35
B8	99.33	101.16	105.71	109.39	113.11
Automotive	28.94	29.43	30.65	31.60	32.58
Total	**337.79**	**321.46**	**292.73**	**271.15**	**255.03**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

2.14 Table 2.7 and Table 2.8 above show that the overall demand for employment land within Walsall by 2026 is predicted to be between 255ha to 299ha, representing a reduction in demand of between 83ha to 96ha from 2009, dependent on scenario.

Wolverhampton

2.15 Table 2.9 and Table 2.10 below show the predicted employment land requirements within Wolverhampton under the two scenarios.

Table 2.9 – Employment Land Requirements (ha) within Wolverhampton to 2026 (Low Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.15	0.11	0.05	0.02	0.01
B1c / B2	179.14	162.61	131.68	108.24	89.80
B8	129.59	131.09	134.97	138.17	141.70
Automotive	39.56	39.95	40.98	41.80	42.75
Total	**348.44**	**333.76**	**307.67**	**288.24**	**274.26**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Table 2.10 – Employment Land Requirements (ha) within Wolverhampton to 2026 (High Density)

Use Class	2009	2011	2016	2021	2026
B1b	0.15	0.11	0.05	0.02	0.01
B1c / B2	152.52	138.44	112.10	92.14	76.44
B8	110.64	111.92	115.22	117.95	120.96
Automotive	33.41	33.74	34.60	35.30	36.10
Total	**296.72**	**284.21**	**261.97**	**245.41**	**233.50**

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

2.16 Table 2.9 and Table 2.10 above show that the overall demand for employment land by 2026 is set to be between 234ha to 274ha, representing an overall reduction in demand of between 63ha to 74ha from 2009, dependent on scenario.

Impact of Regenerating Local Quality Land to Residential Uses

2.17 In assessing the flow of employment land compared to the predicted demand we must also consider how much land will be lost to residential uses and the potential demand arising from relocations of existing businesses that are located within these areas. Through discussion with the Black Country Local Authorities as part of this study we have identified a total of 1,040ha of local employment land to be regenerated for residential led mixed use development. The impact in terms of the loss of employment land is shown below.

Table 2.11 – Amount of Local Quality Land that is Lost to Residential Uses

Amount of LQ Land that is Lost to Residential	1,040 ha	
Vacant Land	135 ha	*(13%)*
Non B Uses	145 ha	*(16% of non vacant)*
B2	456 ha	*(60% of remaining land)*
B8	304 ha	*(40% of remaining land)*

Source: GVA Grimley analysis, 2009, based on assumptions within GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

2.18 Table 2.11 above shows that the impact of the regeneration of around 1,040ha of local employment land for residential will result in the loss of 456ha of B2 land, 304ha of B8 land and 145ha of land occupied by Non B Uses. This assessment is based on using the standard assumptions as outlined in Chapter 4 of our 2008 Report[1] of 13% of the land being vacant, a further 16% accommodating Non B uses and the remainder being split 60:40 between B2 and B8 uses respectively. It should be borne in mind that the assumption that some of this land needs to be replaced (i.e. where the assumed decline in demand is less that the amount of land being "lost to residential) assumes that it would have to be re-provided on a like for like basis. This is a conservative assumption as it assumes that the replacement would be at equivalent employment densities and plot ratios. This ignores the potential for more efficient re-provision which would reduce the overall land requirement. We believe this cautious approach is justified given the lack of detailed assessments in this area.

[1] GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

2.19 The impact of the redevelopment of around 1,040ha of existing local quality employment land will be absorbed to an extent by the reduction in demand for B2 and B8 employment premises across the Plan period. The demand forecasts show that assuming that a reduction in available space (as a result of it being redeveloped) would lead to a reduction in vacancy rates, we have assumed that only users within the non B uses and those within the B2 and B8 land use categories would need to be relocated, which amounts to 905ha. The split by Local Authority of these relocations is shown in Table 2.12 below.

2.20 The difference between the change in demand requirements and loss of employment land through relocations is also shown. Here, we have assumed that where the difference is positive (i.e. where the assumed reduction in demand is less that the amount of land being "lost to residential), there will be additional demand for employment land. Where the difference would result in a negative figure (i.e. where the assumed decline in demand is more that the amount of land being "lost to residential), we have assumed that there will be no additional demand, but also that there will be no surplus employment land as a result, as this land would be lost to residential uses and therefore these differences have been set to zero.

Table 2.12 – Comparison of Loss of Local Quality Employment Land for Residential Uses, Changes in Employment Land Requirements in the Black Country and Assumed Demand Arising from Relocations

Local Authority	Implied Loss of Employment Land Through Redevelopment			Change in Demand Requirements (Low Density Scenario)			Change in Demand Requirements (High Density Scenario)		
	Non B Uses (ha)	B2 (ha)	B8 (ha)	Non B Uses (ha)	B2 (ha)	B8 (ha)	Non B Uses (ha)	B2 (ha)	B8 (ha)
Dudley	-23.17	-72.99	-48.66	+2.67	-98.29	+12.53	+2.26	-83.94	+10.67
Sandwell	-70.61	-222.43	-148.29	-0.28	-141.25	+0.89	-0.23	-120.82	+0.74
Walsall	-26.87	-84.65	-56.44	+4.31	-116.95	+16.16	+3.64	-100.16	+13.78
Wolverhampton	-24.08	-75.85	-50.57	+3.19	-89.34	+12.11	+2.69	-76.09	+10.32
Total	**-144.74**	**-455.93**	**-303.95**	**+9.90**	**-445.83**	**+41.70**	**+8.36**	**-381.01**	**+35.51**

Local Authority	Assumed Demand Arising from Relocations (Low Density)			Assumed Demand Arising from Relocations (High Density))			Total (LD)	Total (HD)
	Non B Uses (ha)	B2 (ha)	B8 (ha)	Non B Uses (ha)	B2 (ha)	B8 (ha)		
Dudley	23.17	0.00	48.66	23.17	0.00	48.66	71.84	71.84
Sandwell	70.34	81.19	148.29	70.38	101.61	148.29	299.81	320.28
Walsall	26.87	0.00	56.44	26.87	0.00	56.44	83.31	83.31
Wolverhampton	24.08	0.00	50.57	24.08	0.00	50.57	74.64	74.64
Total	**144.46**	**81.19**	**303.95**	**144.51**	**101.61**	**303.95**	**529.60**	**550.07**

Source: GVA Grimley analysis, 2009, based on assumptions within GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Note: Table 2.12 above identifies theoretical surpluses / deficits relating only to demand for employment land arising from the redevelopment of employment land to residential. The overall comparison between employment land demand and employment land supply is made within Section 4 of this report.

Dudley

2.21 Table 2.12 above shows that Dudley is expected to lose around 73ha of B2 land through redevelopment for residential. There is an implied change in requirements for B2 uses within Dudley of a loss of between 84ha to 98ha. Therefore the reduction in demand for B2 within Dudley is expected to be greater than the assumed loss of B2 land through redevelopment, meaning that the assumed demand for B2 type employment land from relocations is zero (see paragraph 2.20 above). With regard to B8 land, Dudley is expected to lose around 49ha to residential uses, with the model predicting an increase in demand of between 11ha to 13ha. Therefore there will be additional demand from relocations for employment land for B8 uses of around 49ha on top of the demand arising from employment growth. Similarly for non B uses, Dudley is expected to lose around 23ha to residential uses, with the model predicting an increase in demand of between 2ha to 3ha. Therefore there will be additional demand from relocations of around 23ha of employment land for non B uses on top of the demand arising from employment growth. In total this amounts to an additional requirement for employment uses (B2 / B8 / non B uses) arising from relocations within Dudley of 72ha.

Sandwell

2.22 Table 2.12 above shows that Sandwell is expected to lose around 222ha of B2 land through redevelopment for residential. There is an implied change in requirements for B2 uses within Sandwell of a loss of between 121ha to 141ha. Therefore there will be additional demand from relocations for employment land for B2 uses of up to 102ha. With regard to B8 land, Sandwell is expected to lose around 148ha to residential uses, with the model predicting slight increase in demand of around 1ha. Therefore there will be additional demand from relocations for employment land for B8 uses of around 148ha. For non B uses, Sandwell is expected to lose around 71ha to residential uses, with a predicted decrease in demand of less than 1ha. Therefore there will be additional demand from relocations for employment land for non B uses of around 70ha. In total this amounts to an additional requirement for employment uses (B2 / B8 / non B uses) arising from relocations within Sandwell of up to 320ha.

Walsall

2.23 Table 2.12 above shows that Walsall is expected to lose around 85ha of B2 land through redevelopment for residential. There is an implied change in requirements for B2 uses within

Walsall of a loss of between 100ha to 117ha. Therefore the reduction in demand for B2 within Walsall is expected to be greater than the assumed loss of B2 land through redevelopment, meaning that the assumed demand for B2 type employment land from relocations is zero (see paragraph 2.20 above). With regard to B8 land, Walsall is expected to lose around 56ha to residential uses, with the model predicting an increase in demand of around 14ha to 16ha. Therefore there will be additional demand from relocations for employment land for B8 uses of around 56ha. Similarly for non B uses, Walsall is expected to lose around 27ha to residential uses, with an increase in demand of around 4ha. Therefore there will be additional demand from relocations for employment land for non B uses of around 27ha. In total this amounts to an additional requirement for employment uses (B2 / B8 / non B uses) arising from relocations within Walsall of around 83ha.

Wolverhampton

2.24 Table 2.12 above shows that Wolverhampton is expected to lose around 76ha of B2 land through redevelopment for residential. There is an implied change in requirements for B2 uses within Wolverhampton of a loss of between 76ha to 89ha. Therefore the reduction in demand for B2 within Wolverhampton is expected to be greater than the assumed loss of B2 land through redevelopment, meaning that the assumed demand for B2 type employment land from relocations is zero (see paragraph 2.20 above). With regard to B8 land, Wolverhampton is expected to lose around 51ha to residential uses, with the model predicting an increase in demand of around 14ha to 17ha. Therefore there will be additional demand from relocations for employment land for B8 uses of around 51ha. Similarly for non B uses, Wolverhampton is expected to lose around 24ha to residential uses, with an increase in demand of around 3ha. Therefore there will be additional demand from relocations for employment land for non B uses of around 24ha. In total this amounts to an additional requirement for employment uses (B2 / B8 / non B uses) arising from relocations within Wolverhampton of up to 75ha

Demand for Waste Facilities within the Black Country

2.25 As part of the work towards the BCJCS Preferred Options document, the four local authorities have undertaken extensive technical work and analysis to estimate the demand for waste management facilities within the Black Country over the Plan period. This work has taken into account the Waste Planning Study (2009) and has also explored the capacity of existing facilities to identify a “capacity gap”, which is the requirement for new facilities that will need to be located on employment land. A significant gap is also created by the number of waste management facilities whose risk of being “lost” through redevelopment is regarded as high risk and their capacity will therefore need to be replaced, primarily through relocation to employment land. This assessment has been determined by Local Authority officers, using the methodology detailed at Appendix G. "Assessment of Waste Facilities at Risk". A summary of these facilities is provided in Table 2.13 below.

Table 2.13 – Summary of Waste Management Capacity Gaps within the Black Country

Waste Management Types	Additional Capacity required by 2026 (tpa)	Typical Average yearly processing capacity per Ha	Typical Average Ha per facility	Equivalent No of Facilities Required
MSW				
Material Recovery	74,000	44,000	1.7	2
Organic Waste Treatment	54,000	40,000	1.3	1 – 2
Depot (to serve Walsall)	-	-	-	1
2 HWRCs (to serve Dudley and Walsall)	-	29,000	0.7	2
C&I				
Non-metal waste recovery and treatment	998,000	40,000 – 60,000	1.5	10 – 16
Transfer	153,000	55,000	0.7	2 – 3
CD&EW / Hazardous				
Contaminated Soils (storage, treatment, remediation)	-	-	-	1

Source: Black Country Local Authorities, 2009

2.26 The local authority analysis identifies a capacity gap of between 25.5ha to 36.5ha and that these figures should be treated as a minimum for a number of reasons (e.g. potentially more sites may need to be allocated than what is identified in the gaps to provide a range of sites to provide flexibility for the waste management industry). The loss of medium risk facilities is not included in the capacity gap as the potential loss of these facilities will be addressed as site specific DPD's are produced. Monitoring will be required to determine whether demand for waste management facilities alters, which, for example, could be due to technological changes, or a change in waste arisings. As a result of the local authority analysis, and taking a cautious view, we have concluded that a further 36.5ha of employment land will be required to accommodate waste management facilities across the Black Country. It is anticipated that local authority specific figures will be made available as part of further work being undertaken at present, so in order to provide an indication of local authority specific waste requirements we have split the total requirement of 36.5ha on a pro-rata basis, based on the amount of employment land at 2026 within each of the local authorities (as shown in Table 3.8). This split is shown in Table 2.14 below.

Table 2.14 – Assumed Local Authority Waste Requirements

Local Authority	Total Employment Land at 2026	Assumed Waste Requirement (ha)
Dudley	660.27	8.68
Sandwell	862.90	11.34
Walsall	622.36	8.18
Wolverhampton	632.34	8.31
Total	**2,777.86**	**36.50**

Source: GVA Grimley analysis, 2009

Total (Gross) Employment Land Demand

2.27 Taking into account the projections created by the demand models, as well as the additional demand created through redevelopment of employment land for residential uses, demand for waste recycling facilities and an allowance for vacancies of 13%, we have highlighted the total (gross) employment land demand within each of the Black Country authorities in Table 2.15 below.

Table 2.15 – Total (Gross) Employment Land Demand within the Black Country to 2026

Local Authority	Gross Employment Land Demand to 2026 (Low Density)						
	Non B Uses (ha)	B2 (ha)	B8 (ha)	B1b (ha)	Waste Requirement (ha)	Vacancy (ha)	Total (ha)
Dudley	70.25	122.14	227.83	0.07	8.68	55.76	484.72
Sandwell	123.32	258.40	377.19	0.45	11.34	100.19	870.90
Walsall	65.45	128.04	188.98	0.00	8.18	50.78	441.44
Wolverhampton	66.83	89.80	192.27	0.01	8.31	46.44	403.65
Total	**325.85**	**598.38**	**986.27**	**0.53**	**36.50**	**253.18**	**2,200.71**

Local Authority	Gross Employment Land Demand to 2026 (High Density)						
	Non B Uses (ha)	B2 (ha)	B8 (ha)	B1b (ha)	Waste Requirement (ha)	Vacancy (ha)	Total (ha)
Dudley	62.92	104.09	201.66	0.07	8.68	49.06	426.48
Sandwell	115.13	252.76	343.83	0.45	11.34	94.06	817.56
Walsall	59.45	109.35	169.54	0.00	8.18	45.05	391.57
Wolverhampton	60.18	76.44	171.53	0.01	8.31	41.14	357.60
Total	**297.68**	**542.63**	**886.56**	**0.53**	**36.50**	**229.31**	**1,993.21**

Source: GVA Grimley analysis, 2009

2.28 Table 2.15 above shows that total (gross) requirements for employment land within the Black Country to 2026 are likely to be between 1,993ha to 2,200ha, which takes account of changes in demand for employment (growth and decline of employment sectors), demand arising from relocations for redevelopment to residential, demand for waste facilities and vacancies.

Total (Net) Employment Land Demand

2.29 The total (net) demand for employment land within the Black Country only takes account of the demand for uses within the B use classes, as defined within the Use Classes Order and therefore excludes demand for non B uses, waste requirements and vacancies. This is shown in Table 2.16 below.

Table 2.16 - Total (Net) Employment Land Demand within the Black Country to 2026

Local Authority	Net Employment Land Demand (Low Density)			
	B1b (ha)	B2 (ha)	B8 (ha)	Total (ha)
Dudley	0.07	122.14	227.83	350.04
Sandwell	0.45	258.40	377.19	636.04
Walsall	0.00	128.04	188.98	317.02
Wolverhampton	0.01	89.80	192.27	282.08
Total	**0.53**	**598.38**	**986.27**	**1,585.18**

Local Authority	Net Employment Land Demand (High Density)			
	B1b (ha)	B2 (ha)	B8 (ha)	Total (ha)
Dudley	0.07	104.09	201.66	305.82
Sandwell	0.45	252.76	343.83	597.04
Walsall	0.00	109.35	169.54	278.89
Wolverhampton	0.01	76.44	171.53	247.97
Total	**0.53**	**542.63**	**886.56**	**1,429.72**

Source: GVA Grimley analysis, 2009

2.30 The next section of this report reviews the amount of employment land supply within each of the Black Country local authority areas.

3. REVIEW OF EMPLOYMENT LAND SUPPLY

3.1 This section provides a review of the existing and potential supply of employment land within the Black Country. The supply of employment land in the Black Country consists of three components:

i. Existing retained employment land;

ii. Potential new employment sites taken from the Regional Employment Land Survey (RELS); and

iii. Redevelopment opportunities on existing employment land to provide new employment space.

3.2 The review of these components includes both quantitative and qualitative elements (in accordance with ODPM guidance). In assessing each of the sites we have used a standard proforma to record key information and to ensure consistency, with a separate proforma for existing employment land and potential employment sites (RELS). These proformas are provided at Appendix A.

3.3 Before undertaking any site assessments, meetings were held with the individual Local Authority officers to confirm the sites that were being retained for employment uses over the period of the BCJCS – the "Plan period". During these discussions, we confirmed the typology of each retained employment site as being either of "Existing High Quality", "Potential High Quality" or "Local Quality", in order to be consistent with the emerging BCJCS. This identified that a supply of High Quality and Local Quality employment land should be identified to accommodate predicted future demand. As part of our site assessments, we have assessed each site having regard to the hierarchy of employment land as set out within Policy PA6 of the WMRSS. This identifies that there are two tiers of employment sites - the first tier being locations of Regional significance (which include Regional Investment Sites (RIS), Major Investment Sites (MIS) and Regional Logistics Sites (RLS), and a second tier of locally significant employment land. This second tier is broken down into three sub-levels, which are defined as follows:

- ***Sub-regional Employment Sites*** - *Sub-regional Employment Sites – high quality attractive sites, generally 10 to 20 hectares in size in sustainable urban locations –*

including market towns – with potential to meet both cluster priorities and local needs. Sites in this category should be suitable to attract clients with an international/ national/ regional choice of location. Land in this category would usually need to be located on or have a direct link to the strategic highway network and be, or proposed to be, well served by public transport.

- ***Good Quality Employment Sites** – good quality sites suitable for locally based investment. Sites in this category are likely to exceed 0.4 hectares in size. This category may include larger sites which are some distance from the strategic highway network as well as sites within rural areas.*
- ***Other Employment Sites** – land likely to be of interest only to local investors. Sites in this category are likely to be either very small (less than 0.4 hectares in size) or only likely to be suitable for marginal or 'bad neighbour' activities. This category may also include small sites within rural areas.*

3.4 The scores from these site assessments have been used to provide a strategic view of the market attractiveness and suitability of existing retained employment land for its use into the future, as well as using these scores to ascertain which areas of employment land could be redeveloped over the Plan period. Redevelopment may be due to a number of reasons, such as a significant proportion of buildings being obsolete, the general environment being poor, the nature of uses being in conflict with surrounding uses or the type of use being in decline. In addition, we have assessed each of the RELS sites to ascertain the likelihood of each site coming forward for development over the Plan period. This has enabled us to provide an overall likely quantum of employment land that will be available to accommodate employment requirements by 2026.

Regeneration Corridors

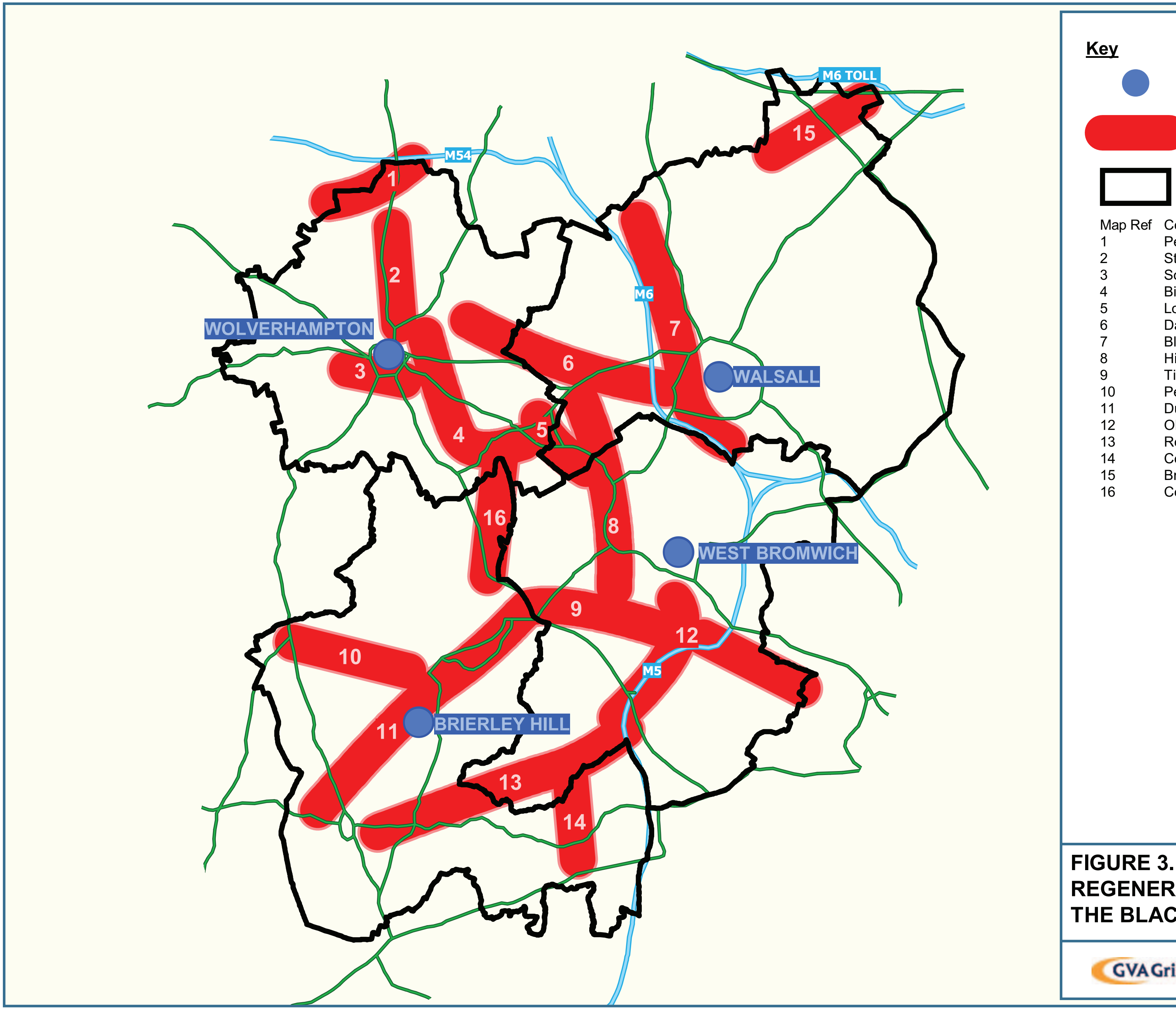
3.5 The Regeneration Corridors identified in the Preferred Options BCJCS are set to be the main areas of change over the Plan period. The location of these corridors is shown in Figure 3.1 overleaf. Core Spatial Policy Area 2 of the Preferred Options BCJCS identifies that the network of Regeneration Corridors linking the Strategic Centres will provide:

- 1,400 ha of high quality employment land concentrated within easy reach of the motorway network – 1,000 ha of which will need improvements to reach a high quality standard; and
- 1,020 – 1,050 ha of retained local employment land.

3.6 The main roles of the Regeneration Corridor network will be:

- The most extensive areas of redevelopment and regeneration in the Black Country up to 2026;
- To provide a sustainable mix of modern, high quality employment land and new residential communities well supported by community services and local shops, set within and linked by comprehensive networks of attractive green infrastructure and cycling and pedestrian routes;
- The focus for existing, new and improved public transport routes and hubs which will maximise use of the Black Country public transport network by residents, workers and visitors; and
- To create strong links with and spread regeneration benefits to surrounding communities and the network of centres – knitting together old and new to create a richer, varied and integrated whole.

3.7 In addition, free standing employment sites (i.e. those located outside the Regeneration Corridors) will provide 170 - 200 ha of retained local employment land and 15 ha of high quality employment land.



Key

Strategic Centres

Regeneration Corridors

Black Country Local Authority Boundaries

Map Ref	Corridor Name
1	Pendeford - Fordhouses
2	Stafford Road
3	South of Wolverhampton City Centre
4	Bilston Corridor
5	Loxdale - Moxley
6	Darlaston - Willenhall - Wednesfield
7	Bloxwich - Birchills - Bescot
8	Hill Top
9	Tipton - Dudley Port - Brades Village
10	Pensnett - Kingswinford
11	Dudley - Brierley Hill - Stourbridge
12	Oldbury - West Bromwich - Smethwick
13	Rowley Regis - Jewellery Line
14	Coombs Wood - Halesowen
15	Brownhills
16	Coseley

FIGURE 3.1 - BROAD LOCATION OF REGENERATION CORRIDORS WITHIN THE BLACK COUNTRY

GVA Grimley

Calculating Employment Land Supply

Total (Gross) Employment Land Supply

3.8 In calculating the total (gross) employment land supply we have assumed that this includes all land programmed to be retained for employment over the Plan period and includes the total site area. This allows local authorities to plan for the total amount of employment land required over the plan period to accommodate not only B uses, but also non B uses, waste facilities and an allowance for vacancies. We have calculated the area of sites at an individual level and taken into account the proportion of sites programmed to be redeveloped for housing (if applicable) and deducted this from the total site area. This is defined as being the gross employment land supply, and we compare this to the gross demand for employment land as shown at Table 2.15 later in this report.

Total (Net) Employment Land Supply

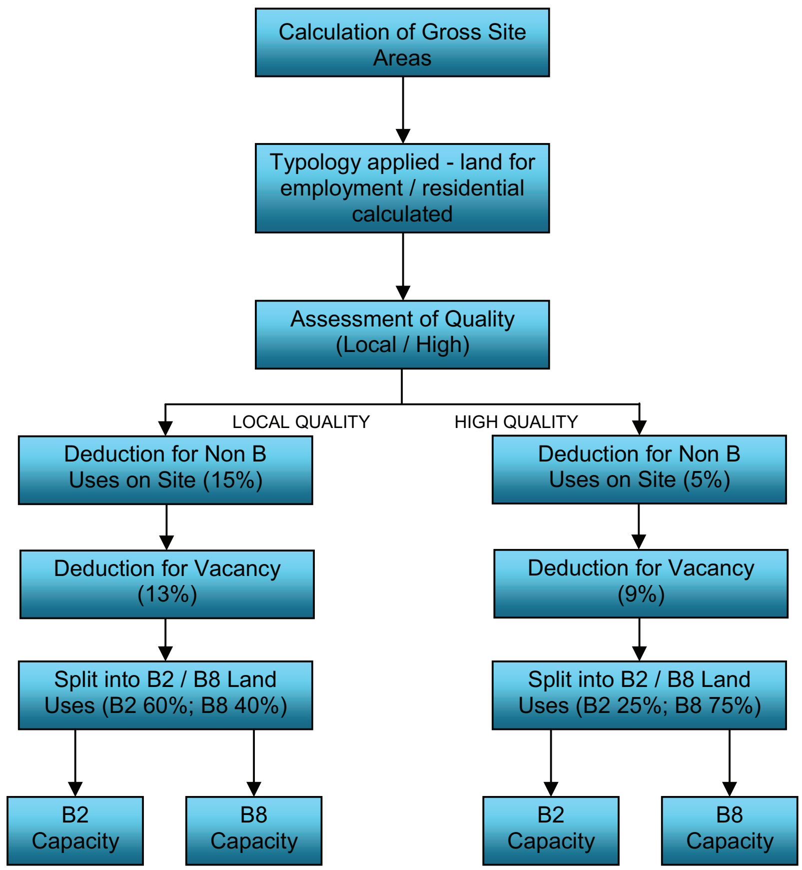
3.9 In line with the methodology used in the 2008 Study, produced by GVA Grimley and GHK International, we have calculated total (net) employment land supply from individual sites by applying a number of assumptions, dependent on their proposed end use as high quality or local quality employment land. The assumptions are shown in Figure 3.2 below. It is important to consider the net supply so that the impact of the assumptions can be assessed in the Sensitivity Analysis (see section 5), however for the majority of this report, we compare the gross demand and supply only.

3.10 Figure 3.2 below shows that in calculating the approximate capacity of employment sites we apply a discount of either 5% or 15% to allow for non-B uses being located on employment land. Non-B uses include those uses not within the B use class of the Use Classes Order that are traditionally found in employment areas. Such uses would include trade counter, retail, crèche, health and fitness centres, some A3 uses and sui generis. As part of our work undertaken in 2008, that research identified that the presence of non-B uses was more significant on local employment sites than high quality ones, hence the need for a larger discount (15% compared with 5%) to take account of this.

3.11 We then made an allowance for vacant stock, as it was felt important to include this having undertaken some research of vacancy rates in our work in 2008. Vacancy plays an important part in the economy as without vacant premises it is difficult to attract new businesses to an area, or provide the flexibility for existing businesses to relocate. Therefore there must always be some level of vacancy in the market in order for the economy to function. In the 2008 work we took the assumption that local quality employment sites would have a level of vacancy equal to the sub-regional average for the Black Country (13%), whilst high quality employment sites would be aligned with the national average (9%).

3.12 We have then calculated the amount of B2 and B8 land based on the assumptions shown in Figure 3.2 below. For local quality land this is 60% B2 and 40% B8, whilst for high quality land the split is 25% B2 and 75% B8.

Figure 3.2 – Process for Calculating Net Employment Land Capacity from Individual Sites



Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Existing Retained Employment Land

3.13 Individual site assessments were undertaken for all identified retained employment land, which comprised 189 areas across the four Local Authorities. These surveys assisted in confirming the typology of the existing retained employment land stock, in terms of the hierarchy set out in the BCJCS and we have then related this to the portfolio of employment land as set out in Policy PA6 of the WMRSS. The results of our site surveys can be seen in more detail at Appendix B. Our analysis has shown that there are around 2,557ha (gross) of retained employment land in total.

3.14 Table 3.1 below shows the location of this employment land by Regeneration Corridor and by typology – Existing High Quality (EHQ), Potential High Quality (PHQ) and Local Quality (LQ), and by the hierarchy as set out in the WMRSS.

3.15 EHQ employment land includes those sites that are already considered to be of high quality, in terms of the physical characteristics of the buildings and their surroundings, the types of companies / activities present and access from the strategic highway network. PHQ employment land includes sites that are currently considered to be of poorer quality than EHQ, but have the potential to be improved over the Plan period to become high quality employment sites. Local quality employment land includes those sites that will continue to serve local employment markets, they may be less accessible or the buildings of a lesser quality than those on high quality employment land.

Table 3.1 – Split of Existing Retained Employment Land by Local Authority

Local Authority	Total (Gross) Retained Employment Land (ha)	BCJCS Hierarchy			WMRSS Hierarchy			
		EHQ (ha)	PHQ (ha)	LQ (ha)	First Tier (ha)	Sub Regional (ha)	Good Quality (ha)	Local (ha)
Dudley	639.18	156.77	100.17	382.23	0.00	236.09	403.08	0.00
Sandwell	789.85	191.05	251.79	347.01	0.00	383.01	353.42	53.42
Walsall	554.57	53.70	213.46	287.40	0.00	285.41	254.77	14.39
Wolverhampton	572.80	114.52	245.61	212.67	0.71	203.76	334.35	33.98
South Staffordshire	20.76	6.73	0.00	14.02	6.73	0.00	14.02	0.00
Total	**2,577.15**	**522.78**	**811.04**	**1,243.33**	**7.44**	**1,108.27**	**1,359.64**	**101.79**

Source: GVA Grimley analysis, 2009

3.16 Table 3.1 above shows that there are around 2,577ha of existing retained employment land in the Black Country, with the largest proportion of this being located in Sandwell. There are around 790ha of retained employment land in Sandwell, 639ha in Dudley, 555ha in Walsall and 573ha in Wolverhampton.

3.17 The broad location of this employment land is shown in Figure 3.3 below. Individual assessments of existing employment land and the location of this stock by local authority are shown at Appendix B and Appendix C respectively.

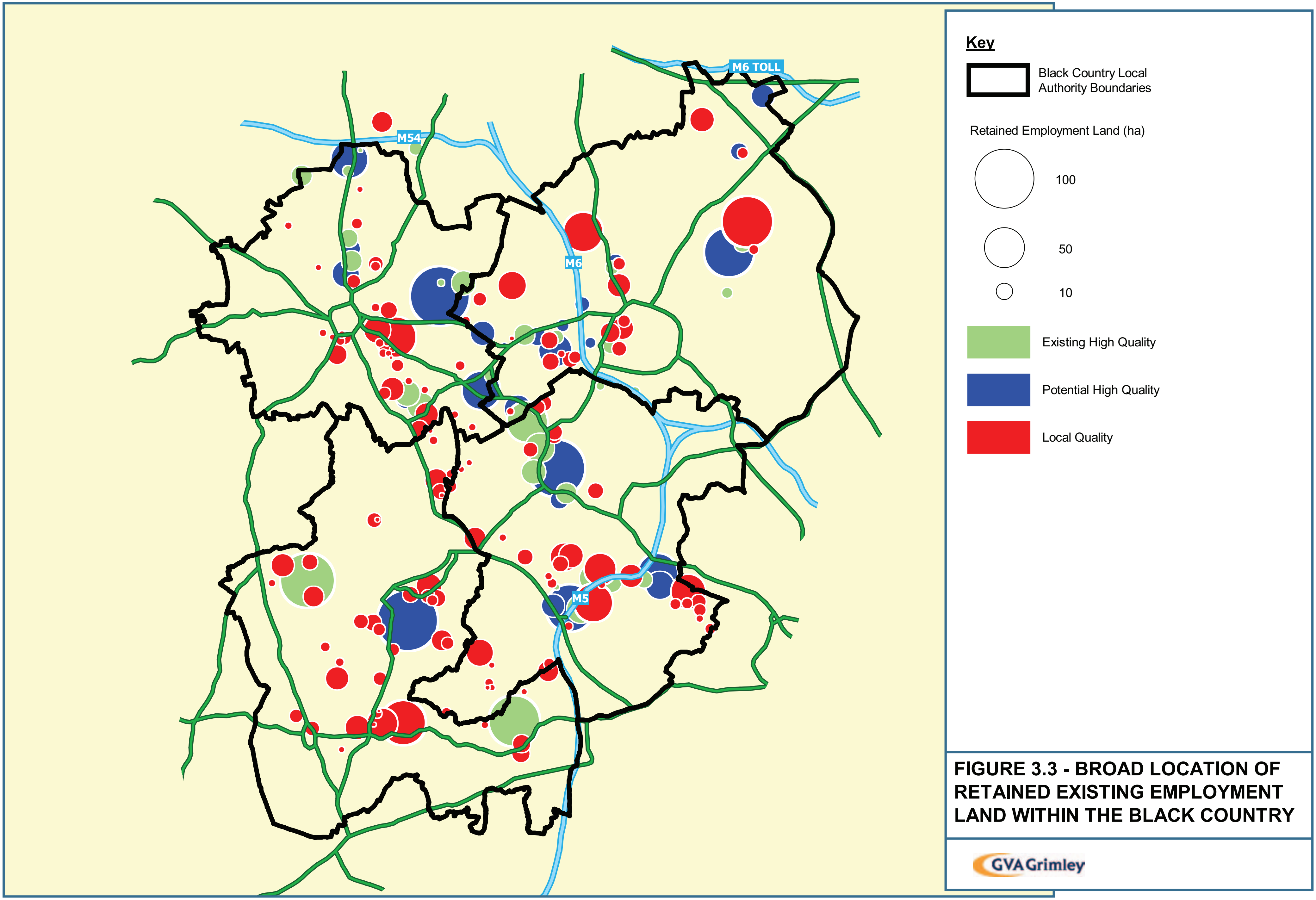


FIGURE 3.3 - BROAD LOCATION OF RETAINED EXISTING EMPLOYMENT LAND WITHIN THE BLACK COUNTRY

GVA Grimley

3.18 Our assessment of existing retained employment land with regard to the hierarchy of first tier sites, as set in the WMRSS shows that there are around 7.44ha of first tier sites. These are located at Wolverhampton Business Park and Hilton Cross. With regard to second tier sites there are around 1,108ha of existing sub-regional type employment land within the Black Country. This category includes the better quality sites that are of a suitable size to be able to attract international / national / regional companies. The largest proportion of this type of employment land is located in Sandwell, which has around 383ha, whilst Walsall has around 285ha and Dudley has 236ha. Wolverhampton has the smallest proportion with around 203ha.

3.19 In terms of Good Quality employment land, this category includes land that is suitable for locally based investment and sites that are generally 0.4ha or larger in area. Our assessment has identified just under 1,360ha of this type of employment land within the Black Country. Dudley has the largest proportion, with around 403ha. Sandwell has around 353ha, Wolverhampton has around 334ha and Walsall has the smallest proportion with 255ha.

3.20 Other Employment sites are those that are only likely to be of interest to local investors and are usually either very small (0.4ha or less) or only likely to be suitable for marginal or bad neighbour uses. Our assessments have identified around 102ha of this type of employment land within the Black Country. The majority of this is located in Sandwell, which accounts for around 53ha. There is a further 34ha in Wolverhampton and 14ha in Walsall. Our assessments did not identify any sites in this category within Dudley.

Table 3.2 – Location of Existing Employment Land by Regeneration Corridor

Regeneration Corridor	Total Employment Land (ha)	BCJCS Hierarchy Total EHQ (ha)	BCJCS Hierarchy Total PHQ (ha)	BCJCS Hierarchy Total LQ (ha)	WMRSS Hierarchy First Tier (ha)	WMRSS Hierarchy Sub Regional (ha)	WMRSS Hierarchy Good Quality (ha)	WMRSS Hierarchy Other (ha)
Pendeford - Fordhouses	60.59	19.46	41.12	0.00	0.71	55.91	3.97	0.00
Stafford Road	85.03	15.37	49.07	20.59	0.00	64.44	20.59	0.00
South of Wolverhampton City Centre	26.51	0.00	0.00	26.51	0.00	0.00	7.60	18.91
Bilston Corridor	214.14	51.64	16.18	146.31	0.00	21.16	191.31	1.67
Loxdale - Moxley	75.17	6.94	66.25	1.98	0.00	66.25	6.94	1.98
Darlaston - Willenhall - Wednesfield[2]	293.96	42.44	178.83	72.69	0.00	112.71	174.41	6.84
Bloxwich - Birchills - Bescot	142.42	17.95	10.53	113.94	0.00	0.00	136.85	5.57
Hill Top	263.38	112.63	100.37	50.37	0.00	213.01	50.37	0.00
Tipton - Dudley Port - Brades Village	86.31	0.00	0.00	86.31	0.00	0.00	38.08	48.23
Pensnett - Kingswinford	127.08	83.28	0.00	43.79	0.00	100.68	26.40	0.00
Dudley - Brierley Hill - Stourbridge	223.57	0.00	100.17	123.40	0.00	25.36	198.21	0.00
Oldbury - West Bromwich - Smethwick	390.22	75.71	151.42	163.10	0.00	145.52	244.70	0.00
Rowley Regis - Jewellery Line	166.84	0.00	0.00	166.84	0.00	58.21	103.44	5.19
Coombs Wood - Halesowen	97.96	73.49	0.00	24.47	0.00	73.49	24.47	0.00
Brownhills	51.99	0.00	28.56	23.42	0.00	28.56	23.42	0.00
Coseley	42.81	0.00	0.00	42.81	0.00	2.84	39.97	0.00
Free Standing Sites - Wolverhampton	19.26	0.00	0.00	19.26	0.00	0.00	5.86	13.40
Free Standing Sites - Walsall	158.31	14.42	68.52	75.37	0.00	140.13	18.18	0.00
Free Standing Sites - Sandwell	2.71	2.71	0.00	0.00	0.00	0.00	2.71	0.00
Free Standing Sites - Dudley	28.15	0.00	0.00	28.15	0.00	0.00	28.15	0.00
Sites Outside Black Country	20.76	6.73	0.00	14.02	6.73	0.00	14.02	0.00
Total	2,577.15	522.78	811.04	1,243.33	7.44	1,108.27	1,359.64	101.79

Source: GVA Grimley analysis, 2009

3.21 Table 3.2 above shows that there are around 523ha of EHQ employment land, mainly focused around Hill Top, Oldbury – West Bromwich – Smethwick, Pensnett, Coombes Wood, and Darlaston. There are also around 7ha of EHQ land outside the Black Country at the Hilton Cross site close to the M54 motorway at Junction 1. This figure of 507ha is around 96ha more than was thought to be EHQ employment land in the Preferred Options BCJCS, reflecting the most current position of the existing employment land supply.

[2] Includes a provision of 25ha at Ashmore Lakes, which is subject to options contained within the emerging Joint Core Strategy

3.22 In terms of PHQ employment land, the majority of this is focussed around the Darlaston – Willenhall – Wednesfield, Hill Top, Stafford Road, Pendeford – Fordhouses, Dudley – Brierley Hill – Stourbridge and Oldbury – West Bromwich – Smethwick corridors. A total of 811ha was identified as having the potential to be high quality employment land. This means that the existing retained employment land stock has the potential to supply around 1,334ha (gross) of high quality employment land over the Plan period, assuming that all redevelopment works to upgrade the PHQ stock are capable of being undertaken.

3.23 The supply of local quality employment land is expected to be around 1,243ha across the Black Country, but with significant amounts in the Oldbury - West Bromwich – Smethwick, Bloxwich - Birchills – Bescot, Bilston, Rowley Regis – Jewellery Line and Tipton – Dudley Port – Brades Village corridors. Local Authority officers have indicated that this stock of employment land will be retained for employment uses, rather than being redeveloped for other uses such as residential.

3.24 Our assessment in terms of the WMRSS second tier hierarchy of land shows that the majority of sub-regional employment land is located at Hill Top (213ha), free standing sites within Walsall predominantly located at Aldridge (140ha), the Oldbury – West Bromwich – Smethwick corridor (146ha) and around Darlaston – Willenhall – Wednesfield (113ha). The majority of Good Quality employment land is located within Oldbury - West Bromwich – Smethwick (245ha), Bilston Corridor (191ha), Bloxwich – Birchills – Bescot (137ha) and Darlaston - Willenhall – Wednesfield (174ha). The supply of Other Employment Sites is focussed around three Regeneration Corridors, these being Tipton – Dudley Port – Brades Village (48ha), Rowley Regis - Jewellery Line (5ha) and South of Wolverhampton City Centre (19ha). In terms of the first tier sites, these are located within the Pendeford – Fordhouses corridor (Wolverhampton Business Park) and outside the Black Country at Hilton Cross.

Potential New Employment Sites

3.25 In terms of new employment land that is likely to be developed over the Plan period, we have used the RELS dataset, which is compiled and maintained by Mott MacDonald using data supplied by Local Authorities within the West Midlands. This dataset details new employment sites as identified by Local Authority officers, and provides information relating to a site's location, size, ownership and access. We have used the April 2009 RELS return, which we obtained via Mott MacDonald as the starting point for identifying potential employment sites. We have removed some sites from the database as they fall within identified housing growth areas. A total of 50 sites were removed, amounting to around 84ha. Of this, around 34.5ha was classified within the RELS database as being "readily available"[3]. This is shown in more detail in Table 3.3 below.

Table 3.3 – Summary of RELS Sites Removed as they fall within Housing Growth Areas

Local Authority	All sites	Of which are readily available
Dudley	4 sites	1 sites
	16.38 ha	3.34 ha
Sandwell	16 sites	8 sites
	39.02 ha	11.22 ha
Walsall	15 sites	7 sites
	18.86 ha	12.24 ha
Wolverhampton	15 sites	3 sites
	9.62 ha	7.60 ha
Total	**50 sites**	**19 sites**
	83.88 ha	**34.40 ha**

Source: RELS, April 2009 and GVA Grimley analysis

3.26 The revised RELS database identifies a total of 88 new employment sites, amounting to around 304ha (gross), split over the four Local Authorities as detailed in Table 3.4 below and split over the regeneration corridors as shown in Table 3.5. Included within the 88 sites identified are the two i54 sites at Wobaston Road, which are in South Staffordshire, but will accommodate demand from within the Black Country.

3.27 We have visited each of the sites in the revised RELS database, and undertaken individual site assessments using the proforma shown in Appendix A. Undertaking these assessments has enabled us to come to a view on the market attractiveness, viability, suitability and deliverability of each site. We have then come to a view about the probable type of employment land that each site could deliver over the Plan period, based on our assessment criteria. The results of these assessments are shown at Appendix D and the broad location of the RELS sites is shown in Figure 3.4 below. Local authority specific plans are shown at Appendix E.

[3] Readily Available sites defined as those matching all criteria set out in Policy PA6 of the West Midlands RSS

Table 3.4 – Location and Quantum of RELS sites

Local Authority	No. of RELS Sites	Area of RELS Sites (ha)	Of which are readily available[4]	BCJCS Hierarchy Total PHQ (ha)	BCJCS Hierarchy Total LQ (ha)	WMRSS Hierarchy First Tier (ha)	WMRSS Hierarchy Sub Regional (ha)	WMRSS Hierarchy Good Quality (ha)	WMRSS Hierarchy Local (ha)
Dudley	8	21.09	8.92	17.83	3.26	0.00	0.00	21.09	0.00
Sandwell	24	73.05	7.52	37.38	35.67	0.00	0.00	72.51	0.54
Walsall	32	67.79	14.06	45.88	21.91	0.00	12.06	51.26	4.47
Wolverhampton	22	59.54	15.53	52.55	6.99	6.28	0.00	53.26	0.00
South Staffordshire	2	82.86	0.00	82.86	0.00	82.86	0.00	0.00	0.00
Total	**88**	**304.33**	**46.03**	**236.50**	**67.83**	**89.14**	**12.06**	**198.12**	**5.01**

Source: RELS, 2009 and GVA Grimley analysis, 2009

3.28 We have identified that around 46ha of RELS sites are readily available, based on them meeting the criteria set out in Policy PA6 of the WMRSS. First Tier sites are not included in the supply of readily available land as per Policy PA6A of the WMRSS. This means that there will need to be an additional 139ha of employment land made available to the market in order to meet the requirement for readily available land as set out in Policy PA6A. This could come through additional sites via RELS or through redevelopment opportunities (see paragraph 3.35 below).

3.29 It should be noted that the RELS sites have been discounted to exclude sites that fall within housing growth areas. This is a cautious approach and the JCS does look to retain some employment land within these areas. For this reason, some of the readily available land supply that has been discounted (see Table 3.3) will actually remain and be available for employment development and can contribute towards the 185ha requirement.

[4] Excludes First Tier Sites

Table 3.5 – Location of RELS Sites by Regeneration Corridor

Regeneration Corridor	No. of RELS Sites	Total RELS Sites (ha)	Of which are readily available[5]	BCJCS Hierarchy		WMRSS Hierarchy			
				Total PHQ (ha)	Total LQ (ha)	First Tier (ha)	Sub Regional (ha)	Good Quality (ha)	Local (ha)
Pendeford - Fordhouses	4	10.48	6.86	10.48	0.00	6.28	0.00	4.20	0.00
Stafford Road	4	10.50	0.00	8.50	2.00	0.00	0.00	10.50	0.00
South of Wolverhampton City Centre	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bilston Corridor	6	14.69	2.50	9.70	4.99	0.00	0.00	14.69	0.00
Loxdale - Moxley	1	1.40	0.00	1.40	0.00	0.00	0.00	1.40	0.00
Darlaston - Willenhall - Wednesfield	25	58.45	12.50	49.92	8.53	0.00	12.06	44.01	2.38
Bloxwich - Birchills - Bescot	6	13.67	6.22	6.22	7.45	0.00	0.00	13.09	0.58
Hill Top	8	15.99	5.02	15.99	0.00	0.00	0.00	15.45	0.54
Tipton - Dudley Port - Brades Village	2	8.76	0.00	0.00	8.76	0.00	0.00	8.76	0.00
Pensnett - Kingswinford	2	5.12	0.00	5.12	0.00	0.00	0.00	5.12	0.00
Dudley - Brierley Hill - Stourbridge	4	14.03	8.19	10.77	3.26	0.00	0.00	14.03	0.00
Oldbury - West Bromwich - Smethwick	13	36.80	2.50	9.89	26.91	0.00	0.00	36.80	0.00
Rowley Regis - Jewellery Line	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Coombs Wood - Halesowen	1	0.73	0.73	0.73	0.00	0.00	0.00	0.73	0.00
Brownhills	2	4.88	0.00	4.88	0.00	0.00	0.00	4.88	0.00
Coseley	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Brierley Hill Town Centre	1	1.21	0.00	1.21	0.00	0.00	0.00	1.21	0.00
Free Standing Sites - Wolverhampton	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Standing Sites - Walsall	6	13.26	1.51	7.33	5.93	0.00	0.00	11.75	1.51
Free Standing Sites - Sandwell	1	11.50	0.00	11.50	0.00	0.00	0.00	11.50	0.00
Free Standing Sites - Dudley	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sites Outside Black Country	2	82.86	0.00	82.86	0.00	82.86	0.00	0.00	0.00
Total	**88**	**304.33**	**46.03**	**236.50**	**67.83**	**89.14**	**12.06**	**198.12**	**5.01**

Source: RELS, 2009 and GVA Grimley analysis, 2009

[5] Excludes First Tier Sites

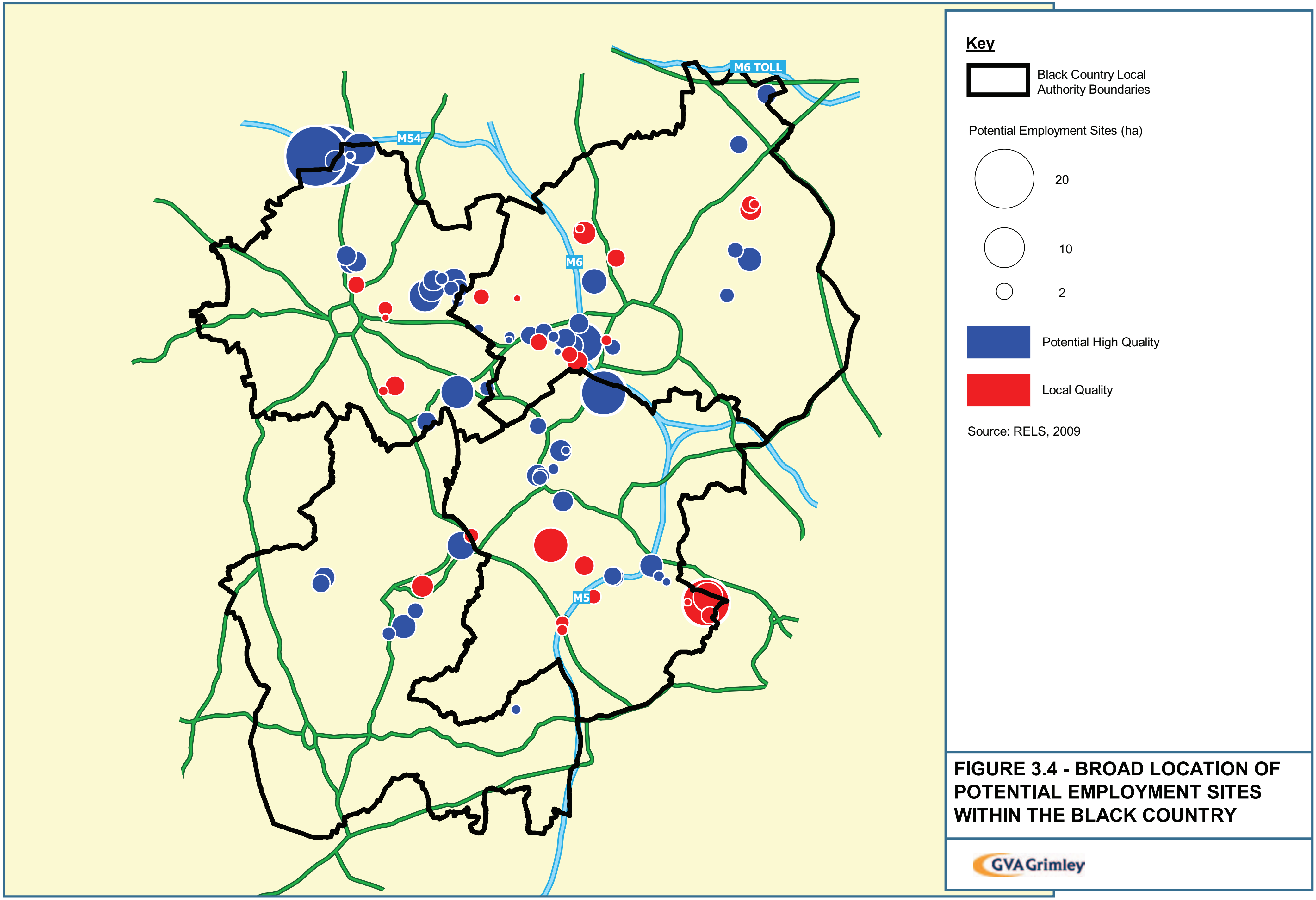


FIGURE 3.4 - BROAD LOCATION OF POTENTIAL EMPLOYMENT SITES WITHIN THE BLACK COUNTRY

GVA Grimley

3.30 Table 3.4 above identifies that there are around 237ha of RELS sites that have the potential to be high quality employment land over the Plan period. Dudley has the smallest supply of employment sites (21ha), with around 18ha having the potential to be high quality. These sites are focussed around Pensnett, Peartree Lane, Castle Gate and Coombeswood. Whilst the Pensnett area is somewhat isolated from the strategic highway network, there is a large existing area of high quality employment which provides the critical mass for further high quality employment sites to be developed in this area over the Plan period. The local quality site is located at the Claughton development site (Blowers Green).

3.31 Sandwell has the largest supply of employment sites in the Black Country with around 73ha. Just over half of these, around 51%, have in our view, the potential to deliver high quality employment land. These are located along the Hill Top corridor, from Great Bridge to Wednesbury, where there is a significant supply of existing and potential high quality employment land. The remaining sites have the potential to be local quality employment sites. These sites are predominantly located in two distinct clusters around Soho, including the key site at Foundry Lane, and along the Oldbury to Tipton corridor (between the two branches of the Birmingham Canal). These are locations that have been identified to be continuing areas of local employment into the future.

3.32 Wolverhampton has the third largest supply of employment sites, with around 60ha, with the majority of them (around 88% - the highest proportion of the four local authorities) are predicted to provide high quality employment land over the Plan period. There is a significant cluster of high quality sites located at Neachells, a large existing estate that has potential to be high quality in the future. There are also key sites close to the i54 site at Junction 2 of the M54 and around Bilston Urban Village and the Springvale employment area.

3.33 Walsall has the second largest supply of employment sites with around 68ha. Just over two thirds of these, around 68%, have the potential to deliver high quality employment. A significant proportion of the high quality sites are located in the south west of the borough, close to the M6 and Black Country Route. The former IMI Works is a key site, covering around 10ha and in a prime location close to Junction 10 of the M6. There is also a significant cluster of high quality sites focussed around the existing employment areas of Aldridge in the east and Brownhills to the north. In the case of Aldridge, there is a significant critical mass of existing employment, which suggests that this area could grow as a high quality location. In the north at Brownhills, the M6 Toll has opened up this area of the borough to the market for high quality employment, by providing fast direct access to the motorway network.

3.34 The two i54 sites that are located in South Staffordshire are predicted to provide around 83ha of potential high quality employment land.

Redevelopment Opportunities on Existing Employment Land

3.35 As identified in the Brief, there will be a significant amount of redevelopment on existing employment land, in order to provide new employment space to meet future demand. This redevelopment is necessary due to the extensive built up nature of the Black Country, the dearth of available employment sites and the relatively poor nature of the existing employment land stock, some of which is coming towards the end of its economic life.

3.36 In order to identify redevelopment opportunities, we have used the information collected as part of the site assessments of existing employment land to highlight those employment areas that, in our view, will be unlikely to be able to support economic activity over the Plan period. Redevelopment of these areas may be due to a number of reasons, such as a significant proportion of buildings being obsolete, the design of buildings / site layout being inappropriate for future economic use, the general environment being poor, the nature of uses being in conflict with surrounding uses or the type of use being in decline. We have then identified areas that have a realistic redevelopment potential, by undertaking high level assessments of land assembly and ownership issues (where information is available), site clearance, access arrangements and market attractiveness.

3.37 We have identified a total of 74 redevelopment opportunities located on existing retained employment land within the Black Country, totalling 437ha. These are located across all four local authorities, as detailed in Table 3.6 below and detailed by Regeneration Corridor in Table 3.7.

Table 3.6 – Location of Redevelopment Opportunities across the Black Country

Local Authority	Total with Potential to be Redeveloped (ha)	BCJCS Hierarchy			WMRSS Hierarchy			
		Total EHQ (ha)	Total PHQ (ha)	Total LQ (ha)	First Tier (ha)	Sub Regional (ha)	Good Quality (ha)	Local (ha)
Dudley	54.97	2.59	7.57	44.81	0.00	2.59	52.38	0.00
Sandwell	120.20	6.08	49.03	65.09	0.00	48.56	51.98	19.66
Walsall	130.25	0.00	38.29	91.97	0.00	56.86	67.13	6.26
Wolverhampton	131.96	4.11	81.86	46.00	0.00	55.36	68.65	7.96
South Staffordshire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	**437.38**	**12.78**	**176.74**	**247.86**	**0.00**	**163.37**	**240.13**	**33.88**

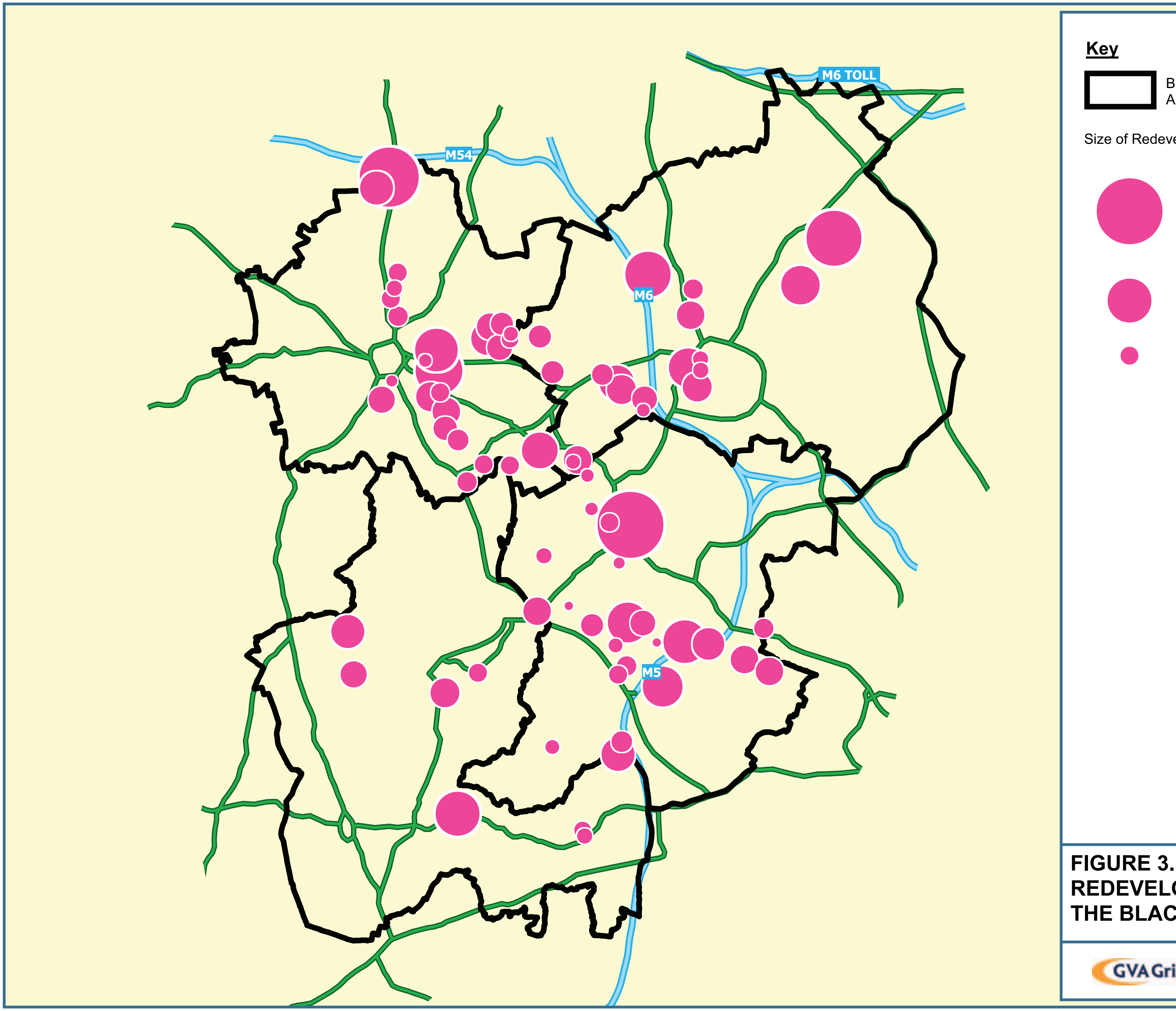
Source: GVA Grimley analysis, 2009

3.38 Local Authority specific maps showing the location of the redevelopment opportunities on existing employment (for retained employment uses) that we have identified as part of this Study are shown at Appendix F. The broad location of redevelopment sites is shown at Figure 3.5 below.

Table 3.7 – Location of Redevelopment Opportunities by Regeneration Corridor

Regeneration Corridor	Corridor Total (ha)	BCJCS Hierarchy: Total EHQ (ha)	BCJCS Hierarchy: Total PHQ (ha)	BCJCS Hierarchy: Total LQ (ha)	WMRSS Hierarchy: First Tier (ha)	WMRSS Hierarchy: Sub Regional (ha)	WMRSS Hierarchy: Good Quality (ha)	WMRSS Hierarchy: Local (ha)
Pendeford - Fordhouses	34.05	0.00	34.05	0.00	0.00	34.05	0.00	0.00
Stafford Road	12.17	0.00	8.40	3.77	0.00	8.40	3.77	0.00
South of Wolverhampton City Centre	7.21	0.00	0.00	7.21	0.00	0.00	0.00	7.21
Bilston Corridor	38.75	4.11	0.00	34.64	0.00	4.11	34.27	0.38
Loxdale - Moxley	17.68	0.00	15.70	1.98	0.00	15.70	0.00	1.98
Darlaston - Willenhall - Wednesfield	67.74	0.00	46.28	21.46	0.00	15.67	47.78	4.28
Bloxwich - Birchills - Bescot	49.95	0.00	3.48	46.47	0.00	0.00	49.95	0.00
Hill Top	38.34	5.16	32.04	1.14	0.00	37.20	1.14	0.00
Tipton - Dudley Port - Brades Village	23.15	0.00	0.00	23.15	0.00	0.00	5.03	18.12
Pensnett - Kingswinford	15.10	0.00	0.00	15.10	0.00	0.00	15.10	0.00
Dudley - Brierley Hill - Stourbridge	10.54	0.00	7.57	2.97	0.00	0.00	10.54	0.00
Oldbury - West Bromwich - Smethwick	57.17	0.92	16.99	39.26	0.00	11.36	45.81	0.00
Rowley Regis - Jewellery Line	25.87	0.00	0.00	25.87	0.00	0.00	24.34	1.54
Coombs Wood - Halesowen	4.99	2.59	0.00	2.41	0.00	2.59	2.41	0.00
Brownhills	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Coseley	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Standing Sites - Wolverhampton	0.37	0.00	0.00	0.37	0.00	0.00	0.00	0.37
Free Standing Sites - Walsall	34.29	0.00	12.23	22.06	0.00	34.29	0.00	0.00
Free Standing Sites - Sandwell	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Standing Sites - Dudley	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sites Outside Black Country	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	437.38	12.78	176.74	247.86	0.00	163.37	240.13	33.88

Source: GVA Grimley analysis, 2009



Key

Black Country Local Authority Boundaries

Size of Redevelopment Area (ha)

31

15.5

3.1

FIGURE 3.5 - BROAD LOCATION OF REDEVELOPMENT AREAS WITHIN THE BLACK COUNTRY

GVA Grimley

3.39 Table 3.7 above highlights that the corridors with the greatest quantum of sites that we have identified have the potential for redevelopment are the Oldbury – West Bromwich – Smethwick, Bilston, Darlaston - Willenhall - Wednesfield and Bloxwich – Birchills – Bescot corridors. The majority of redevelopment opportunities are located on existing local quality land, made up of around 245ha on retained local quality and 177ha on land that has potential to be high quality. Only a small quantum of sites that have been identified as existing high quality were found to have opportunities for redevelopment. These were at Britannia Park (Sandwell) and Golds Hill Way (Sandwell). In both cases, these redevelopment opportunities represent a small part of the surrounding high quality employment area.

3.40 The Pendeford and Hill Top corridors and the free standing sites around Walsall offer the greatest redevelopment opportunities in terms of providing Sub-regional quality sites, with around 106ha identified in these areas. The majority of redevelopment opportunities have been assessed as being within the Good Quality category according to the WMRSS. These opportunities are predominantly located within the Oldbury - West Bromwich – Smethwick, Bilston, Bloxwich - Birchills – Bescot and Darlaston - Willenhall - Wednesfield Regeneration Corridors, which account for around 202ha, or just over three quarters of the redevelopment opportunities within this category. The redevelopment opportunities that we have assessed as being within the Other Employment Sites category are spread across a number of Regeneration Corridors, notably the Tipton - Dudley Port - Brades Village, Rowley Regis - Jewellery Line, South of Wolverhampton City Centre and Darlaston - Willenhall - Wednesfield corridors.

Total Gross Employment Land Supply

3.41 This section has outlined our findings in terms of the three key components of employment land supply within the Black Country over the Plan period. This has identified that there are around 2,577ha of existing retained employment land that will continue to serve the needs of the economy into the future. Of this, around 437ha has the potential to be redeveloped over the Plan period, therefore assuming that all redevelopment occurred there would be 2,140ha retained and 437ha of redeveloped employment land. In addition to the existing supply, RELS sites will provide the new employment land within the sub-region. We have identified that there are potentially around 304ha of land available for development, which if they were all developed would mean there would be a total of 2,881ha of employment land in the Black Country. Table 3.8 below summarises our findings.

Table 3.8 – Gross Employment Land Supply within the Black Country to 2026

Local Authority	Total Employment Land Supply (ha)	Total EHQ (ha)	Total PHQ (ha)	Total LQ (ha)	First Tier (ha)	Sub Regional (ha)	Good Quality (ha)	Local (ha)
Dudley	660.27	156.77	118.00	385.49	0.00	236.09	424.17	0.00
Sandwell	862.90	191.05	289.17	382.68	0.00	383.01	425.93	53.96
Walsall	622.36	53.70	259.34	309.31	0.00	297.47	306.03	18.86
Wolverhampton	632.34	114.52	298.16	219.66	6.99	203.76	387.61	33.98
South Staffordshire	103.61	6.73	82.86	14.02	89.59	0.00	14.02	0.00
Total	**2,881.48**	**522.78**	**1,047.54**	**1,311.16**	**96.58**	**1,120.33**	**1,557.76**	**106.80**

Source: GVA Grimley analysis, 2009

Total Net Employment Land Supply

3.42 Table 3.9 below details the net employment land supply within the Black Country.

Table 3.9 - Net Employment Land Supply within the Black Country to 2026

Local Authority	Total Employment Land Supply (ha)	Total EHQ (ha)	Total PHQ (ha)	Total LQ (ha)	First Tier (ha)	Sub Regional (ha)	Good Quality (ha)	Local (ha)
Dudley	522.61	135.53	102.01	285.07	0.00	194.19	328.43	0.00
Sandwell	698.14	165.16	249.99	282.99	0.00	328.06	330.12	39.97
Walsall	499.37	46.43	224.20	228.74	0.00	246.88	238.26	14.22
Wolverhampton	519.20	99.00	257.76	162.44	6.04	176.15	311.88	25.13
South Staffordshire	87.82	5.82	71.63	10.37	77.45	0.00	10.37	0.00
Total	**2,327.14**	**451.94**	**905.60**	**969.60**	**83.49**	**945.28**	**1,219.05**	**79.32**

Source: GVA Grimley analysis, 2009

3.43 Table 3.9 above identifies the net employment land supply (excluding supply for non B uses, waste requirements and vacancies), and shows that there are around 2,338ha of employment land within the Black Country.

Five Year Rolling Supply

3.44 We have identified that there is potential for a supply of new employment land of around 742ha, made up of 304ha from RELS sites and up to 437ha from redevelopment opportunities. Table 3.10 below identifies the location of this employment land by Local Authority.

Table 3.10 – Supply of New Employment Land within the Black Country (2006 - 2026)

Local Authority	Redevelopment Opportunities (ha)	RELS Sites (ha)	Total New Employment Land (ha)
Dudley	54.97	21.09	76.06
Sandwell	120.20	73.05	193.25
Walsall	130.25	67.79	198.04
Wolverhampton	131.96	59.54	191.50
South Staffordshire	0.00	82.86	82.86
Total	**437.38**	**304.33**	**741.71**

Source: GVA Grimley analysis, 2009

Conclusions

3.45 As a sub-region, the Black Country has the potential to deliver around 742ha of new employment land to 2026, although this is reduced to 659ha when excluding First Tier sites. This section has highlighted a potential supply of employment land of 659ha which compared with the indicative long term requirements of 555ha as set out in Policy PA6A of the WMRSS indicates that the Black Country will have sufficient capacity to accommodate its employment requirements. Sites from the RELS database (excluding First Tier sites) should provide around 210ha, whilst redevelopment opportunities have the potential to provide around 437ha. This, in itself, represents a challenging target for all four of the Black Country authorities of redeveloping around 17% (437ha / 2,577ha) of their existing employment stock to achieve the targets for employment land supply as set out in the WMRSS, assuming that all RELS sites come forward in the Plan period.

3.46 Local Authorities will need to closely monitor the amount of employment land delivered through RELS sites and the amount of redevelopment to ensure that the balance of the two sources of supply will be sufficient to meet the targets set out in the WMRSS Phase 2 Preferred Option.

3.47 Policy PA6A also identifies that the sub-region should ensure that there is a rolling five year supply of at least 185ha of readily available employment land (excluding First Tier sites). At present we have identified that there are around 46ha of readily available RELS sites. There is therefore a deficit of around 139ha of readily available employment land, and this deficit will need to be identified through RELS or redevelopment opportunities. As discussed earlier, the removal of around 84ha of RELS sites from the database (including 34ha of readily available sites) as they fall within housing growth areas represents a cautious approach as some of these sites will be retained for employment. It is expected that some of these sites will be capable of contributing to the five year rolling supply.

3.48 As the Plan period progresses, it is expected that the balance of the rolling supply will shift from being provided entirely by RELS, to be provided through a mix of RELS sites and redevelopment opportunities as they begin to come forward. Local Authorities will therefore need to produce a phasing programme for the redevelopment opportunities within their local area, in order to identify which opportunities are likely to come forward first, and those that will take longer to materialise.

3.49 In the next section of this report we compare the demand for and supply of employment land within each of the Black Country Local Authorities.

4. COMPARISON OF DEMAND AND SUPPLY

4.1 In this section we analyse and compare the demand for, and supply of, employment land within each of the Black Country authorities based on the evidence presented in the previous two sections.

Comparison of Gross Demand and Supply

4.2 In section 2 at Table 2.15 we identified a predicted demand for employment land of between 1,993ha to 2,201ha. Below, we compare this to the estimated supply of employment land, as detailed at Table 3.8 for each of the Black Country authorities. Table 4.1 below summarises the demand for, and supply of, employment land in the Black Country to 2026.

Table 4.1 – Comparison of Gross Demand and Supply in the Black Country

Local Authority	Employment Land Demand (Low Density) (ha)	Employment Land Demand (High Density) (ha)	Employment Land Supply (ha)	Difference Between Demand & Supply (Low Density) (ha)	Difference Between Demand & Supply (High Density) (ha
Dudley	484.72	426.48	660.27	175.54	233.79
Sandwell	870.90	817.56	862.90	-8.00	45.34
Walsall	441.44	391.57	622.36	180.92	230.79
Wolverhampton	403.65	357.60	632.34	228.68	274.74
South Staffordshire	0.00	0.00	103.61	103.61	103.61
Total	**2,200.71**	**1,993.21**	**2,881.48**	**680.76**	**888.27**

Source: GVA Grimley analysis, 2009

Dudley

4.3 Within Dudley there is an identified demand for employment land of between 426ha to 485ha, dependant on scenario. There are around 660ha of employment land in the supply, which compared with the demand leaves a surplus of between 176ha to 234ha.

Sandwell

4.4 Within Sandwell there is an identified demand for employment land of between 818ha to 871ha, dependent on scenario. There are around 863ha of employment land in the supply, therefore there appears to be a deficit of employment land under the Low Density scenario of around 8ha and a surplus of around 45ha under the High Density scenario.

Walsall

4.5 Within Walsall there is an identified demand for employment land of between 392ha to 441ha, dependent on scenario. There are around 622ha of employment land in the supply, therefore it would appear that there is a sufficient supply of employment land to meet the predicted demand, with a surplus of between 181ha to 231ha.

Wolverhampton

4.6 Within Wolverhampton there is an identified demand for employment land of between 358ha to 404ha. There are around 632ha of employment land in the supply, therefore it would appear that Wolverhampton has a sufficient supply of employment land to meet the predicted demand, with a surplus of between 229ha to 275ha.

Black Country

4.7 From looking at Table 4.1 above it is apparent there are sufficient surpluses within the four local authorities to accommodate employment demand to 2026, the only exception being in Sandwell under the Low Density scenario, which has a deficit of around 8ha. In addition to the surpluses identified above, there are around 83ha of employment located outside the Black Country at i54 and Hilton Cross, that could be utilised to accommodate demand.

Comparison of Net Demand and Supply

4.8 Table 2.16 identifies a total net requirement for employment land (excluding non B uses, waste requirements and vacancies) within the Black Country of between 1,430ha and 1,585ha. Below in Table 4.2, we compare this to the estimated supply of employment land, as detailed at Table 3.9 for each of the Black Country authorities.

Table 4.2 – Comparison of Net Demand and Supply in the Black Country

Local Authority	Employment Land Demand (Low Density) (ha)	Employment Land Demand (High Density) (ha)	Employment Land Supply (ha)	Difference Between Demand & Supply (Low Density) (ha)	Difference Between Demand & Supply (High Density) (ha
Dudley	350.04	305.82	522.61	172.58	216.80
Sandwell	636.04	597.04	698.14	62.10	101.10
Walsall	317.02	278.89	499.37	182.34	220.48
Wolverhampton	282.08	247.97	519.20	237.12	271.23
South Staffordshire	0.00	0.00	87.82	87.82	87.82
Total	**1,585.18**	**1,429.72**	**2,327.14**	**741.96**	**897.42**

Source: GVA Grimley analysis, 2009

4.9 Table 4.2 identifies that, in terms of the net supply and demand for employment land, there is sufficient land to meet the predicted requirements across all four of the local authorities, with a sub-regional surplus of between 742ha to 897ha.

Conclusions

4.10 This section has identified that when comparing the overall supply of employment land with the anticipated demand (both from employment and relocations) predicted by our model, the sub-region has a sufficient supply of employment land. This conclusion is however, made on the assumption that all RELS sites and redevelopment opportunities will come forward over the Plan period. Even taking into account the past three years of completions there appears to be insufficient supply to be able to meet the requirements set out in the Panel Report to the EiP for the WMRSS of 740ha new employment land.

4.11 However, the four local authorities appear to have sufficient capacity within identified employment sites to accommodate the future demand, based on our model, both in terms of gross and net supply and demand. This however, is based on the assumption that all RELS sites and redevelopment opportunities are brought forward over the Plan period. The local authorities will need to monitor the completion rates of sites within their boundaries to ensure that there continues to be a sufficient supply of employment land.

4.12 The following section provides a sensitivity analysis of the models we have used to calculate demand for, and supply of, employment land in the Black Country.

5. SENSITIVITY ANALYSIS

5.1 As part of the 2008 study a sensitivity analysis was undertaken to ascertain the sensitivity of a number of assumptions used in the model. The assumptions that were changed as part of the sensitivity analysis were:

- Proportion of non B uses;
- Employee densities; and
- Vacancy rates.

5.2 In each case, the assumptions were altered to reflect a worse case scenario (i.e. less supply, more demand), in order to test the robustness of the model against the assumptions we have used. In undertaking the sensitivity analysis, we have applied the changes to each of the assumptions collectively, in order to create a "worst case" scenario. Below, in Table 5.1, we highlight the changes we have made to the assumptions. A more detailed description of these changes can be found below.

Proportion of Non B Uses

5.3 In the main model we have assumed that, on local quality sites, 15% of the site will be accommodated by non B use classes, whilst on high quality sites, this proportion will be 5%. In the sensitivity analysis we have increased these proportions to reflect a less efficient use of employment land for accommodating demand for B uses, thereby allowing for 20% of Non B use class uses on local quality sites and 10% on high quality sites.

Employee Densities

5.4 In the main model the assumptions on employee densities have been at the lower (less efficient) end of the range identified through our empirical work for existing local quality land, whilst we have assumed that these will get more efficient as employment land is improved / developed to become high quality land. In the sensitivity analysis we have assumed that this efficient use of space will not be as great and assumed an employee density for B2 of 37 sq. m per employee and of 75 sq. m per employee for B8.

Vacancy Rates

5.5 The level of vacancy that we have accounted for in the main model is 13% for existing local quality stock, equivalent to the average for the Black Country and 9% for high quality stock. In the sensitivity analysis we have applied the Black Country average of 13% as the vacancy rate for both local quality and high quality, therefore eliminating any gain that is made through the reduced vacancy rate for high quality land in the main model analysis.

5.6 A summary of the assumptions used in the sensitivity analysis is shown in Table 5.1 below. Figures highlighted in red represent those assumptions that have been changed as part of the sensitivity analysis. This therefore, in our view, reflects a 'worst case' where all of the potential variants move in a single direction.

Table 5.1 – Summary of Assumptions used in Sensitivity Analysis

Demand Side

Employee Density (sq. m. per employee)			Plot Ratios		Net to Gross Ratio
Use Class	High Density	Low Density	Use Class	Sq. m. per net hectare	
B1c	37	40	B1c / B2	4,750	0.7 : 1
B2	37	40	B8	4,750	
B8 / Automotive	75	80	Automotive	4,750	

Supply Side

Non B Use Class Uses			Split of B2 / B8 on Employment Sites			Vacancy Rate	Inclusion of Sites Outside BC
	% B Use	% Non B Use		% B2	% B8	13% on all sites	100% of all sites outside the BC
Local Quality	80	20	Local Quality	60	40		
High Quality	90	10	High Quality	25	75		

Source: GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

5.7 The assumptions presented in Table 5.1 above were applied to the model and this has been run in the same way as previously. The results of the sensitivity analysis are shown below.

Results of Sensitivity Analysis

5.8 The results of the sensitivity analysis for the Black Country authorities are presented below in Table 5.2. Full tables can be found at Appendix H.

Table 5.2 – Comparison of Demand and Supply in the Black Country (Sensitivity Analysis)

Local Authority	Employment Land Demand (Low Density) (ha)	Employment Land Demand (High Density) (ha)	Employment Land Supply (ha)	Difference Between Demand & Supply (Low Density) (ha)	Difference Between Demand & Supply (High Density) (ha
Dudley	428.07	372.06	483.45	55.38	111.39
Sandwell	726.69	671.84	642.36	-84.33	-29.48
Walsall	383.82	335.52	460.40	76.57	124.87
Wolverhampton	341.41	298.20	476.01	134.60	177.81
South Staffordshire	0.00	0.00	79.91	79.91	79.91
Total	**1,879.99**	**1,677.62**	**2,142.13**	**262.14**	**464.50**

Source: GVA Grimley analysis, 2009

Dudley

5.9 Within Dudley under the Sensitivity Analysis there is an identified demand for employment land of between 372ha to 428ha, dependant on scenario. There are around 483ha of employment land in the supply, which compared with the demand leaves a surplus of between 55ha to 111ha.

Sandwell

5.10 Within Sandwell under the Sensitivity Analysis there is an identified demand for employment land of between 672ha to 727ha, dependent on scenario. There are around 642ha of employment land in the supply, which compared with the demand leaves a deficit of between 29ha to 84ha.

Walsall

5.11 Within Walsall under the Sensitivity Analysis there is an identified demand for employment land of between 336ha to 384ha, dependent on scenario. There are around 460ha of employment land in the supply, therefore it would appear that there is a sufficient supply of employment land to meet the predicted demand, with a surplus of between 77ha to 125ha.

Wolverhampton

5.12 Within Wolverhampton under the Sensitivity Analysis there is an identified demand for employment land of between 298ha to 341ha. There are around 476ha of employment land in the supply, therefore this means that Wolverhampton would have a sufficient supply of employment land to meet the predicted demand with a surplus of between 135ha to 178ha.

Black Country

5.13 From looking at Table 5.2 above there appears to be a sufficient supply of employment land under the low density scenario, although there is a deficit of land within Sandwell that would need to be addressed through the identification of further areas for employment, or through shifting demand elsewhere in the Black Country. Under the high density scenario there appears to be sufficient employment land to meet the demand requirements with significant surpluses within Dudley, Walsall and Wolverhampton and a modest deficit of 19ha within Sandwell. This would need to be addressed through the identification of further areas for employment, or through shifting demand elsewhere in the Black Country.

Conclusions

5.14 This sensitivity analysis has identified that if the development / re-development of employment sites is not at a level that is more efficient than it replaces it is likely that there will be deficits of employment land in Sandwell. In the Black Country as a whole, however, there appears to be sufficient employment land to meet the anticipated requirements. However, this view is predicated on all RELS sites and redevelopment opportunities coming forward for development, and the development of residential uses requiring no more than around 1,050ha across the Black County. If not all RELS sites and redevelopment opportunities come forward, this could have implications for the amount of employment land that could be released for residential, and therefore this would need to be carefully monitored at the local authority level to ensure that the needs for both employment and residential development can be met.

5.15 The following section provides recommendations for a new portfolio of employment land.

6. RECOMMENDATIONS FOR A NEW PORTFOLIO OF EMPLOYMENT LAND

6.1 This section provides our view on the suitability of sites to be retained in the employment land portfolio throughout the Plan period. Where sites have been assessed as being of poor quality, we have identified whether they are suitable for redevelopment for employment use. We have considered the likelihood of poor sites being suitable to meets business' demands in the future and in Table 6.1 below summarise the quantum of sites which, in our view, may not be suitable to meet the demands of businesses. A plan showing the broad location of these sites is provided at Figure 6.1 below.

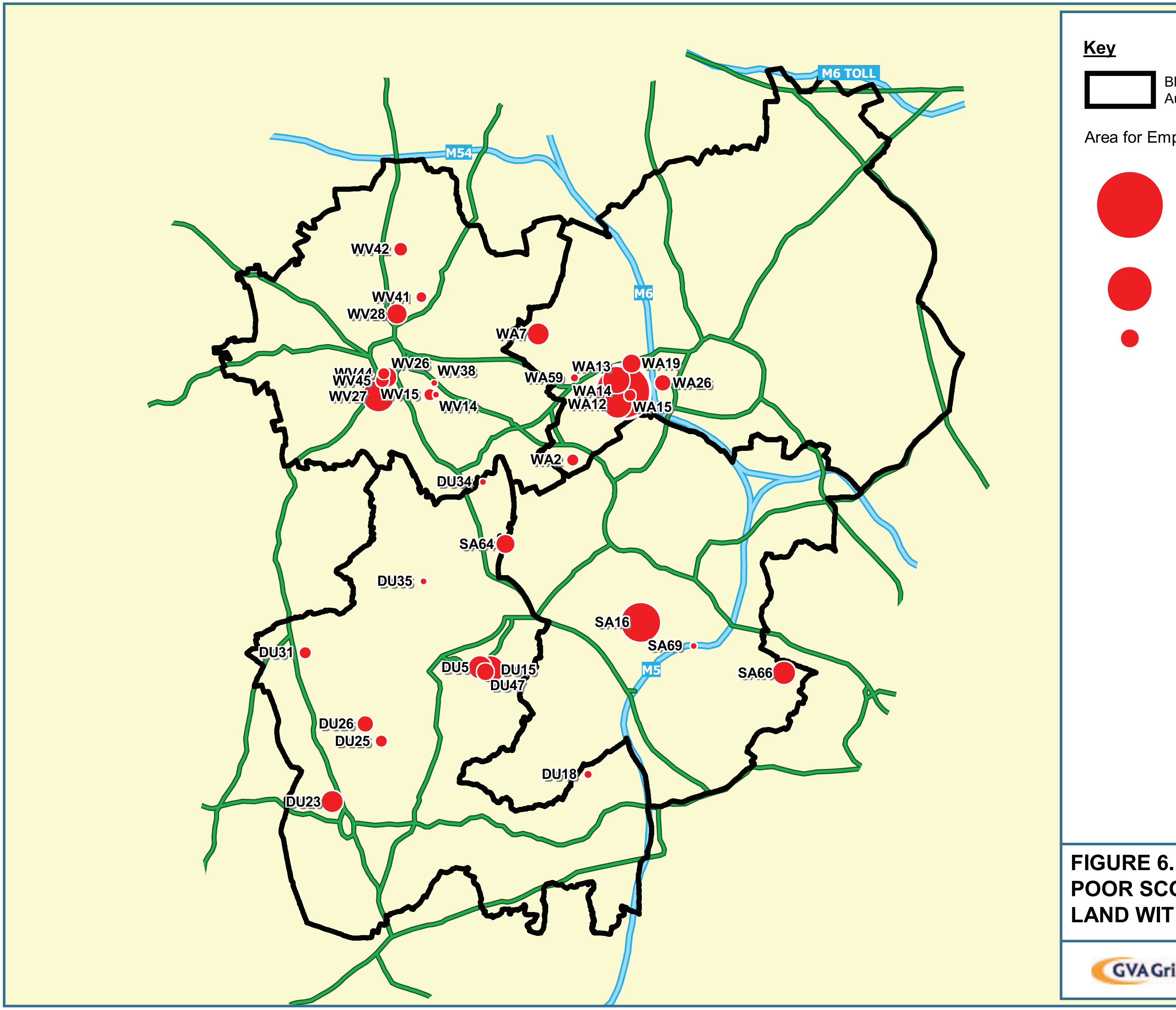
Table 6.1 – Summary of Poor Scoring Sites

Local Authority	Number of Poor Scoring Sites	Total Employment Land (ha)
Dudley	10	28.50
Sandwell	4	24.41
Walsall	9	60.53
Wolverhampton	10	31.03
South Staffordshire	0	0.00
Total	**33**	**144.46**

Source: GVA Grimley analysis, 2009

6.2 A total of 144ha of poor quality land was identified. These sites have been considered due to them scoring poorly in our assessments. We have taken the view that sites receiving more than four poor scores indicate that, over the Plan period, they are likely to become obsolete, unless there is some intervention to make them more attractive. In this instance, a poor score is defined as being one of 2 points or less for any of the criteria (except for Market Attractiveness, where a score of 1 indicates a poor score) – see Appendix B for detailed site assessments. Their decline is likely to occur due to a variety of reasons including poor building quality, access and market attractiveness.

6.3 The redevelopment of the existing employment areas identified above will be key for the sub-region in providing a supply of new employment land. This, together with that supply provided by the development of the RELS sites will enable the sub-region to provide up to 742ha of new employment land over the Plan period and therefore almost meet the requirement as set out in the Panel Report to the EiP for the WMRSS.



Key

Black Country Local Authority Boundaries

Area for Employment of Poor Scoring Sites (ha)

50

25

5

FIGURE 6.1 - BROAD LOCATION OF POOR SCORING EMPLOYMENT LAND WITHIN THE BLACK COUNTRY

GVA Grimley

6.4 The other retained sites, in our view, will continue to provide suitable employment land for businesses over the Plan period, and should therefore be retained in the portfolio. The sites that we have identified as being Potential High Quality will need to be assessed on an individual basis in order to determine the exact scope of works that need to be undertaken in order for them to be categorised as High Quality. In our assessments of the existing employment stock shown at Appendix B, we have used a ranking system to qualify each of the scores, which is detailed below:

- Green – Excellent;
- Yellow – Good;
- Orange – Average; and
- Red – Poor.

6.5 This ranking system identifies the areas where potential high quality sites score poorly and where improvements will be required in order that they can be considered to be high quality. The improvement of around 860ha of employment land to high quality represents a huge challenge to the sub-region, however in our view the scope of works required for such improvements on many sites will be relatively small. In a number of cases, the works that are required are focussed around improving the appearance of buildings and their external environment, which should in turn have positive effects in terms of the market attractiveness and eventually the types of businesses that choose to locate there. It is likely that securing this step change in the sub-region’s economic offer will require major investment, infrastructure, environmental improvements and site redevelopment.

6.6 GVA Grimley are currently assisting Mott MacDonald in undertaking a study of site viability for a cross section of sites throughout the sub-region, in terms of their redevelopment as employment, residential and mixed use. We would recommend that the results of this report are considered together with the recommendations of this report in order to produce a programme of redevelopment for those identified employment areas to ensure that a suitable supply of employment land is maintained. Further GVA Grimley has recently undertaken a review of the future role and positioning of inward investment in the Black Country. A key part of this is the necessity for the sub-region to provide a readily available and pipeline supply of employment land and premises that would be attractive to potential investors.

6.7 The next section of this report provides our conclusions to the study.

7. CONCLUSIONS

7.1 This report has examined the likely changes in employment land requirements in the Black Country to 2026 and how the retained and proposed employment land stock can accommodate the need for high quality employment land to retain and attract knowledge / high value technology industry, whilst at the same time retaining enough local quality land to accommodate existing businesses and releasing land for residential led, mixed use development.

Review of Demand

7.2 In section 2 we have identified the overall change in employment land requirements across the sub-region. The analysis, which we have taken from our 2008 report[6], shows that there is a reduction in requirements for employment land between 2006 to 2026 of between 338ha and 395ha across the sub-region. This is predominantly due to the anticipated decline in the manufacturing sectors, a picture that is being reflected nationally. This will leave an overall requirement for employment land arising from employment growth (and decline) of between 1,177ha to 1,381ha.

7.3 In addition, there will also be demand from companies that look to relocate from employment areas that are redeveloped for other uses. We have identified that, in total, around 905ha of B2 / B8 / non B type land will be lost to residential, but that the majority of this decrease in supply will be absorbed through the reduction in demand for these uses (particularly for B2). The overall impact of relocations on demand for employment land therefore creates additional demand of between 530ha to 550ha.

7.4 Taking into account the need for waste facilities and vacancies, we have identified that total (gross) employment land demand within the Black Country to 2026 will be between 1,993ha to 2,201ha. We have identified that the sub-region as a whole has a sufficient supply of employment land to accommodate this demand, and that there are surpluses of employment land within each of the four local authorities (apart from Sandwell under the Low Density scenario).

[6] GVA Grimley / GHK International – Black Country Joint Core Strategy – Employment Land Review, April 2008

Demand for Waste Facilities

7.5 We have also examined the demand for waste facilities in the Black Country. The work undertaken by the four Black Country authorities on planning for waste facilities identifies that a further 36.5ha of employment land will be required to accommodate waste recycling facilities across the Black Country. We have taken this requirement into account and our analysis has shown that the current stock of retained employment land, and new opportunity sites / redevelopment opportunities will be sufficient to accommodate new waste facilities.

Review of Supply

7.6 In Section 2 we have highlighted that the sub-region will require between 1,993ha to 2,201ha (gross) employment land. The focus for this supply will be the Regeneration Corridors, which are programmed to be the main areas of redevelopment within the sub-region.

7.7 Our analysis of the most up-to-date picture of employment land supply has identified a total stock of existing retained employment land of around 2,577ha (gross) / 2,073ha (net), split as follows:

- Existing High Quality – 523ha (gross) / 452ha (net);
- Potential High Quality – 811ha (gross) / 701ha (net); and
- Local Quality – 1,243ha (gross) / 919ha (net).

7.8 In addition, we have identified that the capacity for new employment land from RELS is around 304ha, with around 237ha of these having the potential to be developed as high quality sites, primarily due to their location, adjacent uses, prominence, access and evidence of market activity. The remaining RELS sites, which total around 67ha have, in our view, the potential to be local quality sites.

7.9 We have therefore identified that the sub-region will have a total employment land supply of around 2,881ha moving forward over the Plan period. There appears to be a sufficient supply of employment land to meet the predicted requirements (see Table 4.1). With regard to the emerging WMRSS, Policy PA6A requires that the sub-region can provide a minimum of 185ha readily available employment land. In terms of RELS sites that are readily available, the latest data highlights that around 46ha (excl First Tier sites) are readily available based on their market status, therefore an additional 139ha of employment land will need to be made available to the market in order to meet the requirement as set out in Policy PA6A. In our view, this is most likely to occur through the promotion of identified RELS sites, particularly those that have been identified as having a willing seller, but are not yet on the market. This could provide an additional 41ha to the readily available employment land supply (excl First Tier sites).

Recommendations for a New Portfolio of Sites

7.10 We have identified the poorest scoring sites within the existing portfolio and recommend that these could provide the catalyst for regeneration of employment land across the sub-region. A total of 144ha of sites were scored as being poor, based on our assessment of them with regard to their building quality, access and market attractiveness. Their redevelopment will be important in regenerating the sub-region and will help to provide the 555ha of new employment land as identified in the WMRSS Phase 2 Preferred Option.

7.11 We have identified that the total stock of potential high quality land (existing and proposed sites) totals around 1,048ha. In order to meet the requirements set out in the Preferred Options BCJCS, the four Local Authorities will need to ensure that these sites are improved in order to ensure that they can be considered high quality. In our market assessments we rank how each of these sites scores against our assessment and would recommend that this is used to inform a programme of improvement for the potential high quality sites.

Sensitivity Analysis

7.12 The sensitivity analysis we have undertaken provides a “worse case” scenario in terms of lowering job densities (therefore increasing land requirements) and adopting lower plot ratio assumptions and higher rates of vacancy (therefore reducing the available employment land supply). The results of the sensitivity analysis show that overall the Black Country would still have sufficient supply of employment land although the surplus would be dramatically reduced by between 433ha to 48ha, leaving a surplus of 262ha to 465ha. Under the Sensitivity Analysis, Sandwell would have a deficit of employment land of between 29ha to 84ha.

7.13 The sensitivity analysis highlights the importance of ensuring that employment densities are developed at the higher rates, and that land is used in the most efficient possible way, in order that the employment requirements can be accommodated. We would recommend that the High Density scenario is adopted, and that the assumptions used in the main model are used as a benchmark for employment developments throughout the Plan period.

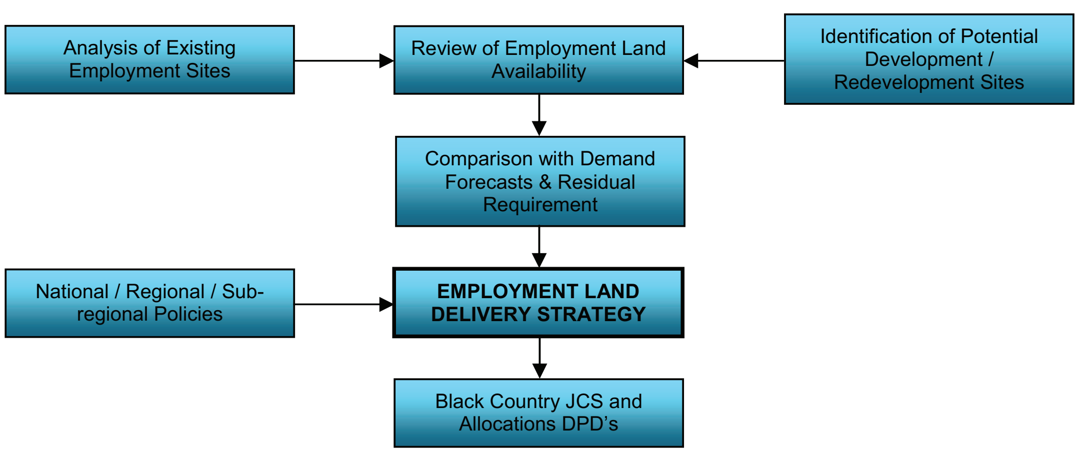
Delivery Strategy

7.14 The Black Country's economy and demand for employment land is predicted to change significantly over the next 20 years. Having a historical strength in the manufacturing sectors, the economy will need to adapt to the changing demands for high technology manufacturing and distribution uses, which in turn will have impacts upon locational and environmental requirements for accommodation, needs for high levels of public transport and highway accessibility and availability of an adequate potential workforce.

7.15 There has been a perceived lack of investment within the Black Country in recent years, which was identified by the former Black Country Investment service as being primarily as a result of the Black Country lacking quality investment opportunities to attract substantial inward investment. The Black Country is unique in the West Midlands in that almost all potential opportunities for development arise from recycling of brownfield land, and therefore in order to be able to attract significant investment to the Black Country, it will be important for the four authorities to produce a Delivery Strategy that details how this transformation of land to create a marketable resource will be undertaken. This will require innovative delivery mechanisms and sub regional partnership working.

7.16 We see the process of developing the Delivery Strategy as being central to the development of employment policies within the BCJCS and the allocation of sites for future development / redevelopment, as shown in Figure 7.1 below.

Figure 7.1 – Developing an Employment Land Delivery Strategy



Source: GVA Grimley, 2009

7.17 Development of a spatial strategy (in the form of the BCJCS and Allocations DPD's) in response to the options identified in this report is one issue, however the allocation of employment sites is only one part of delivering economic development. We would suggest that the Delivery Strategy would need to focus on four key issues, detailed below.

Delivering Employment Land

7.18 One of the fundamental problems in delivering employment land in the study area is the cost value gap for employment development. Due to relatively weak market demand, market values except in the prime locations are low away from motorway junctions or areas in close proximity to them. The costs of servicing this land can be extensive, including access roads, services, landscaping and ground engineering / remediation. In many cases the costs and uncertainty of land development for employment uses where take up / disposal will be a slow process makes such development uneconomic to the private sector. Advantage West Midlands and the four local authorities are therefore key players in investing in their own sites and through AWM providing gap funding (budgets dependent) to support development by the private sector.

7.19 GVA Grimley and Mott MacDonald have recently assessed the viability of a sample of proposed employment and residential sites across the Black Country. These appraisals suggest that developing commercial sites in the Black Country will be challenging as industrial land values for development (rents and capital values) are generally lower when compared to residential land values, and the margin between construction costs and the receipts received for the end industrial product is therefore lower, hence a lower serviced site value is delivered.

7.20 It is clear therefore that under present conditions, public sector intervention will be needed to ensure that the availability of land is not a barrier to economic development. Clearly concentrating development around key nodes with good access will provide the best prospects of private sector development, however in sustainability terms this would need to be balanced by public sector investment in other parts of the Black Country to ensure a balanced approach.

7.21 The role of AWM is important here. Financial support related to key identified sectors and clusters is currently directed through the RES. This approach, in our view distorts market provision and fails to address directly the more fundamental issue of serviced land availability which underlies much of the study area. Sustained funding to address this issue to ensure a reasonable variety and choice of sites within most areas is essential.

Ensuring the Supply of Floorspace

7.22 Employment land supply is one issue, the other is ensuring that employment premises themselves are provided. The extent to which the local economy has the potential to either grow or attract new businesses is an important plank of economic strategy and there are clearly wider issues within the Black Country such as quality of life which are key to attracting and growing businesses in the area. However the supply of appropriate, modestly priced and flexible accommodation forms part of an overall package. The difficulty is that only a limited number of private sector developers view favourably high risk developments with limited appeal to the investment market, it is therefore only niche or smaller local developers that would be prepared to consider this approach and then only in the better locations. Therefore, there is again a need for public sector intervention to provide such premises in locations where there is limited private sector interest. The development of managed space may form part of the solution in some locations, however this is likely to be most effective in the established employment areas of the Black Country.

7.23 GVA Grimley and Breeze Strategy's recent work on the review of the Black Country Inward Investment Service (July 2009) highlighted the need for an Inward Investment strategy, which would comprise a series of business propositions with a sector focus need to be developed that identify clearly the Black Country offer and strengths to the investment market. There are key roles here for BCC/ BCI and Local Authority partners.

Improving Existing Employment Areas

7.24 The improvement of over 673ha of existing employment land to that of a high quality standard represents a key challenge to the Black Country. The Delivery Strategy will need to provide a framework for the upgrading of employment land to provide a more attractive product to the market. Such requirements could include:

- Accessibility to the main transport network;
- Visibility and profile;
- Environment (vacancy rates, building condition, infrastructure and adjacent occupiers);
- Site size; and
- Proximity to knowledge clusters or to supporting businesses.

7.25 This development of employment land is key, as if this programme of improvement fails to materialise, we would assume that existing retained local quality employment land would be used less efficiently, and that this would therefore have implications for the quantum of employment land required to accommodate employment land demands, and the amount of land which can be released for housing.

Relocations Strategy

7.26 The Delivery Strategy will need to incorporate a framework for the relocation of businesses currently located in housing growth areas. Such areas may be developed as companies either go out of business, or relocate of their own accord, however it is anticipated that there will be a significant number of businesses that will require assistance from the local authorities to find new premises if theirs are to be redeveloped. The process of relocating businesses will need to be monitored at both the sub-regional and local level to ensure a coherent, phased approach to the redevelopment of existing employment land for residential uses.