Telford & Wrekin Borough Council

Newport:
The Need for Employment Land

November 2013

CONTENTS

1 PURPOSE AND SCOPE OF THE REPORT

Introduction

1.1 Peter Brett-Roger Tym, part of Peter Brett Associates LLP, were first commissioned in September 2012 by Telford & Wrekin Council (the Council) to review the requirement for employment space in the market town of Newport. This report updates that work. Since September 2012, the Regional Strategy has been revoked and is no longer part of the development plan; the Council has begun the work, which this report is to inform, to produce a Local Plan that will replace the 2007 Telford & Wrekin Council Core Strategy and cover the period to 2031 (five years longer than the Core Strategy's plan period); the Council has prepared an interim Employment Land Review for the borough as a whole; and has granted various permissions for housing in Newport that need to be accounted in the estimates of the local working age population. This update has also provided the opportunity to take into account up-to-date information on the performance of the local market.

1.2 For the purposes of this report, "employment" refers to the activities of the economy that typically occupy land and premises that fall within the planning system's B Use Class – that is, Use Classes B1 (B1a - offices, B1b - R&D, B1c - light industry), B2 (industrial) and B8 (warehouse).

1.3 The Council commissioned this and our earlier report to assist in meeting its obligation regularly to assess, and meet, the development needs of business in its area. The timing of this and our September 2012 report was prompted by:

i. The grant of planning permission on appeal in August 2012 for a retail superstore on a c 2.2 ha site within Audley Avenue Industrial Estate – 2.2 ha that had formed part of the town's stock of B Class property. Although the Council understands that the owners of the site intend to implement the supermarket permission, development had not yet begun at the point this report was drafted.

ii. The call-in by the Secretary of State for his determination of a planning application by St Modwen's for a retail (supermarket) scheme on the Station Road site. The inquiry into the Station Road application was suspended in February 2013 and will re-convene in January 2014.

Scope and Structure of the Report

1.4 The scope of this report and its structure are as follows:

- Section 2 summarises the policy context for the review of the town's employment land needs, with particular regard for development plan policy and the role policy obliges Newport to play for the hinterland it serves as a market town.
- Section 3 sets out an overview of the town's workforce and travel to work patterns in order to establish the balance between the jobs available in Newport compared to the economically active population.

- Section 4 summarises the long run supply and demand trends in the B Class sector in Newport and the market's up to date view of the town's needs and prospects in the B Class.
- Section 5 pulls together the supply and demand evidence to set out the report's conclusions on the need in future for employment land in the town. Section 5 sets out and takes into account the implications for Newport of the most recent Experian forecast of employment change in the borough as a whole to 2026.

1.5 The report has relied on published policy and reports, data compiled for this report from the Office of National Statistics and the Experian forecasts which we purchased for this report and information supplied to us by the Council.

2 THE POLICY CONTEXT

Introduction

2.1 This section reviews the policy context for the assessment of Newport's employment land needs. The focus is on the development plan – the Telford & Wrekin Council Core Strategy (2007) and the relevant saved policies of the Wrekin Local Plan (February 2000). Also material are the Council's obligations to assess and meet the needs of businesses and communities under the National Planning Policy Framework and the emphases and objectives of the various local economic development strategies that bear on Newport.

2.2 We show:

i. Newport's role as a market town is to serve its rural hinterland and assist in its regeneration, including as a focus for providing a reasonable balance between employment opportunities and the market town's other functions (e.g., housing, retail etc).

ii. Newport should provide sites and premises to support the expansion of existing businesses and (where necessary) the generation of new ones;

iii. Key policy objectives are to improve the balance between the residents who are economically active and the number of jobs locally so as to reduce the need to travel for work and to increase the supply of employment land in Newport in order to do so.

iv. The National Planning Policy Framework (the Framework) requires the Council to identify and meet the needs of businesses and communities for land, including for land for B Class employment uses, and regularly to review these needs so that provision is kept up to date.

v. The economic development strategies aim to realise the strengths of the Borough as a whole in key growing and higher value-added sectors, while also increasing the part that Newport plays in doing so.

The Development Plan

Telford & Wrekin Council Core Strategy 2007

2.3 We note that the Telford &Wrekin Core Strategy (CS) was adopted in accordance with the Planning and Compulsory Purchase Act 2004 but before the publication of the National Planning Policy Framework (NPPF). The NPPF states that the weight to be given to the relevant CS policies relates to the degree of their consistency with the NPPF (NPPF, para 215 and footnote 39). We take the view that the policies in play in the CS are fully consistent with the NPPF and explain our reasoning below at para 2.13.

2.4 The CS describes Newport in the following terms:

- an age structure, relative to Borough as a whole, that is older "now" and is projected to age faster than the borough as a whole over the CS plan period;
- a resident working population of 5,600, with 3.1% unemployed;
- a concentration of service sector jobs in the market town's central area together with a concentration of industrial jobs in the Audley Avenue area and Springfield Industrial Estate; and

- the presence, just outside Newport, of Harper Adams University which is also the town's largest employer.

2.5 Of the CS's strategic spatial objectives, the most important for the purposes of this report are:

- to support the role of Newport as a market town and to meet its local needs;
- to create a sustainable pattern of development and meet the needs of local communities with the rural area;
- to facilitate long term economic regeneration through the diversification of the economic base and create job opportunities to match population growth; and
- to provide a range of employment sites and premises to meet the needs of businesses of all sized in both the manufacturing and service sectors.

2.6 A key plank of the CS's spatial approach (para 8.15) is to focus development in locations that will reduce the need to travel. Newport plays a major part in that strategy.

2.7 The CS recognises what is required to enable Newport to become more self-contained for employment purposes at paras 91.4 and 9.15 where it is observed:

- there is a need in Newport to diversify economic sectors away from manufacturing into the high added value sectors identified in the plan's Economic Development Strategy (EDS);
- the employment land portfolio is considered not to meet the needs of the EDS or the market, partly because the portfolio is so concentrated on Telford. Paragraph 9.19 states that Newport and Telford's District Centres "should be the focus for small and medium-sized employment development".

2.8 Paragraphs 9.40 and 9.41 explain that the aim is to support the regeneration of Newport as a market town and fulfil its role as a rural service centre, acting as a focus for the commercial and social activities of its residents and those of its hinterland. Future development at Newport is to facilitate its regeneration and enable it to achieve a balance between the quantity and type of future employment opportunities and the skills of its residents, taking account of the proximity of Telford and Harper Adams.

2.9 **Policy CS2** sets out the provisions for job creation in the Borough sufficient to meet the needs of the growing population and for the employment sites needed to enable the job growth required. Of particular note are the policy's requirements to:

- offer a choice of work opportunities to reduce levels of out-commuting
- meet the needs of existing businesses
- help achieve greater diversity in the economic base and facilitate long-term economic regeneration
- establish and maintain a portfolio of sustainably located employment sites attractive to developers, operators and appropriate to the market's needs.

2.10 **Policy CS6** sets out the strategy for Newport. CS6 aims to support its role as a market town and states that "the amount of available employment land will be increased in order to provide new local employment opportunities" and that "development will be limited to that needed to that required to meet local needs, including those of its rural hinterland, and to support the town's regeneration". The policy states that Newport's spatial development will include "development that directly benefits the town's economy".

The Saved Policies of the Wrekin Local Plan

2.11 The saved policies of the Wrekin Local Plan 1995-2006 (WLP) also form part of the development plan. However, the policies were saved by the Secretary of State (27 September 2007) on a contingent basis only subject to more recent national policy and up to date evidence.

2.12 There are two relevant WLP saved policies: E2 and E9.

2.13 WLP para 3.6.7 explains that the traditional employment activities in the town and rural area had contracted. The consequence, given the attractiveness of the town as a place to live, was increasing levels of out-commuting such that Newport had "increasingly become a 'dormitory' town". Para 3.6.8 states that, accordingly, the plan's aim is to strengthen Newport's economic base and thereby both to reduce the need for residents to travel beyond the town for work and to increase the town's vitality and viability.

2.14 **WLP saved policy E2** allocates 3.5 ha of B Class employment land at Audley Avenue adjacent to the existing employment areas. The written statement says that the site has "immediate access from the A 518 bypass" (see Figure 4.2 in Section 4). WLP para 3.6.9 explains that the allocation is additional to a further 3.5 ha of employment land "with planning permission" that would generate approximately 300 jobs. There are two issues with this allocation. The first is that the area of the allocated site is not 3.5 acres, but instead 3.05 ha as shown on the Proposals Map), presumably a typo.[1] The second, more critical, issue is that the site has not in fact got immediate access onto the A518; the allocation makes no provision for land to allow for access, either from the A518 or from Audley Avenue to the immediate south of the adjoining factory site.

2.15 We comment on this allocation below at para 2.20 (and fully in Section 4) but note here that the saved policy E2 site has not been taken up despite its allocation over a period of at least 18 years. As a consequence, the site has not achieved the objectives of policy in allocating it in the first place. Nor, in our view, could that site ever do so for the qualitative reasons we note above.
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2.16 **WLP saved policy E9** states that development in Use Classes A and D will be permitted on allocated employment sites provided it can be shown that: a) it will not adversely affect a sufficient supply of readily available employment land in the district; b) it is in keeping with environmental, retail and transport policies; and c) there is an absence of suitable land or premises in district centres or there is a demonstrable need for the facility in that area.

2.17 WLP para 3.6.34 explains that the purpose of allocating employment land is to meet the employment needs of the district, and the importance of ensuring the supply of such land is not eroded by development for other uses. Para 3.6.34 notes the particular threat caused by retail and leisure developments that are capable of being accommodated in town centres. Para

[1] The Council scaled the site for us, and the relevant officer confirms that the area of the allocated site is, in fact, 3.05 ha.

3.6.35, however, goes on to recognise that “occasionally” such proposals may come forward that would be of positive benefit to employment areas – e.g., canteen and dining facilities, day nurseries and small shops – but states that the overriding considerations in such cases will be “…the retention of an adequate supply of employment land and buildings and the impact of the development on the District Centres.” Para 3.6.36 explains that the plan aims to safeguard the efficient functioning of employment areas which could be affected by the introduction of non-employment uses.

The National Planning Policy Framework

2.18 The relevant provisions of the Framework in respect of the obligations on the Council to assess and meet the sustainable development needs of its area are as follows:

- proactively to drive and support economic development to objectively assess an area’s needs for, and deliver, the homes, business and industrial units, infrastructure and thriving local places required to meet those needs (para 17, bullet 3)
- support existing business sectors, taking account of whether they are contracting or expanding and where possible identify and plan for new sectors (para 21, bullet 3)
- ensure policies are flexible enough to respond to needs not foreseen in plans and allow for a rapid response to changes in economic circumstances (para 21, bullet 3)
- identify priority areas for economic regeneration (para 21, bullet 4)
- regularly review employment land allocations having regard to market signals and the relative needs of an area for different land uses to support the sustainability of the area (para 22).

2.19 In our view, the CS policies in play on the employment issue are entirely consistent with the NPPF provisions.

2.20 We do, however, conclude that the market evidence on the saved policy E2 allocation demonstrates that the site is not “market-facing”. The landowner has not brought it forward for development, it lacks frontage onto the strategic highway and the allocation provides for no means of access.. Thus the value of safeguarding the site in its current form (to comply with saved policy E9) – notwithstanding Newport’s quantitative need for the site – must be open to question in the terms meant by NPPF para 22.

Economic Development Context

Newport Area Strategy Action Plan 2003

2.21 The aim of the Action Plan is to “develop Newport as a place where people want to live, work, visit and shop, and where people can celebrate Newport’s history, while building the future”. The Action Plan identifies a number of socio economic “threats”; namely declining local agricultural industries, a shortage of affordable housing and insufficient local job opportunities causing young people to leave Newport, and under-use of town centre sites making them unattractive. In demographic terms a key feature of Newport is that it has an older and more rapidly ageing population than the borough as a whole.

2.22 Only 21% of the town's economically active population actually works in Newport. This suggests that there is significant leakage of locally generated income. Consequently the main economic objectives are to overcome these threats so as to "ensure that the economic base of Newport is preserved and expanded in the longer term".

Telford & Wrekin (T&W) Economic Development Strategy 2005-2021

2.23 The key priority of the Economic Development Strategy (EDS) in relation to Newport is to support the economic vision for the town put forward by the Action Plan – including the perception of the town and ensuring that a greater sense of place results from economic development activity. Key actions in the EDS for achieving its objective of "encouraging investment innovation and growth" include to "encourage enterprise, support existing businesses and attract new investment including economic growth in Newport" and building on the strengths of the borough's universities.

2.24 Harper Adams is noted by the EDS for training and research in ICT, food and drink, environmental technologies, energy technologies and "heritage technologies" (e.g., heritage railways) – all of which are also growth sectors targeted by the EDS for development and inward investment. The EDS also notes the success of Harper Adams' business incubation programme – and the fact that the incubation units were fully occupied when the EDS was drafted.

The Marches Local Enterprise Partnership – Strategic and Funding Priorities

2.25 In brief, the LEP proposes to build on the particular strengths and opportunities of the area by creating the right conditions for economic growth and increased enterprise in order to emerge quickly from the recession. Key drivers for economic development will include housing development and population/labour market growth, transport, tourism, inward investment, skills and quality of life.

Sectoral priorities to be targeted by funding programmes (including EU funds over the period to 2020) include food and drink, advanced engineering and environmental / energy technologies (which embrace the Harper Adams specialisms).

Co-operative Commission of Partners July 2011

2.26 This partnership of the Council, community groups and local leaders was established to shape the Council's development as a Co-operative Council. A key recommendation of the Cabinet on 28th March was that:

> *The Council and its partners need to develop a more effective focus on attracting inward investment and support for existing businesses to boost the local economy by adopting a more commercial approach to economic development and promoting itself as a "Business Winning Council".*

Conclusions on Policy

2.27 The various strands of development plan and economic development policy summarised above boil down to seven key themes for Newport:

i. expand and diversify the economic base of Newport and attract inward investment
ii. assess and meet the needs of business;
iii. while recognising the primacy of Telford, to promote a shift in economic development towards the key rural market towns, and especially Newport;

iv. ensure an improvement in the portfolio of land for new business activity by promoting an increase, enhanced range and market-facing choice of employment sites;
v. enhance (through delivering 1.-iv.) Newport's role as a successful service centre both for the town itself and the adjacent hinterland which it serves;
vi. improve the balance between the number of jobs located in the market town and the resident labour force; and
vii. reduce, in line with vi. above, the current high incidence of out commuting for work.

2.28 A sufficient supply of market-facing land supply for office-based, industrial and distribution activities is fundamental to all seven of these themes.

2.29 Accordingly, these same themes are the basis for judging the Council's progress towards achieving the overall development plan and economic development objectives for Newport.

3 NEWPORT'S WORKFORCE AND TRAVEL PATTERNS

Introduction

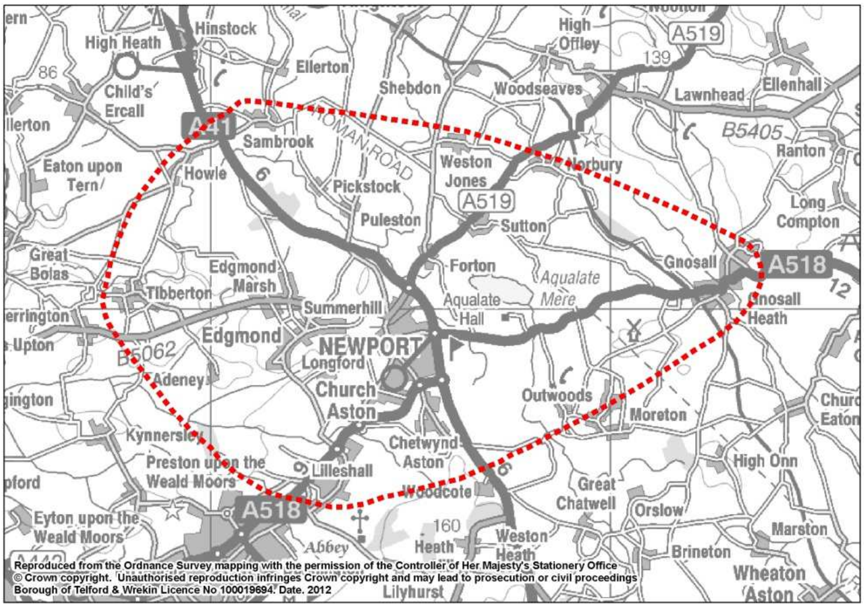
3.1 This section sets out a brief overview of the characteristics of the local labour force, the residents' travel to work pattern, population trends and Newport's economic structure and trends.

3.2 We return to the findings set out here in Section 5 in drawing our conclusions on Newport's needs for employment land, having regard to the key themes of policy for the market town.

Population and Workforce

3.3 Newport serves a population of about 25,921 in its role as market town.[2] Its economic reach (functional economic area) was defined by the Newport Study 2006 (Freeth Cartwright for Telford & Wrekin Council) based on a range of considerations, including survey evidence on the use of the town by its hinterland for various services. This functional economic area is illustrated in Figure 3.1.

Figure 3.1: Newport's "Functional Economic Area"



3.4 Key characteristics of the market town's population are:[3]

i. about 15.6% (2011) of the borough's population (a marginally smaller share than in 2001);

ii. growth 2001-2011 of 4.7%, compared to 5.3% in the borough;

iii. an age structure (2010) skewed towards the elderly (18.3% aged 65 or over), compared to 15% for the borough as a whole in 2010 and 16.4% in England;

[2] The catchment is made of 17 lower super output areas. The population is the sum of the 2011 Census-based population estimates for each LSOA.

[3] The data are from the 2001 and 2011 Censuses.

iv. an ageing population – with those aged 75+ having increased in Newport by 17.0% between 2001 and 2011, more than half again as fast as the population is ageing nationally (+10.9%) and above the borough rate (+15.6%);

v. a working age (16-64) population of some 12,400 that accounted in 2011 for 64.5% of Newport's population, a similar share to the borough and to England;

vi. an increase in those of working age (16-64) between 2001 and 2011 of just 3.0% in Newport compared to 5.0% in the borough and 9.2% in England; and

vii. an increase in Newport in those in work aged 16-74 of just 3.3% between 2001 and 2011, compared to growth of 4.6% in the borough and 8.2% in England over this period.

3.5 Key characteristics of Newport's resident workforce are:

- a skilled workforce skewed to the AB (professional, managerial and intermediate) socio-economic groups (SEGs) – in 2011, 28.3% of residents were in the AB groups compared to just 18% in the borough as a whole and 23% in England;
- a workforce increasingly skewed towards the AB groups over time (an increase of 1.4 percentage points between 2001 and 2011 in the share of Newport's residents in the AB groups compared to a fall in the borough's share in these groups of 2.2 percentage points); and
- a higher (and growing 2001-2011) share of residents in professional, managerial and associated occupations (44.8%) compared to the borough (34.7%), and a smaller (and reducing) share of residents in skilled, semi-skilled and unskilled occupations (43.8%) compared to the borough (53.7%).

Employment Structure and Trends

3.6 There were some 5,180 jobs (Business Register, including self-employed) located in the Newport functional economic area in 2011, about 6% of the borough's jobs – compared to 15.6% of the borough's population. Newport's very recent performance – job growth of 1.2% between 2008 and 2011 – has been relatively rosy compared to the Borough and to England, both of which lost jobs in that period (-7.3% in Telford & Wrekin and -1.2% in England).

3.7 Over the longer run, however, job numbers in Newport would appear to have been broadly static (notwithstanding the fact that differences in data collection and industry sector classifications over the period since 2001 prevent direct comparisons). Telford & Wrekin as a whole did better than Newport between 2003 and 2008 (when data were comparable), with the Borough growing overall in employment terms by 9.1% while the number of jobs in Newport *contracted* by some 5.5%.

3.8 There are also some marked differences in the sectoral structure of Newport's jobs compared to the Borough's, most notably (2011):

- just 5.4% of Newport's jobs are in manufacturing sectors, compared to 18.9% in Telford & Wrekin as a whole;
- Newport, proportionately, has two-thirds again as many construction jobs (6.3%) compared to the Borough (3.9%);

- Newport, as a share of all jobs, has marginally more wholesale, retail trade and repair jobs (19.7%) than the Borough (17.6%);
- Newport has proportionately many fewer business services jobs (11.5% compared to 19.4% in the Borough), but many more population-related jobs in health, education, leisure and recreation and accommodation and food (49.7% compared to the Borough's 26.6%); and
- Newport has few public administration jobs (<1% compared to 7.2% of jobs in the Borough).

3.9 Newport has lost proportionately more of its jobs in agriculture than the Borough has (agriculture now accounts for only 0.1% of Newport's jobs), and most of the town's growth has been in population-driven sectors of the economy. The same is generally true of job trends in the Borough, although business services sectors in the borough have grown faster than business service jobs in Newport and account for a higher share of total jobs.

3.10 All of these trends and relative differences are consistent with Newport's market town role – but are not in line with the aims of development plan policy. Nor are the trends in line with the relative strengths of Newport's workforce: that is, a high proportion of the workforce in the upper occupations travel out. The well-qualified workforce, nonetheless, represents an advantage for the town in the efforts to attract to it, and to grow locally, more higher value-added economic activity.

Travel to Work

3.11 The 2001 Census travel to work data (2001) showed that some 62% of residents travelled beyond the Newport functional economic area for work (and 38% lived and worked in the area). While there is not yet accurate up to date data on travel to work patterns, the indications are that the outflow for work is, if anything, higher now than it was. There are, for example, some 5,200 jobs in the functional economic area, but a workforce in employment that is some 2.4% bigger than it was in 2001 against a broadly flat number of jobs.

Population Growth: Implications for Additional Local Jobs

3.12 We also need to take into account, in calculating Newport's future land needs, how many additional jobs Newport needs just to maintain the (2001 Census) share of residents who are able to work locally. Achieving a higher share of people who work locally, in line with the development plan policy objectives, will require still more jobs.

3.13 To calculate these estimates, we need to project Newport's population forward to 2026, estimate the share that will be economically active, allow for the long run unemployment trend and apply the present 38% containment rate. Only a proportion of that increase can be expected to need B Class jobs, and we consider these calculations below.

Estimate of Newport's Future Population

3.14 The Council has supplied us with the basis of a population forecast for Newport based on the approved, pending and potential housing sites from the Strategic Housing Land Availability Assessment 2012 shown in Table 3.1 below.

Table 3.1 Estimated increase in dwellings in Newport 2012-2031

Houses not started (from AMR 2012):	62
New houses approved (since AMR 2012):	645
New houses pending approval:	668
Deliverable SHLAA sites:	165
SHLAA sites only constrained by current planning policy:	1,187
Total:	**2,727**

Source: Telford & Wrekin Council, October 2013

3.15 If, say, 80% of the 2,727 dwellings (permitted, pending or prospective) are built and constitute net additions to the stock, then it is reasonable (if conservative) to conclude that Newport's population (with its hinterland) would increase by that number of dwellings multiplied by the average household size locally (2.5 on the 2011 Census record). That calculation suggests a population gain in Newport of about 5,450.

3.16 If that were all the housing to be built over the period to 2031, Newport's population would rise to from 25,921 in 2011 to c 31,370 in 2031 – equivalent to growth of 21% over the period. That compares to the range of 20.8% to 31% in the growth scenarios the Council is considering for the borough as a whole (as part of its Local Plan preparation process).

3.17 On the basis of that forecast for Newport, the minimum increase in the labour force would be some 2,725 over the 2011-2031 period – assuming the share of the Newport population (all ages) that is economically active rises only marginally to about 50% (over the 48.7% that is economically active now) to account for the push-back in retirement ages over this period.

3.18 If 38% of the additional (estimated) 2,725 economically active by 2031 were to work locally – the same share that lived and worked locally in 2001 – Newport would need to create some 1,035 further jobs over the 2031 plan period simply to hold out-commuting to the level it was in 2001.[4] Clearly, the policy aim is to increase that share and do so significantly. As we point out above, Newport accounts for some 15.6% of the borough's total population (and 14.1% of its working age population) but for just 5.6% of the borough's jobs. The consequence is that the large majority of residents must commute out for work – 62% in 2001 and a level that is likely only to have increased since.

[4] As we show in Section 4 (Table 4.1), employment in the borough as a whole is forecast to grow at just 8.0% over the 2011-2031 (+3.6% in the B Class sectors, but by 16.4% in the sectors that are population-driven).

4 THE SUPPLY OF B CLASS SPACE IN NEWPORT

Introduction

4.1 This Section assesses the existing supply of employment land in Newport and the prospective demand for it from three perspectives (or methodologies):

i. past rates of take-up which, because of the low churn in the local market, provide an unusually useful indication of prospective future need;

ii. the land and premises requirements based on the prospective net change in employment in Newport over the period to 2031 in the sectors of the economy that occupy B Class property; and

iii. the additional land needed to accommodate the likely increase in the "B Class workforce" in Newport over the period to 2031 (drawing on the population forecasts in Section 3, paras 3.16-3.17).

4.2 We draw on the following research and data sources:

- floorspace information provided by the Council's Planning Implementation Team;
- discussions with the Council's Estates and Investment Manager;
- discussion with the estate manager of Newport Enterprise Park;
- discussions with commercial property agents active in Newport - Andrew Dixon & Co and Bulleys;
- the Employment Land Assessment (ELA) by Jones Lang LaSalle (JLL) that supports the planning application for the Station Road development (Ref TWC/2011/0871);
- the Council's employment land reviews in 2005 and 2006 that formed part of the evidence base for the Core Strategy together with the update in 2012; and
- the implications for Newport of Experian's (November 2012) forecasts of employment change in Telford & Wrekin over the period to 2030 (summarised in Section 3 in Table 3.1).

Current Context

4.3 Telford is the principal concentration of employment in Telford & Wrekin, generating over 80% of the total jobs in the Borough. A key policy aim is to diversify its employment mix away from an overreliance for jobs on the lower growth manufacturing and distribution sectors, to higher value businesses (including in advanced manufacturing and logistics).

4.4 In keeping with its role as a market town, business space in Newport tends to be taken by smaller local or sub-regional occupiers requiring flexible industrial/distribution premises and small office buildings. Many occupiers in Newport are connected to the agricultural sector (Newport Mills, Rea Valley Tractors, New Holland and Countrywide Stores). The food processing sector is also prominent and companies include Edgmond Foods. A Dairy Crest factory is located at Crudington to the west of Newport but announced in September 2012 that it expects to close in spring 2014 with the potential loss up to 160 jobs. Harper Adams University College, some two miles to the west of Newport is the single largest local employer.

The Supply of B Class Space in Newport

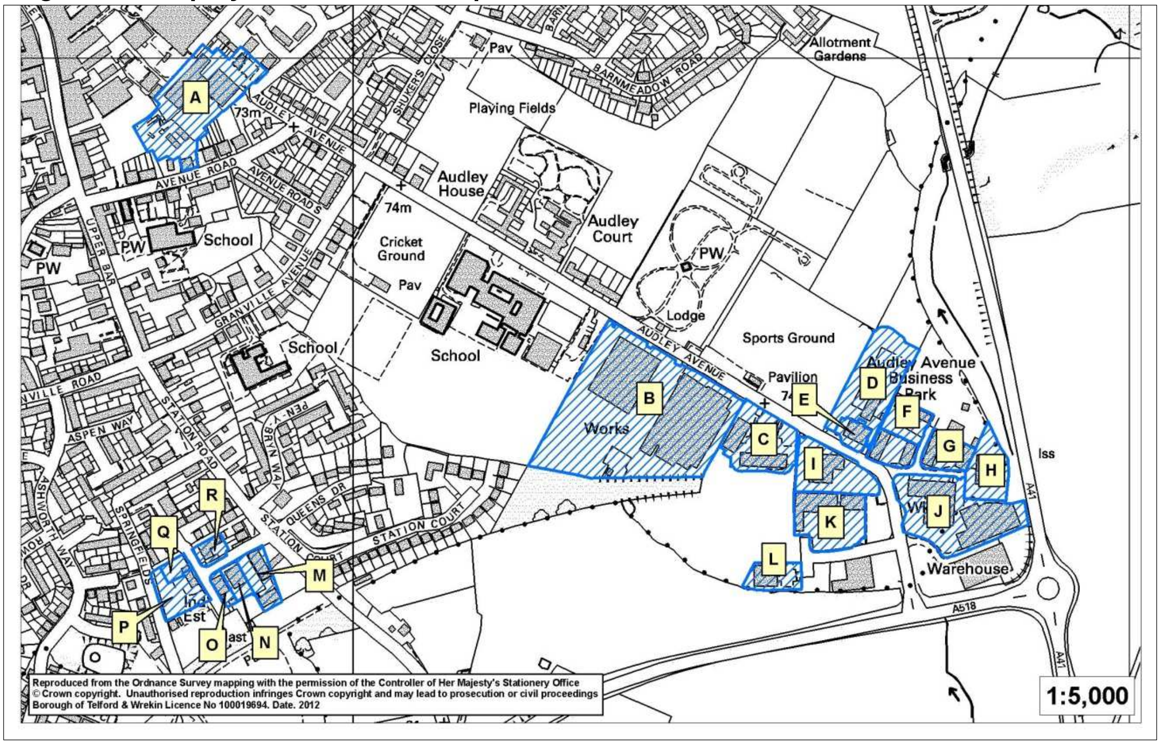
4.5 B Class space in Newport is concentrated in three main locations: the town centre, the Audley Avenue area and Springfield Industrial Estate. The Audley Avenue area contains the largest concentration.

4.6 Figure 4.1 locates these areas and the sites within them.

Audley Avenue Area

4.7 There are eight main estate / business park groupings in the Audley Avenue area. Area A in Figure 4.1 is to be developed for housing (with the loss of carpet showrooms, trade counter space, a concrete works and 250 sq m of light industrial space).

Figure 4.1 Employment Land in Newport



4.8 The remaining supply in the Audley Avenue area is as follows:

- **Audley Avenue Enterprise Park, Area B:** lies at the rear of the industrial area and contains two 50 year old brick warehouses and an office building (which is built as an extension to one of the warehouses), totalling some 12,637 sq m, and some of the oldest industrial and warehousing stock in the town. Enterprise Park is contained within the housing element of the overall Station Road planning application site, so this 3.5 ha business use land area will be lost.
- **Newport Silos, Area C**: 2 storage buildings measuring 1,340 sq m fronting Audley Avenue, with 2.3 ha of open land behind where some fencing work has taken place but building work has yet to commence in accordance with an outstanding planning permission.
- **Parkland House, Areas E & D**: contains a purpose built office building providing 930 sq m of outdated floorspace and a car auction to the rear of the site.

- **Classic Furniture, Area J**: a group of buildings providing 3,250 sq m of space, which is part of the site granted planning permission on appeal in August 2012 for a supermarket.
- **Audley Avenue Business Park, Areas F& G**: contains 17 small light industrial/trade counter units and one upper floor office unit, in total amounting to 2,530 m2.
- **Ravenhill, Area H**: part of the site single storey retail unit (1,150 m2) occupied by New Holland Agriculture, and with J is part of the site.
- **South of Audley Avenue, Areas, I, K & L**: contains a number of buildings comprising a modern warehouse occupied by Rea Valley Tractors (1,370 m2) , two modern industrial/warehouse buildings (2,030 m2) occupied by AJ Edwards and Hurst Parnell Westland Ltd and a modern flexible industrial/warehouse (1,390 m2) occupied by ACS Data Centre.
- **Entrance to Audley Avenue –** on either side of Audley Avenue adjacent to the A 41 there are two retail stores – a former Focus DIY store (2,000 m2) and a Countrywide Country Store (1,340 m2).

4.9 Sites J and H together account for about 2.2 ha of the B Class supply (with c 4,400 m2 of outmoded space), but will come out of B Class use if, as the site's owner intends, the planning permission for the supermarket is implemented.

Springfield Industrial Estate

4.10 Located on Station Road, Springfield is a traditional type of trading estate containing a number of units used for mixed industrial and warehouse purposes. **Area M** contains 6 single storey light industrial units (850 m2). **Area N** is a single industrial unit of 460 m2. **Area O** is a carpet showroom of 345 m2. **Area P** is a motor bike sales and repair outlet (255 m2). **Area Q** is a small vehicle repair unit (70 M2). **Area R** is a MOT/vehicle repair unit (460 m2).

Newport Town Centre

4.11 The town centre contains a number of B1 (a) office suites above shops and A2 units in the shopping frontage. This is the main location for offices. This space is mainly taken by small, professional businesses such as solicitors, estate agents and the like. There are two purpose built office blocks outside the town centre at the Enterprise Park and Parkland House.

Reductions and Additions to B Class Premises / Land in 2012

4.12 Overall, the stock of B Class space contracted by 2,322 m2 in 2012 – a net change that is accounted by demolitions of outmoded space and changes of use (also of outmoded space) totalling about 2,600 m2 and additions (extensions to existing premises) totalling just over 300 m2.

4.13 Planning decisions are pending which will lead to the loss, if permission is granted, of a further 275 m2 through changes of use to two buildings (to student accommodation and a fitness studio).

4.14 Also pending is the decision on the St Modwen application which proposes 4.5 ha of modern B Class development on land that will include the 3.05 ha site allocated by WLP saved policy E2 with a new B Class site and add the further land needed to give the site a frontage onto the A518 and direct access from the existing junction of the A518 with Audley

Avenue. We consider the proposed site and the WLP policy E2 allocation below in our commentary on the qualitative aspects of the town's stock.

Prospective B Class Land Supply

4.15 There are just four sources of prospective B Class land supply: the 2.3 ha South of Newport Mills site (south of area C in Figure 4.1); the 3.05 ha site allocated by saved policy E2 allocated site; the 4.5 site proposed by St Modwen as part of their outline planning application (which subsumes the E2 allocation and is shown in Figure 4.1); and the prospective redevelopment of the Parkland House site (area E in Figure 4.1).

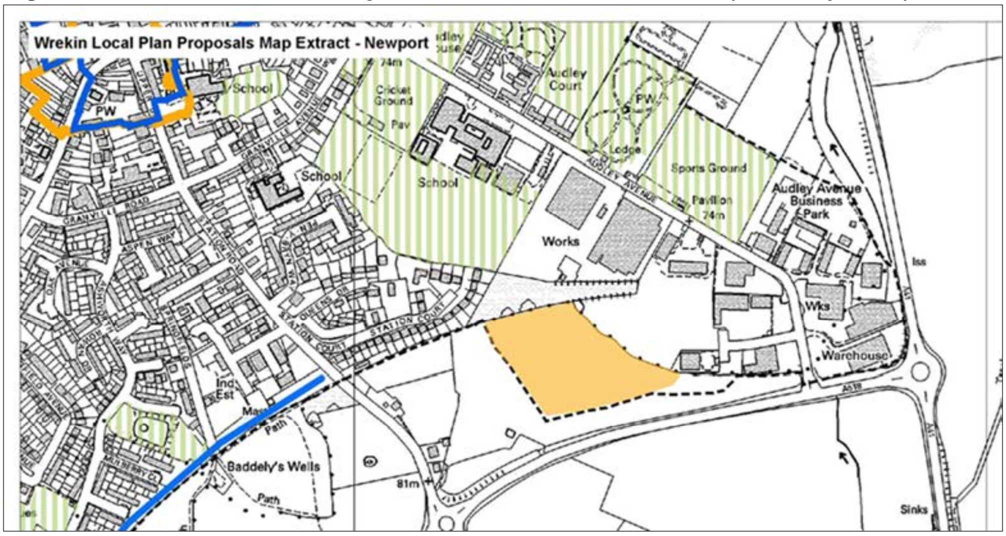
South of Newport Mills

4.16 South of Newport Mills is 2.3 ha in size and has an extant planning permission for "industrial development" that dates from 1992 (app ref W92/0485). The permission has not been implemented save for the erection of fencing (which is why the permission remains). The site is wholly controlled by the owner of the Newport Mills site, lies to the rear of that site and has no frontage. It is also landlocked unless access via the Newport Mills site is implemented. It is reasonable to conclude therefore that it is unlikely that this site will come forward without a material change in circumstances, most particularly changes that would improve the access and visibility of the site.

WLP Saved Policy E2 Site Allocation

4.17 Figure 4.2 shows the location of the 3.05 ha site that was allocated for B Class use by WLP saved policy E2 (the figure is an excerpt from the WLP Proposals Map). The site lies to the south of areas L and K in Figure 4.1 and is near to, but without the benefit of frontage onto, the A518. The site, however, is privately owned, remains in agricultural use and does not benefit from planning permission for B Class development or indeed for any other use. Nor has the site been the subject of a planning application at any point since its allocation (or before).

Figure 4.2: WLP Saved Policy E2 B Class Site Allocation (*shaded yellow*)

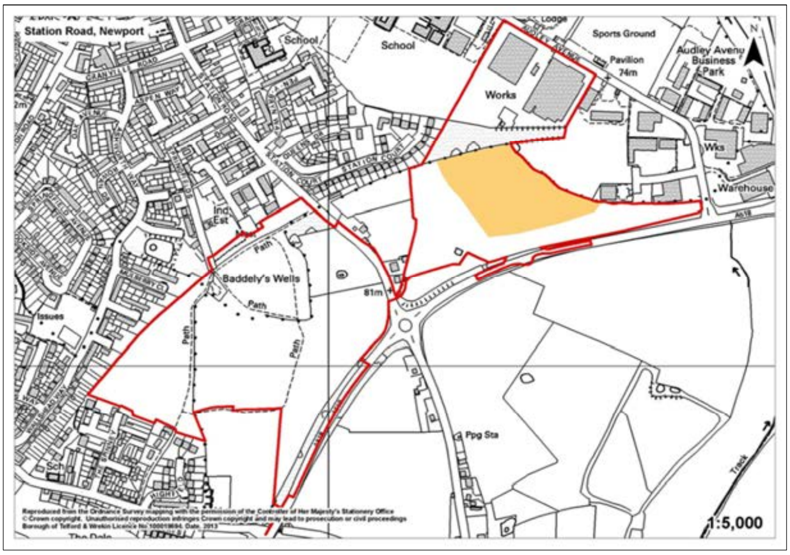


The St Modwen Outline Planning Application

4.18 The WLP saved policy E2 allocation lies within the boundary of the site of St Modwen's outline planning application. Figure 4.3 below shows the boundary of the outline application site and locates the E2 allocation within it. As Figure 4.3 shows, Enterprise Park (area B in Figure 4.1) also lies within the site of the wider outline application.

4.19 St Modwen's outline application proposes 4.5 ha of B Class employment development, but locates this use so that it will benefit from frontage onto the A518. St Modwen's accordingly propose to redevelop the 3.5 ha Enterprise Park site (area B in Figure 4.1) for housing instead. If the outline application is permitted and proceeds as proposed, the town stands to lose 3.5 ha of its existing B Class land, but to gain in lieu 4.5 ha of new, better-sited, B Class development.

Figure 4.3: Boundary of the St Modwen Outline Planning Application
(showing, shaded yellow, the site of the WLP Saved Policy E2 Allocation)



Parkland House Site Redevelopment

4.20 The 1.44 ha Parkland House site has the benefit of full planning permission, granted in December 2012, for the demolition of the existing buildings and the erection of two new B Class buildings (a 2,931 sq m building capable of sub-division in response to market requirements and a 413 sq m car auction building). The 2012 permission replaced an earlier, 2008, permission for the same development so as to extend the period for implementation of the earlier consent on grounds that market conditions had prevented the delivery of the proposals.[5] For the same reasons, the owner's agent lodged a further renewal application in March 2012 for outline permission for employment on the Parkland House site (sites E and D in Figure 4.1) and bulky goods retail on the Classic Furniture site (site J in Figure 4.1) as a combined site , but that application was withdrawn.[6]

Summary of the Supply of B Class Land and Premises

4.21 The quantum of additional, "in principle" available, employment land amounts totals just a 5.85 ha in three sites:

[5] Application Reference TWC/2011/0853.

[6] Application Reference TWC/2012/0239.

- South of Newport Mills – 2.3 ha
- Parkland House – 0.5 ha additional
- WLP saved policy E2 site – 3.05 ha.

4.22 Both the two larger sites – together accounting for over 90% of the in-principle available supply – are heavily constrained. They lack either frontage (saved policy E2 site and Newport Mills) or any kind of prospective visibility (the Newport Mills) and both lack access.

4.23 Neither landowner, despite the still extant planning permission for Newport Mills that dates to 1992 and a still extant site allocation that dates back to the 1995 WLP, has brought their sites forward for development. The period of non-delivery includes the period between the mid-1990s to the mid-2000s when the property market was more buoyant than it had been for some decades. It is difficult to believe that either landowner would do so now or for the foreseeable future. Moreover, it is also difficult to believe that either site could come forward without the means of resolving the shortcomings that constrain both. For that reason, we conclude it very unlikely that even the E2 allocation would prove developable outwith the St Modwen's application or through some other such means that resolves the site's constraints in the same or similar way.

4.24 Although the redevelopment of the Parkland House site will, if the planning permission is implemented, deliver c 2,000 sq m more B Class floorspace than exists on the site at present, the equivalent land gain would be, at most, just 0.5 ha.[7]

4.25 Thus the total prospective supply of additional employment land – all sources (South of Newport Mills, Parkland House redevelopment and the E2 allocation) – is no more than 5.85 ha. Of that, and outwith the St Modwen's scheme, only the Parkland House redevelopment is anything like "available" or likely to be.

4.26 Finally, the expectation is that Newport will lose, both through the St Modwen's scheme (-2.05 ha) if permitted and the Audley Avenue supermarket scheme if it proceeds (-2.2 ha), some 4.7 ha (net) of existing B Class land. As we note below, the Enterprise Park has no strategic highway access or frontage and lacks visibility – advantages that characterise the 2.2 ha Audley Avenue site. Those advantages – strategic access, frontage and visibility – are exactly the characteristics the owners of that site aim to exploit for the supermarket development. The qualitative consequences to Newport of the loss of the two sites to the stock of B Class land space, therefore, are very different.

Qualitative Considerations

4.27 Most of the property supply in Newport is now quite dated (20 years old or more), is small or medium in scale and attracts low rents in the order of £2 - £3.50/sq ft. Because much of the existing property is quite dated, existing businesses which want to expand will want to relocate to improved premises with better facilities and to do so under current supply conditions would mean having to leave Newport. We have also been told that there is very little churn in the local market. There are two main reasons: many firms are on long leases

[7] If a one-storey building at a standard site density of 4,000 sq m per hectare.

(though we are also told that many will be coming up for renewal in the next few years); and there is little vacant property. We have been told that when Nova House was being marketed by the Council in 2007, notwithstanding its limitations, that it could have been let four times over. There is also a demand for freehold purchase.

4.28 There are also significant problems, as we have noted, with the quality of prospective supply of land for new development. Both the South of Newport Silos and saved policy E2 sites are land-locked and have no visibility from or access to the strategic highways network. No doubt because of these reasons, neither of the landowners brought the sites forward for development – including during the very buoyant market conditions of the late-1990s to the mid-2000s. We would venture that the chances of those landowners doing so in the foreseeable future, at least as the sites are currently configured, is very slim indeed.

Conclusions: the Supply of B Class Land in Newport

4.29 Although in-principle there is an existing and prospective supply of B Class land of c 5.85 ha in Newport, the bulk of that supply of that supply is so constrained as to be doubtful that it has any realisable development potential:

- the 2.3 ha South of Newport Mills site has no frontage and can only be accessed from Audley Avenue via the existing Newport Mills site, and no development apart from fencing has taken place since the permission for industrial development was granted in 1992;
- the additional 0.5 ha that would result on the Parkland House site requires relocations, demolitions and redevelopment, although the evidence suggests the site's owner intends still to develop the site when market conditions improve;
- the 3.05 ha site allocated by WLP saved policy E2, although designated by the development plan in 2000, is constrained by the lack of frontage and access and had not come forward for development until it was included by St Modwen in their wider outline planning application; and
- the delivery of the saved policy E2 site is contingent on the grant of planning permission (with a net increase of 1.45 ha over the 3.05 ha allocated by saved policy E2, but with frontage and direct access to the strategic highway) for St Modwen's outline planning application. Even so, the St Modwen's scheme entails the loss of 3.5 ha of existing employment land at Enterprise Park, albeit the space on the Park is of poor quality and the Park site itself lacks the location, access and visibility needed to warrant redevelopment for B Class use.

5 THE DEMAND FOR B CLASS SPACE IN NEWPORT

Introduction

5.1 This section of the report assesses the prospective need for B Class land in Newport by 2031 from three perspectives: the past rates of take-up projected forward, but excluding allowances for forecast growth in the economy and population; the requirements generated by forecast growth in B Class employment over the 2031 plan period; and the requirements generated by the forecast increase in the resident labour force likely to work in B Class sectors and the need at least to maintain the status quo in the proportion that work, as well as live in, Newport.

5.2 We begin the calculation with an overview of the B Class market in Newport.

Overview of Newport's Market

5.3 The main reasons that businesses have tended to locate in Newport are:

- the companies' directors or owners live in Newport or its catchment;
- the raw materials are sourced locally (particularly true of the businesses that operate in the agriculture sector);
- the key labour supply is local; and
- there is a limited supply of suitable and available property in the Telford or Stafford markets.

5.4 The demand for office space has tended not to be high (as the employment structure suggests). Nor, however, is there much supply. Local agents indicate that there is something of a "Catch 22" – there is little office space because there is evidently little demand, and demand is limited because there is little supply. Outside the professional services businesses in the town centre, office occupiers tend to be directly related to the industrial/warehouse businesses in the Audley Avenue area. Classic Furniture, for example, took vacant office space that was being marketed in order to serve their existing manufacturing business in Newport.

5.5 Although Telford is the main source of industrial property in Telford & Wrekin there is a steady demand for property in Newport to serve local demand. Most of the property supply is now quite dated (20 years old or more) and available on low rents of £2 - £3.50/sq ft. The majority of current commercial property provision is small or medium scale.

5.6 Looking to the future, because much of existing property is quite dated, many existing businesses which want to expand will look for improved premises with better facilities. There is very limited availability locally. We have been told that when Nova House was being marketed by the Council in 2007 it could have been let four times over. There is also a demand for freehold purchase.

5.7 Distribution companies serving Stafford and North Wales have reasonable accessibility at relatively competitive rents at Newport. In the last few years a freight distribution company moved out of Newport to Whitchurch further north on the A41.

Take-up of B Class Space in Newport

5.8 JLL for St Modwen researched the Focus Property Database to establish levels of take-up in Newport between 2000 and 2011. They found total take-up of 11,635 sq m of industrial / distribution space and of 4,876 sq m of offices – a total of 16,511 sq m of B Class space over the 11 years – averaging 1,500 sq m p.a. overall, and c 1,057 sq m p.a. for B1c/B2/B8 space and 443 sq m p.a. for offices (B1a).

5.9 We agree with JLL's general approach to researching the Focus Property Database, although our own experience is that the Focus data will have omitted in the order of c 5-10% of transactions. We also understand that there is very little churn in the local market. There are two main reasons: most of the main occupiers are on long leases and have remained in their current premises; and there is a limited supply of available accommodation to move into locally.

5.10 As a result, it is our view, shared by JLL, that take-up rates are a good proxy in Newport for the additional demand generated by occupiers.

5.11 The long run trend data (over parts of two economic cycles), coupled with these considerations (share of transactions accounted by Focus and low local churn rates) reinforce our view that the take-up data are a good basis on which both to estimate the rate of the local "consumption" of B Class space and to predict the order of magnitude of the future need for B Class space.

Sources of Demand

5.12 The JLL agency team identified three main markets in Newport:

i. larger industrial/warehouse units of c 2,300-7,000 sq m catering to (a) food processing and the agricultural sector, (b) medium sized distribution sheds serving north Wales via the A 41 and (c) the larger companies in the Audley Avenue area that could be dislocated by proposed development;

ii. smaller flexible industrial/warehouse units of 230-470 sq m catering to local occupiers seeking improved accommodation or relocation at the end of existing leases; and

iii. small offices in a "courtyard style" providing floorplates of 90-190 sq m with the ability to flexibly provide up to 470 sq m (including for freehold purchase).

JLL's Conclusions on Prospective Demand

5.13 JLL conclude that there is sufficient demand over the next 10-15 years to warrant St Modwen's provision for the c 18,000 sq m and 4.5 ha proposed as part of their Station Road scheme.

5.14 We concur that the quanta proposed by St Modwen is justified by the demand evidence, but consider Newport's need for B Class space over the period to 2015 to be greater still. Our reasons are that the St Modwen's scheme:

i. will remove 3.5 ha from the present supply (including the need to relocate occupiers of c 11,000 sq m of space);

ii. it will make a badly needed step-change in the quality of the supply; and

iii. accounts, on a per annum basis over 15 years, for just 1,200 sq m of take-up – against long-run demand over the last 11 years of c 1,500 sq m pa – before allowance is made for the 11,000 sq m to be replaced.

5.15 In effect, the St Modwen scheme will provide supply that is equivalent to c 4 years' take up and concentrated on a single site. In short, the Station Road employment proposals would make a limited quantitative contribution to meeting the town's B Class space needs – albeit a huge qualitative advance on the existing supply.

Recent Enquiries for Space

5.16 The sorts of enquiries received by the Council that might be accommodated in Newport were it possible to provide appropriate supply include the following:

- professional office space, 1,200 sq ft office unit in Telford / Newport
- smelting + manufacture, 10,000 sq ft industrial unit plus large yard in Telford / Newport
- car and commercial accident repair and paint shop, 1.5 to 2 acre industrial unit in Telford or Newport
- energy management consultant, office space in Newport
- construction recruitment specialist, office space in Newport (this company is in touch with 3 others looking for the office space in Newport – possible collaboration).

5.17 While the following were enquiries for Telford, the Council is of the view (and we concur) that subject to the availability of suitable, well-located, premises, Newport would meet the enquirers' needs as well:

- food packaging and distribution, two industrial units (warehouses)
- plastics recycling, 15,000sqft industrial unit with ½ - 1 acre yard space
- plastics recycling, 8,000sqft industrial unit, issue with high eaves
- paper shredding, 6,000sqft industrial unit in Telford.

The Calculation of the Future Employment Land Need

5.18 The evidence suggests that significantly more B class space will be required than that proposed by the St Modwen scheme. We also note that there is already little available built space on the market (even in this part of the economic cycle), and there is a very limited – even non-existant – supply of B Class land available for the development of further space.

5.19 Historic take-up of B1(c), B2 and B8 employment space amounts to 11,635 sq m between 2000 and 2011. Assuming all of this was net additional – and assuming single storey development and a 40% plot cover ratio – this equates to 3 ha of land. Over the same period, 4,876 sq m of B1(a) office space has been taken-up. Assuming two-storey development and a plot cover ratio of 50%, this equates to about half a hectare.

5.20 Thus, in aggregate, the historic take up of B class space in Newport over an 11 year period has equated, on the assumptions adopted, to about 3.5 ha of B class land. Projected forward at 0.32 ha per year, this represents the equivalent of about 5.4 ha over 17 years (2014-2031).

5.21 However, a supply of 5.4 ha on this basis, however, would represent "business as usual" demand. It would allow for no contribution towards achieving the development plan's objectives to expand the economic base of Newport, attract inward investment or to enhance the town's role as a successful service centre both for Newport itself and its adjacent hinterland. Nor would a supply of 5.4 ha of B Class land provision reflect the need – reported by local agents to be seriously under-served – to allow for churn in the market (choice of space for in-movers and an allowance for relocations, both of which are essential to matching business's needs to property supply).

5.22 Therefore, in determining the future requirement for additional employment land in Newport consideration needs to be given to two key factors as well as to long run demand trends:

i. the policy objective to expand the town's economic base and attract inward investment;

ii. the allowance for churn in the market that is required, especially given the current shortage of available land and premises, together with an allowance for "frictional" space to cover the time taken to bring new B class through the planning and development system and to allow for the relocation of the businesses who would, if it were permitted, be affected by the St Modwen's development.

Provision for enhanced economic performance

5.23 Given the level of historic take-up in a market with a constrained supply of land and premises, it would be appropriate to increase the provision of land by 25% to reflect Telford & Wrekin's policy aspiration for an enhanced level of economic activity (to enable a higher share of residents to work locally). This uplift results in a requirement for an additional 1.36 ha. This brings the employment land requirement up to 6.8 ha – equivalent to an annual average requirement for 0.4 ha pa.

Provision for churn and a frictional "vacancy" rate

5.24 The churn and frictional allowance is guided respectively by the typical time period between application for permission and completion of development and for the need for relocation space and expansion. Typically the development pipeline period is about three years, so we allow an additional 1.2 ha (0.4 x 3). To this we add an additional 1 ha for the relocation of some of the businesses on the Enterprise Park and at Parkland House during the development programme for these sites.

5.25 We make no specific additional provision for "choice and local expansion" on the basis that it would be reasonable (if conservative) to assume that this is catered for by the policy-led provision aimed at increasing Newport's share of the geographic market for business space. [8]

Total Additional Employment Land Requirement on Past Take-up Rates

5.26 Taking account of these issues we consider that it would be appropriate to plan for a minimum of c 8 ha of B Class land in Newport over the period to 2031 on the basis of the following:

[8] We note, by way of illustration of the principle, that the North West Regional Spatial Strategy (Policy W3 – Employment Land Supply) requires a 30% allowance over and above assessed demand levels to allow for choice in the market and for business expansion in local markets.

- historic scale of take-up averaged over 17 years: 5.4 ha
- uplift for improving the proportion of residents who work locally: 1.36 ha
- churn and frictional allowance: 2.2 ha

Total: 8.96 ha (say 9 ha)

5.27 We also note that the stock of employment land, should the recently permitted foodstore at Audley Avenue (sites J and H in Section 4, Figure 4.1) proceed, will fall by c 2.2 ha – though we make no specific allowance for this in the 9 ha estimated requirement 2014-2031.

The Employment Forecasts - Implications for B Class Land Needs in Newport

5.28 Our second approach to estimating the B Class requirement in Newport is the quantum of land and floorspace to accommodate the prospective changes in the scale and structure of employment in the Borough in the sectors of the economy that best match the B Use Class.

5.29 We purchased in November 2012 the Experian forecasts of employment change in Telford & Wrekin over the period to 2031. The results of the forecasts are shown in Table 5.2.

Table 5.2 Forecast Employment Change in Telford & Wrekin, 2013-2031

Telford & Wrekin	Total (Thousands)		Change 2013-31	
	2013	2031	No.	%
Agriculture, Forestry & Fishing	730	450	-280	-38%
Extraction & Mining	30	10	-20	-67%
Food, Drink & Tobacco	740	730	-10	-1%
Textiles & Clothing	610	310	-300	-49%
Wood & Paper	900	510	-390	-43%
Printing and Recorded Media	500	410	-90	-18%
Fuel Refining	10	0	-10	-96%
Chemicals	100	70	-30	-30%
Pharmaceuticals	-	-	-	-
Non-Metallic Products	1,300	1,420	120	9%
Metal Products	2,410	1,530	-880	-37%
Computer & Electronic Products	1,250	760	-490	-39%
Machinery & Equipment	2,460	1,620	-840	-34%
Transport Equipment	2,800	2,630	-170	-6%
Other Manufacturing	1,630	1,230	-400	-25%
Utilities	1,280	1,250	-30	-2%
Construction of Buildings	410	440	30	7%
Civil Engineering	420	320	-100	-24%
Specialised Construction Activities	1,940	1,940	-	0%
Wholesale	7,340	7,920	580	8%
Retail	8,550	10,040	1,490	17%
Land Transport, Storage & Post	3,060	4,290	1,230	40%
Air & Water Transport	5	5	0	4%
Accommodation & Food Services	3,370	4,600	1,230	36%
Recreation	1,360	1,150	-210	-15%
Media Activities	730	840	110	15%
Telecoms	130	110	-20	-15%

Telford & Wrekin	Total (Thousands)		Change 2013-31	
	2013	2031	No.	%
Computing & Information Services	3,010	4,030	1,020	34%
Finance	1,840	2,270	430	23%
Insurance & Pensions	500	550	50	10%
Real Estate	1,110	1,230	120	11%
Professional Services	3,540	4,480	940	27%
Administrative & Supportive Services	7,570	9,840	2,270	30%
Other Private Services	1,760	1,450	-310	-18%
Public Administration & Defence	5,320	4,270	-1,050	-20%
Education	7,050	8,210	1,160	16%
Health	5,310	6,420	1,110	21%
Residential Care & Social Work	4,020	5,050	1,030	26%
Total workforce jobs	**85,760**	**92,960**	**7,200**	**8.4%**

Source: Experian, November 2012

5.30 As Table 5.2 shows, the forecast is for a net gain in employment in Telford & Wrekin of 7,200 jobs between 2013 and 2031 – an increase overall of 8.4% over the 2011-2031period.

5.31 The greatest gains in absolute and percentage terms are in the group of sectors that together constitute “business services”, the retail and food/accommodation sectors and transport services. On-going contraction in manufacturing jobs and employment in public administration and defence account for the major share of projected job losses.

5.32 Table 5.3 “maps” the borough’s jobs onto the B Use Class (using the industry standard approach).

Table 5.3 Current and Projected B Class Employment, Telford & Wrekin, 2013 and 2031

B-Space Jobs	Total		Change 2013-31	
	2013	2031	No.	%
Industrial jobs	14,710	11,220	-3,490	-23.7%
Warehousing jobs	11,685	13,465	1,780	15.2%
Office jobs	25,510	29,070	3,560	14.0%
All B-space jobs	51,905	53,755	1,851	3.6%
All Non B-space jobs	33,190	38,630	5,440	16.4%
All jobs	**85,095**	**92,960**	**7,200**	**8.4%**

Source: Experian November 2012 and PBA-RTP

5.33 B Class jobs in Telford & Wrekin accounted for 61% of all employment in the Borough in 2013; by 2031, the share is expected to fall to 58% of employment. The structure of B Class employment is also forecast to change, with the share of jobs requiring B2 and B1c industrial space shrinking while the share that occupies warehousing and office space growing. Table 4.4 sets out the details.

Table 5.4 Change in the Structure of B Class Jobs in Telford & Wrekin 2013-2031

B Class Share of all Jobs	% Share	
	2013	2031
Industrial/B-Space jobs	28%	21%

Warehousing/B-Space jobs	23%	25%
Office/B-Space jobs	49%	54%
B-space/All jobs	61%	58%

The Calculation of the Floorspace and Land Equivalents

5.34 Table 5.4 shows the density ratios used (an industry standard approach) to estimate the implications of the forecast changes in B Class jobs for the stock of B Class land and floorspace required. Two storey office development is assumed.

Table 4.4 B Class Employment Floorspace and Land Densities

Densities	Sq m per Job	Sq m per Ha
Industry	32	4,000
Warehousing	40	4,000
Offices	18	8,000

5.35 Table 5.5 shows the outcome of applying these densities to the forecast changes in B Class jobs in the Borough 2010-2026.

Table 5.5 Changes in B Class Space Required by 2031 in Telford & Wrekin

B-Space Floorspace (sq m) and Land Area (ha)	Sq m	Ha
Industry	-111,666	-28
Warehousing	71,208	18
Offices	64,080	8
All B-space	**23,622**	**-2**

5.36 Overall, the forecasts indicate a theoretical net requirement for a reduction overall of 2.1 ha of B Class land over the period to 2031. However, it cannot be deduced that, for example, the 28 ha reduction in the scale of industrial land needed could be re-allocated instead to meet the requirement for 26 ha to accommodate the growth potential in the B1 and B8 sectors of the economy. There are numerous reasons why, not least the fact that the criteria the market exercises in the industrial, warehousing and office markets are all different. The accessibility, location and surrounding environment of the industrial sites will not in many circumstances meet the needs either of the borough's existing businesses or the inward-investing businesses the borough otherwise has an opportunity to attract. .

The Implications for Newport

5.37 There is no robust mathematical way of converting the borough-level forecasts to Newport's circumstances. To do so would be to ignore the nature of the local market and the company-level decisions that drive it.

5.38 There are, however, implications:

i. Newport, proportionately, has fewer manufacturing jobs than the Borough, marginally more warehousing jobs and fewer business services jobs. The industrial and warehousing property markets, however, remain relatively buoyant in Newport measured by the take-up of space; and even office space take-up has been buoyant where supply has been available. Thus, it would be reasonable to expect a significantly reduced loss locally of land / floorspace given to the industrial market, but a similar proportionate increase in the need for warehousing space. On past trends, it is also likely that Newport's needs for additional B1 space will be more modest proportionately.

ii. The development plan's spatial strategy, however, is to increase Newport's share of the Borough's jobs. The supply of B Class land has a key role in enabling this spatial shift. Thus it would be reasonable for Newport in future to be allocated a measurably higher share of the net additional land need than it accounts for at present.

5.39 We judge, having regard to borough-level changes, that it would be reasonable to shift around a fifth of the *gross* warehouse gain required in warehouse space to Newport plus, say, ten per cent of the office requirement – both to account for Newport's share of the net additional requirement would be in any case (about 10% taking into account Newport's employment structure and the profile of demand) and to allow (a further 10%) for the policy-related spatial shift in land supply. The implication on that basis is that Newport's share of the gross gain in B Class land required would be about 3.6ha of the additional warehouse land that the Borough needs (i.e., 20% of the 16 ha) and 0.8 ha of the office land (i.e., 10% of the 8 ha) – about 4.4 ha in total.

5.40 To the 4.4 ha requirement needs to be added to the property market considerations – the 3.56 ha required if the market is to operate by allowing for churn, choice and a reduction in the need for residents to travel out of Newport as explained at paras 5.21 and 5.22. On that basis, the overall B Class land requirement in Newport over the 2031 period is for an additional 7.96 ha – say 8 ha.

The B Class Space Needs based on the Growth in Newport's Labour Force

5.41 Finally, we have also calculated what the job creation need would be in Newport on the basis of expected population growth and the expected increase of 2,725 in the resident labour force by 2031 (Section 3, paras 3.14-3.19).

5.42 Just to maintain the status quo (2001) – the 38% share of the labour force that lives and works in Newport – some 1,035 additional jobs will need to be created in Newport by 2031. Of these needed jobs, about half – in line with Newport's' economic structure – would need to be in B Class sectors. These B Class jobs – if distributed broadly 27%-27%-46% between B2, B8 and B1 sectors – would generate (on the ratios in Table 4.4) a requirement for about 3 ha of B Class land in the town.

5.43 If the level of containment in Newport were to rise in line with policy, more jobs still would need to be created. If, conservatively, the share of those living and working in Newport – amongst the additional residents alone – were to rise to 45%, the additional B Class land required would rise to about 4 ha.

5.44 Both estimates relate solely to the B Class land needs generated by the additional working residents. That requirement is on top of the 3.56 ha requirement needed to allow for the function of the property market. The two estimates together generate a total requirement for about 7.56 ha – say 8 ha.

Conclusions on the Need for B Class Land

5.45 Using the three approaches outlined above we estimate an additional employment land requirement in Newport within the range of 8-9 ha over the period to 2031. We have reached this view from three perspectives: the long-run annual average take up of B Class space in Newport coupled with the land needed to accommodate the operation of the property market and to begin to achieve the policy objective of improving the town's sustainability by reducing out-commuting; the additional land required to accommodate the borough's forecast employment growth and the share on policy grounds that might conservatively be allocated to Newport; and the land needed to generate enough jobs in Newport by 2031 to at least maintain the share of the workforce that lives and works locally.

5.46 Of the c 8-9 ha Newport needs by 2031, there is an in-principle supply of about 0.5 ha to meet that need (through the delivery of the Park House permission); the remaining supply is too constrained to be considered available (the Newport Mills and saved policy E2 sites).

5.47 The 8-9 ha calculation also makes no allowance for the loss of employment land in Newport – some 4.25 ha – 2.2 ha should the supermarket use granted planning permission on appeal in August 2012 proceed as is the owner of that site's intention and 2.05 ha (net) should the St Modwen's outline planning application be granted consent.

6 SUMMARY AND CONCLUSIONS

Introduction

6.1 In this final section of our assessment, we draw together the policy basis for the Council's obligation to assess and meet the needs of Newport's communities and businesses for a sufficient supply of market-facing, deliverable, B Class land to enable the sustainable growth the local economy is capable of.

Development Plan and Economic Development Policy

6.2 The various strands of development plan, Council economic development and Local Enterprise policy boil down to seven key themes:

- To expand the economic base of Newport and attract inward investment.
- At the same time, to support existing businesses in the town.
- Whilst recognising the primacy of Telford, to promote a shift in economic development towards the key rural market towns, and especially Newport.
- To ensure an improvement in the portfolio of land for new business activity by promoting an enhanced range and choice of employment land sites.
- The consequence of these four initiatives should be to enhance Newport's role as a successful service centre both for the town itself and the adjacent hinterland which it serves.
- And finally, these initiatives are intended to achieve an increased proportion of local working within Newport and its hinterland, so as to reduce the current high incidence of out commuting for work.

6.3 National planning policy obliges the Council to objectively assess, keep pace with and meet the sustainable development needs of its business, communities and economy. The development plan itself stresses the need to reduce out-commuting from Newport for work. An adequate, market-facing, supply of land to enable this is critical.

6.4 The development plan, the Telford & Wrekin Core Strategy and the saved policies of the Wrekin Local Plan, all promote the sustainable growth of Newport and direct development to the town that will, in particular, enable more residents to work locally – a key principle of sustainable development.

6.5 It follows, in assessing Newport's needs for employment land, that the aims of policy should sit at the core of that assessment. Planning for a future for Newport that repeats the patterns of the past would be to fail the objects of policy, national as well as local.

B Class Space: Supply and Demand in Newport

Supply

6.6 There is, despite the objects of policy, little by the way of choice of premises in Newport's B Class market (vacancies are very low), there is no development in the pipeline and there is virtually no B Class land available for development.

6.7 Most of the existing space that is available is outmoded and therefore out of step with the market's needs. For that reason – not for the lack of demand but for the lack of space to accommodate it – changes of use from B Class to other uses (e.g., fitness businesses, hostels, student accommodation) are commonplace and the stock of B Class property is shrinking. B Class businesses as a consequence are forced to locate elsewhere, and the slump in the economy and vacancy levels attendant on that slump offer a short term fix: businesses that otherwise would be content to remain or locate into Newport can meet their needs in better specified property elsewhere.

6.8 The likelihood of these circumstances is that the absence of supply in the town – both premises and land – is constraining economic and employment growth in Newport that would otherwise be achievable. The result is to exacerbate the already high proportion of residents who have no option but to commute of Newport for work. Moreover, outmoded premises also compromise the efficiency of business operations and therefore their competitiveness.

Demand

6.9 The three approaches we adopted to assessing the prospective need for B Class space in Newport over the 2031 plan period produced similar findings. Newport needs about 8-9 ha to satisfy the requirements of business, the economy and sustainable development policy over the period to 2031:

i. historic take-up rates with allowances for churn, choice and a modest shift to reducing out-commuting suggest a need for 8.96 ha – say 9 ha;

ii. employment forecasts and a share for Newport that reflects its economic structure and the objects of policy plus allowances for churn and choice suggest a need for 7.96 ha – say 8 ha; and

iii. forecast growth in the resident workforce, the share likely to need jobs in sectors that occupy B Class space and the allowance needed for the operation of the property market – 7.54 ha, say 8 ha.

Conclusion: the B Class Land Need in Newport

6.10 We conclude, on reasonable and conservative assumptions, that there is a requirement for B Class land of c 8-9 has in Newport over the period to 2031.

6.11 Virtually nothing of this requirement is provided for, compounding the constraints to economic growth, job creation and the sustainability of the town of the qualitative shortcomings in the supply of existing premises. It is difficult not to conclude that the absence of a suitable supply of land is constraining the economic growth Newport is otherwise capable of. As a consequence, there is a pressing need to provide for the 8-9 ha of additional B Class land in the town – a quantum that excludes the likely loss of 2.2ha from the of the good quality land stock at Audley Avenue and the loss, if the St Modwen's scheme is granted planning permission of a net 2.05 ha, albeit of poor quality – and in that way to achieve the aims for the sustainable development of the town sought by development plan and national policy.