Index

Section A
Appendix 1 - Title Plan and Register SF632933 and filed abstract
Index

HM Land Registry

Official copy of register of title

Title number SF632933 | Edition date 26.07.2018

This official copy shows the entries on the register of title on 12 SEP 2018 at 12:00:44.

This date must be quoted as the "search from date" in any official search application based on this copy.

The date at the beginning of an entry is the date on which the entry was made in the register.

Issued on 04 Oct 2018.

Under s.67 of the Land Registration Act 2002, this copy is admissible in evidence to the same extent as the original.

This title is dealt with by HM Land Registry, Birkenhead Office.

A: Property Register

This register describes the land and estate comprised in the title.

STAFFORDSHIRE : SOUTH STAFFORDSHIRE

1 (22.01.2018) The Freehold land shown edged with red on the plan of the above title filed at the Registry and being Heath Farm, Vicarage Road, Gailey, Stafford (ST19 5PU).

2 (26.07.2018) There are excluded from this registration the mines and minerals excepted by a Conveyance of the land in this title and other land dated 10 May 1922 made between (1) Gertrude Monckton (2) Francis Monckton and (3) Isaac Hawksworth.

¬NOTE: Abstract Copy filed.

B: Proprietorship Register

This register specifies the class of title and identifies the owner. It contains any entries that affect the right of disposal.

Title absolute

1 (22.01.2018) PROPRIETOR: THE INGLEWOOD INVESTMENT COMPANY LIMITED (Co. Regn. No. 492903) of Gibson House, Hurricane Court, Hurricane Close, Stafford ST16 1GZ.

2 (22.01.2018) The value as at 22 January 2018 was stated to be over £1,000,000.

C: Charges Register

This register contains any charges and other matters that affect the land.

1 (22.01.2018) The land is subject to any rights that are mentioned in a Deed dated 13 January 2000 made between (1) The Inglewood Investment Company and (2) Edward William Duggins and affect the registered land.

¬NOTE:-Copy filed.

C: Charges Register continued

2 (22.01.2018) A Wayleave Consent dated 20 April 2015 for a term of 99 years from 20 April 2015 relates to a right to lay and maintain underground cables.

¬NOTE: Copy filed.

3 (22.01.2018) The parts of the land affected thereby are subject to the leases set out in the schedule of leases hereto.
The leases grant and reserve easements as therein mentioned.

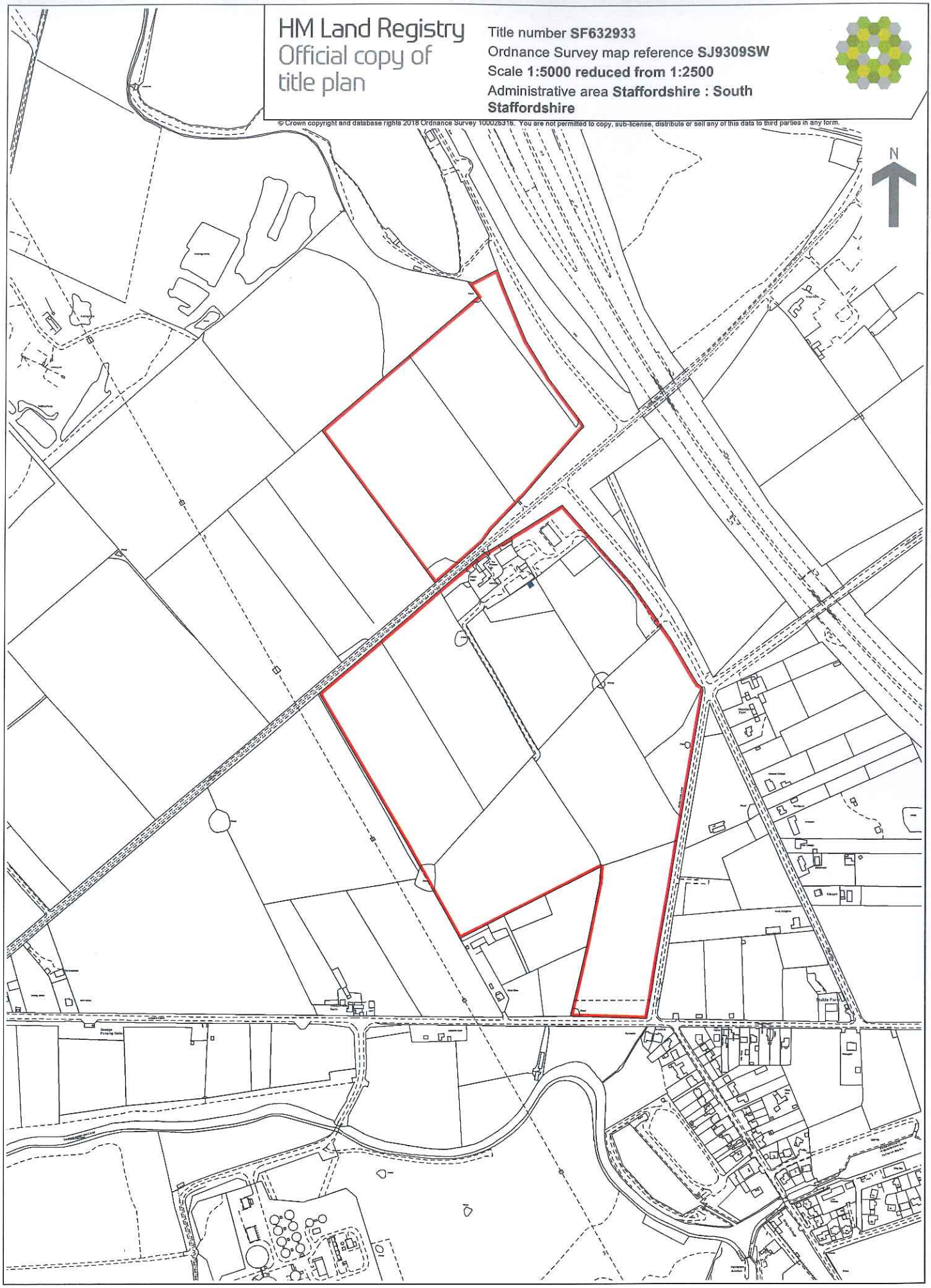
Schedule of notices of leases

1	04.05.2017 Edged blue	Telecommunications mast	28.02.2017 From and including 28.2.2017 to and including 27.2.2032	SF625317

End of register

HM Land Registry
Official copy of title plan

Title number **SF632933**
Ordnance Survey map reference **SJ9309SW**
Scale **1:5000 reduced from 1:2500**
Administrative area **Staffordshire : South Staffordshire**



1945

ABSTRACT of the TITLE

- of -

Messrs. Frederick Williams, John Williams and George Williams to a messuage land and premises known as Heath Farm Gailey Penkridge in the County of Stafford.

Selby Gardner & Co.,
Solicitors,
Lanmock.
Staffs.

ABSTRACT of the TITLE

- of -

Messrs. FREDERICK WILLIAMS, JOHN WILLIAMS and GEORGE WILLIAMS to a messuage land and premises known as Heath Farm Gailey Penkridge in the County of Stafford.

10th May 1922.
Stamps £20.
A.D.L.

[redacted]

ST GUILY M.F.C. of this note made between the Lady Gertrude Houghton of Lonestort in the County of Suffolk widow (thereof called the mortgee) of the first part Francis Houghton of Stretton in the County of Bridgnorth Esq. (thereof called the Vendor) of the second part and Isaac Ellsworth of the Heath Farm Gailey Penkridge in the County of Stafford Farmer (thereof the purchr) of the third part.

Recites under and by virtue of a Mtge dated 29th July 1909 and made between the Vendor of the one part and Arthur Houghton of the other part. Part of the land and hereds thereby described and intended to be thereby assured more particularly described in the first part of the first schedule thereto together with other hereds conveyed to the house of the said Arthur Houghton in fee simple but by way of mtge only for securing the sum of £6,000 and interest as therein mentioned AND RECITING the said Arthur Houghton died on 2nd May 1917 having by his will dated 3rd March 1910 appointed the Mtgee sole Executrix thereof who duly proved the same in the Principal Probate Registry on the 31st July 1917

AND RECITING seisin of Vendor in fee simple in possession free from incumbrances (except as aforesaid) of the hereds thereby described and intended to be thereby conveyed agreement for sale at price of £8,000

AND RECITING principal sum of £6,000 was still owing to Mtgee upon security of the thereby recited Mtge all interest thereon having been paid to Mtgee thereby acknowledged and she had agreed on receiving £1,955 in part discharge of said Mtge debt to join in these presents in manner thereby appearing

It was witnessed as follows:- (the sum of £1955. then paid by the Purchaser by the direction of the Vendor to the Mtgee. (Bankers draft) and the sum of £ paid by the Purchaser to the Vendor with the Consent of the Mtgee

1. In pursuance etc in consideration of (receipt and payment acknowledged) Mtgee as Mtgee by direction of Vendor as to said hereds and premises set forth in first part of said first schedule comprised in her said Mtge thereby conveyed and released and Vendor as Beneficial Owner as to the whole of the land hereds and premises thereby conveyed and confirmed unto the purchaser

All those pieces or parcels of land situate at Gailey Penkridge in the County of Stafford with the messuage or farm house and other buildings erected thereon the now known as the Heath Farm and in the occupation of the Purchaser the further particulars whereof are set out in the First and Second parts of the First Schedule hereto all which said hereds contain in the whole 93 acres three and 14 perches or thereabouts and are more particularly delineated on the plan drawn on these presents and thereon coloured pink Except and reserving unto the Vendor and Mtgee and all and her heirs and assigns all mines and minerals in and under the said land and hereds hereby conveyed with full power for the Vendor and the Mtgee and all persons

claiming under him or her to sink any pits or shafts or to erect or construct any buildings machinery engines roads tramways waterworks waterways airways or other works and conveniences necessary or desirable for the purpose of working getting carrying away converting or disposing of such mines and minerals or for any purpose connected therewith and to stack and lay up any minerals and refuse which may be raised out of any such mines making reasonable compensation to the surface owners and occupiers for the time being for such damage as may be done in the course of getting and working such mines and minerals.

TO HOLD the same (except and reserved as aforesaid) unto and to the use of the purchaser in fee simple freed and discharged from before recited mtge and free of all principal moneys and interest secured by said Indenture and free of claims and payments of the mtgee thereunder subject to an agreement for lease dated the 22nd Sept. 1910 made between the Vendor of the one part and William Middlebrook of the other part as amended by a supplemental agreement dated the 6th March 1916 being an agreement for a Lease of the said excepted mines and minerals by and under the land and hereditaments thereby conveyed with the mines and minerals in and under other land of the Vendor (the draft of which said Lease is not yet finally settled) for a term of [illegible] years from the first day of October 1921 with and subject to such powers of mining working getting carrying away converting and disposing of the same and other powers liberties and privileges incident thereto as were therein contained but with the benefit of all surface rents and compensation for damage to the surface therein specified and of the costs by the lessees and conditions therein contained so far as the same touch or relate to the surface of the said land thereby conveyed but not further.

ACKNOWLEDGMENT by Vendor of prchs right to production and delivery of copies of Deeds and Documents mentioned in the first part of the Second Schedule thereto which were in the Vendors possession and undertaking for safe custody thereto and acknowledgement by Mtgee of prchsrs right to production and delivery of copies of Deeds Documents mentioned in the second part of the Second Schedule thereto and covenants by vendor as to undertaking for said Documents.

THE FIRST SCHEDULE

FIRST PART

No. on Ordnance Map	Description	Quantity Acres.
1753	Pasture..............................	8.395
1754	Arable...............................	4.315
1755	Ditto................................	5.368
17[illegible]	Ditto................................	11.045
17[illegible]	Arable...............................	6.794
1789	Road.................................	.432
1790	Arable...............................	5.547
1791	House Buildings Cottage etc..........	1.690
1792	Pasture..............................	3.009
1793	Arable...............................	5.073
1794	ditto................................	3.579

No. on Ordnance Map.	Description	Quantity Acres.	
795	ditto	6.744	
1799	Pasture	7.443	
1800	Arable	7.935	
1831	Pasture	5.776	
1832	ditto	5.592	90.240
	SECOND PART.		
414	Plantation	1.823	
1797	ditto	1.275	3.098
		Total	93.338

THE SECOND SCHEDULE.

FIRST PART.

Date	Parties	Description of Document
1865 October 31	1. The Vendor 2. The Honourable William Charles Evans Treke and Arthur Proctor Pickering 3. Edward Thompson.	Disentailing Assurance
	SECOND PART.	
Date	Parties	Description of Document
1909 July 29	1. The Vendor 2. Arthur Monkton	Mortgage

Executed by vendor and Mtgee and duly attested.

11th May 1922
Stamps £1 " 5 " 0

[redacted]

By Mtge of this date made between the said Isaac Hawkesworth (thrnar called the Mtgor) of the one part and John Henry Cartlidge of Mount Road Penn Wolverhampton in the said county of Stafford Oil Merchant (thrnar called Mtgee) of the other part.

RECITING séisin of Mtgor for fee simple subject as thereinafter mentioned and Reciting Agreement for loan of £1,000

IT WAS WITNESSED as follows:-

1. In pursuance etc. in consn etc paid etc (receipt acknowledged) Mtgor covenant to pay principal and interest.

2. For consn aforesaid Mtgor as Beneficial Owner thereby conveyed unto the Mtgee.

All the Before abstracted property of a similar description except and reserved as before abstracted

TO HOLD the same (Except and reserved as aforesaid) unto and to the use of the Mtgee in fee simple subject as before abstracted and subject to Proviso for redemption.

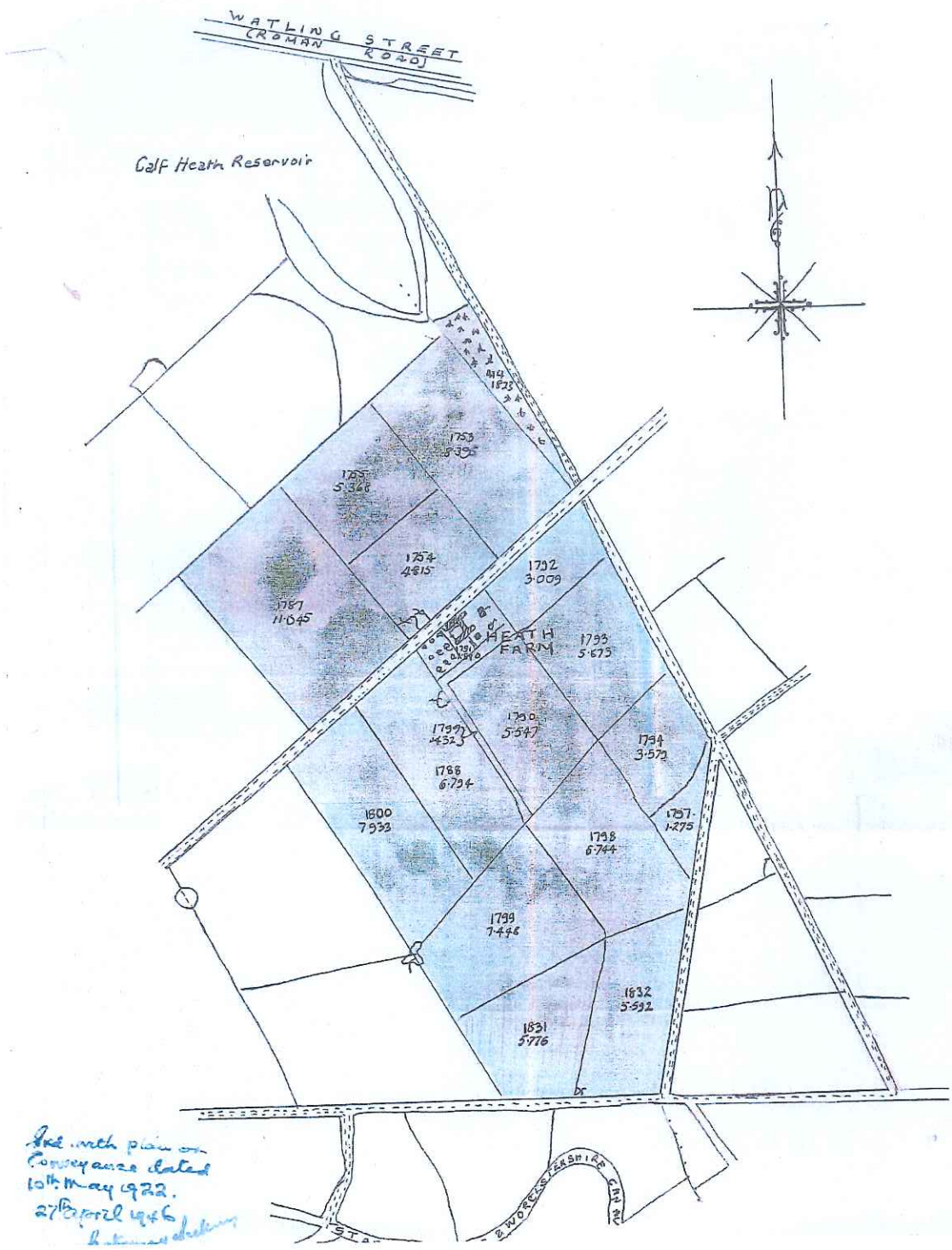
Proviso for redemption

3. Covenants by Mtgor to repair and insure

4. Declaration against leasing

THE SCHEDULE REFERRED TO

As before abstracted



And with plan on Conveyance dated 10th May 1922. 27th April 1946

Section B
Appendix 2 - Appeal Decision 3169548
Index

The Planning Inspectorate

Appeal Decision

Hearing Held on 15 August 2017

Site visit made on 15 August 2017

by JP Roberts BSc(Hons) LLB(Hons) MRTPI

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 3rd October 2017

Appeal Ref: APP/C3430/W/17/3169548
Heath Farm, Vicarage Road, Gailey ST19 5PU

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant planning permission.
- The appeal is made by Inglewood Investment Company Limited against the decision of South Staffordshire Council.
- The application Ref 16/00720/FUL, dated 10 August 2016, was refused by notice dated 17 October 2016.
- The development proposed is the demolition of an existing farmhouse and the erection of a replacement farmhouse with associated landscaping and parking.

Decision

1. The appeal is allowed and planning permission is granted for the demolition of an existing farmhouse and the erection of a replacement farmhouse with associated landscaping and parking at Heath Farm, Vicarage Road, Gailey ST19 5PU in accordance with the terms of the application, Ref 16/00720/FUL, dated 10 August 2016, subject to the conditions set out in the Annex to this decision.

Main Issues

2. The main issues are:

   i) the effect of the proposal on the significance of Heath Farmhouse as a non-designated heritage asset, and

   ii) whether any harm is outweighed by other planning benefits.

Reasons

3. The appeal building is a large, two and single storey detached farm house, which, until recently, was occupied by the tenant of Heath Farm on an agricultural tenancy. The house appears to have been constructed in two stages, with the lower part being erected in the early part of the 19th century and the higher, main part towards the middle of the century.

4. The building is locally listed, and is therefore a non-designated heritage asset. Policy EQ3 of the South Staffordshire Core Strategy (CS) deals with the conservation, preservation and protection of heritage assets, and provides that development which affects a heritage asset or its setting will be informed by a proportionate assessment of the significance of the asset, including its setting, which is likely to be affected by the proposals. I consider that this is broadly consistent with the National Planning Policy Framework (the Framework).

5. The building was included in the Council's local list in 2014, and was classified as Category B, the listing criteria for which include buildings which have a particular local significance from events or periods of history. They will be largely unaltered examples of their kind that fall outside of the national periods for listing but make a contribution to South Staffordshire's character either in rural areas or in villages where they are important elements in street scenes.

6. The criteria classification for a Category B building says that there should be a presumption in favour of its retention. Such a criterion has no local or national policy basis, and carries little weight.

7. The Council acknowledges that the local listing is likely to have been prompted by pre-application enquiries about re-developing the site, rather than by any comprehensive exercise aimed at identifying buildings of heritage significance. Thus, the Council does not know whether there are many other buildings of similar heritage interest. The appellants referred to others nearby, but did not provide details before the Hearing, and thus such anecdotal evidence can carry limited weight.

8. In terms of heritage value of the building, the historic interest is limited, being associated with the enclosure of farmland following the passing of the Enclosure Acts. Many farmhouses share this historic association, and therefore its historic value is low. There is no known archaeology significance in the site.

9. The Council refers to the vernacular features used in the construction of the building, and I saw on my visit that the front, south facing elevation in particular contains a number of architectural features which, whilst not examples of high Victorian design, are nevertheless representative of the period. These include a symmetrical front elevation, the use of stone and brick window heads, stone cills, brick cornicing, double hung sash windows, tall chimney stacks with decorative brick banding, a porch with an arched head with decorative brick detailing and dentils.

10. Whilst these details are characteristic of the era in which the house was built, they are found in many surviving buildings and the Council accepts that the dwelling is typical of its type, rather than being an especially good example of a Victorian farmhouse, and I agree. The significance of such features is therefore low.

11. The Council takes the view that internal features should not be taken into account in assessing heritage significance as they could be removed or altered, beyond the control of the Council. Whilst this is so, and the criteria for selecting buildings of local interest do not refer to internal features, they may nevertheless contribute to heritage significance and should not be ignored.

12. The appellants' assessment is that there are several internal features of value, which include internal doors and balustrade, but it is clear that the building has been much altered over the years, and its internal interest is not of great significance.

13. The setting of the building has also changed over the years. The wider setting has been changed through the construction of the nearby M6 motorway and A5 to the north-west of the site, although these roads are some way from the site, and have only a minor impact on the building's setting. The side elevation is close to the busy Vicarage Road, which has recently been widened to

accommodate additional heavy traffic associated with the Veolia Energy Recovery plant to the south-west of the site. The appellants contend that the additional noise and vibration caused by the heavy traffic would necessitate a new wall being erected along the boundary between the rear garden and the road to provide better living conditions for occupiers, and I agree that this would be a likely response to the changed living conditions resulting from the increased traffic. This would affect the extent to which the front of the house, the most interesting part, could be seen from the road, and would reduce its significance.

14. The setting has also changed as a result of the planning permission being granted for the conversion of adjacent outbuildings to two dwellings. As well as introducing a functionally unrelated residential element next to the house, it has also reduced the curtilage, with boundary fences (to be replaced by walls) dividing the respective curtilages close to the building. This has some small impact on the significance of the building.

15. Looked at in the round, although the proposal would result in a complete loss of heritage significance, I consider that the value of that significance is low.

Planning balance

16. The building is in very poor physical condition both internally and externally. There is a significant hole in part of the roof of the rearmost annex and there is evidence of damp throughout the building. There is standing water in the cellar. The appellants have submitted uncontested evidence that in order to repair the building and bring it up to modern standards, the cost would exceed £350,000. Undisputed evidence indicates that the cost of repairing and renovating the farmhouse to enable it to be used as a dwelling could not be recouped through additional rent, partly because of the restrictions which apply to rent increases on tied farmhouses subject to agricultural tenancies, and partly because of the unattractive position of the dwelling.

17. I recognise that it would be physically possible to repair the building and to bring it up to modern standards. Other steps could also be taken to provide noise insulation to ameliorate the impact of heavy traffic. However, the cost of doing so is unwarranted in relation to the likely returns on investment and the low heritage significance.

18. The Council has referred to paragraph 130 of the Framework which says that where there is evidence of deliberate neglect of or damage to a heritage asset the deteriorated state of the heritage asset should not be taken into account in any decision. Having regard to the definition of a heritage asset provided in the Framework, it is clear that a building only becomes a heritage asset once it is identified as having a degree of significance meriting consideration in planning decisions because of its heritage interest.

19. In this case, that identification came only when the building was locally listed in 2014. Much of the deterioration had taken place prior to that time; some repair work was instituted in 2008, but after this time no further repairs were undertaken when it became clear that it was unviable to do so.

20. The hole in the roof remains uncovered. The appellants explained that a tarpaulin had been placed over the hole, but it blew off during high winds. The hole is above an annex to the main building, and I was told that no further

deterioration had resulted to the main part of the building as a result of the hole. In my view, the appellants' conduct does not constitute deliberate neglect in the hope of obtaining planning permission, and therefore the condition of the building is something that it is appropriate to take into account, and to which I afford significant weight. The commercial reality is that if the cost of repairing and upgrading the property is uneconomic, it is likely that it would remain unoccupied and would continue to deteriorate, devaluing its limited heriage significance.

21. The relocation of the farmhouse to the north of the converted barns would improve the living conditions and the safety of their occupiers by separating farm traffic from residential areas. It would also benefit the farm business in terms of security and efficiency, by having a modern, purpose-built farmhouse, located next to the farm buildings. This would support a rural enterprise, and contribute to the economic dimension of sustainable development. Highway safety would also benefit by diverting farmhouse traffic to the new access which connects to Stable Lane, where there is better visibility out onto Vicarage Road.

22. Paragraph 135 of the Framework requires that when weighing applications that affect directly or indirectly non designated heritage assets, a balanced judgement will be required having regard to the scale of any harm or loss and the significance of the heritage asset. Non-designated heritage assets are on the lowest rung of the hierarchy of heritage assets, and I find that whilst the proposal would involve a complete loss of significance, that significance is itself low. The weight to be afforded to the harm arising from the complete loss of the asset is therefore modest. The benefits, although nearly all private ones accruing to the owner, the tenant farmer and the occupiers of the adjacent barn conversions, are more substantial, and would be likely to contribute to the wider economy, as would benefits arising from the construction of the dwelling itself. Taking a balanced view, I find that the benefits of the proposal clearly outweigh the limited harm, and that there would be no conflict with CS Policy EQ3.

Other matters

23. The site lies within the Green Belt, but there is no dispute that the proposal would not amount to inappropriate development, or otherwise conflict with policies aimed at protecting the Green Belt. Subject to the imposition of conditions, I agree.

Conditions

24. A number of conditions were suggested in the Statement of Common Ground, which I have considered in the light of national guidance and the discussion which took place during the Hearing. A condition to require the development to be carried out in accordance with the approved plans is needed to ensure certainty. Conditions relating to materials, landscaping and boundary enclosures are needed in the interests of appearance. Details of the means of disposal of foul and surface water are required to ensure that the site is satisfactorily drained. Conditions relating to access and parking are needed for reasons of highway safety. A condition relating to ecological measures is needed to promote biodiversity.

25. A condition requiring the demolition of the existing farmhouse prior to occupation of the replacement is needed to protect the Green Belt and the character and appearance of the countryside. Measures to record the historic interest of the building to be demolished are needed to advance understanding of heritage interest.

26. The Framework says that planning conditions should not be used to restrict national permitted development rights unless there is clear justification to do so. The proposed building would have a smaller footprint and volume than that of the existing dwelling, which benefits from permitted development rights to carry out extensions and alterations. Those rights are not precluded or restricted in the Green Belt.

27. However, because of the shape of the curtilage of the existing dwelling, there would be few opportunities to carry out significant extensions, whereas the proposed replacement could utilise permitted development rights to carry out substantial extensions. I therefore consider that in order to protect the openness of the Green Belt, a restriction on enlargements and outbuildings is justified. A restriction on alterations under Class A however, would be unduly onerous, and I shall not require such a restriction.

Conclusion

28. For the reasons given above, I conclude that the appeal should be allowed.

JP Roberts

INSPECTOR

APPEARANCES

FOR THE APPELLANT:	
Niall Blackie, LARTPI, Solicitor	FBC Manby Bowdler
David Burton-Pye, MBE, DipTP, MRTPI, IHBC	Heritage Consulting
Richard Vincent, MRICS, TechIoSH	Savills
Paul Hutchinson MRICS	Savills
Rebecca McAllistair	Savills
Tom Follows	Inglewood Investments Co Ltd

FOR THE LOCAL PLANNING AUTHORITY:	
Debbie Hall	South Staffordshire Council
Claire Hines	South Staffordshire Council

ANNEX

CONDITIONS

1) The development hereby permitted shall begin not later than 3 years from the date of this decision.

2) The development shall be carried out in accordance with the approved drawings numbered 306 and 200 received on 10th August 2016.

3) Before the development commences details of the facing materials to be used for the external elevations shall be submitted to and approved in writing by the local planning authority. The development shall be carried out in the approved materials.

4) The development hereby permitted shall not commence until drainage plans for the disposal of foul and surface water have been submitted to and approved in writing by the local planning authority. The scheme shall be implemented in accordance with the approved details before the development is first brought into use.

5) Notwithstanding the provisions of the Town and Country Planning (General Permitted Development) Order 1995, or any other subsequent equivalent order, no development (other than alterations to the dwelling not comprising an enlargement of the dwelling within the scope of Class A) within Classes A, B, C, D and E of Schedule 2, Part 1 of the Order shall be carried out within the garden area hereby approved.

6) Before the development commences a landscape scheme shall be submitted to and approved in writing by the local planning authority. The approved scheme shall be implemented concurrently with the development and completed within 12 months of the completion of the development. The local planning authority shall be notified when the scheme has been completed. Any trees, shrubs or hedges which are removed, die or become severely damaged or seriously diseased within five years from the occupation of the dwelling shall be replaced with trees, shrubs or hedge plants of similar size and species unless the local planning authority gives written consent to any variation.

7) Before the development commences details of all boundary treatment around and within the site shall be submitted to and approved in writing by the local planning authority. The approved boundary treatment shall be built/erected concurrently with the development and shall thereafter be retained in the approved form and position throughout the life of the development.

8) The development hereby permitted shall not be brought into use until the access drive, parking, servicing and turning areas have been provided in accordance with the approved plans.

9) The only vehicular access to the new farmhouse shall be via the recently constructed access drive from Stable Lane.

10) Before the development hereby approved is occupied/brought into use, the existing Heath Farm farmhouse shall be demolished and the resultant materials shall be permanently removed from the site.

11) No development shall commence until a scheme (including a timetable for implementation) has been submitted to and approved in writing by the local planning authority to give effect to the recommendations contained within the Ecological Appraisal of Buildings and Land July 2016. The scheme shall be implemented as approved.

12) No works to the existing farmhouse shall be commenced until the implementation of an appropriate programme of building recording and analysis has been agreed in writing with the local planning authority, to be carried out by a specialist acceptable to the local planning authority and in accordance with an agreed written brief and specification. The programme shall be carried out as approved.

Section C
Appendix 3 - Minerals Local Plan
Index

Staffordshire County Council

The Minerals Local Plan for Staffordshire 2015 to 2030

Adopted February 2017

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The Minerals Local Plan for Staffordshire (2015 to 2030)

(Adopted 16 February 2017)

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Foreword

Managing our mineral resources is an important part of supporting Staffordshire's economy and local jobs but we have to carefully balance the need for minerals with the protection of our communities and our environment.

The new Staffordshire Minerals Local Plan provides a clear vision of how we intend to achieve sustainable economic development of minerals in Staffordshire. It covers location, operation and restoration of mineral sites taking us up to 2030. The new Plan is a living document and we will keep it under review to ensure that it takes account of changing circumstances and continues to provide certainty for the minerals industry and local communities.

It is now up to the minerals industry to bring forward sites in the right place and at the right time; to operate the sites to high environmental standards; to engage effectively with the local communities; and, to maximise the opportunities that the sites can bring by restoring them in a way that will enhance Staffordshire's environment.

Mark Winnington
Cabinet Member for Economic Growth

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Contents

List of Figures

List of the Appendices (provided in a separate document)

Chapter 1: Introduction

What is the purpose of the new Minerals Local Plan for Staffordshire?

1.1 Staffordshire has significant mineral resources and as result of the location of those resources to markets for those minerals, there has been significant quarrying and mining within the county. Quarries in the county have produced two thirds of the sand and gravel sold in the West Midlands and the greatest output of clay and shale compared with any other county in England. In addition, the county has one of only 12 cement kilns in the UK, and is the main source of anhydrite used in the UK cement industry which is produced from Staffordshire's only working mine.

1.2 Minerals are essential to support sustainable economic growth including jobs. An industry assessment estimates that each employee in the mineral products industry generates over £110,000 of value added per year which is more than double the national average. The industry nationally generated gross value added of over £4 billion in 2011 amounting to 0.3% of total UK output.

1.3 The new Minerals Local Plan is required to take a positive approach that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework[1]. This involves meeting objectively assessed needs for minerals and should be based on core planning principles including conservation and enhancement of the natural environment and reducing pollution as well as conserving heritage assets[2]. In preparing the Plan existing strategic environmental initiatives as well as the potential effects of working minerals on local communities, on transport networks and on the environment have been taken into account. Features of Staffordshire that are relevant to the Minerals Local Plan include the following:

- The Peak District National Park in the north east part of the county which is in the vicinity of Cauldon cement works and the limestone and shale workings;
- The Cannock Chase Area of Outstanding Natural Beauty where there are two permitted sand and gravel quarries;
- The National Character Areas promoted by Natural England such as the 'Tame and Trent Valley Washlands', 'Cannock Chase and Cank Wood' and 'White Peak' where there is concentrated mineral working;

[1] Refer to paragraph 14 of the NPPF
[2] Refer to paragraph 17 of the NPPF

- The environmental initiative areas supported by the Staffordshire and Stoke-on-Trent Local Nature Partnership such as the Central Rivers Initiative which is a partnership involving landowners, local authorities, mineral operators and interested environmental groups to regenerate the Trent and Tame river valleys after mineral working;

- The 66 Sites of Special Scientific Interest based on ecological and/or geological interest, of which 13 are international sites of ecological value (Special Areas of Conservation, Special Protection Areas and Ramsar sites);

- More than 800 Sites of Biological Importance and over 450 Biodiversity Alert Sites; more than 1000 ancient woodland compartments; and almost 70 Regionally Important Geological Sites;

- 4,400 kilometres of public footpaths and bridleways across the county; and

- Over 17,000 known heritage assets across the county. Just over 5,500 of these assets are designated as nationally important. In July 2011 Staffordshire had 5,042 Listed Buildings (419 Grade I and II*); 284 Scheduled Monuments; 15 Registered Parks and Gardens; 2 Registered Battlefields; and 159 Conservation Areas.

1.4 The new Minerals Local Plan for Staffordshire* ('the new Plan') identifies suitable land and provides the planning policies that will be used to determine planning applications to develop Staffordshire's minerals resources during the period 2015 to 2030. When adopted, the new Plan will replace the 'saved policies' in the Staffordshire and Stoke-on-Trent Minerals Local Plan 1994 to 2006 ('the old Plan').

**Staffordshire means the area of Staffordshire administered by Staffordshire County Council (the Minerals Planning Authority) but excluding those parts of the county within the Peak District National Park. Unlike our old Plan, our new Plan is not a joint Plan so it does not include the City of Stoke-on-Trent.*

How did we prepare the new Plan?

1.5 We consulted on an Issues and Options paper in October 2008 and prior to that consultation, invited the industry and landowners to respond to a 'call for sites' in September 2007. In May 2014, we consulted on a first draft of the new Minerals Local Plan that included proposed site allocations. In October 2014, we consulted on additional site options that were submitted as a result of the consultation on the first draft of the Plan. We have also documented the options that we have appraised in drawing up the new Plan and these are set out in a Sustainability Appraisal that is supported by a Strategic Flood Risk Assessment and Habitats Regulations Assessment which we have published alongside the emerging new Plan. These documents were updated as the new Plan progressed to submission.

1.6 The final draft of the new Plan was made available for public comment in June and July 2015. In response to the comments received proposed changes were made before the new Plan was submitted to the Secretary of State for Communities and Local Government for examination on 8 January 2016. The examination of the new Plan took place from January 2016 to November 2016 and the Inspector's report was received on 25 November 2016. We approved the adoption of our new Plan on 16 February 2017.

How have we arranged the new Plan?

1.7 In preparing the new Plan four important questions have been considered (**What? Where? How? and When?)**

1.8 We began by asking…..***What*** *mineral resources are likely to be developed in Staffordshire in the period 2015 to 2030?*

1.9 The answer – there are three principal categories of minerals that are likely to be developed in Staffordshire over the next 15 years:

- **aggregate minerals** (sand and gravel and limestone);
- **industrial minerals** (cement minerals (limestone, clay and shale and anhydrite) and brick clay); and,
- **hydrocarbons** (methane gas).

1.10 There are also **other mineral resources** that may be developed in Staffordshire over the next 15 years that require a brief mention:

- **Sandstone (**building stone and silica sand)
- **Opencast coal**

1.11 For each of the three principal categories of minerals resources we then asked:

- **Where** do these mineral resources occur in Staffordshire?
- **How** are Staffordshire's mineral resources likely to be developed? and,
- **When** are Staffordshire's mineral resources likely to be developed?

1.12 The new Plan has regard to planning policy and guidance published by the Government (currently in the National Planning Policy Framework [abbreviated to NPPF in footnotes] and Planning Practice Guidance [abbreviated to PPG])); and the relevant policies and proposals in the adopted or emerging local plans produced by the Staffordshire District and Borough Councils and neighbouring / nearby planning authorities.

1.13 We have therefore arranged the new Plan into chapters that consider the three principal categories of mineral resources in Staffordshire. We then explain our vision and strategic objectives for the new Plan, which then lead onto our detailed planning policies and proposals. The plan concludes with a chapter explaining how we anticipate that the policies will be implemented and monitored. A Policies and Proposals Map is provided alongside this document to indicate the general location of proposed allocations for mineral working together with Inset Maps that show the allocations in more detail.

Chapter 2: Aggregate Minerals

Where do aggregate minerals occur in Staffordshire?

2.1 There are two principal sources of aggregate mineral in Staffordshire, sand and gravel, and limestone. A Local Aggregate Assessment (LAA) is published alongside our Annual Monitoring Report. The LAA is an annual assessment of the demand for and supply of aggregates in a mineral planning authority's area.

2.2 **Sand and Gravel** resources are widely distributed throughout Staffordshire. In 2013 there were 23 permitted quarries, of which 17 were operational (3 were producing building sands only) and 6 are non-operational of which 3 are 'dormant'. [3]

2.3 Sand and gravel is mainly used locally (within a 25 mile radius of a site[4]) in the production of concrete, mortar and asphalt and in the manufacture of concrete products which have national markets e.g. concrete roof tiles produced at Burton on Trent and bespoke concrete products such as staircases and flooring slabs at Coltman Precast Concrete, adjacent to Moneymore Quarry, Weeford. Most of the sand and gravel is used to produce concrete although up to 9% of total sales is used to produce mortar/asphalt.

2.4 **Limestone** is worked from a single area in the north east of the county and there are 3 limestone quarries with reserves for aggregate use – Cauldon Low, Wardlow/ Wredon and Kevin. Currently only Cauldon Low Quarry is operational.

2.5 Limestone is currently used locally (within a 25 mile radius of a site) in the production of concrete, asphalt and uncoated road stone.

2.6 Provision of aggregate minerals supports markets within the county (including Stoke-on-Trent) and markets outside the county, most significantly within the West Midlands conurbation. Currently, all aggregate minerals are transported to their markets via road transport but there is potential for crushed rock from the Cauldon Low Quarry to re-use a rail line that previously served the quarry.

2.7 Figure 1: 'Aggregate minerals in Staffordshire 2013' shows the extent of the aggregate mineral resources and the location of the aggregate mineral sites.

[3] Refer to tables 4 and 5 of Local Aggregate Assessment June 2015
[4] Aggregates Supply in England – Issues for planning (2008) – British Geological Survey (BGS)

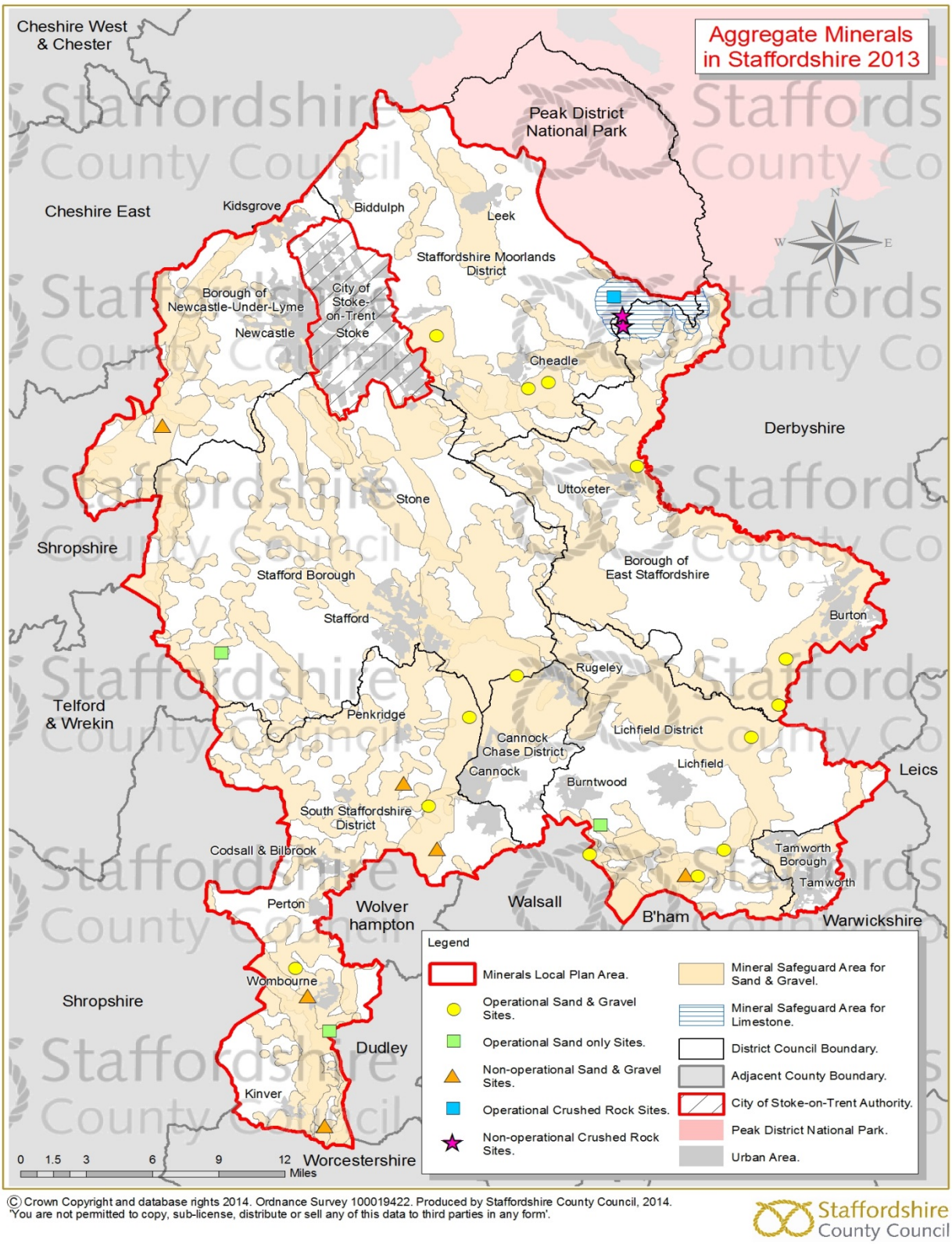

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Figure 1: Aggregate minerals in Staffordshire 2013

How are Staffordshire's aggregate minerals likely to be developed?

2.8 Sand and gravel quarries in Staffordshire are associated with two types of deposits[5] and the nature of the deposits affects how they are likely to be developed.

2.9 **Bedrock deposits:** Staffordshire is one of the few counties in England that has bedrock deposits of sand and gravel and these deposits are a major source of concrete aggregate. They are typically found in the northern, central and south-eastern parts of the county e.g. Croxden Quarry, near Cheadle; Pottal Pool Quarry, near Cannock (within the Cannock Chase Area of Outstanding Natural Beauty); and Moneymore Quarry, Weeford. Other bedrock deposits are worked which produce a building sand only e.g. Cranebrook, near Brownhills.

2.10 Bedrock deposits can be deep and so provide greater yields per hectare compared with most superficial deposits. Deep voids can result from the extraction of these deposits but it is still possible to restore the land to a beneficial afteruse without the need for backfilling.

2.11 **Superficial deposits:** Significant deposits are associated with river valleys and in Staffordshire, they are typically found along the Trent, Tame and Dove rivers.

2.12 The progress of quarrying with these shallow deposits is likely to be relatively quick leaving behind voids which can be allowed to fill with water or partially or fully backfilled as preparation for a beneficial after use.

2.13 In the Trent and Tame valleys where sand & gravel has been extracted over many years, partnership working through the Central Rivers Initiative and the wider Trent and Tame Futurescape Project are playing an important role co-ordinating the restoration and aftercare of the quarries along the river valley areas such as the creation of the National Memorial Arboretum at Alrewas and the award winning wetland reserve at Middleton Hall Quarry near Tamworth, now managed by the RSPB.[6]

2.14 The ramifications of policies for waste reduction and the diversion of waste from disposal is affecting the restoration of sand and gravel workings in the river valleys where there is a need to backfill workings. Quarries for all mineral workings where there is a requirement to backfill with imported wastes are listed in the appendices to the Plan and there is significant landfill capacity associated with these sites. The reduction in the amount of backfill available means that it is either taking longer to restore quarries or revised restoration strategies are being developed.

[5] Provision of Geological Information and a Revision of Mineral Consultation areas for Staffordshire County Council – BGS (2006)
[6] Refer to http://www.thenma.org.uk/ and RSPB – Middleton Lakes

2.15 **Limestone:** The three limestone quarries near Waterhouses in the Staffordshire Moorlands have been operating for many years, are large in scale and found in sensitive ecological and landscape areas. Extraction involves blasting and reinstatement of the quarry voids can involve shaping the quarry faces to re-model the landscape. All three sites have permissions to continue working well beyond the plan period.

When are Staffordshire's aggregate minerals likely to be developed?

2.16 National policy requires that we plan for a steady and adequate supply of aggregates.[7] There are significant permitted reserves of limestone for aggregate use which will be sufficient for the Plan period but we need to plan for additional sand and gravel reserves.

2.17 A level of provision needs to be assessed which supports the needs for a range of construction aggregates to meet planned growth for housing and other development; the manufacture of concrete products; and also makes a contribution towards meeting the needs of areas adjoining or near to Staffordshire where there is a shortfall in supply.[8] The scale of provision needs to be acceptable in terms of the environmental costs associated with quarrying, and should take into account the contribution that secondary and recycled materials would make to the supply of aggregate materials, as well as 'imports' from areas outside Staffordshire.

2.18 Production of aggregate minerals has varied significantly over the last 10 years due to the economic circumstances of the construction industry. The downturn in the economy since 2008 has reduced the rate of depletion of permitted reserves and affected the 10 years sales average which, in accordance with Government policy, is used as a basis on which future demand is assessed[9].

Sand and Gravel

2.19 As explained in our latest Local Aggregate Assessment (June 2015), during the period 2004 to 2013 the average sales of sand and gravel were 5.0 million tonnes per annum, within a range from 3.7 million tonnes to 6.8 million tonnes. Based on this 10 year average figure, current permitted reserves would be depleted by 2026. To maintain the capacity to produce at 5.0 million tonnes per annum requires additional reserves to be permitted during the next 10 years.

2.20 Interest in developing additional sand and gravel resources in Staffordshire has been shown by quarry operators and landowners and a list of site options for new sand and gravel resources is provided in the appendices. Most of the site

[7] Refer to paragraph 145 of the NPPF
[8] Refer to Local Aggregate Assessment
[9] Refer to paragraph 145 of the NPPF

options submitted for consideration involve resources that are available by extending existing quarries but there are other proposals that would require new sites to be established.

2.21 The old Plan favoured an approach based on "*concentrating sand and gravel workings in specified locations by either developing new sites or more particularly extending existing sites where it would be environmentally acceptable*".[10] Having reviewed this approach, in the light of the Government guidance[11], the pattern of supply and demand for the next 15 years and the accompanying Sustainability Appraisal, it is reasonable to conclude that this approach can continue but will need to be supplemented by making provision for new sand and gravel sites from 2025 onwards. This has led to the identification of a new area of search (see Policy 1).

Limestone

2.22 Limestone reserves used for crushed rock are more than sufficient to meet the anticipated requirements for crushed rock aggregate over the Plan period.

Cauldon Low

2.23 There are two adjoining quarries at Cauldon Low and the old Plan sought to co-ordinate working and restoration (Policy 54). This led to a joint study by Bowman Planton Associates.[12] However, a successful outcome was hindered at that time by competing interests. Now that both quarries are controlled by Aggregate Industries, the opportunity to further the aims of policy 54 has taken a significant step forward. We will encourage Aggregate Industries to review whether the benefits of co-ordinated working and restoration which might be obtained at Cauldon Low outweigh the practical difficulties that also exist.

Wardlow / Wredon and Kevin

2.24 JCB has taken a long term interest in the complex of quarries known as Wardlow/ Wredon and Kevin to assist them with the development of new vehicles. As a result, it is anticipated that the permitted minerals will remain as a long term reserve. In the event that the quarries are re-activated then we will also encourage Tarmac, who have retained an option to work the minerals, to consider the benefits of co-ordinated working and restoration here.

[10] Paragraph 8.23 of the Staffordshire and Stoke-on-Trent Minerals Local Plan 1994 - 2006
[11] Refer to paragraph 010 ID: 27-010-20140306 of the PPG.
[12] Cauldon Low Study – Bowman Planton Associates (1998)

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Chapter 3: Industrial Minerals

Where do industrial minerals occur in Staffordshire?

3.1 The geology of Staffordshire provides minerals that support manufacturing industry where the added value of the manufactured products can be several times the cost of the mineral used. For the period of the Plan, there are two key industrial minerals.

3.2 **Brick Clay** is used for the manufacture of bricks, tiles and other clay products. There are currently 8 operational clay quarries[13] supplying five brick and tile works in the county which are located near to Newcastle under Lyme in north Staffordshire, near to Cannock in the south and Tamworth in the south east of the county. There are also works nearby in Walsall and Warwickshire that use Staffordshire clay. The Etruria Formation is the principal brick clay resource in Staffordshire and is recognised nationally as a premium clay resource.

3.3 **Cement minerals (limestone, clay, shale)** is used in the manufacture of cement (limestone represents about 80 to 90% of the raw material and clay and shale which represents about 10 to 15% of the raw material). Cauldon Cement Works, near Waterhouses in the Staffordshire Moorlands is one of only 12 cement kiln works nationally.[14]

3.4 Clay (shale) is also extracted from two other sites in the county for the purposes of cement manufacture. Shale is extracted at Keele and Kingsley quarries to supply Tunstead cement works in Derbyshire but there are no current requirements to identify additional reserves to maintain that supply. The supply and reserves used to support cement manufacture at Tunstead will be monitored and, if necessary, that supply will be subject to review.

3.5 **Anhydrite** is used in the manufacture of cement (5% of the raw material). Fauld Mine, near Tutbury in east Staffordshire, is the main supply of anhydrite used by the UK cement industry.

3.6 Figure 2: 'Industrial minerals in Staffordshire 2015' shows extent of the key industrial mineral resources and the location of the industrial mineral sites and the works that use the minerals to manufacture bricks tiles and cement.

[13] Refer to "Minerals sites in Staffordshire December 2013"
[14] Refer to Mineral Planning Factsheet for Cement (2014) - BGS

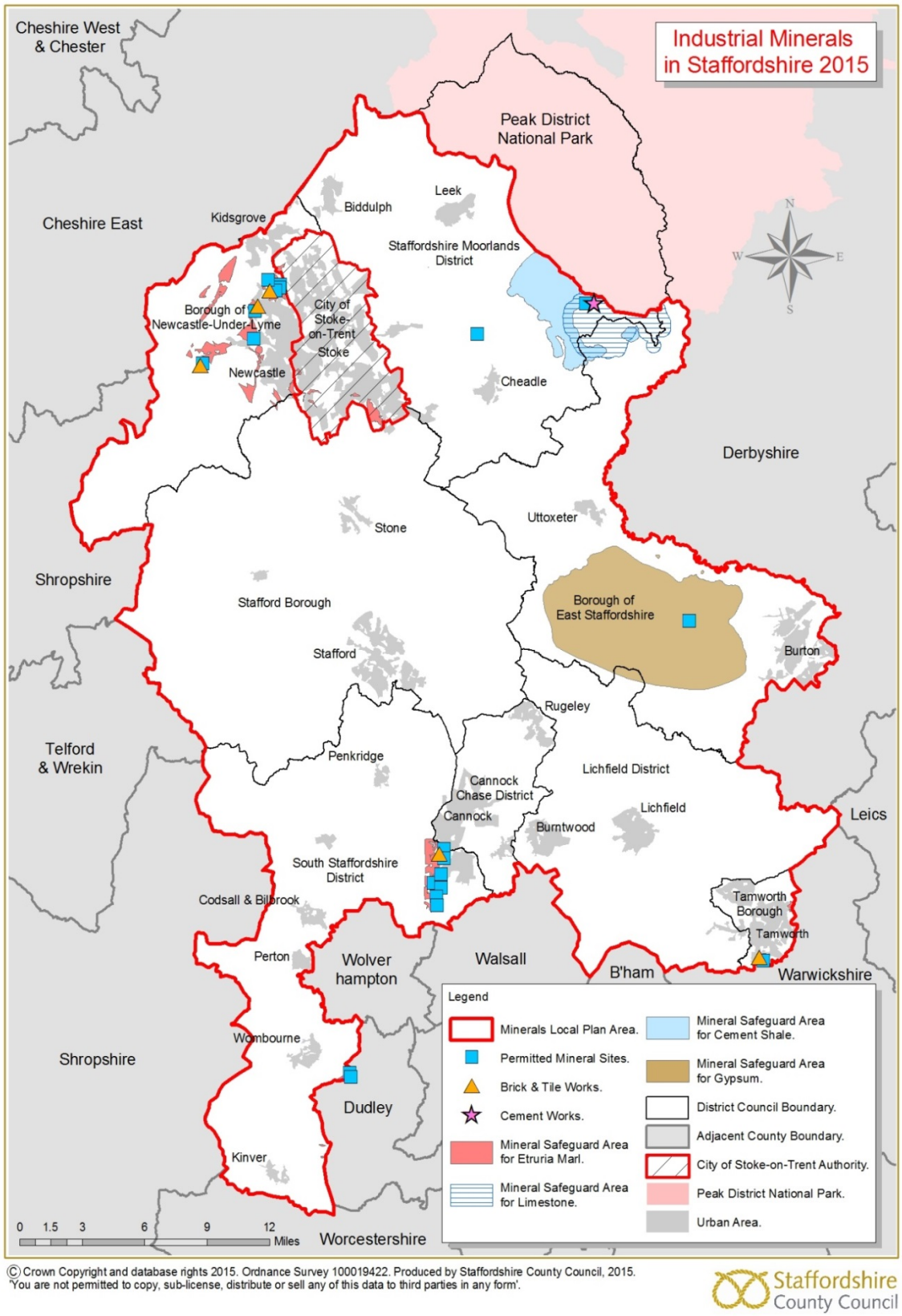

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Figure 2: Industrial minerals in Staffordshire 2015

How are Staffordshire's industrial minerals likely to be developed?

Brick Clay

3.7 Clay workings tend to be long term operations and may involve simultaneous workings at different parts of a site to ensure that the correct blend of clays is achieved. Clay working will take place in campaigns rather than on a continuous basis and prior to delivery to the manufacturing plant, there will be a need for the excavated clay to be weathered prior to blending. This requires the creation of stockpiles, often within the quarry, and can involve the blending of material from other sites e.g. other clays and sands.

Cement minerals

3.8 The characteristics of limestone quarrying for cement manufacture are similar to the quarrying of crushed rock for aggregates described in chapter 2.

Anhydrite / gypsum

3.9 As the anhydrite is associated with underground mining, minimising impacts on the surface are the main considerations, e.g. the potential impacts from subsidence and underground blasting.

When are Staffordshire's industrial minerals likely to be developed?

3.10 National policy requires that stocks of permitted reserves are provided to support investment in new and existing plant that utilise industrial minerals.[15]

Brick Clays

3.11 Permissions were granted in 2012 and 2013 at Knutton and Keele Quarries to secure sufficient reserves to maintain supplies for more than 25 years at the Keele, Chesterton and Parkhouse works. The brick works at Cannock is supplied from Redhurst Quarry at Essington and has sufficient reserves for the next 25 years (refer to appendices). Wilnecote Brickworks at Tamworth is the only works in the county where there is a clay supply of less than 15 years. Permission was granted in 2015 for a modified working scheme at Wilnecote Quarry which would add an additional 2 years supply to the works and the site operator has indicated that additional resources are being investigated for development of the quarry but at this stage there is insufficient information about these resources to justify an allocation for future working.

3.12 Clay from the Etruria Formation is also used at works outside Staffordshire and it is known that clay from quarries in south Staffordshire (with long term permissions) is used to supply works in Walsall and Warwickshire and this is

[15] Refer to paragraph 146 of the NPPF.

likely to continue during the Plan period. There is also a permitted clay site in Stoke-on-Trent. At this stage, there is no need for planned provision for works outside the county and we will continue to liaise with the neighbouring mineral planning authorities in Stoke-on-Trent, Telford, Walsall and Warwickshire to monitor cross border requirements for clay.

3.13 National policy requires that a stock of permitted reserves of 25 years is provided for each works using brick clay and our assessment of the requirements of the local works in Staffordshire indicates that there are sufficient reserves except in relation to the Wilnecote works as explained above. Where recent permissions have been granted for clay reserves, permissions have been granted subject to obligations that secure the use of clays to support the manufacture of clay products at local works. The Plan does not include allocations for additional reserves of brick clay.

3.14 Due to the location of outcrops of the Etruria Formation on the urban periphery of Newcastle under Lyme, Cheslyn Hay and Tamworth, and the relative scarcity of the resource, there is a need to safeguard clays from sterilisation caused by built development (refer to Policy 3). In addition national policy encourages stockpiling so that important minerals remain available for use, for example, where clays may be extracted ancillary to the extraction of coal.[16]

3.15 As with aggregate minerals, there is a continuing requirement to ensure that the impacts of quarrying are minimised and an important opportunity that affects long term permissions such as those regulating the development of clay workings is provided under the Environment Act 1995 to review mineral planning permissions. Reviews should include an assessment of restoration requirements particularly where backfill with waste material is anticipated.

Cement minerals

3.16 For the Cauldon Cement Works, national policy requires that a stock of reserves (or landbank) sufficient for at least 15 years production is maintained.[17] There are sufficient permitted reserves of limestone and shale to meet the requirements of the works up to 2030. However, Aggregate Industries, has indicated that there could be an issue with the quality of the permitted shale reserves and a need to find alternative resources before the end of the Plan period to maintain a 15 year landbank. An area of search was allocated in the old Plan which has been only partly developed following a planning permission issued in 2006. Additional resources could be extracted from within this allocated area.

3.17 On the basis that the mineral from Fauld Mine supports manufacturing at several cement works in the UK, a 15 year landbank has been used to plan for the mine's future. There are reserves to maintain current production at the mine

[16] Refer to second bullet point of paragraph 146 of the NPPF.
[17] Refer to third bullet point of paragraph 146 of the NPPF.

permitted until 2024 but additional resources will need to be developed towards the end of the Plan period to maintain the mine's landbank. Resources are available within an unimplemented part of an area of search allocated in the old Plan and in view of increasing knowledge of the resource within that area, a revised allocation in the Newchurch area has been identified (refer to Policy 2).

3.18 All of these sites have long term planning permissions and so there will be an opportunity to periodically review working and restoration. We will review planning conditions to ensure that sites continue to operate to high environmental standards and can achieve high standards of restoration and aftercare. For example, many of the older planning permissions for the clay quarries currently rely on waste to backfill the site[18].

[18] Refer to paragraph.5.27 of the Staffordshire and Stoke-on-Trent Joint Waste Local Plan 2010 - 2026

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Chapter 4: Hydrocarbons

Where do hydrocarbons occur in Staffordshire?

4.1 Historically, energy was derived from the Staffordshire coalfields but recent interest in energy minerals relates to developing hydrocarbon resources and in particular, gas. There are three potential sources of gas in Staffordshire.

4.2 **Conventional gas**: This is a term that relates to gas trapped in geological structures and reservoir rocks. Currently, a site at Three Nooks Farm, Horton near Biddulph has been appraised and permission granted to produce electricity from the gas[19].

4.3 **Coal Mine Methane (CMM) or Abandoned Mine Methane (AMM)** refers to draining methane gas from active or disused underground coal mine workings. In Staffordshire, a site near Barlaston in Stafford Borough is being used to generate electricity from methane derived from abandoned mine workings associated with the former Florence Colliery (in Stoke-on-Trent)[20].

4.4 **Coal Bed Methane (CBM)** is contained within unworked coal seams and its extraction is feasible at depths of 200 – 1500m. There has been recent interest in CBM at sites across Staffordshire but mainly in relation to the resource associated with the North Staffordshire coalfield. Several permissions granted for exploration and appraisal, however, have not been implemented but there is a valid permission for further exploration on at Keele University[21].

4.5 Hydrocarbon extraction can only take place in areas where the Oil and Gas Authority have issued a licence under the Petroleum Act 1998. The current extent of Petroleum Licence Areas in Staffordshire is shown on figure 3 with an indication of the extent of the coal resource suitable for CBM development. The locations of current permitted gas production sites are also shown and details of recent applications for exploration, appraisal and production of hydrocarbons are available on the County Council's website[22].

4.6 With regard to current national interest in the development of gas resources associated with shale rocks, a recent study by the BGS included the northern part of Staffordshire within that study. [23] Given that knowledge about the shale resource is limited and that there is a need for more exploration to understand the extent and viability of the gas resource within impermeable shales, the

[19] Refer to permission SM.14/11/161 M
[20] Refer to permission S.06/25/401 M
[21] Refer to permission N.12/10/299 M
[22] Refer to "Summary of recent Coal Bed Methane (CBM), Coal Mine Methane (CMM) and natural Gas sites in Staffordshire"
[23] Bowland Shale Gas Study (2013) – British Geological Survey

study indicates that other parts of England are likely to be of more immediate interest for development than resources found in Staffordshire.

4.7 Figure 3: 'Extent of hydrocarbon resources in Staffordshire 2015' shows the coal resource area, the gas exploration licence areas and the location of the permitted sites for gas production.

How are Staffordshire's hydrocarbons likely to be developed?

4.8 National planning guidance explains the phases of development for onshore hydrocarbon resources which include exploration, appraisal and then production of the resource. [24] The different phases involve varying levels of activity at the surface which will include use of rigs to drill the well bore and if a viable resource is found, a production site may require occupation of the land for up to 20 years, possibly more. Ancillary infrastructure may also be installed to generate electricity or pipelines installed to transport the gas away from the production site.

4.9 In relation to the development of gas resources and in particular shale gas, much attention has been focussed on a process known as hydraulic fracturing, commonly known as "fracking", which is a technique used to open up fractures within rock to release trapped gas or oil. In the fracturing process, water is pumped under extremely high pressure into a borehole and the water is usually mixed with sand to keep the fractures open (and the oil or gas flowing). Chemicals are also added (around 0.25% of the liquid used) which are required for various purposes, including providing lubrication and purification. There are no current proposals to use hydraulic fracturing techniques in Staffordshire but this technique would be used to improve gas recovery from the exploitation of coal bed methane.

When are Staffordshire's hydrocarbons likely to be developed?

4.10 National guidance indicates the need for further exploratory drilling to establish whether unconventional hydrocarbons (e.g. CBM and shale gas) are a viable national energy resource. [25] Over the Plan period there is anticipated to be further drilling activity to confirm the extent and viability of the gas resource in Staffordshire but it is not possible at this stage to identify potential production sites. For the early stages of developing unconventional hydrocarbons, it is important that the Plan is able to define criteria for the appropriate location of sites used for exploration, appraisal and eventually production taking into account that planning applications for exploratory development should be considered on their own merits.[26] Furthermore, it is important to recognise that planning control is one of several regulatory regimes associated with the

[24] Refer to paragraphs 091 ref: ID: 27-091-201403006 to 103 ref: ID: 27-103-20140306 of the PPG.
[25] Refer to paragraph 091 ref: ID: 27-091-20140306 of the PPG.
[26] Refer to paragraph 120 ref: ID: 27-120-201403006 of the PPG.

development of hydrocarbons and national guidance sets out how these regimes should work together.[27]

[27] Refer to paragraphs 109 ref: ID: 27-109-20140306 to 112 ref: ID: 27-112-20140306 of the PPG.

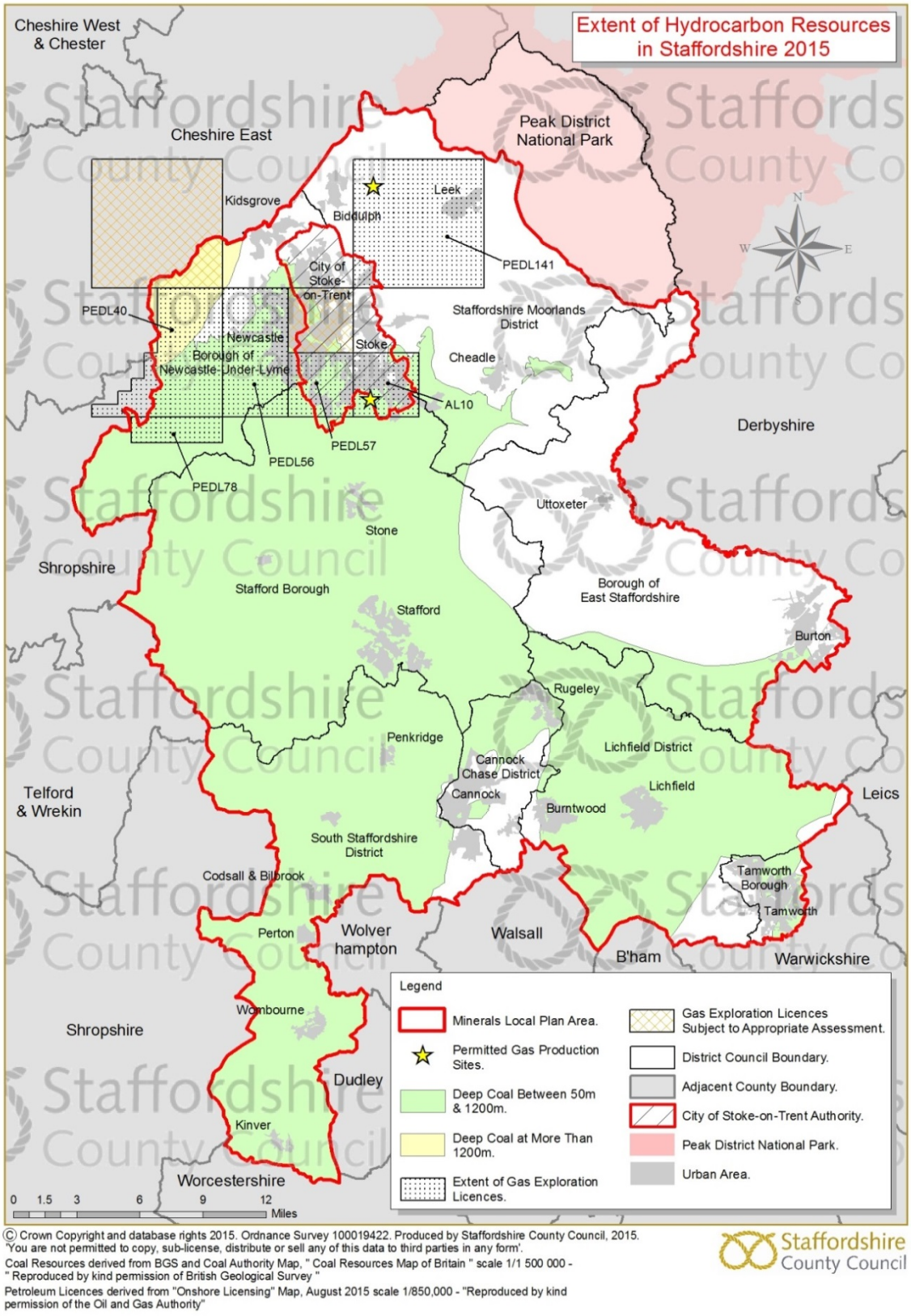

Figure 3: Extent of hydrocarbon resources in Staffordshire 2015

Chapter 5: Other Minerals

5.1 The previous chapters have described the three principal categories of minerals in Staffordshire. This chapter briefly describes the other minerals that are likely to be developed over the Plan period.

Where do Staffordshire's other minerals occur?

5.2 **Sandstones** with a high proportion of silica have been used in glass making, ceramics, foundries and horticulture. The scale of production is now relatively small compared with other minerals as there is no longer any production of silica sand for industrial manufacturing following the cessation of quarrying at Moneystone Quarry.

5.3 Silica sand is only produced at Hurst Quarry, north of Biddulph and the sand from this quarry is used as a horticultural product rather than as industrial sand.

5.4 **Building stones** are used as a traditional building material and are found widely across the county but are now only worked from four quarries in and around Hollington to the south-east of Cheadle and from a site at Horton near Biddulph[28].

5.5 Given the extent of permissions and the scale of quarry operations at the remaining sandstone and building stone quarries, it is considered that there is no need to make further provision for sandstones and building stones during the Plan period.

5.6 **Surface coal** extraction was last carried out within the county in 2001 but there are remaining shallow coal resources that could be worked together with associated minerals such as fireclays. Options for future surface coal extraction were identified by UK Coal in 2008, but the Company went into administration in 2014 and withdrew a planning application for the Great Oak site in January 2015.

5.7 Figure 4 shows the extent of the other minerals and the location of the sandstone and building stone sites.

[28] Refer to Mineral sites in Staffordshire December 2013

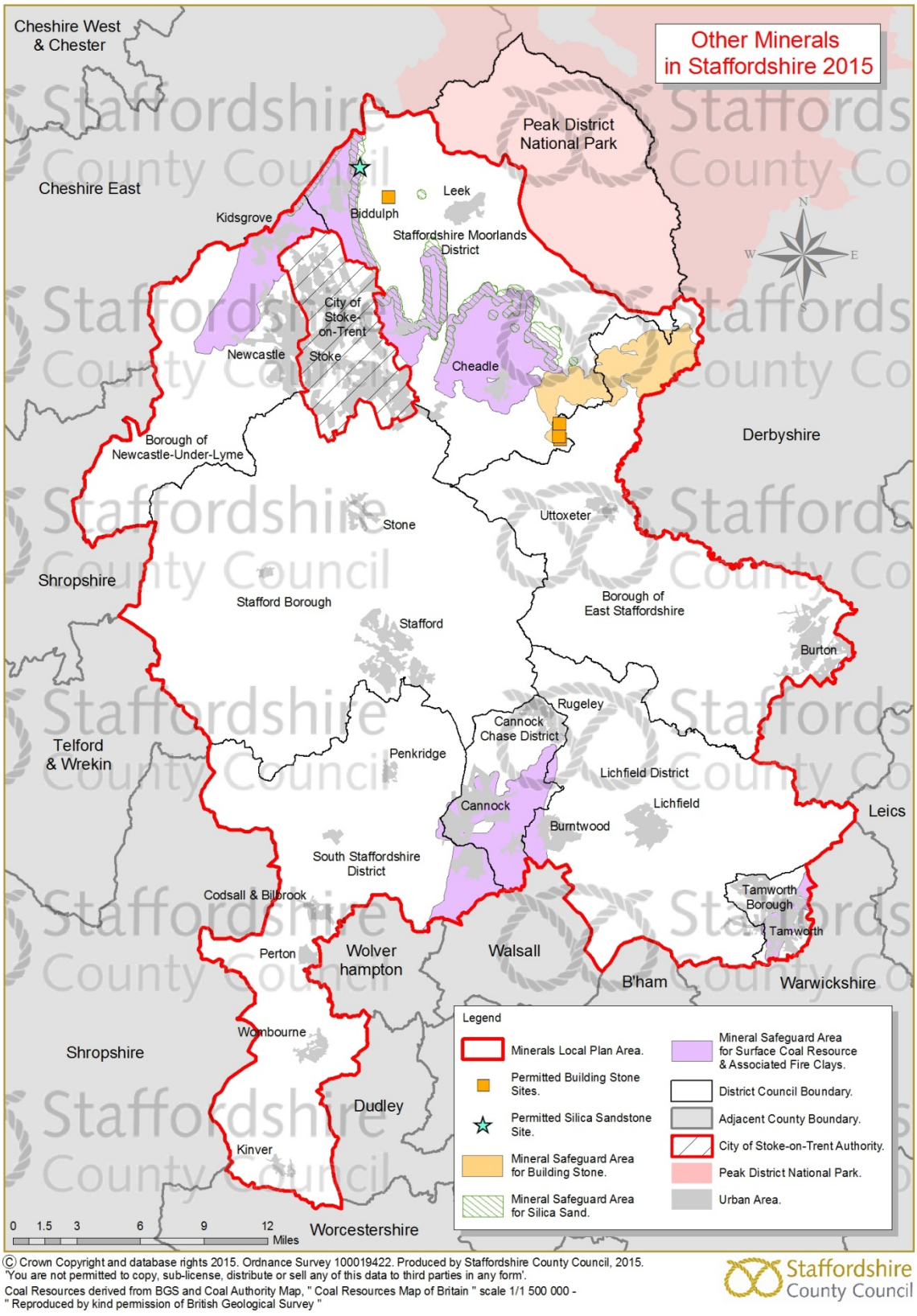

Figure 4: Other minerals in Staffordshire 2015

How are Staffordshire's other minerals likely to be developed?

5.8 **Sandstones** at Hurst Quarry are currently being worked under a permission that expires in 2036 and so there will be opportunities to review the working and restoration during the Plan period.

5.9 **Building stones** are worked on an intermittent basis within five relatively small quarries, the majority of which have long term permissions. Restoration of these quarries is based on low level restoration and the placement of quarry wastes within the voids to mitigate the impact of quarry faces. There will also be opportunities to review the working and restoration of these sites during the Plan period. The characteristics of developing building stone quarries are explained in a statement produced by an industry trade organisation.[29]

5.10 **Surface coal** extraction is normally carried out on a large scale and involves intensive operations over a relatively short period of time. There is no need to make specific provision for surface coal mining in the Plan. In the event that any proposals come forward as a planning application then they would be considered having regard to the relevant Development Plan policies and the National Planning Policy Framework[30].

When are Staffordshire's other minerals likely to be developed?

5.11 As there are long term permissions for the sandstone and building stone quarries there is no need to make further provision for these minerals during the Plan period.

5.12 In relation to surface coal resources, there are no options under consideration.

[29] Refer to "Dimension Stone – an essential UK industry" – Mineral Products Association (2015)
[30] Including paragraph 149 of the NPPF.

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Chapter 6: The Vision, Strategic Objectives and Key Diagram

6.1 Based on **what** we know, **where** our mineral resources are, and **how** and **when** they are likely to be worked, we have a clear vision and strategic objectives for the Plan that underpin our planning policies in chapter 7. A key diagram illustrates the spatial elements of our vision. Our monitoring of the Plan, explained in chapter 8, will test whether our vision is being achieved and contributing to the achievement of sustainable development.

The Vision

By 2030 Staffordshire will be producing minerals to support sustainable economic development from sites that are:

- **located where their impact on local communities and the environment has been minimised or mitigated;**
- **operating to high environmental standards; and,**
- **later restored and subject to aftercare to enhance local amenity and the environment.**

6.2 Our vision anticipates the continued provision of the economic minerals as described in the previous chapters.

6.3 Our vision recognises the challenges we face to balance the need for minerals against the impact that mineral working can have on local communities and the environment.

6.4 Our vision also recognises that mineral development can present opportunities to enhance local amenity and the environment and we wish to maximise those opportunities.

The Strategic Objectives

6.5 To achieve our Vision we have identified the following strategic objectives for the Plan.

Strategic Objective 1 – the provision of minerals to support sustainable economic development

To support sustainable economic development, the provision of minerals will:

- **aim to achieve an acceptable balance between the steady and adequate supply of minerals and the impact of mineral operations on local communities and the environment;**
- **so far as is practicable, take account of the contribution that substitute or secondary and recycled material can make as an alternative to primary minerals; and**
- **ensure that important economic mineral resources are not needlessly sterilised.**

6.6 This objective is consistent with the Government's National Planning Policy Framework which requires us to plan for a steady and adequate supply of aggregate and industrial minerals to support sustainable economic growth but at the same time we recognises the importance of minimising the impact on local communities and the need to ensure that economically recoverable mineral resources are not needlessly sterilised.[31] This approach is also consistent with the County Council's Strategic Plan for growth in Staffordshire's economy and the desired outcome for the people of Staffordshire to "be able to access more good jobs and feel the benefits of economic growth".[32]

6.7 The following examples illustrate some of the ways in which this objective has already been achieved:

- Proposals for working additional resources should be prepared by developers in liaison with the local communities taking into account their views in developing working and restoration plans. For example, Aggregate Industries carried out public consultation with the local

[31] Refer to paragraphs 142 and 143 of the NPPF
[32] Refer to the Staffordshire County Council's Strategic Plan (2014 – 2018)

community in 2011 prior to submitting an application for a large extension to Newbold Quarry.[33]

- The recently adopted Waste Local Plan provides for additional recycling capacity of construction, demolition and excavation wastes. During the Plan period, more options should be pursued to derive aggregates from waste to supplement the supply from quarries. For example, permission was recently granted for a large scale aggregate recycling operation at the Hollybush Recycling Centre.[34]

- We are working with district councils, developers and the minerals industry to ensure that economically recoverable mineral resources are not needlessly sterilised. We have recently advised East Staffordshire Borough Council in relation to an application for major development on mineral bearing land to the north of Newbold Quarry which provides for use of in-situ mineral within the construction scheme.[35]

Strategic Objective 2 – acceptable locations for mineral sites

To locate mineral sites where adverse impacts are avoided or minimised on local communities and the environment and any benefits are maximised.

6.8 The Government's National Planning Policy Framework requires that planners should conserve and enhance the natural and historic environment and establish a policy framework so that Local Planning Authorities can protect valued landscapes, prevent unacceptable levels of soil and water pollution, and halt the overall decline in biodiversity as well as, conserve heritage assets.[36] This objective seeks to ensure that risks from pollution and other impacts are minimised by managing the development of mineral sites in appropriate locations.

6.9 By way of an example, the quarry operators have worked with us, Natural England and other key stakeholders to minimise the impact of working the limestone quarry at Cauldon on a Site of Scientific Interest and the visual impact on the nearby Peak District National Park and to enhance local biodiversity at the landscape scale.[37]

[33] Refer to application reference ES.12/03/501 MW
[34] Refer to planning permission ref: SS.08/21/619 W dated 12 September 2013
[35] Refer to application ES.2012/01467 MCA.
[36] Refer to paragraphs 109 and 126 of the NPPF.
[37] Refer to application IDO/SM/9/111 MW D3

Strategic Objective 3 – operating to high environmental standards

To ensure that mineral sites operate to high environmental standards by avoiding, reducing or mitigating as far as possible the adverse impacts on local communities and the environment close to mineral operations and along the routes used to transport minerals.

6.10 The Government's National Planning Policy Framework requires that there should be no unacceptable adverse impacts on human health and that new development is in an appropriate location[38].

6.11 When preparing proposals for extensions to existing sites or for new sites, mineral developers will be expected to:

- assess the environmental effects of the development, including the measures to protect and enhance the natural, historic and built environment;
- liaise with the local community at an early stage;
- design proposals to avoid, reduce or mitigate the potential adverse impacts – for example by:
  - screening the development to minimise the visual impact;
  - providing a safe access onto the public highway and ensure that HCV traffic follows appropriate routes;
  - phasing mineral working and restoration in order to minimise the period over which the land is in use;
  - managing water resources to reduce the risk of flooding;
  - to protect surface and ground waters and to contribute to Water Framework Directive objectives;
  - efficiently working the mineral to minimise energy use;
  - surveying for habitats and species of principal importance and avoiding or mitigating impacts;
  - carrying out desk based archaeology assessments and field based evaluations.
- demonstrate how they will operate to high environmental standards – for example by:

[38] Refer to paragraph 120 of the NPPF

- monitoring their own operations to ensure compliance with the planning permission and other permits / regulations
- maintaining close liaison with the local community;
- reporting on progress and reviewing working, restoration and aftercare schemes.

Strategic Objective 4 – restoration that enhances local amenity and the environment

To ensure that Staffordshire's mineral sites are restored and managed in a way that enhances local amenity and the environment by:

- **Restoring mineral sites at the earliest opportunity;**
- **Achieving high quality restoration and aftercare;**
- **Contributing to national and local environmental and amenity initiatives including:**
  - **measures to manage flood risk to deliver flood risk management benefits wherever possible;**
  - **measures to manage water supply, demand and quality**
  - **adapting restoration and aftercare to the effects of climate change on communities, biodiversity and landscape;**
  - **the provision of new sport and recreation facilities;**
  - **measures to protect and enhance the historic environment;**
  - **Local Plan strategies, policies and proposals, and local partnerships**
- **Regularly reviewing restoration plans / strategies so that new opportunities to enhance the restoration and aftercare can be maximised.**

6.12 The Government's National Planning Policy Framework recognises that mineral sites should be restored at the earliest opportunity to high standards; and that development, including mineral development, should contribute to international, national and local environmental initiatives[39] e.g. the Water Framework Directive, flood mitigation; Staffordshire Biodiversity Action Plan, the Central Rivers Initiative (CRI) and District Local Plans[40]. The duration of many mineral permissions means that it is important to regularly review restoration plans / strategies so that new circumstances and opportunities or new restoration

[39] Refer to letter dated 19 March 2015 from the Staffordshire and Stoke-on-Trent Local Nature Partnership
[40] Refer to paragraphs 9, 100, 109 and 143 of the NPPF.

techniques can be considered. Therefore, in order to achieve this strategic objective to maximise the opportunities to enhance local amenity and the environment, the County Council will continue to work in partnership with operators, other planning authorities and stakeholders.

6.13 The following examples illustrate some of the ways in which this objective has already been achieved:

- At Croxden Quarry, phased working and restoration means that large parts of the site have already been restored to heathland and conservation woodland before the site's mineral extraction has ceased. Large areas of the site are now subject to extended aftercare where a nature conservation afteruse has been established. :

- In recognition of the high standards of restoration and aftercare, a number of sites in Staffordshire have received awards. For example, Alrewas Quarry was awarded the Mineral Product Association's leading restoration award in 2009 for restoration work associated with the development of the National Memorial Arboretum. This site is one of a number of mineral sites within the Trent and Tame valleys, centred on the National Memorial Arboretum that has been guided by a strategy developed under the umbrella of the Central Rivers Initiative (CRI).[41] The CRI is a partnership project involving quarry operators, the County and District Councils, national and local environmental groups as well as landowners and the local communities. This joined up approach has led to the creation of local ecological networks as part of proposals for "green infrastructure" that are promoted in District Local Plan policies.[42] Mineral working in this area also provides opportunities to contribute to the National Forest Strategy which is supported by Local Plan policy.[43]

- East Staffordshire Borough Council in partnership with Sport England has adopted an Outdoor Sports Delivery and Investment Plan[44], setting out a strategy for delivering additional provision of outdoor sports facilities within the Borough. Two additional multi sports 'Hub' sites in the Borough have been identified, the first in Burton-on-Trent on land proposed to be developed as the new Burton Rugby Club site which is adjacent to Newbold Quarry and the second, at Uttoxeter Quarry. At Uttoxeter Quarry land has been already worked and restored to facilitate the creation of sports pitches.

- At Cauldon Cement Works Quarry restored benches and non-operational land are being restored to create species-rich wildflower grassland

[41] Refer to http://www.centralrivers.org.uk/
[42] Refer to detailed policy 10 of the East Staffordshire Local Plan (adopted October 2015).
[43] Refer to the National Forest Strategy; strategic policy 24 of the East Staffordshire Local Plan; and core policy 13 of the Lichfield Local Plan 2015
[44] Refer to strategic policy 32 of the East Staffordshire Local Plan.

characteristic of the surrounding Peak District fringe landscape using local seed sources as well as delivering early benefits to minimise visual impact. The work, carried out in partnership with Natural England and Staffordshire Wildlife Trust, includes trials of restoration techniques which will inform future work and provide a useful information resource for the minerals extraction industry, land managers and other sectors.

- Rugeley Quarry was, in 2011, the first ever winner of the Natural England Biodiversity Award, awarded by the Mineral Products Association for work in restoring 80 hectares of high quality wildlife habitat to lowland dry heathland and invertebrate habitats, contributing to the conservation of, and complimenting the Cannock Chase Area of Outstanding Natural Beauty and the Special Area of Conservation.

- Middleton Lakes, near Tamworth is a RSPB reserve which was opened in 2011 and is created from the restoration of a former sand and gravel quarry along the River Tame. The site received a national restoration award in 2015 and is now regionally important for overwintering wildfowl. The former workings included widening and braiding the river along a 1km section and as well as providing biodiversity benefits the works along the river will assist in managing flood waters.

- At Knutton Quarry, the permission[45] runs to 2042 and so a regular review of the restoration strategy was secured using a legal agreement. The quarry liaison committee will be actively involved in the review process. Other similar examples include the recent permissions at Keele Quarry, Kevin Quarry, Wardlow/Wredon Quarry and the extension to Newbold Quarry.

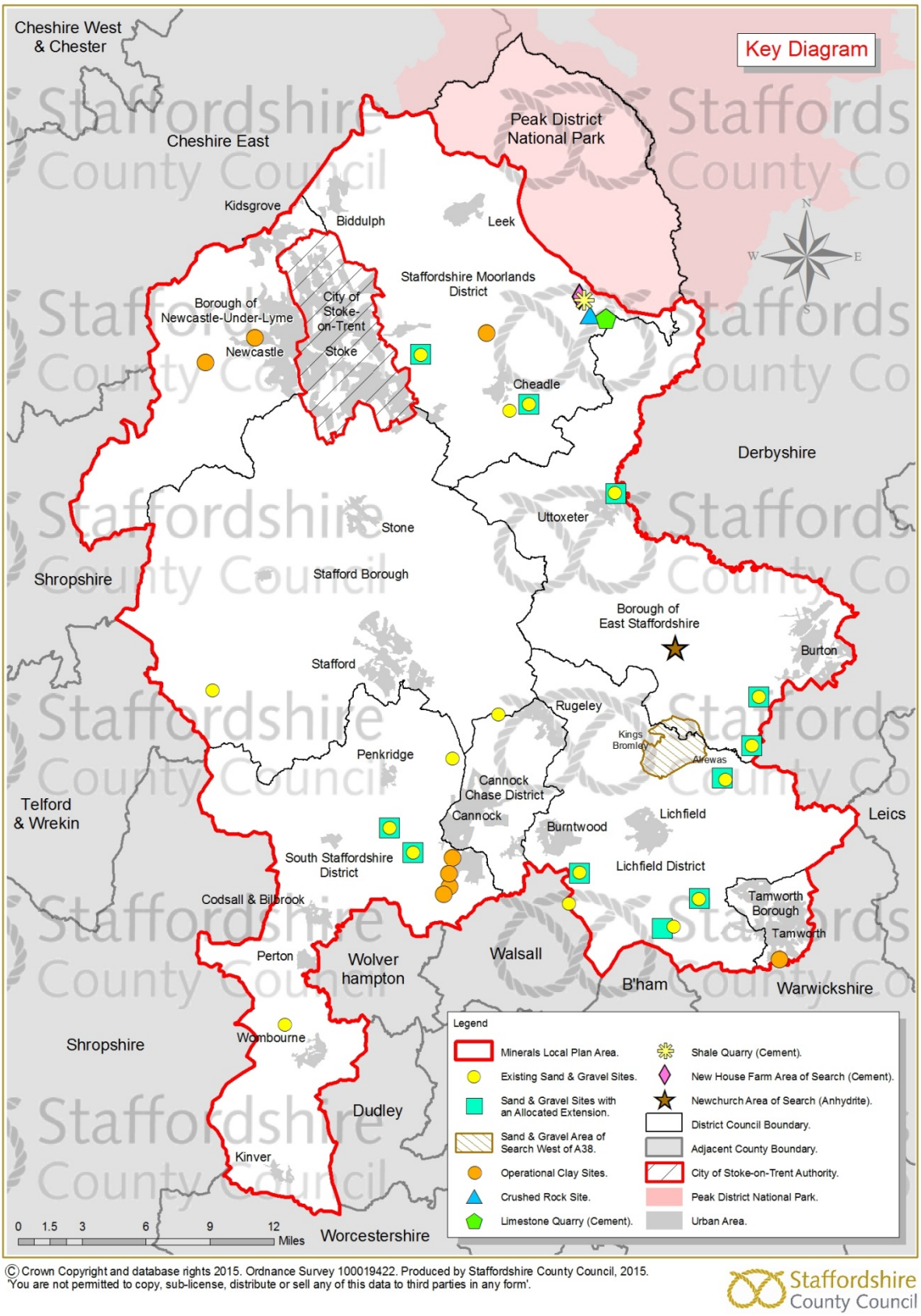
[45] Refer to permission N.05/20/214 M

Key Diagram

6.14 Our key diagram illustrates the broad locations for the following strategic developments:[46]

- the sites that will continue to produce mineral during the plan period; [47]
- the proposed extensions to sand and gravel sites;
- the proposed area of search for a new sand and gravel site(s); and
- the proposed areas of search for extensions to shale and anhydrite sites.;

[46] Refer to paragraph 157 of the NPPF.
[47] This relates to all mineral sites with permitted reserves except those sites that are classified as statutorily dormant. Refer to our Local Aggregate Assessment for details of dormant sand and gravel sites.



Staffordshire County Council

Figure 5: The Key Diagram

Chapter 7: The Planning Policies

7.1 The Planning Policies in this Chapter underpin our Vision and Strategic Objectives described in Chapter 6 and will be used to help in determining planning applications for mineral development.

7.2 It is important to have in mind the following points when reading the policies:

- The policies are not listed in any order of priority;
- The policies should not be read in isolation;
- Where a policy contains a list of criteria, the criteria are not in any order of importance or priority, unless the policy specifically says so;
- New development will be assessed against all relevant policies in the Minerals Local Plan and any other relevant development plan policies and material considerations;[48]
- The Government's National Planning Policy Framework is a material consideration but is not repeated here. The Framework constitutes the Government's view of what sustainable development means in practice for the planning system and central to the Framework is a presumption in favour of sustainable development, which should be seen as a golden thread running through both plan making and decision taking[49].

[48] Section 38 (6) of the Planning and Compulsory Purchase Act 2004
[49] Refer to paragraph 14 of the NPPF

Policy 1: Provision for Sand and Gravel

Extensions to sand and gravel sites

1.1 Provision will be made to maintain at least a 7 year landbank of permitted reserves based on production capacity of 5.0 million tonnes of sand and gravel per annum. This production capacity will be provided initially from existing permitted reserves and by granting planning permissions to extend the following sand and gravel sites:

a) Captains Barn Farm (Inset Map 1)
b) Croxden (Inset Map 2)
c) Uttoxeter (Inset Map 3)
d) Newbold (Inset Map 4)
e) Barton (Inset Map 5)
f) Alrewas (Inset Map 6)
g) Calf Heath (Four Ashes) (Inset Map 7)
h) Saredon (Inset Map 8)
i) Cranebrook (Inset Map 9)
j) Hints / Hopwas (Inset Map 10)
k) Weeford (Moneymore) (Inset Map 11)

(The allocated extension sites listed above are shown on the Policies and Proposals Map and accompanying Inset Maps included in appendix 1.)

1.2 Any proposals to develop the allocated extension sites will only be supported where it has been demonstrated that they accord with the Plan policies, including Policy 4 and address the development considerations listed in appendix 1.

1.3 Planning permission to extend a site will normally be conditioned so that the extension area can only be worked following cessation of mineral working within the existing site unless it has been demonstrated that there are operational reasons why this is not practicable.

Policy 1: Provision of sand and gravel (continued)

Proposals for new sand and gravel sites within the area of search

1.4 Proposals for new sites within the area of search to the west of the A38 shown on the Policies and Proposals Map will only be supported where it has been demonstrated that permitted reserves or allocated extensions to existing sites listed above cannot meet the required level of provision stated in paragraph 1.1.

1.5 Any proposals to develop new sites within the area of search to the west of the A38 will only be supported where it has been demonstrated that they accord with the Plan policies, including Policy 4 and address the development considerations listed in appendix 1.

Proposals for any other sand and gravel sites (extensions / new sites)

1.6 Proposals for any other sand and gravel sites (extensions / new sites) will only be supported where it has been demonstrated that:

a) the permitted reserves, the allocated extensions to existing sites listed above or mineral resources from within the area of search would not meet the required level of provision stated in paragraph 1.1; or,

b) the proposals would secure significant material planning benefits that outweigh any material planning objections.

Reasons for the Policy

7.3 Chapter 2 described the 'where', 'how' and 'when' for the development of Staffordshire's aggregate minerals, including the type of aggregate minerals; the distribution of aggregate sites and pattern of supply; the opportunities for co-ordinated restoration of sites; issues with the availability of backfill to restore sites and the effect on timely restoration; the scale of provision of aggregate minerals and the need to meet a shortfall of sand and gravel reserves; and the review of the strategy for identifying additional resources.

7.4 Our Vision and Strategic Objective 1, recognise the importance of aggregate minerals to support sustainable economic development taking into account the need to achieve an acceptable balance between the supply of minerals and the impact of mineral operations on local communities and the environment.

7.5 Policy 1 aims to achieve this acceptable balance by setting an appropriate level of provision for sand and gravel over the next 15 years and identifying suitable areas for sand and gravel working to meet the anticipated shortfall.

The Level of Provision

7.6 Policy 1.1 provides for at least a 7 year landbank of permitted reserves based on a production capacity of 5.0 million tonnes per annum over the Plan period which is the 10 year sales average based on the most up to date survey information available i.e. data for the period 2004 – 2013. The 10 year rolling supply has been considered in the context of other relevant information in our latest Local Aggregate Assessment (June 2015) and is considered to be a sound basis on which to plan for sand and gravel provision. No separate provision is made for building sands (as distinct from concreting sands) as it is considered to be impractical to plan for this specific product. Policy 1.6 provides an opportunity for the needs of specific products such as building sands to be considered.

7.7 We are satisfied that this level of provision will achieve an acceptable balance between the sustainable economic development of sand and gravel resources and the impacts of sand and gravel working on local communities and the environment (refer to Strategic Objective 1)

7.8 Based on maintaining provision of 5.0 million tonnes per annum, it is anticipated that at least an additional 22 million tonnes of reserves will be required during the Plan period and we are confident that this level of provision is deliverable from the allocated extensions and area of search which were put forward by mineral operators and have been subject to our Sustainability Appraisal. To ensure a steady and adequate supply we will monitor Policy 1 as described in Chapter 8, Table 1. For example, as part of the annual Local Aggregates Assessment we will monitor the Plan to confirm that there is at least a 7 year landbank of sand and gravel reserves.

The extensions and area of search

7.9 As explained in Chapter 2, there is no reason to indicate that the existing pattern of supply and demand for sand and gravel will change in Staffordshire over the next 15 years and there is no reason to change the strategy in our old Plan that favoured extensions to existing sites until 2025, when a new site(s) would be needed. The extension sites and area of search to the west of the A38 will maintain the pattern of supply.

7.10 We have identified potential constraints and opportunities that should be taken into account when developing proposals for the allocated extensions or within the area of search. These development considerations are set out alongside the relevant Inset Maps.

Proposals for any other sand and gravel sites (extensions / new sites)

7.11 Policy 1 takes a sequential approach whereby the provision should first be met from the allocated extensions, then from the area of search and thereafter from other sites (either extensions to existing sites or new sites). However as with the old Plan (Policy 38), this Plan anticipates that there may be circumstances when sites not allocated in the Plan will be permitted to secure significant material planning benefits that outweigh any material planning objections. The material planning benefits could include proposals that:

a) secure significant benefits from co-ordinated and comprehensive working and restoration;

b) relinquish permitted reserves in more sensitive areas;

c) demonstrate a particular need for the sand and gravel that cannot reasonably be met from elsewhere;

d) work the sand and gravel prior to other development taking place; and,

e) are required as part of a major infrastructure project.

Policy 2: Provision for Industrial Minerals used in the manufacture of cement

2.1 During the Plan period provision will be made to maintain at least 15 years of permitted reserves of:

a) limestone and shale for use at Cauldon Cement Works; and,

b) anhydrite and gypsum from Fauld Mine.

2.2 This will be achieved from existing permitted reserves and by granting planning permission to extend the existing sites within the areas of search at New House Farm and Newchurch shown on the Policies and Proposals Map and Inset Maps 12 and 13.

2.3 Any proposals will only be supported where it has been demonstrated that they accord with the plan policies, including Policy 4.

2.4 Planning permission will normally be conditioned so that the extension area can only be worked following cessation of mineral working within the existing site unless it has been demonstrated that there are operational reasons why this is not practicable.

Reasons for the Policy

7.12 Chapter 3 described the 'where', 'how' and 'when' for the development of Staffordshire's industrial minerals, including the type of industrial minerals that will be worked over the next 15 years; the location of sites and where the minerals are used in local manufacturing; the need for additional shale and anhydrite / gypsum resources to be identified; the need for safeguarding resources from non-mineral development; and opportunities to improve standards of operation through the review of working and restoration schemes.

7.13 Our Vision and Strategic Objective 1, recognise the importance of industrial minerals to support sustainable economic development taking into account the need to achieve an acceptable balance between the supply of minerals and the impact of mineral operations on local communities and the environment.

7.14 Policy 2 aims to achieve this balance for industrial minerals used in the manufacture of cement where there is a need to meet a potential shortfall of shale and anhydrite / gypsum over the Plan period.

The Level of Provision

7.15 The NPPF defines either at least a 15 or 25 year stock of permitted reserves of industrial minerals to support plant used to manufacture ~~of~~ cement.[50] To ensure a steady and adequate supply we will monitor Policy 2 as described in Chapter 8, Table 1. For example, as part of our Annual Monitoring Report we will monitor the Plan to confirm that there are at least 15 years of permitted reserves for cement minerals.

Cauldon Cement Works

7.16 There is a sufficient permitted reserve of limestone based on maintaining a 15 years landbank[51] (refer to appendices) but towards the end of the Plan period there is anticipated to be an issue in securing additional shale resources to provide a sufficient landbank beyond 2030 particularly if existing permitted reserves are adversely affected by their sulphur content,. In the old Plan, as explained in chapter 3, a 15 year landbank was provided and an area of search at New House Farm was allocated. No reasons have been put forward to change our approach to the level of provision or to allocating what remains of the area of search having already granted planning permission for part of the allocation in 2006.[52]

Fauld Mine

7.17 On the basis that the mine is producing anhydrite and gypsum for cement manufacture, provision for the mine will continue to be assessed on the basis of a 15 years landbank. Reserves are permitted up to 2028 so that towards the end of the Plan period there is likely to be a requirement to identify additional anhydrite resources to maintain the mine's production. Again, no reasons have been put forward to change our approach to the level of provision or to allocating what remains of the area of search having already granted planning permission for part of the allocation in 2010.[53]

New House Farm Area of Search

7.18 The old Plan identified an area of search at New House Farm for shale resources and a planning permission was subsequently granted to work the shale from within that area. [54] Policy 2 and Inset Map 12 identifies the remaining part of this allocation.

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[50] Refer to paragraph 146 of the NPPF.
[51] Refer to report to Planning Committee dated 2 August 2012 for submission of details relating to a revised working scheme at limestone quarry at Cauldon Cement Works (ref: IDO/SM/9/111 MW D3)
[52] Refer to planning permission SM.04/06/111 M dated 26 May 2006
[53] Refer to planning permission to extract 6 million tonnes of gypsum and anhydrite from beneath land in the vicinity of Newchurch and Hoar Cross (ES.10/04/504 M)
[54] Refer to Proposal 4 – Cauldon Shale Quarry (New House Farm) - Inset Map 11 of the old MLP.

Newchurch Area of Search

7.19 The old Plan identified an area of search at Newchurch and a planning permission was subsequently granted to work the mineral from within that area but this has only been partly implemented.[55] Policy 2 and Inset Map 13 identify that part of the previously allocated area that is considered by the mine operator to be viable for future working.

7.20 We have identified potential constraints and opportunities that should be taken into account when developing proposals within the areas of search. The development considerations within the areas of search are set out alongside Inset Maps 12 and 13.

[55] Refer to Proposal 1 – Fauld Mine (Newchurch) – Inset Map 5 of the old MLP.

Policy 3: Safeguarding Minerals of Local and National Importance and Important Infrastructure

Safeguarding mineral resources

3.1 The following mineral resources, within the Mineral Safeguarding Areas shown on the Policies and Proposals Map, will be safeguarded against needless sterilisation by non-mineral development:

a) Sand and gravel
b) Limestone
c) Cement shale
d) Etruria Formation clays
e) Anhydrite and gypsum
f) Hollington Formation building stones
g) Silica sand associated with the Rough Rock Formation
h) Shallow coal with associated fireclays

3.2 Within a Mineral Safeguarding Area, non-mineral development except for those types of development set out in appendix 6, should not be permitted until the prospective developer has produced evidence prior to determination of the planning application to demonstrate:

a) the existence, the quantity, the quality and the value of the underlying or adjacent mineral resource; and

b) that proposals for non-mineral development in the vicinity of permitted mineral sites or mineral site allocations would not unduly restrict the mineral operations.

3.3 Within a Mineral Safeguarding Area, where important mineral resources do exist, except for those types of development set out in appendix 6, non-mineral development should not be permitted unless it has been demonstrated that:

a) the non–mineral development is temporary and does not permanently sterilise the mineral; or,

b) the material planning benefits of the non-mineral development would outweigh the material planning benefits of the underlying or adjacent mineral; or,

c) it is not practicable or environmentally acceptable in the foreseeable future to extract the mineral.

Policy 3: Safeguarding Minerals of Local and National Importance and Important Infrastructure (continued)

3.4 Within a Mineral Safeguarding Area, where important minerals do exist and the above criteria have not been met, the non-mineral development except for those types of development set out in appendix 6, should not be permitted unless the development includes provision for the extraction of the mineral prior to the development being implemented.

Safeguarding important mineral infrastructure sites

3.5 Where there are mineral infrastructure sites used for mineral processing, handling, and transportation, except for those types of development set out in appendix 6, non-mineral development should not be permitted unless it has been demonstrated that:

a) the non-mineral development would not unduly restrict the use of the mineral infrastructure site; or

b) the material planning benefits of the non-mineral development would outweigh the material planning benefits of the mineral infrastructure site; or,

c) the mineral infrastructure can be relocated; or

d) alternative capacity can be provided elsewhere.

Reasons for the Policy

7.21 National policy requires that mineral safeguarding areas are designated which "cover known deposits of minerals which are desired to be kept safeguarded from unnecessary sterilisation by non-mineral development"[56] and also requires local planning authorities to safeguard mineral infrastructure used for processing, handling and transporting minerals.[57] In accordance with our Vision and Strategic Objective 1, Policy 3 aims to achieve an acceptable balance between non-mineral development and safeguarding Staffordshire's important minerals and mineral infrastructure sites.

7.22 Policy 3 aims to safeguard a range of mineral resources that are considered to be of economic importance within the foreseeable future but not limited to the timeframe of the Plan and takes into account a review of mineral resources in

[56] Refer to Annex 2: glossary of the NPPF
[57] Refer to bullet point 4 of paragraph 143 of the NPPF.

the county produced by the British Geological Survey (BGS) in 2006[58]. As explained in the BGS report, each mineral resource area is protected by a buffer zone which has been determined through consultation with the minerals industry and is used to define the MSA. MSAs are also defined where resources are found within urban areas but some types of applications will be exempt from the requirements of this policy (refer to appendix 6[59]). This will reduce the number of applications that need to be referred to the Mineral Planning Authority when District Planning Authorities are assessing proposals for non-mineral development within a MSA.

7.23 Where mineral resources are affected by non-mineral development and there is a requirement for extraction of the mineral prior to non-mineral development taking place, proposals for prior extraction will be considered against the policies of this Plan. For example, mineral extraction could take place prior to or as part of construction works.

7.24 Policy 3 also aims to safeguard: mineral sites and mineral site allocations (Policy 3.2 (b)); and, mineral infrastructure sites used for mineral processing, handling, and transportation (Policy 3.5); from non-mineral development which would unduly restrict the use of those sites. To assist developers and district planning authorities in applying this policy relevant sites permitted by the County Council, together with a 250 metre consultation zone drawn around each site, will be made publically available via our internet based mapping service and the data will be shared with the district planning authorities for their use. We will also expect the district planning authorities to apply this policy to mineral infrastructure sites that they permit in their areas e.g. stand-alone concrete batching plants and coating plants.[60] In relation to the disused railway that connects with the Cauldon quarries, the district local plan safeguards the route and supports the reuse for commercial purposes. [61]

[58] "Provision of Geological Information and a Revision of Mineral Consultation Areas for Staffordshire County Council" (2006) – British Geological Survey
[59] Refer to paragraph 5.2.7 of "Mineral Safeguarding in England: good practice advice"(2011) BGS
[60] Refer to paragraph 006 Reference ID: 27-006-20140306 of the PPG
[61] Refer to Policy T2 of the Staffordshire Moorlands Core Strategy – March 2014

Policy 4: Minimising the impact of mineral development

The environmental considerations

4.1 In assessing the impact of proposals for mineral development on people, local communities and the environment, where relevant, the following environmental considerations will be taken in to account:

a) Noise;

b) Air quality;

c) Visual amenity, including the effects of light pollution;

d) Vibration from blasting operations;

e) Traffic on the highway network;

f) Public rights of way and public open space;

g) Green Belt;

h) The countryside;

i) Landscape, having regard to the relative importance of the Cannock Chase Area of Outstanding Natural Beauty, the Peak District National Park together with their settings, and any locally designated areas; and having regard to the County Council's landscape character assessment 'Planning for Landscape Change'; to ensure that proposals protect and enhance valued landscapes and are informed by and sympathetic to landscape character.

j) Natural environment, having regard to maintaining the integrity of international sites and the relative importance of national and locally designated sites, habitats and species of principal importance for biodiversity and features of geodiversity interest; and having regard to the national biodiversity strategy and the Staffordshire Biodiversity Action Plan, ecological networks, green infrastructure and the Staffordshire Geodiversity Action Plan; to ensure that proposals conserve and enhance the natural environment and where possible enhancement of ecological networks and green infrastructure;

Policy 4: Minimising the impact of mineral development (continued)

k) Historic environment, having regard to the relative importance of designated and non-designated heritage assets and their settings, the potential for previously unrecorded archaeological remains; and having regard to the **Staffordshire Historic Environment Record, the Staffordshire Historic Landscape Characterisation and the Aggregates and Archaeology in Staffordshire to ensure that the proposals protect and conserve the historic environment;**

l) Agricultural land, having regard to safeguarding the long term potential of best and most versatile agricultural land and conserving soil resources as well as preventing soil pollution;

m) Stability of land, including tips, quarry slopes, backfilled land and mining subsidence;

n) Water environment, having regard to the flow and quantity of surface and ground water, managing flood risk and water quality; and having regard to the ability of impacted watercourses to meet the required ecological status under the relevant River Basin Management Plan; to ensure that proposals avoid increasing vulnerability to impacts arising from climate change and prevent contributing to unacceptable risks from water pollution.

o) Land contamination; and,

p) Cumulative effects from a single site, or from a series of sites in a locality.

4.2 Where unacceptable adverse effects cannot be avoided, adequate mitigation should be demonstrated. As a last resort, where unacceptable adverse effects cannot be avoided or adequately mitigated, compensatory measures will be taken into account.

Overall assessment

4.3 Having assessed the impacts of the proposals for mineral development and the mitigation and/ or compensatory measures, permission will only be granted where it has been demonstrated that there are no unacceptable adverse impacts on human health, general amenity and the natural and historic environment, or the material planning benefits of the proposals outweigh the material planning objections.

Policy 4: Minimising the impact of mineral development (continued)

Liaison with the local communities

4.4 Mineral operators will be encouraged to liaise with local communities when preparing new proposals and throughout the period of working and restoration of mineral sites.

Higher environmental standards

4.5 Mineral operators will be encouraged to introduce higher environmental standards of working, restoration and aftercare.

Ancillary development

4.6 Proposals for ancillary development within or near to a mineral site will be assessed in accordance with this policy and where planning permission is granted, it will be limited to the duration of the mineral site.

Reasons for the Policy

7.25 Policy 4 contributes to that part of the Vision that envisages that all mineral operations are operating to high environmental standards and in accordance with Strategic Objective 2 operations are carried out either to prevent or reduce as far as possible adverse impacts. Mineral development (including the winning and working of minerals and the restoration and aftercare of sites) will have adverse impacts on the environment, some of which may be long term, but these impacts can be mitigated through careful location and management of site operations.

The environmental considerations

7.26 In accordance with national policy, Policy 4 sets out environmental considerations to assess the impacts associated with mineral development on people, local communities and the natural and historic environment when determining planning applications. The assessment will need to consider the relevant impacts of the proposals and consider whether any adverse impacts can be avoided or mitigated. [62] The standards to be applied in assessing impacts and the effectiveness of mitigation measures are based on national

[62] Accepting that it is not the role of the planning system to assess the control of processes where these are subject to approval under pollution control regimes.

guidance and best practice. [63] In support of the environmental considerations listed under this policy, the following guidance will be taken into account.

7.27 **Noise:** National guidance indicates that in support of mineral development proposals a noise impact assessment should be provided together with proposals to mitigate the noise. [64] Where permission can be granted there will be a need to establish noise limits at noise sensitive properties and the guidance indicates the limits for short term noisy activities such as soil stripping. National policy also requires that areas of tranquillity should be protected from adverse noise impacts.[65]

7.28 **Dust:** National guidance sets out the key stages for dust assessment including fine particulates (PM_{10}).[66] Particular attention to air quality management will be required where proposals affect an Air Quality Management Area (AQMA).

7.29 **Blast Vibration:** Where blasting is necessary, an assessment will be required of associated ground vibration and whether acceptable limits for vibration can be achieved. [67]

7.30 **Visual amenity:** National guidance suggests that a landscape strategy should accompany applications for mineral development which would include proposals for visual screening and for the sensitive layout of the site.[68] National policy also requires good design to limit the impact of light pollution.[69]

7.31 **Traffic:** National policy requires that any development that generates significant traffic movements should be accompanied by a Transport Assessment (TA) or Transport Statement (TS) and national guidance sets out the details required in a TA.[70]

7.32 **Public rights of way and open space:** National policy requires that public rights of way should be protected and enhanced and existing open space should not be built upon. [71] There may be a requirement to seek an Order to divert or extinguish a right of way to enable mineral operations to take place but in mitigation there may be opportunities to enhance public rights of way as well as to reinstate open space.[72]

7.33 **Green Belt:** National policy requires the protection of Green Belt but recognises that mineral extraction need not be inappropriate in the Green Belt

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[63] Refer to paragraphs 011 to 018 ref: 27-011-20140306 to ref: ID 27-018-20140306 of the PPG
[64] Refer to paragraphs 019 ref: ID 27-019-20140306 to 022 ref: ID: 27-022-201403006 of the PPG.
[65] Refer to paragraph 123 of the NPPF.
[66] Refer to paragraphs 023 ref: ID: 27-023-20140306 to 032 ref: ID: 27-032-20140306 of the PPG.
[67] Refer to former guidance in Annex M to MPG14.
[68] Refer to paragraph 059 ref; ID: 27-059-20140306 of the PPG.
[69] Refer to paragraph 125 of the NPPF.
[70] Refer to paragraphs 013 ref: ID: 42-013-20140306 to 015 ref: ID: 42-015-20140306 of the PPG.
[71] Refer to paragraphs 74 and 75 of the NPPF
[72] Refer to Staffordshire County Council's Rights of Way Improvement Plan

provided that the mineral extraction preserves the openness of the Green Belt and does not conflict with the purposes of including land in the Green Belt. [73]

7.34 **The countryside:** National policy recognises the intrinsic character and beauty of the countryside and so there will be a need to assess proposals in terms of the overall impact on landscape, the natural and historic environment, and rural communities. [74]

7.35 **Landscape**: National policy recognises the importance of protecting and enhancing valued landscapes.[75] The Plan area includes the nationally designated protected landscapes comprising part of the Peak District National Park and the whole of Cannock Chase Area of Outstanding Natural Beauty. At a national level National Character Area Profiles produced by Natural England provide information on landscape character[76] and contain Statements of Environmental Opportunity providing guidance at a national character area scale. Staffordshire County Council has produced a county-wide landscape character assessment and guidance.[77].

7.36 **Natural environment, including sites, habitats and species of importance for biodiversity and geodiversity:** National policy recognises the importance of minimising the impacts on biodiversity, providing net gains in biodiversity, protecting ecological networks and geological conservation interests and requires a distinction to be made between the relative importance of designated sites.[78] [79] Developers will need to demonstrate that they have carried out ecological surveys (including surveys for species and habitats of principal importance where appropriate) or geological surveys to enable a proper assessment of the potential impact on biodiversity or geodiversity on and off site to be carried out. Where necessary, developers will also need to show how they propose to protect, mitigate and / or enhance the biodiversity or geodiversity interest.[80] The Staffordshire Ecological Record holds data on designated sites, protected species, habitats and species of principal importance and those of conservation concern which should be used to inform impact assessment.[81] Developers will be encouraged to work in partnership with GeoConservation Staffordshire which oversees the Staffordshire Geodiversity Action Plan. [82]

7.37 **Historic environment:** National policy recognises the importance of minimising the impacts on designated and non-designated heritage assets, their settings

[73] Refer to paragraph 90 of the NPPF.
[74] Refer to paragraph 17 of the NPPF
[75] Refer to paragraphs 109 and 115 of the NPPF.
[76] Refer to National Character Area profiles: data for local decision making
[77] Refer to 'Planning for Landscape Change' produced by Staffordshire County Council (2000)
[78] Refer to paragraphs 109 and 113 of the NPPF. Paragraph 113 also refers to Circular 06/2005.
[79] Refer to Biodiversity 2020: A strategy for England's wildlife and ecosystem services
[80] Refer to paragraph 118 of the NPPF and paragraph 018 of the PPG.
[81] Refer to http://www.staffs-ecology.org.uk
[82] Refer to http://srigs.staffs-ecology.org.uk/SGAP

and historic landscape character and requires a distinction to be made between the relative significance of the heritage assets.[83] Policy 4 requires developers to provide an appropriate level of assessment, evaluation, mitigation and where warranted, preservation in situ, interpretation or enhancement of the heritage asset.[84] The Staffordshire Historic Environment Record provides information on all recorded designated and non-designated heritage assets. This combined with the Staffordshire Historic Landscape Characterisation (HLC) can inform the potential for the presence of previously recorded archaeological remains. The HLC describes the historic character of the landscape and how it has developed over time. The publication 'Aggregates and Archaeology in Staffordshire' sets out approaches to mitigation for the variety of aggregate resources found across the county.

7.38 **Agricultural land:** National policy requires that the long term potential of best and most versatile agricultural land should be safeguarded in the restoration of mineral workings. National guidance also recognises that the handling and storage of soils is a key aspect of a restoration strategy.[85]

7.39 **Stability of land**: National guidance is provided in relation to slope stability and although quarry ground stability is subject to separate regulation, it is important to ensure that restoration proposals incorporate appropriate assurances of the stability of final landform. In relation to underground mining, proper assessment should be provided to understand the impact of mining and the effect of any ground subsidence.[86]

7.40 **Water environment**: In relation to flood risk, national policy and guidance sets out the requirements for assessing flood risk setting out a sequential, risk-based approach to the location of development. [87] In most cases, a site specific flood risk assessment will be required for mineral proposals. In relation to avoiding pollution and over abstraction, hydrological and hydrogeological assessment will be required which could involve carrying out ground or surface water monitoring. It will be also necessary to meet the aims of the Water Framework Directive and ensure that there is no overall reduction in water quality or adverse impact on the ecological status of water courses and water bodies and that there is no impact on the ability to meet ecological status objectives found in the relevant River Basin Management Plan.

7.41 **Land contamination:** National policy indicates that where a site is affected by contamination responsibility for securing a safe development rests with the developer and/or landowner. Where there is a risk of land contamination adequate site investigation information, prepared by a competent person, should be presented. [88]

[83] Refer to section 12 of the NPPF.
[84] Refer to "Mineral Extraction and Archaeology: A Practice Guide" (Heritage England)
[85] Refer to paragraphs 025 ref: ID: 8-025-20140306 and 038 ref: ID: 27-038-20140306 of the PPG
[86] Refer to paragraph 033 ref: ID: 27-033-20140306 of the PPG
[87] Refer to section 10 of the NPPF.
[88] Refer to paragraph 121 of the NPPF.

7.42 **Cumulative effects:** National policy recognises that it is important to take account of the cumulative effects of mineral development[89]. When assessing proposals account will be taken of the multiple impacts of the development and the impacts of concurrent and / or consecutive working in an area. For example, the potential environmental effects on the landscape, the highway network and the water environment, which should be addressed as part of the Environmental Impact Assessment. Also, in accordance with Policy 6.2 (a), it will be important to minimise the amount of land disturbed at any one time by phased working and restoration. Cumulative effects can be negative but also positive, for example the combined effect of a series of sites bringing about landscape –scale benefits in the Central Rivers Initiative area.

Liaison with the local communities

7.43 There are currently 17 site liaison committees in Staffordshire which provide a forum for site issues to be discussed. National policy encourages pre-application discussion and proactive working. [90] Policy 4 aims to encourage mineral operators to establish and maintain good liaison with local communities.

Higher environmental standards

7.44 For longer term permissions, there is an opportunity to review planning permissions every 15 years under the Environment Act 1995 but having carried out reviews of all operational mineral sites subject to old mineral permissions, recent legislation now provides an opportunity for the Mineral Planning Authority to define appropriate timescales for these subsequent periodic reviews subject to those reviews not being undertaken more frequently than every 15 years. This means that reviews can be deferred where it is determined that existing planning controls are effective in managing the mineral operations.[91] Alternatively, the policy also encourages proposals where environmental improvements can be secured by consolidating existing mineral permissions and by co-ordinating working and restoration; or by developing proposals to work mineral resources in less sensitive areas and relinquishing permitted reserves in more sensitive areas.

Ancillary development

7.45 In addition to processing planning applications for the winning and working of minerals, the Mineral Planning Authority will also determine applications for ancillary development at or near to a mineral site. Any proposals will be regarded as ancillary development were the principal purpose of the ancillary development would be any purpose in connection with the operation of the

[89] Refer to paragraph 120, 143 and 144 of the NPPF
[90] Refer to paragraphs 187 to 189 of the NPPF.
[91] Growth and Infrastructure Act 2013

mineral site; the treatment, preparation for sale, consumption or utilisation of minerals won or brought to the surface at that mineral site, or the storage or removal from the mineral site of such minerals, their products or waste materials derived from them.[92] Policy 4 requires that ancillary development should be limited to the duration of the mineral site and that the impacts of proposed development will be assessed in accordance with Policy 4.

[92] Refer to Part 17 of the Town and Country Planning (General Permitted Development) (England) Order 2015

Policy 5: Planning for Hydrocarbon Extraction

Exploration and appraisal

5.1 Proposals for the exploration and appraisal of hydrocarbons will only be supported where it has been demonstrated that well sites and associated facilities are sited in the least sensitive location from which the target reservoir can be accessed and they accord with the plan policies, including Policy 4.

5.2 Where proposals for exploration and appraisal are permitted, there will be no presumption that long term production from those wells will be permitted.

Production

5.3 Proposals for the production of hydrocarbons will only be supported where it has been demonstrated that the further works and the surface facilities are justified as being required to manage the output from the well(s), including facilities for the utilisation of energy, where relevant, and that they are sited in the least sensitive location from which the target reservoir can be accessed. Proposals will also need to accord with the plan policies, including Policy 4. Proposals should also be supported by a full appraisal programme for the hydrocarbon resource.

Overall assessment

5.4 Having assessed the impacts of the proposals for the exploration, appraisal and production of hydrocarbons, permission will only be granted where it has been demonstrated that there are no unacceptable adverse impacts on human health, general amenity and the natural and historic environment, or the material planning benefits of the proposals outweigh the material planning objections. All proposals should include restoration and aftercare measures for each of the stages of development.

Reasons for the Policy

7.46 Chapter 4 described the ‘where’, ‘how’ and ‘when’ for the development of Staffordshire’s hydrocarbons, including the type of hydrocarbons, the current sites and licensed areas, the staged nature of development, the various regulatory regimes that control development and the lack of current knowledge about the potential of the resource.

7.47 Our Vision and Strategic Objectives 2 and 3 support the sustainable development of hydrocarbons in locations where the impacts have been minimised or mitigated and sites are operating to high environmental standards.

7.48 National policy and guidance requires us to make a clear distinction between the three phases of development (exploration, appraisal and production)[93] and national guidance supports the identification of criteria to assist with the location and assessment of well sites within areas licensed for hydrocarbon development.[94]

7.49 Policy 5 sets out how we would assess proposals at these three distinct stages within the licensed areas.

[93] Refer to paragraph 147 of the NPPF and paragraphs 91 to 103 (ID: 27-091-20140306) to (27-103-20140306) of the PPG.
[94] Refer to paragraph 106 ID: 27-106-20140306 of the PPG.

Policy 6: Restoration of Mineral Sites

Restoration requirements

6.1 Proposals for the restoration of mineral sites will only be supported where it has been demonstrated that they accord with the plan policies, including Policy 4.

6.2 Proposals for the restoration of mineral sites, including the review of restoration strategies/ plans will only be supported where it has been demonstrated that the proposals are sufficiently comprehensive, detailed, practicable and achievable within the proposed timescales and where relevant, that:

a) the land affected at any one time would be minimised by including phased working and restoration;

b) the amount of imported backfill would be the minimum necessary to achieve the satisfactory restoration of the site;

c) sufficient backfill materials are likely to be available to restore the site within an acceptable timescale;

d) the long term potential of best and most versatile agricultural land would be safeguarded and the soil resources would be conserved;

e) the flood risk would not be increased and opportunities to reduce flooding would be maximised;

f) the restoration enhances the natural environment and net gains in biodiversity would be achieved by contributing to the delivery of local ecological networks; by preserving, restoring, re-creating and joining up habitats of principal importance and enhancing ecological networks; by protecting and supporting populations of species of principal importance; and, by contributing to the national Biodiversity Strategy, the Staffordshire Biodiversity Action Plan and relevant landscape-scale initiatives.

g) the restoration enhances valued landscapes, the setting of heritage assets and is informed by and sympathetic to landscape character (including heritage assets and the historic landscape character);

Policy 6: Restoration of Mineral Sites (continued)

h) the aftercare provision would be sufficient to secure high quality and sustainable restoration of the site; and,

i) opportunities to increase the provision of public access, public open space, recreational and sporting facilities would be maximised, particularly where the proposals would contribute towards development plan policies and proposals, or other local initiatives;

j) proposals support the Water Framework Directive objectives by improving river geomorphology and wetland habitat complexity.

Regular review of the restoration strategies / plans

6.3 Developers will be required to regularly review their restoration strategy / plan at least every 10 years to ensure that it is up to date having regard to Policy 6.2 above.

Financial Guarantees

6.4 In exceptional circumstances, developers will be required to demonstrate that adequate financial provision has been made to fulfil the restoration and aftercare requirements when proposals are submitted:

a) for a new mineral site; or,

b) to change the working, restoration and aftercare of an existing site, particularly when the proposals involve a change to the ownership or control of the site, or part thereof.

Adequate financial provision will also include the security of a Restoration Guarantee Bond or other financial guarantee to cover all or part of the restoration and aftercare costs.

Overall assessment

6.5 Having assessed the restoration proposals, permission will only be granted where it has been demonstrated that:

a) the restoration proposals are sufficiently comprehensive, detailed, practicable and achievable within the proposed timescales; and,

b) the material planning benefits of the restoration proposals outweigh the material planning objections.

Reasons for the Policy

7.50 Chapters 2 and 3 highlight issues relating to the availability of backfill and the importance of securing up to date restoration strategies / plans and the opportunities this can present to enhance local amenity and the environment.

7.51 Our Vision, and Strategic Objectives 3 and 4, recognise that an important aspect of sustainable development of minerals requires high quality restoration and aftercare, sites to be restored at the earliest opportunity, restoration strategies / plans to sites to be regularly reviewed and opportunities to enhance local amenity and the environment are maximised.

7.52 National policy and guidance requires that land is reclaimed at the earliest opportunity and that high quality restoration and aftercare takes place.[95]

7.53 Policy 6 sets out how we would assess restoration proposals for new sites or revised restoration strategies / plans for existing sites.

Restoration requirements

7.54 In assessing the impact of restoration proposals it will be necessary to have regard to Policy 4 and then Policy 6 requires that the proposals are sufficiently comprehensive, detailed, practicable and achievable within the proposed timescales. For short term proposals more detail is likely to be required, whereas for long term proposals a restoration strategy may be sufficient to demonstrate that the proposals are practically achievable. In such circumstances a detailed restoration and aftercare scheme would be required at a later stage.[96] A holistic approach to restoration is encouraged as this can create biodiversity and geodiversity benefits and strengthen landscape character (including historic landscape character) recognising the potential to deliver wider benefits of ecosystem services such as food and water, regulation of floods, carbon capture and storage, and potential indirect benefits such as health, and well-being. [97] Proposals should consider restoration achieved on earlier phases of the quarry and quarries nearby to ensure the resulting mix of after uses, habitats, agricultural land and public access is appropriate and has taken account of the wider context. Policy 6 sets out a number of important requirements that may need to be addressed in developing a restoration strategy/ plan.

[95] Refer to paragraph 143 of the NPPF
[96] Refer to paragraph 040 ref. ID: 27-040-20140306 of the PPG.
[97] Refer to paragraph 109 of the NPPF and "Introducing an Ecosystem Approach to Quarry Restoration" – Cranfield University (2013)

7.55 *Phased working and restoration*: National policy requires the amount of land disturbed by mineral workings to be kept to a minimum and sites to be restored at the earliest opportunity.[98]

7.56 *Restoration using backfill*: Our adopted Waste Local Plan highlighted the potential shortfall of suitable backfill to restore mineral sites and the need to review restoration requirements in order to minimise reliance on backfill and achieve timely restoration. [99] In some cases, it may be necessary to backfill mineral workings to achieve a landform that is suitable for a beneficial after use.[100] In order to test the practicality and achievability of the restoration proposals, it will be important for developers to demonstrate that they can complete the backfilling within the proposed timescales.[101]

7.57 *Agricultural land*: National policy requires that best and most versatile agricultural land is safeguarded and that soil resources are conserved.[102] The careful handling and replacement of soil resources is a key part of most restoration schemes but the level of detail required to support a planning application will depend on the circumstances of the site including the expected duration of operations on the site.[103] Relevant guidance includes the "Good practice guide for handling soils" produced in April 2000 on behalf of Government.[104]

7.58 *Flood risk*: National policy highlights the need to take opportunities to reduce the causes and impacts of flooding through new development[105]. Water compatible development within the functional floodplain includes sand and gravel workings and opportunities to improve connectivity between the river and floodplain which increases space for flood water can also lead to the improvement of wetland habitats.[106]

7.59 *Enhancing biodiversity*: National policy requires working and restoration proposals to demonstrate a landscape scale approach by indicating how they have been designed to respond to the local and wider landscape, habitats and ecological networks, including restoration plans for nearby mineral sites and how they will provide net gains in biodiversity.[107] To maximise these opportunities, developers should prepare working and restoration strategies / plans in consultation with local communities and environmental groups and in accordance with other local plans and strategies[108]. For example, along the Trent Valley proposals should involve consultation with the county, district and

[98] Refer to paragraph 143 of the NPPF and paragraph 042 ref.ID:27-042-20140306 of the PPG
[99] Refer to paragraph 5.27 of the Waste Local Plan.
[100] Refer to paragraph 001 ID reference 27-001-20140306 of the PPG
[101] Refer to Policy 1.6 of the Staffordshire and Stoke-on-Trent Joint Waste Local Plan 2010-2026
[102] Refer to paragraph 143 of the NPPF
[103] Refer to paragraph 040 reference 27-040-20140306 of the PPG
[104] Refer to Defra guidance found on the National Archives webpages
[105] Refer to paragraph 100 of the NPPF.
[106] Refer to paragraph 066 reference ID 7-066-20140306 of the PPG
[107] Refer to paragraph 117 of the NPPF.
[108] For example, refer to the Staffordshire Biodiversity Action Plan - Ecosystem Action Plans

parish councils, the Central Rivers Initiative and the National Forest.[109] Restoration opportunities will coincide with the environmental initiatives and proposals set out in other plans and strategies which are highlighted as part of the development considerations for allocated sites.

7.60 *Landscape character:* National policy seeks to enhance valued landscapes[110] and mineral working and restoration schemes should be informed by the landscape character, ensuring that the schemes fit into and connects with the surrounding landscape. National Character Area Profiles provide a high level understanding of character, while the Staffordshire Landscape Character Assessment provides more detail on Landscape Character Types. An important component of this is the historic character of the landscape and the heritage features within it. For example, where heritage assets have been removed as part of a scheme (i.e. historic hedgerows), these could be replaced along similar alignments with appropriate species; where woodland has been removed in the past, an assessment of historic landscape character might enhance a scheme by informing the reintroduction of historic woodland planting.

7.61 *Extended Aftercare*: Legislation requires a period of 5 years aftercare to rehabilitate mineral sites. However in some cases, in order to achieve a beneficial after-use it may be necessary to secure an extended period of aftercare through a legal agreement.

7.62 *Public access and recreation*: Restoration proposals should contribute, where appropriate, to enhancing local amenity through the provision of public rights of way, public open space and, recreational or sporting facilities[111]. Appropriate opportunities can be identified within District Local Plans and associated assessments for open space, sports and recreation facilities and through discussions with national and local amenity, recreation and sporting organisations.

7.63 *Supporting the objectives of the Water Framework Directive:* Restoration proposals should contribute, where appropriate, to the objectives of the Water Framework Directive. For example, applicants should demonstrate that there would be no overall reduction in water quality or adverse impact on the ecological status of water courses and water bodies and that there would be no impact on the ability to meet ecological status objectives found in the relevant River Basin Management Plan.[112]

Regular review of the restoration strategies / plans

[109] Refer to the "Bigger and Better" produced by the RSPB that promotes wetland habitats through minerals site restoration.
[110] Refer to paragraph 109 of the NPPF.
[111] Refer to paragraphs 73 and 75 of the NPPF
[112] Refer to the Humber, North West and Severn river basin district River Basin Management Plans 2015.

7.64 As part of the sustainable economic development of minerals, it is important that every mineral site has an approved restoration strategy / plan. As explained in paragraph 7.54, mineral development can be long term and it is sometimes the case that broad restoration strategies / plans are approved initially with detailed plans / schemes drawn up nearer the time when restoration and aftercare is due to take place. In such circumstances, it would be important that the restoration strategy / plan is kept under review to ensure that it remains up to date and opportunities to enhance local amenity and the environment are maximised. Where working and restoration is up to date, it is reasonable to anticipate that the review will be a more straight forward process. Mineral operators are encouraged to involve the site liaison committee in the review of the strategies / plans. The review process has been achieved by agreement with developers through a Section 106 Legal Agreement.

Financial Guarantees

7.65 National policy requires that financial guarantees are only provided in exceptional circumstances and the accompanying guidance explains when guarantees may be required.[113] Large mineral operators tend to be members of trade associations such as the Mineral Products Association who have their own Restoration Guarantee Fund (although this is limited to £1 million). [114] However recent experience resulting from the globalisation of the minerals industry indicates that many large mineral operators are concentrating their resources on larger sites. They are also selling or transferring smaller sites to smaller operators towards the end of the extraction phase or during the restoration phase. For these reasons it is important to ensure that all developers / land owners have adequate financial provision to fulfil the final restoration and aftercare requirements. It is also important to ensure that there is an adequate financial guarantee in the event that the developer / landowner is unable to fulfil the final restoration and aftercare requirements. This can be through membership of a trade association with an adequate Restoration Guarantee Fund or by providing an equivalent guarantee bond and be secured as part of a Section 106 Legal Agreement.

[113] Refer to paragraph 144 of the NPPF and paragraph 048 ref: ID: 27-048-20140306 of the PPG
[114] Refer to "The MPA Restoration Guarantee Fund … An industry pledge" (2015)

Chapter 8: Implementation and Monitoring of the Plan

Implementation

8.1 Staffordshire County Council as the Mineral Planning Authority will take a lead role in the implementation of the objectives and the policies of this development plan document in a variety of ways, including:

- determining planning applications in accordance with the Development Plan, Government policy and guidance and other material considerations;
- imposing conditions on planning permissions (refer to appendix 7);
- negotiating legal agreements with developers where appropriate (refer to appendix 7);
- enforcing breaches of planning control as necessary (refer to the Staffordshire Local Monitoring and Enforcement Plan);
- maintaining a dialogue with the minerals industry and local communities through participation in local liaison committees and other means;
- liaising with other Mineral Planning Authorities on strategic mineral issues of common interest as well as other bodies such as the Environment Agency, Natural England and Heritage England;
- responding to the District or Borough Councils in relation to proposals for development that could affect mineral safeguarding areas and mineral infrastructure sites;
- working with the minerals industry and others to identify and develop suitable environmental initiatives; and,
- issuing advice or supplementary planning documents if appropriate.

8.2 Delivery of the Plan's objectives and policies is also dependent on the minerals industry submitting timely planning applications for additional reserves that accord with the Plan. It will be also necessary to ensure that developers:

- prepare proposals that have carefully considered the environmental impacts of the development;
- establish good liaison with the local community;
- consider opportunities to review their operations in order to raise environmental standards;
- prepare restoration proposals that take account of the environmental considerations in Policy 4 and the restoration requirements in Policy 6; and,

- regularly review their restoration proposals and demonstrate that they have taken account of the financial implications.

8.3 It will also require consultees to advise us on the potential impacts of mineral development and consequent mitigation measures.

Monitoring

8.4 Developing a monitoring framework is essential to assessing the delivery of the Plan's objectives and the effectiveness of the Plan. The table below lists indicators and targets that will be used to monitor the Plan and the Annual Monitoring Report will present relevant data.

Table 1: Policy Monitoring Framework

Policy	Key Outcomes	Performance Indicator	Monitoring method	Target	Trigger Point	Corrective action
Policy 1: Provision for Sand and Gravel Relates to Strategic Objective 1	Strategic Objective 1 recognises the importance of aggregate minerals to support sustainable economic development taking into account the need to achieve an acceptable balance between the steady and adequate supply of minerals and the impact of mineral operations on local communities and the environment.	Sales of sand and gravel comparing with rolling 10 and 3 years sales averages Reserves of sand and gravel Sales of and capacity to produce recycled/ secondary aggregates End use of sand and gravel sales including building sands as a proportion of overall supply Permissions within allocated sites/ areas or outside allocated areas. Maintain co-operation on cross border issues for aggregate supply.	Data derived from annual surveys on behalf of Aggregate Working Party which is then presented in Annual Monitoring Report and Local Aggregate Assessment Compare sales trends with other relevant data including sales of/ capacities for producing recycled aggregate. Applications submitted. Attendance at WMAWP meetings/ RTAB meetings.	Sales of sand and gravel to meet planned level of provision. Maintain at least a 7 year landbank of sand and gravel reserves based on meeting level of provision. All sites to be located in line with location criteria set out in Policy 1 unless meeting the criteria of Policy 1.6 100% attendance of AWP/ RTAB meetings.	10 year sales average exceeds planned level of provision. Landbank falls below 7 years for more than two consecutive years.	Review level of provision that can be sustainably produced and the reserves required to maintain any new level of provision.
Policy 2: Provision for Industrial Minerals Relates to Strategic Objective 1	Strategic Objective 1 recognises the importance of industrial minerals to support sustainable economic development taking into account the need to achieve an acceptable balance between the steady and adequate supply of minerals and the impact of mineral operations on local communities and the environment	Sales/ Reserves of: limestone and shale for the Cauldon cement works; gypsum and anhydrite at Fauld Mine; and Permissions within area of search/ or outside allocated areas for: Shale at Cauldon; and Anhydrite/ gypsum at Fauld Mine Clay supply/ reserves used at clay product works listed in appendix 5, to works outside county and supply from outside county to works in Staffordshire; and Sales/ reserves of shale/ marl at Kingsley / Keele Quarries to supply Tunstead Cement works in Derbyshire.	Data derived from planning applications and reported in Annual Monitoring Report Surveys to be arranged with clay industry co-operation and co-operation with relevant planning authorities.	Maintain at least 15 years of permitted reserves for cement minerals. All sites to be located in line with location criteria set out in Policy 2 100% of extension areas conditioned to only be worked following cessation of working within existing site. Maintain at least 25 years of permitted reserves for clay product works listed in appendix 5.	Landbank for Cauldon and Fauld falls below 15 years of permitted reserves for more than two consecutive years Landbank for clay product works falls below 25 years for more than three consecutive years	Review provisions of resources that can be allocated for the continuation of cement/ mine production. Review provision of resources that can be allocated for the supply of works
Policy 3: Safeguarding Minerals of Local and National Importance and	Strategic Objective 1, aims to achieve an acceptable balance between non-mineral development and safeguarding Staffordshire's important minerals and mineral infrastructure sites.	Extent of MSAs sterilised by non-mineral development granted permission Number of mineral infrastructure sites adversely affected by non-mineral development.	Consultations from District/ Borough Councils Applications will be monitored in Annual Monitoring Report Update MSA and list of mineral infrastructure sites on annual	No sterilisation of mineral resource contrary to requirements of policy. No loss of Minerals Infrastructure sites contrary to policy.	More than one proposal is approved (within the plan period) that does not meet criteria and result in sterilisation.	Review criteria for safeguarding minerals and mineral site infrastructure sites. Update MSA

Policy	Key Outcomes	Performance Indicator	Monitoring method	Target	Trigger Point	Corrective action
Important Infrastructure Relates to Strategic Objective 1			basis and provide to District planning authorities.	MSAs consistent with adjoining authorities MSAs.	More than one approved proposal (within the plan period) results in a loss of a Mineral Infrastructure site.	mapping and list of mineral site infrastructure sites.
Policy 4: Assessment of Mineral Planning Applications Relates to Strategic Objectives 2 and 3	Strategic Objective 3 aims to ensure that all mineral operations are operating to high environmental standards and in accordance with Strategic Objective 2 operations are carried out either to prevent or reduce as far as possible adverse impacts.	Approved proposals meet environmental criteria Number of applications refused due to adverse amenity or environmental effects. Sites affecting designated ecological/ cultural sites Loss of habitat	Recorded from applications submitted Guidance on environmental standards	100% of applications are in line with environmental criteria except where the material planning benefits of the proposals outweigh the material planning objections.	Any application permitted that does not meet the environmental criteria set out in Policy 4. Guidance on environmental standards is out of date	Ensure that any applications permitted not in line with the environmental criteria are under special circumstances and are appropriately mitigated and monitored. Update environmental standards
Policy 5: Assessing Planning Applications for Hydrocarbons Development Relates to Strategic Objectives 2 and 3	Strategic Objectives 2 and 3 support the sustainable development of hydrocarbons in locations where the impacts have been minimised or mitigated and sites are operating to high environmental standards.	Approved proposals meet criteria	Applications submitted Annual Monitoring Report	100% of proposals in line with plan policies including Policy 4	Any application submitted not in line with the criteria laid out in Policy 5	Ensure that any applications permitted not in line with the criteria are under special circumstances and are appropriately mitigated and monitored.
Policy 6: Restoration of Mineral Workings Relates to Strategic Objective 3 and 4	Strategic Objectives 3 and 4, recognise that an important aspect of sustainable development of minerals requires high quality restoration and aftercare, sites to be restored at the earliest opportunity, restoration strategies / plans to sites to be regularly reviewed and opportunities to enhance local amenity and the environment are maximised.	Approved proposals meet policy objectives and criteria Sites not subject to restoration strategy/ plan Amount of land restored for habitat creation	Planning applications/ submissions for restoration and aftercare details Annual Monitoring Report	100% of approvals meet criteria All operational sites to be subject to restoration strategy/ plan Proposals deliver net gain in biodiversity	More than one proposal is approved (within the plan period) that does not meet policy objectives and criteria Operational site without restoration strategy/ plan that has not been considered within last 10 years. Net loss in biodiversity	Ensure that any applications permitted not in line with the environmental criteria are under special circumstances and are appropriately mitigated and monitored.

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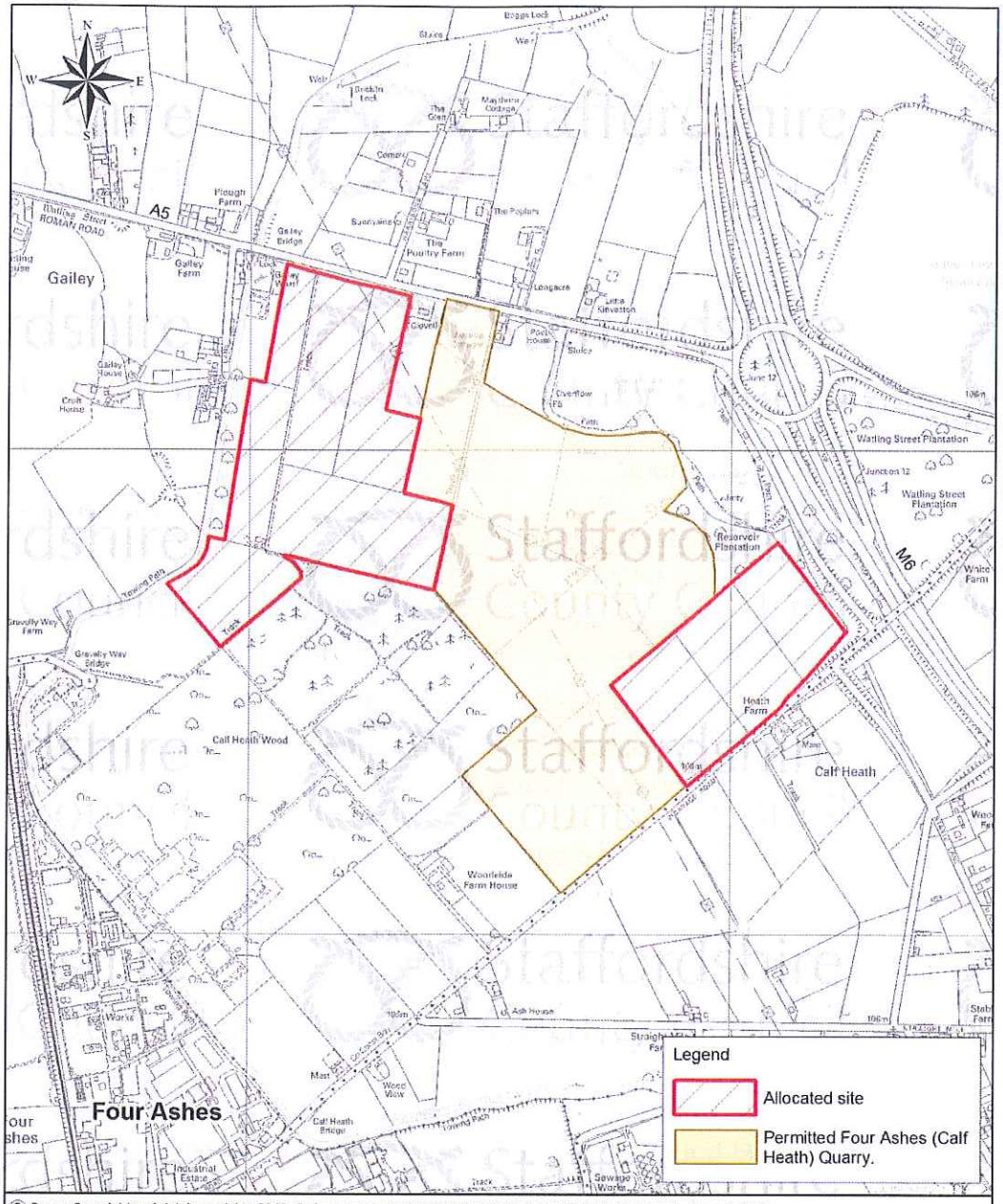
Section D
Appendix 4 - Appendix from Minerals Local Plan (page 18-19)
Index

Calf Heath

General Information	
Parish	Penkridge
Area (hectares)	35
Developer	Salop Sand & Gravel Limited
Mineral development details	
Mineral type(s)	Sand and Gravel
Geological association	Superficial
Indicated resources (million tonnes)	0.75
Anticipated annual output (tonnes)	100,000
Anticipated duration of mineral extraction (years)	6-8
Intended extension to existing quarry	Yes.
Cessation date for existing mineral working	31/07/2021 (refer to condition 6 of SS.12/08/681 MW dated 25/03/2015)
Development considerations	

- Proximity to sensitive properties along Croft Lane, Gravelly Way, Watling Street and Vicarage Road needs to be addressed as well as the adjacent canal conservation area.
- There are two Grade II heritage assets adjacent to this proposed allocation. Developers will need to ensure that the significance of these heritage assets, and their setting, is protected.
- There is potential for archaeological interest, so suitable studies will be needed to inform any scheme.
- There is good potential to enhance ecological connectivity through reinstating field boundary hedges, and creating field ponds and margins. Retention of boundaries is also important for managing landscape impacts.
- There is a high risk of best & most versatile land being present, so this land should be considered in designing the restoration of the site.
- The site is affected by a ground water protection zone.



Staffordshire County Council

Planning, Policy & Development Control, Staffordshire County Council, No.1 Staffordshire Place, Stafford, ST16 2LP. Telephone 0300 111 8000

MINERALS LOCAL PLAN
Calf Heath near Penkridge.
Site Proposer - Salop Sand and Gravel.
Inset map - 7

Date : 20/11/2013	O. S. 392197E Grid Ref : 309960N	Scale at A4 : 1/10000	File : —

Inset Map 7: Calf Heath

Section E
Appendix 5 - PBA JLL West Midlands Strategic Sites Study 2015
Index

West Midlands Local Authority Chief Executives

West Midlands Strategic Employment Sites Study

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JLL

September 2015

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CONTENTS

1 INTRODUCTION

The study brief

1.1 The purpose of this study, commissioned on behalf of the West Midlands Chief Executives, is set out in the study brief as follows:

'West Midlands Local Authority Chief Executives recognise the value of having a reserve of strategic sites, which are attractive and able to accommodate internationally footloose businesses and very large scale logistics facilities. A joint study is being commissioned… to understand whether there is a continuing need to provide and protect investment opportunities of this scale and nature in the future.'

1.2 The brief goes on to explain the rationale for strategic sites, both originally and going forward under the new planning system:

- '*In the West Midlands these strategic sites have historically been held in reserve outside of the local employment land supply or "reservoir" for "locally generated" growth to be used for exceptional inward investment and in some cases single users. These sites were not intended to provide alternative locations for existing businesses, which might inadvertently be to the detriment of their existing locations, but to provide for development that could not normally be accommodated…'*
- *The identification and delivery of sites like these benefit from long-term, cross-boundary strategic planning. While previously this would have been undertaken as part of the regional strategy process it is now a matter for individual or groups of local authorities under the duty to cooperate*.'

1.3 The study is to be undertaken in two phases, of which only the first has been commissioned so far and is covered by this report. The brief advises that this first stage should

'*Consider objectively the continued relevance of providing strategic employment sites of the scale and nature of those set out in the former West Midlands Regional Spatial Strategy (RSS). Taking into account the National Planning Policy Framework including its requirements for realistic, justified and deliverable proposals consideration will need to be given to past, current and foreseeable future demand.'*

1.4 The brief adds that Phase 1 should comprise three elements:

a) Identify provision (supply)

b) Assess demand

c) Conclude on the relationship between future demand and supply.

1.5 The potential Phase 2, titled 'Shortfall Advice', would only be necessary if supply fell short of demand. It would consider how such shortfall might be addressed, including through local studies to identify specific opportunities and assess policy implications.

1.6 To provide the demand-supply analysis at Phase 1, we need to start from a clear understanding of what a strategic employment site is. We consider this in the next

section, based on analysis of past regional policies in the West Midlands and other regions.

Strategic sites in regional policy

The West Midlands

The Regional Spatial Strategy

1.7 Strategic employment sites in the West Midlands were first proposed by Planning Policy Guidance (PPG) 10 (1988)[1], which provided a strategic framework for Unitary Development Plans across the former Metropolitan County. The area had a long tradition of cross-boundary working and was the first area for which the Secretary of State published strategic guidance. PPG 10 said:

'6 Most industrial development will continue to be in the built up area, but there is a particular need to provide for some high quality development on the periphery and this can be done without detracting from the commitment to urban regeneration: up to 300 ha of land may well be needed for this purpose by 2001, but it would be undesirable to release it all until it is clear that market demand warrants it. The full 300 hectares therefore should be identified as a matter of urgency in unitary and shire county development plans and protected by strong development control policies until market demand is shown. These sites must only be used for top quality industrial, research or office uses falling within Class B1 of the Town and Country Planning (Use Classes) Order 1987; in particular, they should not be used for retailing or pure warehousing activities.'

1.8 PPG 10 called these high-quality peripheral sites 'high-technology development' and set out the land required as follows:

- Birmingham / Solihull – up to 140 hectares
- Black Country – up to 120 hectares
- Coventry – up to 40 hectares

1.9 No site size was specified but around 40 hectares was advised, along with access to the motorway network, labour force and public and private transport.

1.10 The concept of exceptional sites was carried forward into Regional Planning Guidance (RPG) and Regional Spatial Strategy (RSS). The published (i.e. adopted) West Midlands Regional Strategy (June 2004) set out a hierarchy of employment sites of which these sites – now called 'locations of regional significance' formed the first tier. These first-tier sites were of three kinds:

- Regional Investment Sites (RIS, Policy PA7):
  - Multi-occupied sites
  - Intended to attract high-quality occupiers who were nationally or internationally footloose, in Use Classes B1 or 'where appropriate' B2
  - In the order of 50 hectares

[1] Department of the Environment, *Strategic Guidance for the West Midlands*, *PPG10*, September 1988

- At least one RIS should located in, or linked by public transport to, each Regeneration Zone and High-Technology Corridor;

- Major Investment Sites (MIS, Policy PA8)
  - To accommodate very large single users with an international choice of location
  - In the order of 50 hectares or more
  - At least two should be immediately available at any one time
- Regional Logistics Sites (RLS, Policy PA9),
  - For large-scale warehousing
  - In the order of 50 ha or more
  - The region should have a choice of RLSs available at any one time and *'consideration and priority should be given to bringing forward previously developed sites in North Staffordshire and Telford'.*

1.11 One new element in these policies is the approach to warehousing and logistics. While PPG 10 excluded 'pure warehousing' from exception sites, the RSS not only includes it but devotes a separate category of site to it. Supporting text notes that '*Warehousing and distribution is an important and fast growing sector within the regional economy, accounting for almost 9% of all jobs*. *However, traffic generation, particularly from large distribution facilities can make their location within urban areas problematic.'*

1.12 As set out in the adopted RSS, the defining objective of RISs and MISs was to help diversify and modernise the regional economy, especially the clusters identified in the Regional Economic Strategy; and the defining objective of RLSs was to provide concentrated opportunities for large-scale warehousing in the right locations, where environmental harm would be minimised. All three types of site were to be of high quality, well located to the strategic road network, well served by transport and IT infrastructure, and in (or accessible to) concentrations of residents needing jobs. To ensure that the sites served their objectives, warehouse-only development would not be allowed on RISs or MISs; non-warehousing (B1/B2) development would not be allowed on RLSs unless it supported their primary purpose as distribution parks; and large-scale office development, which '*could be more appropriately accommodated' in town centres',* would not be allowed on any exception sites.

1.13 The published RSS did not set targets for the total land to be provided at strategic sites, nor did it designate such sites; this was a task for lower-tier development plans. But it did provide an overview of sites already identified, emerging as yet to be found (we discuss these sites in Chapter 2 below).

1.14 The draft RSS Phase 2 Revision (December 2007) proposed a few amendments to these policies. In particular, RISs were now to be slightly smaller, in the order of 25-50 ha rather than 50; there should be '*up to two'* MISs available at any one time, rather than two; the total requirement for RLSs up to 2021 was estimated as a minimum of 150 ha, based on the findings of the Regional Logistics study; and RLSs should have *'existing or potential for dedicated access to the regional rail and highway networks'*, which presumably includes rail freight facilities. The draft Phase 2 Revision also updated the geography of the sites, which we discuss in Chapter 2

below. But these amendments did not go forward into policy, because Regional Spatial Strategies were abolished by the Coalition government.

1.15 As well as the Regional Spatial Strategy, exception sites were also recognised in the West Midlands Regional Economic Strategy, which promoted and identified funding to bring the sites forward. Indeed the former Regional Development Agency, Advantage West Midlands, owned many of the sites identified. Critically, this common policy approach was also used to direct public spending, particularly for transport infrastructure, via the Regional Funding Allocations process.

The LEPS

1.16 Following the abolition of Regional Spatial Strategies, Regional Development Agencies and their Regional Economic Strategies, Local Economic Partnerships (LEPs) are now the vehicle for cross-boundary economic development policy.

1.17 The six LEPs in the West Midlands are taking forward much of the Advantage West Midlands agenda. As part of their Strategic Economic Plans, all six propose interventions to help bring forward employment sites, including major strategic sites, and provide employment space, including for inward investment and priority sectors. These interventions include public investment to support infrastructure and development, and initiatives to make planning more streamlined and more user-friendly. If the conclusions of the present report are accepted as a common policy approach across the region, they should help direct such public investment to the places where it will produce the greatest economic benefit for the region.

1.18 But the Strategic Economic Plans do not take views on strategic planning policy, because they are not planning documents. Therefore they do not address the main question discussed in this report: whether there should be region-wide planning policy to bring forward strategic employment sites of regional important.

Conclusion

1.19 The above history shows that strategic employment sites have been part of regional planning in the West Midlands since the late 1980s. The specification of these sites, and even their name, have varied over time. But they have two defining features that have remained constant:

i Strategic sites aim to attract ***net additional economic activity and jobs***. This means footloose (or mobile) businesses - which have a national or international choice of location, so if the West Midlands does not offer the right sites they might locate elsewhere.

ii The sites need larger-than-local planning, because ***they meet requirements that would not otherwise be accommodated in the region***. In other words, the local planning process would not bring forward sites with the same qualities, for two main reasons:

- The sites are ***very large*** – originally at least 50 ha, though later the minimum fell to around 25 ha;
- To provide the quality that attracts the target occupiers they may have to provide ***greenfield land outside the main urban areas.***

1.20 In relation to the second point, the underlying idea is that major development should normally be in the main urban areas, but strategic sites are an acceptable departure from that principle, because they produce exceptional benefits that should offset any harm caused. The benefits of such large sites will usually be distributed over large areas, as their workers and suppliers are widely spread, while harm to amenity and so on will be concentrated in one or two local authorities. This is a long-established rationale for larger-than-local planning, operating in the past through Regional Strategies and in the current system through the Duty to Co-operate.

1.21 Other than the defining features discussed above, the specification of strategic employment sites in the West Midlands evolved over time. The three past iterations of the regional strategy took slightly different views on what sectors and land uses the sites should cater to, where they should be located and what their other characteristics should be. In our analysis of demand and supply we aim for updated answers to these questions.

Other regions

Overview

1.22 We have reviewed the previous Regional Strategies across England to see if they included regional planning policies for strategic employment sites or similar. The results are summarised in Table 1.1 and discussed in more detail below.

Table 1.1 RS strategic employment site policies in other regions

Regional Strategy	Policy
East Midlands (published 2010)	21: Strategic distribution
Yorkshire and the Humber (2008)	None
East of England (2008)	E3: Strategic Employment Sites
North East (2008)	20: Key Employment Locations
North West (2008)	W2: Locations for Regionally Significant Economic Development
South West (SoS Proposed Changes, 2008)	ES2: Providing for Employment Land and Premises
South East (2009)	RE3: Employment Land Provision

Source: South West – Secretary of State's Proposed Changes, July 2008 (the RSS was never finalised); other regions – published (adopted) Regional Strategies

East Midlands

1.23 The East Midlands Regional Plan required strategic employment sites for only one use, logistics. Policy 21: Strategic Distribution recognised that there was high demand for strategic distribution and sought to bring forward land for it, following the recommendations of the East Midlands Strategic Distribution Study. The policy advised that local development plans give priority to sites which can be served by rail freight and operate as intermodal terminals. Supporting text noted that this would normally require a critical mass of about 50 hectares of land, but smaller sites may

be able to generate sufficient demand for rail freight and therefore should not be ruled out.

1.24 The policy identified the Housing Market Areas (HMAs) in which strategic distribution sites should be located (HMAs were the sub-regional building blocks used by the RS, not only for housing). It also set out a number of qualitative criteria to help identify sites; including good access to rail freight and trunk roads, 24-hour access and good access to labour, especially areas of employment need. Supporting text advised that around 308 ha of rail-connected strategic sites should be brought forward by 2026, plus 78 ha for non-rail-connected sites.

East of England

1.25 Policy E3 advised that local development plans should allocate '*readily-serviceable strategic employment sites of the quality and quantity required to meet the needs of business… particularly but not exclusively'* in a series of sub-regions that are listed in the policy. For each of these sub-regions the policy specified an objective, mostly to support the growth of identified sectors and clusters or regeneration of run-down areas. Sectors and clusters specifically named comprise research and development in the Cambridge sub-region, environmental services in Peterborough, bio-technology in Norwich, ICT in in Ipswich and port expansion in Harwich, Felixstowe, Great Yarmouth and Lowestoft.

North East

1.26 '*In order to enable the accelerated growth of the regional economy to be maximised',* Policy 20 identified eight specific 'Key Employment Locations of regional importance for different uses. The locations were named employment areas, business parks etc. The Regional Strategy showed approximate land areas for each site, ranging from 20 ha to 120 ha. Two of the sites were identified specifically for logistics and one for general industry; for the other sites land uses were specified in general terms as high quality, technology, innovation and the like. Land allocations were to be made through lower-tier development plans.

North West

Policy W2 required local plans to identify sites for regionally significant economic development for offices, manufacturing, logistics and knowledge-based activities. It added that the sites should be close to major transport routes and urban centres, and those intended for logistics should be within easy reach of primary freight transport networks. Strategic sites should not be used for development that could be accommodated elsewhere, including in standard industrial estates or business parks.

South West

1.27 The South West RSS did not progress as far as adoption. Its final stage was the Secretary of State's Proposed Changes, published for consultation in July 2008. That document at Policy EC2 called for local planning authorities to identify a 20-year supply of employment land and premises '*including strategic sites'. S*upporting text explained that strategic sites would be highly variable in terms of size, land use and job numbers. The document provided no indication of what strategic sites were for or where they should be located.

South East

1.28 Policy RE3 advised that 'employment land reviews should identify strategic employment land to provide for '*the future needs of businesses, including qualitative needs, in those sectors showing potential for growth in that part of the region... Strategic employment land should be focused at locations identified in the sub-regional strategy, or more generally at the regional hubs or gateways, and allocated or safeguarded in the relevant local development documents'.*

Conclusions

1.29 Outside the West Midlands, all but one of the former Regional Strategies made provision for strategic employment sites. But none of them provided a definition of these sites, or a rationale for designating them, as clear as the West Midlands. As we have seen, in the West Midlands what distinguished strategic sites from other employment land was that they could attract net additional jobs in footloose businesses, and cater to requirements that otherwise would not be met in the region – mainly for very large land areas and for greenfield development. In other Regional Strategies these defining features sometimes seem implicit but they are not stated clearly, except for land areas in the North East (for all uses) and the East Midlands (for logistics only).

1.30 As regards other features of strategic sites, there is a great deal of overlap between the West Midlands and other regions. Similar to the West Midlands, target markets for these sites included 'high-quality' development generally and logistics specifically. In addition Regional Strategies often targeted other types of development or types of occupier, either in general or for specific places; the specification of these activities varied between regions and was seldom precise.

1.31 In the East Midlands, which along with the West Midlands and the South East is the most popular location in the UK for strategic distribution, logistics was the only sector for which the Regional Strategy required strategic sites. No region other than the West Midlands identified very large single users as a separate category of strategic site.

1.32 As regards geography, some regions set out general criteria for the location of strategic sites, some listed sub-regions where such sites should be located and others named specific sites or micro-locations. But all regions, like the West Midlands, left the exact definition and allocation of strategic sites to lower-tier development plans.

1.33 To sum up, there is nothing in other regional strategies that sheds doubt on the purpose and definition of strategic sites that we proposed earlier. As regards the features that strategic sites should offer, other regions were generally similar to the West Midlands.

Report overview

1.34 Below, in Chapter 2 we review the progress of the strategic sites since the Regional Strategy. Chapter 3-5 provide our analysis of demand and supply, discussing in turn the three markets targeted by strategic sites: offices, industrial uses (both manufacturing and logistics) and large-scale inward investment projects. Conclusions

are in Chapter 6. Our demand-supply analysis starts from the definition established earlier:

Strategic employment sites are business development sites that can bring net additional activity and jobs to the region by:

- *Attracting nationally or internationally mobile economic activity (including both mobile businesses and the suppliers that serve them);*
- *Providing accommodation that would not otherwise come forward through the local planning system, principally because:*
  - *They are large sites, providing at least some 25 ha and often much more;*
  - *They may be in greenfield locations.*

1.35 Thus, strategic sites are a special category within the general market for employment space. This study does not consider demand or supply outside this special category. Unlike an employment land review, which would cover the whole market for B-class uses, it focuses on a small proportion of that market.

1.36 In keeping with the study brief, our analysis takes a market perspective, focusing on demand, supply and the balance between the two. We aim to establish if there is and will be demand for further strategic employment sites in the region; and if so where such sites should be, and what features they should offer, to attract that demand. But in this Stage 1 report we do not make policy recommendations. Before translating its findings into policy it will be necessary to look at the wider impact of designating strategic sites (both in general and relation to specific proposals), including implications for the environment, infrastructure and housing. These are issues for Stage 2 of the study.

2 PROGRESS TO DATE

2.1 In this chapter we review developments relating to strategic sites since the Phase 2 Revisions RS, covering both implementation at the identified sites and the evolution of policy and evidence.

Regional Investment Sites

Overview

2.2 As mentioned earlier, the Regional Strategy identified RISs as multi-occupied sites of 25-50 hectares, and advised there should be an RIS to support each Regeneration Zone and High-Technology Corridor. The Phase 2 Revision noted that development had already started, or was identified in adopted development plans, at:

- Ansty
- Birmingham Business Park
- Blythe Valley Park and extension
- Hilton Cross
- Wolverhampton Business Park
- Wobaston Road
- Blythe Bridge
- Chatterley Valley.

2.3 The RS added that new RISs would be required to serve:

- The Birmingham to Worcester HTC and
- The South Black Country / West Birmingham RZ.

2.4 Also further provision might be required to serve:

- The Coventry and Nuneaton Regeneration Zone
- The North Solihull Regeneration Zone.

Black Country and South Staffordshire

Strategic sites

2.5 Approximately 20 hectares remains, the majority of which is at Wobaston Road, which is marketed along with the adjacent MIS as i54; this is the latest and final RIS site to come forward in this sub-region. However, the adopted South Staffordshire Core Strategy (through Core Policy 7: Employment and Economic Development supports modest extensions to i54 and Hilton Cross to accommodate justified development needs, where robust evidence and a reasoned justification is provided to support their expansion.

2.6 Developments on Hilton Cross and i54 thus far have tended to be technology based / specialist manufacturing companies, often with local ties to the area. On Wolverhampton Business Park the majority of occupants are B1a office users along with supporting ancillary facilities.

The High-Quality Employment Land Study

2.7 September 2014 saw the publication of *the Black Country and South Staffordshire Sub-Regional High-Quality Employment Land Study (HQELS)* Stage 1 report, commissioned by the Black Country Local Authorities, South Staffordshire Council and Staffordshire County Council. That report does not focus on strategic sites as defined in the present study, but it does have some implications for strategic sites.

2.8 The subject of the HQLES is high-quality employment land as defined at Policy EMP2 of the Black Country Core Strategy. This is a much larger category than strategic sites: the report states that of the employment land developed in the Black Country between 2001 and 2013 43% was high-quality land and a further 23% was potentially high-quality land. High-quality sites, unlike strategic sites, are predominantly small: thus, of the identified Black Country supply of 291 sites, none are larger than 20 ha and two thirds are smaller than 10 ha. Similarly in South Staffordshire the study finds no identified development sites larger than 14 ha.

2.9 Thus, the High Quality Employment Land study suggests that there are no development sites currently identified for employment development in the area that qualify as strategic sites. Another section of the HQLES which is relevant to the present study is its comment on the JLR scheme at i54:

'The site was able to secure JLR because site preparation work had been undertaken to make it 'shovel-ready' for development, meaning that the completion of the facility could be achieved within the company's required timescales. Businesses expect construction of a new facility within 12-15 month timescales and manufacturers are not willing to accept long lead in times especially as supply chain companies experience an increase in volumes and therefore a requirement for further space.'

Coventry and Warwickshire

2.10 Phase 1 of Ansty Park hosts the Manufacturing Technology Centre, a partnership between leading universities, Government and global manufacturers. The facility opened in 2011 and bridges the gap between academic research and industry, and now includes a £30 million Aerospace Research Centre. Sainsbury's Stores Support Centre relocated to Ansty Park from a constrained site nearby in 2012; this facility provides around 1,000 jobs and also accommodates staff who relocated from the South East. Sainsbury's occupy the former Ericson telecoms R&D facility which closed in late 2009.

2.11 Phase Two of Ansty Park will provide a range of speculative and /or bespoke properties to accommodate knowledge / technology companies. Nine hectares of land benefits from planning consent, with a further 13 hectares available.

Birmingham and Solihull

2.12 Blythe Valley and Birmingham Business Parks in Solihull provide the most longstanding premium sites brought forward through regional / sub-regional mechanisms. Blythe Valley Park alone accommodates more than 100 companies and ancillary facilities. Most of the occupiers are national or regional office-based operations or technology-based companies. Further flexibility is now offered as the

site is now considered suitable for B8 occupiers, following agreement that it could be extended through the recent Local Plan examination. Approximately 40 hectares of land remains, which forms part of the wider UK Central (UKC) concept which includes Birmingham Airport, the National Exhibition Centre and Jaguar Land Rover (JLR), and seeks to maximise the benefits associated with the HS2 interchange.

2.13 Brownfield sites have recently come forward in Birmingham at Longbridge, which includes the Longbridge Technology Park, and at Aston, being promoted as the Advanced Manufacturing Hub, where the first building is under construction for an advanced hydraulic engineering company. Approximately 40 ha of land remain available on these two sites.

North Staffordshire conurbation and Stoke-on-Trent

2.14 Two sites were identified to meet requirements in this sub-region Chatterley Valley (Newcastle under Lyme / Stoke on Trent border) and Blythe Bridge (Staffordshire Moorlands). These sites have not seen much activity to date.

Major Investment Sites

2.15 As noted in the Introduction above, MISs in the Regional Strategy were single-occupier sites of the order of 50 ha or more, to attract single users with an international choice of location. The RS said that one site, Wobaston Road on the Wolverhampton / South Staffordshire boundary, had already been identified.

2.16 Wobaston Road as noted earlier is now known as i54. It has been developed as an engine plant for JLR, with a further 13 ha available – which are currently the subject of a planning application by JLR. The engine plant was announced in 2011 and opened in October 2014. JLR has subsequently made representations through the South Staffordshire Core Strategy Site Allocations process, confirming that that it is seeking additional land adjacent to the site to expand.

2.17 The draft Phase 2 revision of the RS advised that, in the event that Wobaston Road (i54) was committed, '*then a further site will need to be identified and brought forward as a matter of urgency'.* This view was supported by the Panel that examined the RS. Ansty was previously identified as a MIS but its status subsequently amended to be identified as an RIS.

2.18 Retaining the i54 site in public ownership was critical to its continued safeguarding as a major inward opportunity despite calls for a more flexible approach and it also helped ensure expeditious delivery of the necessary infrastructure. It is widely acknowledged that few sites of this size and calibre were available at the time. There is no longer a single site within the region formally identified through the planning process that meets the RSS's MIS criteria.

Regional Logistics Sites

2.19 As mentioned earlier the Stage 2 Revision Regional Strategy estimated that 150 ha of land at RLSs could be required by 2021. It proposed that additional land be brought forward in the following priority order:

- Upgrade the existing rail-connected facility at Birch Coppice to an RLS;

- Consider the scope for extending existing RLSs in the West Midlands and DIRFT (in the East Midlands but close to the regional boundary), but *'recognising the proximity of Hams Hall and Birch Coppice and the need to avoid over-concentration of RLS development within the same broad location*';
- Consider the potential for new rail served facilities:
  - to serve the needs of the Black Country from a location in southern Staffordshire
  - to serve the needs of Northern Staffordshire.

2.20 At present Birch Coppice and Hams Hall remain the only RLSs in the West Midlands, with 35 ha still available at Birch Coppice.

2.21 Albeit the Stage 2 Revision RS was never taken forward, the examination Panel tested these policies. It confirmed that the facilities should be rail-served and recommended that at least 200-250 ha be provided by 2021 rather than the 150 proposed in the draft RS. It also proposed a more flexible approach towards the existing sites in North Warwickshire, provided spatially specific guidance on areas for further consideration in Southern and Northern Staffordshire. The Panel also pointed out that there were other sites in the employment land portfolio that had potential for logistics-related development to serve the West Midlands, including Hortonwood (Telford), which is rail connected, along with Fradley (Lichfield) and the Drakelow Power Station near Burton upon Trent.

2.22 The Black Country and southern Staffordshire authorities subsequently commissioned a study to consider this further. The study[2] finds that the Midlands is one of the most competitive and efficient locations in the UK for major distribution occupiers. There is strong developer interest in bringing forward additional facilities and there is a very limited supply of 'development-ready' logistics sites to serve the Midlands over the medium and long-term. However, the footloose nature of the distribution industry means that the market would not consider the Black Country in isolation, and so it is difficult to identify a specific operational and geographical need for a RLS in the Black Country and southern Staffordshire to serve the Black Country in particular. In the absence of this specific need, the report recommends that the assessment of potential land supply for a RLS provision be widened and undertaken on a regional West Midlands basis.

2.23 Phase III of the Daventry International rail Freight Terminal (DIRFT), which lies adjacent to the West Midlands boundary at Rugby, was granted planning permission by the Secretary of State in April 2014. The site consists of 345 hectares of land and will accommodate 731,000 of rai-served distribution development. This will meet need up to 2026 based on past delivery rates on DIRFT Phases 1 and 2.

2.24 The proposal was determined via draft of the National Policy Statement for National Networks published in December 2014, with regard to Strategic Rail Freight Interchanges it notes (paras 256 to 258):

'*The Government has concluded that there is a compelling need for an expanded network of SRFIs. It is important that SRFIs are located near the business markets*

[2] URS, *Black Country and Southern Staffordshire Regional Logistics Site Study,* Final Report, April 2013

they will serve – major urban centres, or groups of centres – and are linked to key supply chain routes. Given the locational requirements and the need for effective connections for both rail and road, the number of locations suitable for SRFIs will be limited, which will restrict the scope for developers to identify viable alternative sites.'

Existing operational SRFIs and other intermodal RFIs are situated predominantly in the Midlands and the North. Conversely, in London and the South East, away from the deep-sea ports, most intermodal RFI and rail-connected warehousing is on a small scale and/or poorly located in relation to the main urban areas.

This means that SRFI capacity needs to be provided at a wide range of locations, to provide the flexibility needed to match the changing demands of the market, possibly with traffic moving from existing RFI to new larger facilities. There is a particular challenge in expanding rail freight interchanges serving London and the South East.'

2.25 The Planning Act (2008) defines SFRI proposals of at least 60 hectares, which must be part of the national rail network and include warehouses to which goods can be delivered from the rail network, as nationally significant infrastructure. Such proposals must be referred to the Secretary of State for determination with the examination being undertaken by the Planning Inspectorate.

2.26 At the North Warwickshire Local Plan examination (2014), representors maintained that additional provision for logistics should be made in the district, including at the proposed Birmingham International Gateway (BIG) site on the Birmingham City boundary. The Inspector found that there was insufficient evidence before him to make a specific requirement for the district, because the issue required a regional perspective. He took a pragmatic approach in the light of the urgency to adopt a plan to meet housing needs. He did request a modification subsequently included in the adopted plan requiring a review should it be established that there are housing and / or employment needs to be met from elsewhere:

'I am requested by some representors to increase the allocation of employment land to accommodate the demand for RLS. The Council is right to seek to encourage a diverse economy in the Borough but I see no reason why taking a more positive approach to RLS in addition to [the employment land provision in the plan] would conflict with this. However, a regional perspective is required and I do not consider there to be sufficient evidence before me to set a requirement for North Warwickshire. The Coventry & Warwickshire Assessment of Sub Regional Employment Land Requirements was published in April 2014 but I understand that a study in the Black Country is on-going. The Coventry & Warwickshire study comes late into this examination. Given the Borough's housing needs in particular, I do not consider that it would be in the interests of the proper planning of the area to delay the adoption of the Core Strategy by reviewing employment provision at this stage. M[ain] [Modification] R42 introduces a commitment to review the Core Strategy should these studies identify a need for more RLS floorspace in the Borough[3]*.*

[3] The Planning Inspectorate, *Report to North Warwickshire Borough Council, 24* September 2014

Conclusion

2.27 There is a long and successful history of working collectively in the West Midlands in terms of dealing with strategic employment land matters resulting in the development of policies in former Regional Guidance and Strategies. These were subsequently taken forward in local authorities' development plans, in some instances following the revocation of Regional Strategies. Both brownfield and greenfield sites have come forward, the latter usually requiring release from the Green Belt. The evidence suggests that to provide the quality and size required of strategic employment sites requires greenfield releases, which may include Green Belt review. Examples include the allocation of Peddimore in the Birmingham Development Plan and the planning permission for Worcester Technology Park.

2.28 All of the sites and locations identified in the RSS have now come forward; in many instances (although not exclusively) public sector ownership has been necessary for site assembly and infrastructure. In some instances, there has been some flexibility in terms of uses to respond to changing market and user requirements.

2.29 Turning to specific sites, the RISs serving the Metropolitan Area have been successful, with high occupancy providing high quality environments for business; in some instances (Solihull) this has led to sites being expanded. This would seem a sensible approach going forward to meet future demands and promote clustering, subject to satisfying infrastructure and other policy requirements. Indeed, the South Staffordshire Local Plan already includes an enabling policy to this effect.

2.30 RISs were intended to support diversification and modernisation of the West Midlands economy. Occupiers vary from technology based companies to regional and national headquarters, presumably requiring a central location with good accessibility. What is particularly apparent, however, is the number of locally based operations that have located to RIS sites. Moving to a new, better-quality site for growth and modernisation can encourage firms to stay, expand and diversify in the region, so that local jobs, supply chains and multiplier effects are retained and expanded. Sites are also released elsewhere for another firm or for re-use /or redevelopment.

2.31 The one Major Investment Site in the West Midlands has proved to be a notable success, given that when the JLR were seeking a location there were very limited 'shovel ready' opportunities. A critical issue here was retaining the site in public ownership, playing the long game and holding firm with regard to planning policy despite pressures for further relaxation. Such proposals are difficult to predict with any confidence and a private owner would be likely to want an earlier return on a site once the principle of development had been established. The former RSS policy intended to restructure and diversify the West Midlands economy. Against these measures the i54 site has clearly assisted in strengthening the West Midlands's position in the automotive sector given the turbulent years following the closure of Rover's Longbridge plant in 2005. It also supports export driven growth which improves the economy's resilience; the West Midlands exports more than any other UK region except London and the South East, with the value of these exports increasing year on year despite a downward trend nationally.

2.32 JLR has indicated to South Staffordshire Council that it would welcome specific policy support to expand its plant given that it needs to respond rapidly in a global and ever evolving market. As concluded in relation to the RIS sites, extending an existing facility is an eminently sensible approach provided that the planning authority is satisfied that any policy and infrastructure constraints can be overcome. There is specific policy support in the Solihull and emerging Stratford upon Avon Local Plan to this effect by means of precedent.

2.33 RLS sites are focussed in North Warwickshire District, benefiting from good access to the M6, A5 and M42 as well as hosting the region's only international rail freight terminal and close proximity to Birmingham Airport. The recently published National Networks Policy Statement states that most existing provision of SRFIs is in the Midlands and the North, and the main demands are to serve London and the South East. However, the RSS Phase 2 examination, the URS report commissioned by the Black Country and southern Staffordshire and the recent North Warwickshire Core Strategy examination all indicate that there are continued development pressures for large scale warehousing facilities in the West Midlands and these do not appear to be waning in the light of the recently approved expansion of DIRFT on the West Midlands boundary near Rugby.

2.34 In planning terms, however, what is less clear is where the most appropriate locations for such facilities are, given their footloose nature and broad catchments. Both the URS report and North Warwickshire Inspector advocate a West Midlands-wide approach which has not been progressed. In the absence of a plan led approach, there is the possibility that a promoter may refer a proposal (60 hectares or above) to the Secretary of State for consideration under the 2008 Planning Act and the National Networks Policy Statement.

3 THE OFFICE MARKET

Introduction

3.1 In this and the next two chapters we review demand and supply in the three occupier sectors that are targeted by strategic employment sites: offices, industrial space (covering both manufacturing and logistics) and foreign inward investment. The third market of course overlaps the other two; it is of particular interest because, as discussed earlier, strategic sites particularly target internationally mobile firms.

3.2 The data for our analysis are market data, taken from JLL's in-house databases and commercially available databases such as PMA's PROMIS information service. These data are different from, and not directly comparable to, the planning and economic development data used by local authorities. To assess what sites are available and likely to come forward they rely more on commercial criteria than planning allocations and permissions; in describing geographical locations they use towns, hinterlands and postal addresses rather than local authority areas; and they may date take-up differently, to reflect the dates of transactions rather than physical occupation.

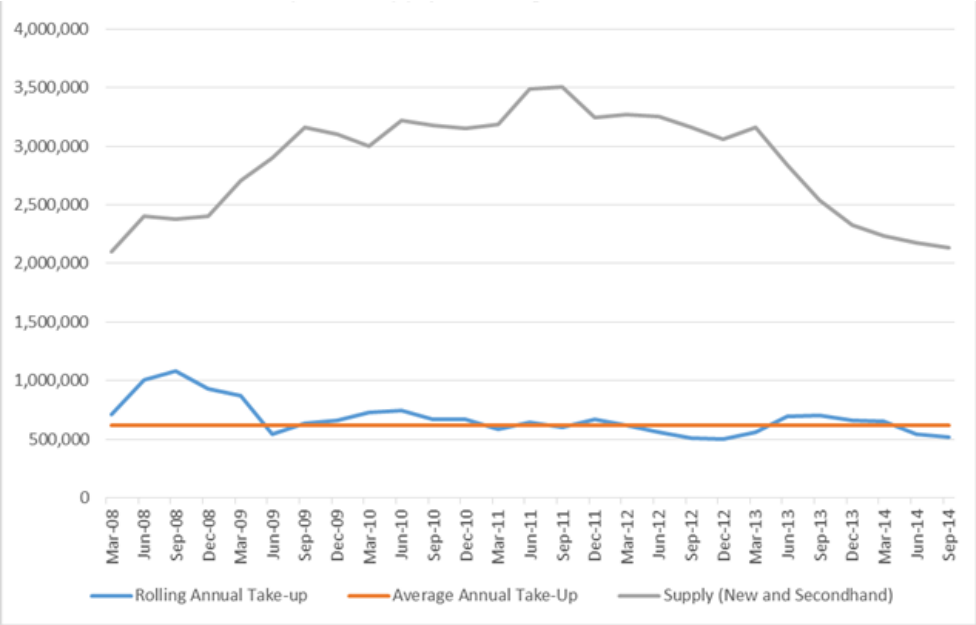
3.3 In relation to offices we first look at the Birmingham and Solihull market. This is divided between the city centre (including Edgbaston) and the out of town market which runs along the M42, from Birmingham Business Park to Blythe Valley Business Park. We then consider Coventry and Warwickshire market, which is also split, between Coventry and an out-of-town market around Warwick Business Park, which is home to a number of high-value firms.

3.4 Aside from these locations, there are also significant though much smaller office markets in locations such as Wolverhampton, Leamington Spa, Stoke-on-Trent and Worcester. These smaller centres are not discussed in this report, because they do not require strategic allocations of regional importance and the demand they attract is overwhelmingly local.

Birmingham city centre

3.5 Take-up in Birmingham city centre from March 2008 to September 2014 averaged over 600,000 sq ft per annum (Figure 3.1) Over the same period an average of circa 2.7m sq ft of built office space has been available to let – equal to 4.5 years supply. After rising steeply in the recession, by September 2014 supply was back to its pre-recession level of some 2m sq ft, still more than three years supply.

Figure 3.1 Office take-up and supply, Birmingham city centre



Source: JLL

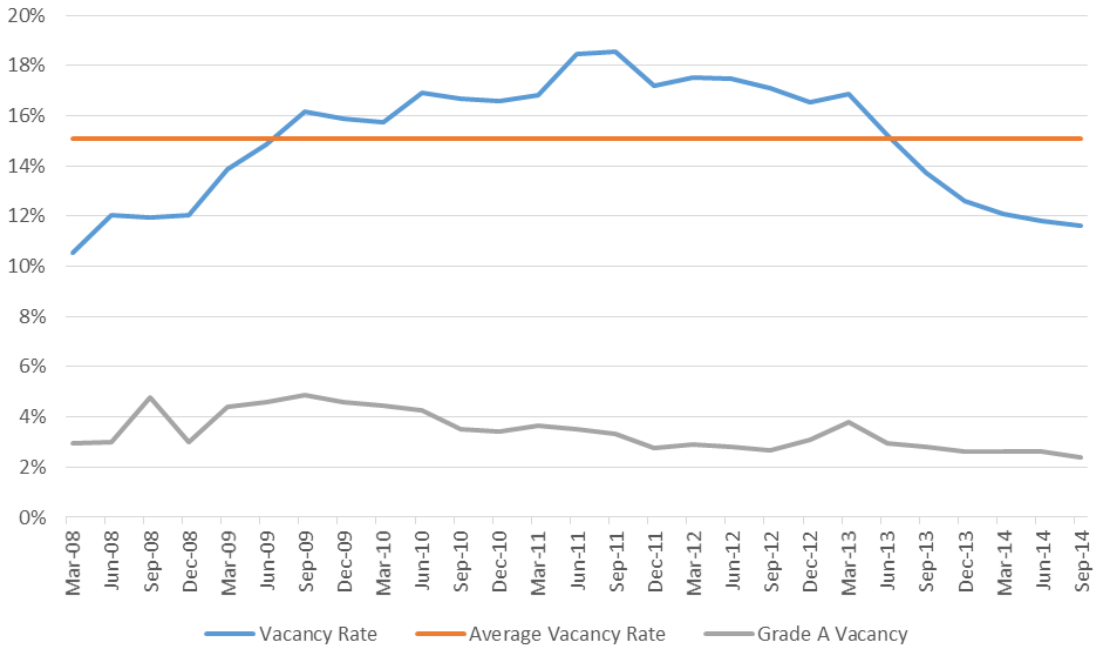
3.6 Vacancy rates in Birmingham have averaged 15.1% since March 2008; this figure is skewed by abnormally high rates around the time of the financial crisis. As of September 2014, 11.6% of office space is vacant, slightly higher than the other major office centres of Manchester, Leeds, Glasgow, Edinburgh and Bristol. However, vacant Grade A offices account for just 2.4% of the total stock, and this vacancy is on a declining trajectory.

3.7 Rents for Birmingham offices fell from £33 psf in 2008 to £28.50 in Q3 2014, although they are now beginning to rise, as the supply of new / grade A space is beginning to fall. As is normal in the business cycle, falling vacancy and rental growth are expected stimulate more new development, replenishing the supply of Grade A offices.

3.8 There have been few speculative schemes in Birmingham over recent years, which has been due to low demand rather than a lack of development sites or planning consents. Development finance and confidence have been in short supply, and the relatively high supply levels have precluded occupier prelets. At the end of 2014, this situation was beginning to reverse, partly because of declining grade A availability levels.

3.9 To meet this expected upsurge demand there are large amounts of land which have plan allocations, or planning consent or are earmarked as part of the Big City Plan. Examples include Paradise Circus (c1.5m sq ft), 3 Snow Hill (c250-330k sq ft), 2 Cornwall Street (c190,000 sq ft), Post and Mail site (c220,000 sq ft), Lumina (180,000 sq ft), Masshouse (423,750 sq ft), The Beorma Quarter (c400,000 sq ft), Arena Central (c860,000 sq ft) and Smithfield Court (c240,000 sq ft).

Figure 3.2 Vacancy Rate, central Birmingham offices



Source: JLL

Birmingham and Solihull out of town

3.10 There is increasing evidence that many occupiers increasingly prefer town and city centres to out-of-town locations. Research published by the British Council for Offices (BCO) in 2011 shows that members anticipate an 'urbanisation' of office demand, partly because central locations offer larger catchment areas (particularly important for graduates and other skilled staff), and the amenity and transport offer in such locations leads to improved retention and recruitment[4]. Such urbanisation of office demand would be in line with the RSS, which sought to concentrated office development in town centres,

3.11 Nevertheless, out of town locations in the West Midlands appear to have performed particularly strongly. The lower costs, flexibility and availability of car parking available are probably instrumental. According to PMA's PROMIS database, out-of-town take-up in Birmingham and Solihull has averaged 249,000 sq ft over the past 10 years, rising to 288,000 sq ft over the past five and 327,000 sq ft over the past three.

3.12 The M42 corridor, particularly the area East and South East of Birmingham, has particular advantages for companies with large, car-orientated sales forces, reflecting its centrality to the national motorway network, and the relative ease of access to the South East given the difficulties associated with the M6 through the West Midlands conurbation.

3.13 Further factors pushing occupiers out of town may include the high level of car-borne commuting (the second highest of any UK region), and the perception that public transport in Birmingham in particular is not as comprehensive as in London, Manchester or Glasgow.

[4] BCO, *The Challenge for the Office Sector over the next Decade and Beyond,* May 2011

3.14 Despite this buoyant demand for offices, there is little or no evidence of a shortage of supply. There are large amounts of land remaining for design and build development at Birmingham Business Park, Blythe Valley Business Park, BAM Properties' Fore in Solihull and, further to the west, St Modwen's Longbridge scheme. (Nearly all these sites are designated as RISs.)

Coventry and Warwickshire

3.15 In the Coventry office market there is a contrast between the more modern out of town (OOT) business parks, such as Westwood Business Park and Ansty Park, and the predominantly older stock that characterises the city centre. The wider Coventry office market also includes further out-of-town developments towards Warwick and Leamington.

3.16 In terms of office stock, Coventry currently possesses around 15.6m sq ft of space, both in town and out of town, of which 6.4% (0.36m sq ft) could be considered modern (completed in the last 5 years).

3.17 There is a limited supply of good quality offices immediately available, with much of the recent availability now under offer. This points towards a scarcity of product, but active demand is also limited. The major source of in-town supply will be the Friargate development, where 144,000 sq ft and 36,000 sq ft have been prelet to Coventry City Council and the Royal Institute of Chartered Surveyors respectively. The former is the largest deal seen in the market for some time, exceeding the 134,000 sq ft taken by Sainsbury at Ansty Park to the north of the city in 2012 (planning permission has been granted to double that floorspace).

3.18 The sheer scale of Friargate – 15 grade A office buildings within a 37 acre site – could reinvigorate the city centre market, which has seen little development since the wholesale reconstructions of the 1950s and 1960s. Since 2005, 67% of all office completions have been out of town.

3.19 As a result, the majority of Coventry's significant office occupiers are located in out-of-town business parks, with automotive and utility companies most prominent. Take up has also been concentrated in the out-of-town area.

3.20 As of Q3 2014, there was just over 250,000 sq ft of space under construction in Coventry, with the majority due to complete over 2015, with all schemes located in OOT submarkets.

3.21 The area further south, around the M40 near Warwick and Leamington, benefits from links with Warwick University and greater accessibility from the South East. In this area there is strong demand for offices and limited availability of new office space, but the supply of development sites is plentiful.

3.22 There are some significant sites out of town which are reserved for employment use – including St Modwen's Whitley Business Park and Goodman's Lyons Park, although there are no currently available buildings, pointing towards the need for design & build. There are also further possibilities at M&G's Middlemarch Office Park. There is further supply further afield – though again no available new buildings at Ansty Park, or at Tournament Fields, Stoneleigh Park or Opus 40 in the Warwick area.

Conclusion

3.23 Market evidence suggests that there is no shortage of supply in the main office market of the West Midlands. The market is following its normal cyclical pattern, so in the post-recession period the availability of built space has been tightening. But there is a plentiful planned supply of sites to accommodate the resulting new development, which will provide new space to fill any emerging gap. That development is coming forward through the normal planning system, much of it in large-scale, high-quality developments that clearly qualify as strategic sites. Therefore we see no need for new policy initiatives to bring forth additional office sites.

4 THE INDUSTRIAL AND LOGISTICS MARKET

4.1 This section examines the demand for and supply of industrial and distribution land and premises within the West Midlands region. For brevity we refer to this market as 'industrial'. The analysis of supply covers both built stock and development sites. As noted earlier it uses market data, from JLL's in-house databases and commercially available databases; such market data are different from, and not directly comparable to, the planning data produced by local authorities. The detailed analysis of take-up (demand) focuses on the period from 2012 onwards, because the previous four years or so were untypical due to the recession.

4.2 In keeping with our definition of strategic sites, the analysis of built floorspace focuses on Grade A[5] units of 100,000 sq ft or more and the analysis of development land on sites of 20 acres (8 ha) or more. (This threshold is below the minimum strategic site of 25 ha, partly because it includes extensions to larger sites,) Data are 'frozen' at the end of 2014 but the text does mention some subsequent events.

National context

Demand

4.3 The UK economy grew fast during 2014. As of October 2014, the HM Treasury forecast GDP growing by 3.0% in 2014, compared to 2.7% at the start of the year. Although manufacturing declined slightly as a %age of GDP, confidence in the sector remains high by historical standards, as demonstrated by Purchasing Managers Indices (PMI). The automotive sector has been particularly resurgent, now accounting for 1.3% of total UK output, up from 1.2% in 2008.

4.4 Employment growth has been a key feature of the current economic recovery, and has supported strong retail sales volumes. At the same time the retail sector is undergoing substantial structural change, as retailers attempt to adapt to the growing proportion of internet and mobile sales and the resulting change in customer expectations and needs.

4.5 As a result, retailers are facing twin pressures on their logistics operations. Firstly, they need to expand in response to rising demand; and secondly, they need to reorientate at least part of their property portfolio around home deliveries, click-and-collect and returns. This is driving, and will continue to drive, further gross take-up of space in the distribution market.

4.6 E-retailing is changing the property market. The shift to multi-channel creates additional demand for both very large units in nationally accessible locations such as the Midlands, and smaller units in urban areas. Retailers such as Amazon and M&S have created 'e-fulfilment warehouses' of circa 1m sq ft where all the merchandise is stocked and picked to fulfil online orders. Items leave these huge spaces and pass through a parcel hub and sortation centre where they are sorted by end destination

[5] Grade A, as defined in the property market, covers new units and second-hand units of good enough quality to compete with new space.

and distributed to the appropriate local parcel delivery centres for final delivery (meaning that more bays are often needed than in conventional logistics units).

4.7 These local parcel delivery centres are logistics units that need to be in urban areas where they can most easily access large populations. This presents a problem as supply is lacking and operations can be more problematic in more densely populated areas. These parcel delivery networks are often operated by third parties but some operators, such as Amazon, are setting up their own operations.

4.8 Occupier take-up of Grade A industrial and logistics units of over 100,000 sq ft in 2014 totalled 19.5m sq ft, 8% up on 2013 (18.0m sq ft).

4.9 Of the 19.5m sq ft taken up approximately 12.8m sq ft was in new space with around three quarters in new built to suit units and one quarter in new speculatively built units. The remaining 6.7m sq ft was taken up in good quality secondhand space. The large quantity of demand coming from built to suit space in 2014 reflects recent trends in the logistics market demonstrating a lack of immediately available built product in the market.

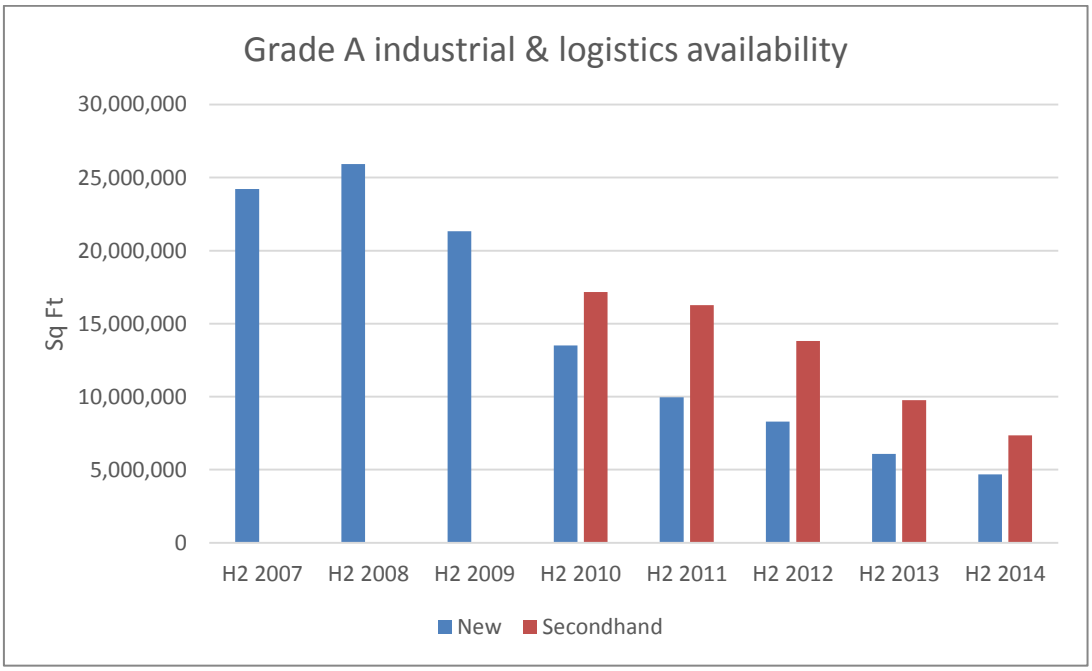
4.10 Almost half of this take-up was from retailers (47%) looking for warehouse / distribution facilities, with a further 22% from logistics specialists (likely to be servicing a mixture of retailer, wholesaler and manufacturer supply chain contracts). Around 23% was accounted for by manufacturers, although the premises in question are not necessarily production facilities; they may be used for the storage and distribution of components or the finished product.

Supply and market balance

4.11 As of the end of December 2014, the availability of grade A units of over 100,000 sq ft stood at around 12.0m sq ft, of which 4.7m sq ft was speculatively developed (including space under construction). The remaining 7.3m sq ft comprised good quality second-hand space. Supply has been falling at a rapid rate over the past few years, as the graph below shows, although as indicated above there was some slowing over 2014, perhaps as a result of a lack of choice. Nevertheless the supply of new build space has fallen from 25.9m in H2 2008 to 4.7m at the end of 2014.

4.12 In response to the shortage of stock, 2013 saw the return of speculative development at the larger end of the scale. At the end of December 2014, there were seven units of more than 100,000 sq ft under construction and available to the market, totalling 1.2m sq ft. Two of these were in the Midlands, with the remainder in the South East.

Figure 4.1 Grade A industrial availability, units over 100,000 sq ft, UK, end 2014

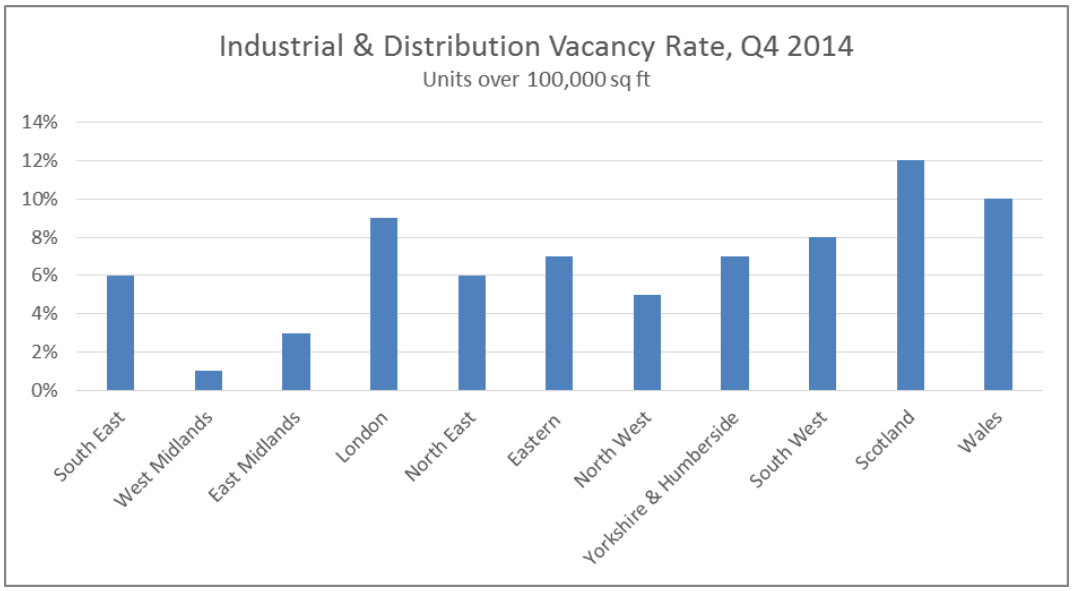


Source: JLL

4.13 In take-up terms, the Midlands remain the industrial and distribution heartland. In 2014 the West Midlands and East Midlands together accounted for 44% of take-up of units of 100,000 sq ft or more, higher than the Greater South East (22%). Over the medium term (five years), the Midlands represent around 34% of take-up, compared with 20% for the Greater South East.

4.14 The national vacancy rate for units in this size category fell from 13% at the beginning of 2012 to 5% at the end of 2014, although there are huge differences across the country. The lowest vacancy rates at the end of 2014 were in the West Midlands (1%) and the East Midlands (2%).

Figure 4.2 Industrial vacancy rate, Grade A units over 100,000 sq ft, UK, Q4 2014



Source: JLL

4.15 At the end of 2014, there were a large number of active requirements in the market, but a shortage of immediately available stock. This suggests that there will be a continuing take-up of build-to-suit units, although in some regions the availability of consented sites is becoming an issue. Where possible, increasing numbers of developers may proceed speculatively to take advantage of strong market conditions.

4.16 Given the shortage of supply, it is unsurprising that rents have increased in some regions. Prime rents in Birmingham and Coventry at the end of 2014 stood at £6.00-6.25 per sq ft, up from £5.75 per sq ft at the beginning of 2014; in Solihull £6.25 per sq ft is the equivalent, up from £5.75 a year ago. But in Stoke rents have remained unchanged at around £4.75-£4.95 per sq ft.

4.17 We estimate that land values for prime sites on the motorway network increased by 30%-40% over the course of 2014. It is easy to find market evidence of recent increases; in Erdington, Birmingham, JLR paid £700,000 per acre in 2013; against £475,000 paid by Rolls Royce at Birmingham Business Park in 2012. The table below gives a comparison of land values in selected locations.

Table 4.1 Industrial land values, £ per acre, 2014

Location	Minimum	Maximum
West Midlands		
Coventry	400,000	500,000
Birmingham	400,000	500,000
Tamworth	350,000	450,000
Black Country	200,000	300,000
Stafford	200,000	250,000
Stoke-on-Trent	200,000	250,000
Other regions		
Enfield	1,000,000	1,100,000
Milton Keynes		650,000
Daventry/Lutterworth		525,000
Bedford		400,000
Swindon		400,000
Manchester		325,000
Bristol	250,000	300,000
Leeds		250,000
Wakefield		250,000
Cardiff		
Glasgow	125,000	150,000
Widnes		150,000

Source: JLL

Land ownership

4.18 A general feature of the industrial market is that most development sites are controlled by developers. An occupier seeking a clear site to design and build their own facility might find it difficult to obtain land at the values shown above. Developers would be looking to obtain development profit from the site (i.e. the difference between the end value, and the sum of land price and construction cost). Indeed, this is the reason for their decision to purchase the sites in question (or options on them) in the first instance. For land sales, they would be looking for a price that includes this profit; or, alternatively, to design and build the finished product themselves, which would deliver their profit through a different route.

4.19 Development profit is the price paid by occupiers for the cost and risk of identifying and assembling development sites and promoting them through the planning system – a task that few industrial occupiers are able or willing to undertake. The alternative is for the public sector to perform these tasks, at no cost to the occupier. Traditionally this has been a common way to bring forward strategic industrial sites.

4.20 Thus, the i54 business park in the West Midlands was developed on land owned by the former Regional Development Agency; it is also supported by publicly financed infrastructure, including a new motorway junction paid for by county and district Councils. The availability of this land and infrastructure at low cost may have been

the decisive factor in JLR's decision to locate its new plant at i54. Press reports quote a senior Councillor commenting that

'JLR were looking at 100 sites across the world, narrowed it down to 17 and then to three: one in South Wales, another in India and the i54. The key was that motorway junction'[6].

4.21 It is not in the gift of the planning system to offer this kind of incentive, and hence to determine whether a scheme like the JLR engine plant locates in the West Midlands. But positive planning is a key input of a the coordinated public action that is required to bring forward such schemes.

The West Midlands

Occupier trends

Manufacturing and logistics

4.22 The West Midlands has been the epicentre of UK manufacturing ever since the industrial revolution. By the 1960s, its economic structure, once renowned as the most diverse in the world, had become overly dependent on the then nationalised motor industry. With the collapse of this sector in the 1980s, the region – which once had wages comparable to the South East – saw the highest fall in output.

4.23 Diversification into service industries saw the area recover in the subsequent decade, and more recently it has seen something of an industrial revival. Much of the region's industrial economy remains dependent on a resurgent car industry, and particularly the growth of one company – Jaguar Land Rover (JLR). There are also other major automotive facilities in the region, including the BMW engine plant at Hams Hall near Coleshill, Warwickshire and the Shanghai facility at the former British Leyland site at Longbridge, Birmingham.

4.24 JLR has had a considerable direct impact on employment and R&D spending in the region. But in relation to the property market JLR's indirect impacts have been more obvious, in that it has boosted demand for space from expanding companies within its supply chain. Some of these companies are components manufacturers, some operate as distributors, and some are active in both areas.

4.25 In interviews with JLR, the automotive firm expressed concerns over the availability of built stock, for their own logistics needs as well as those of their own suppliers. They were less concerned about the availability of undeveloped land on which buildings could be provided to order. The point is that occupiers often need space at short notice, so only a ready-made building will do.

4.26 Planning policy tends to distinguish between B1c/B2 (industrial) and B8 (distribution) uses. However it is not always possible to make this distinction in market terms. In recent years use classes have become more flexible, and many sites that were consented for B1/B2 use have been used for B8 or other uses. Meanwhile, many manufacturers have taken units on developments that were conceived or marketed

[6] Express and Star, 24 November 2014, http://www.expressandstar.com/news/2014/11/24/work-completed-on-44m-i54-site-link-road/

as distribution parks. Consequently manufacturing and distribution are merging into one market. A rise in 'logistics' land values leads to an increase in 'industrial' values, and vice versa.

4.27 Additionally, the two use classes are often operationally linked. Logistics / warehousing units are not just conduits for retail goods. They are also often used for the temporary storage of components or end products for local manufacturers. Recent examples include the letting of 225,000 sq ft at Prologis Park at Ryton, near Coventry, to JLR and 226,750 sq ft to Aston Martin at Wellesbourne Distribution Park. The supply chain also requires logistics facilities. Without sufficient warehousing capacity for this supply chain there would be significant impacts on local manufacturing companies.

4.28 There are also instances where manufacturers have expanded on their existing base, forcing suppliers or logistics providers to move. For example, the expansion of JLR at Solihull has forced off the site some distribution occupiers who were previously co-located with Jaguar. This led to demand for logistics units elsewhere in the area. New space was visibly taken by logistics operators, but in net terms the additional property demand was being driven by manufacturing.

4.29 Furthermore, in many 'logistics' units there may be an element of light assembly or even more technical manufacturing; and many manufacturing complexes have a significant distribution element.

4.30 In summary, the market is increasingly blurring the distinction between manufacturing industry and the logistics operations that serve that industry. But for planning the distinction remains important, because it needs to take account of the different impacts of these uses, for example in terms of hours of operation, vehicle movements and the types of jobs created.

Retailers and third-party distribution

4.31 Alongside manufacturers and their suppliers, retailers and third-party logistics specialists are also a significant presence in the region. These sectors account for the majority of space taken up (as detailed below). The original 'Golden Triangle' in the East Midlands, around Daventry and Lutterworth (and including the far eastern fringe of the West Midlands around Rugby) has expanded as a result of rising labour costs and lower land availability. It now includes the eastern half of Birmingham, the M42 corridor and the motorway-accessible parts of Coventry.

4.32 However the Golden Triangle has not expanded far into the Black Country or Staffordshire. The perception that there are significant delays on the M6 through the conurbation represents a 'virtual barrier' to the north and west. The M6 toll road of course provides a faster alternative, but distribution operators operate on narrow margins and typically consider that the cost is too high.

4.33 The perception that access to London is easier to the south of this barrier is an important factor in location decisions. Consequently, while there are logistics operators to the north, their facilities generally serve smaller areas – such as the West Midlands and perhaps the North West and parts of the South West and Wales. If the toll were abolished or capacity on the normal M6 were greatly improved the

area's disadvantages could reduce, but to our knowledge there are no such proposals at present.

4.34 Worcestershire is also seen as relatively inaccessible, with the exception of Redditch, which is seen as a fringe-M42 location, and perhaps has more in common with the Solihull market.

4.35 Needless to say, logistics sites need to be directly linked to the motorway network. Increasingly occupiers are also looking for rail freight access.

4.36 There is some evidence of large-scale occupiers who are unable to find space in the region. For example, a major UK manufacturing concern was looking to centralise its production and distribution facilities at one site in the Midlands of c 60 hectares, but was unable to find space. This is a rare event, however, and was only a preliminary sweeping exercise. More typical is the electronics specialist looking for 500,000 sq ft of assembly and logistics space.

Take-up

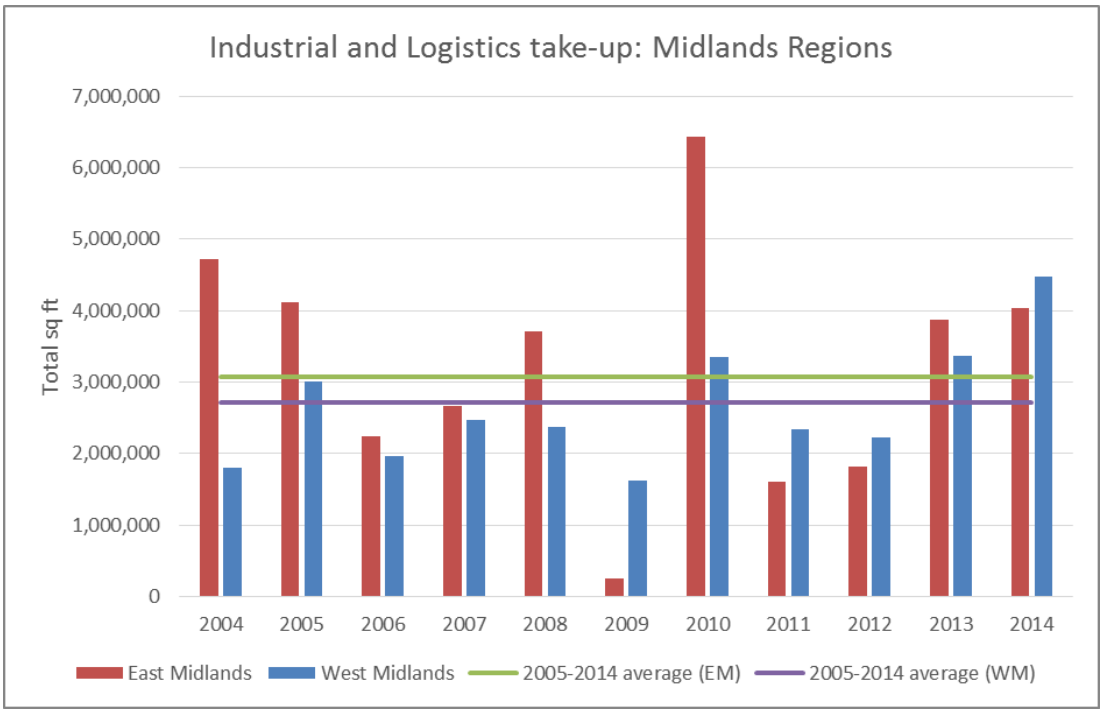
4.37 JLL has a comprehensive database of take-up of industrial and logistics units of 100,000 sq ft or more in the Midlands regions (as well as the remainder of the UK) dating back almost 20 years. The chart below shows how take-up has changed since 2004. It is important to note that it does not include land sales direct to manufacturing occupiers that do not involve developers (however land sales to distribution operators are included). Therefore our statistics exclude the new JLR engine plant at i54, which is one of the major developments in the region. But this kind of transaction is very rare; in the West Midlands in recent years the JLR engine plant is the only instance to our knowledge.

4.38 As can be seen, take-up has risen over the past two years across both regions, after a lull following the financial crisis (2010 excepted). The recovery in the West Midlands has been stronger than the East Midlands, at least compared to historical trends.

4.39 Take-up in 2014 was 65% above the 2004-2013 average in the West Midlands, compared to 31% for the East. It is also notable that the volumes in each region since the end of 2008 are roughly comparable (18.0m sq ft for the East v 17.4m sq ft in the West) whereas in the five years beforehand take-up in the East was 50% higher (17.4m sq ft v 11.6m sq ft).

4.40 These figures reflect the industrial revival in the West Midlands, as well as the region's increasing appeal for logistics operators, perhaps resulting from higher land values or labour costs in the East Midlands.

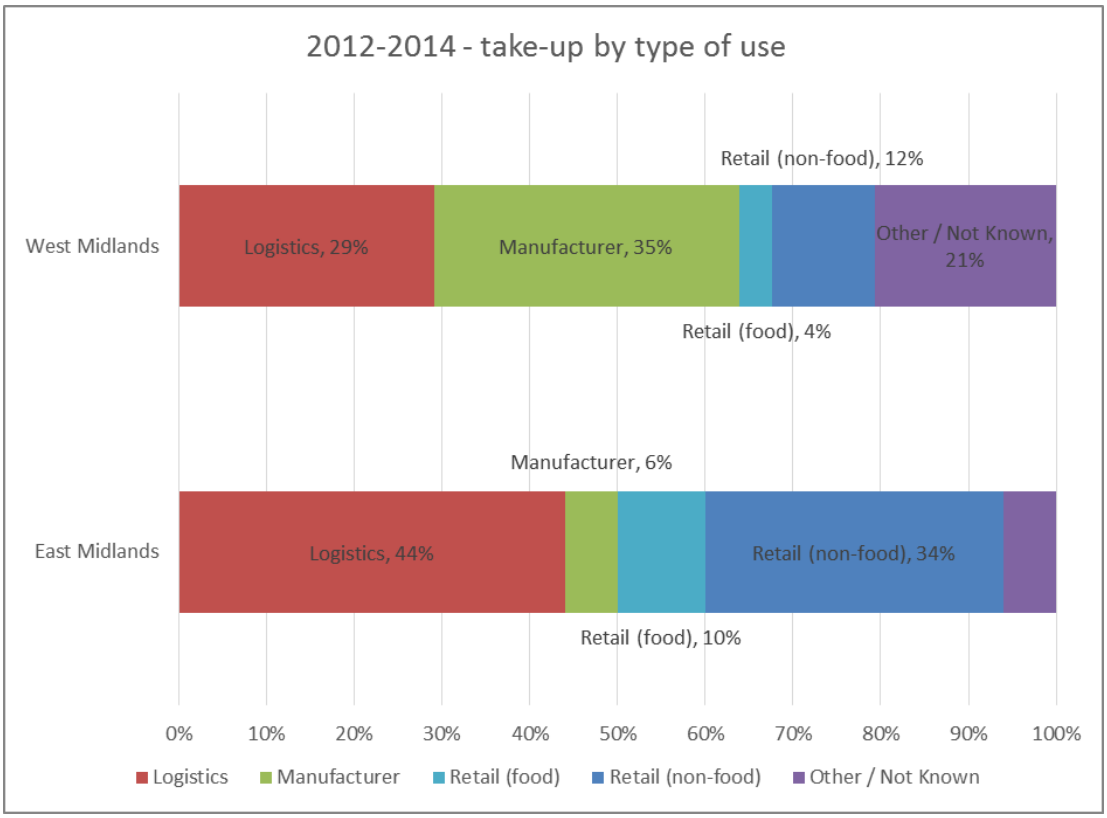
Figure 4.3 Industrial take-up, Grade A units over 100,000 sq ft, Midlands regions, sq ft



Source: JLL

4.41 The chart below shows take-up split by the business of the company in question over the three years 2012-2014.

Figure 4.4 Industrial take-up by type of use, Grade A units over 100,000 sq ft, Midlands, 2012-2014

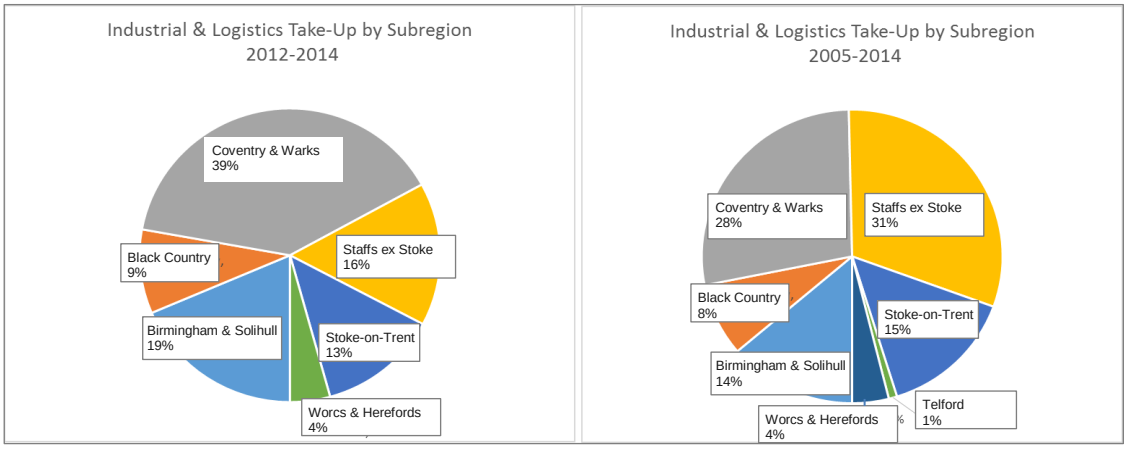


Source: JLL

4.42 The far greater importance of manufacturers vis-a-vis logistics specialists in the West Midlands can clearly be seen. Manufacturers represent just 6% of take-up in the East Midlands, but 35% in the West. While manufacturing take-up has generally been slightly higher in the West Midlands, the contrast has increased substantially over recent years.

4.43 The charts below show the % take-up split by sub-region. Over the past three years, almost 40% of take-up of units of 100,000 sq ft or more has been in the Coventry & Warwickshire sub-region. However, around 32% of this Coventry & Warwickshire take-up is at Birch Coppice, which lies very close to the border with both the Birmingham and Staffordshire sub-regions.

Figure 4.5 Industrial & logistics take-up by sub-region, Grade A units over 100,000 sq ft, West Midlands, 2012-14



Source: JLL

4.44 The Staffordshire area represents around 16%, although it should be noted that 52% of this take-up is either in Tamworth or Lichfield, close both to Birmingham and the border with Warwickshire. Indeed, the Birmingham take-up is also concentrated in places such as Midpoint in Minworth, close to this location. Indeed, as the Coventry take-up is highly concentrated at Ryton and Rugby to the south-east of the city, it could be argued that the majority of activity is at these two critical locations.

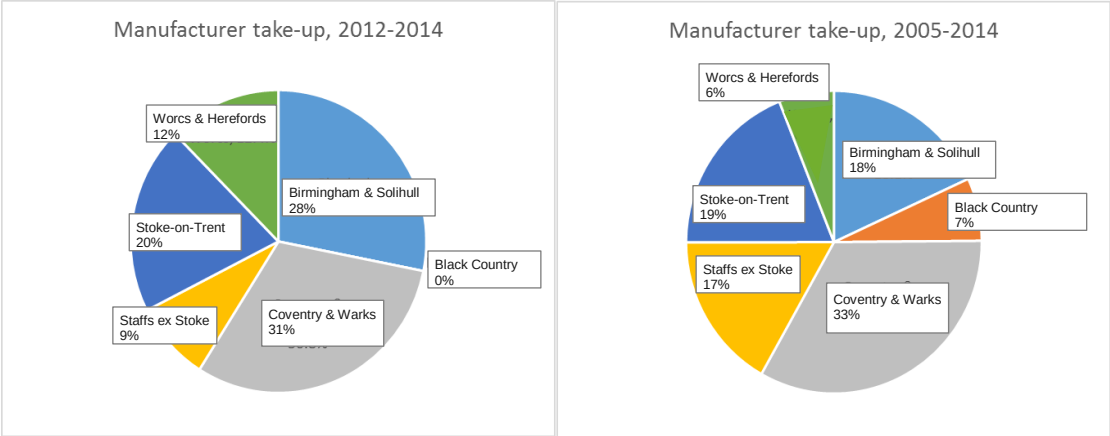
4.45 This is not dissimilar to the longer term pattern, although Staffordshire has historically tended to be far more dominant and Coventry & Warwickshire second; and c12% of this latter take-up has been in the Coleshill area (particularly the Hams Hall scheme), which arguably has more in common with the Birmingham / M42 market described in the previous paragraph. Indeed, once this is stripped out, there is a much more equal balance between the Birmingham and Coventry markets, which in any case have fairly fuzzy boundaries.

4.46 The other point is the relative underperformance of Stoke-on-Trent in recent years.

4.47 Take-up for manufacturing concerns only is shown below. Note that 'manufacturing' refers to the activities of the parent company, rather than the unit in question, so many of these units may be logistics units operated by manufacturers. The figures do

not include the small number of owner-occupied bespoke factory facilities acquired directly through land sales, such as JLR at i54.

Figure 4.6 Manufacturing take-up by sub-region, Grade A units over 100,000 sq ft, West Midlands, 2012-14



Source: JLL

4.48 While the geographical distribution is similar to Figure 4.6, manufacturers are slightly underrepresented in the 100,000 sq ft + size bracket in Staffordshire and the Black Country compared to logistics operators.

4.49 The chart below shows the take-up of units over 100,000 sq ft by manufacturers compared to other uses (logistics specialists, retailers and other miscellaneous uses such as trade counters and wholesalers) in the West Midlands region only. It demonstrates the scale of the industrial revival, with manufacturers taking up a greater percentage of deals over 2013 and 2014.

Figure 4.7 Manufacturing take-up, 2005-14, Grade A units over 100,000 sq ft, West Midlands, sq ft

Source: JLL

4.50 The table below shows recent deals from manufacturers in the region. While automotive accounts for the largest share, there are also many hi-tech engineering businesses, such as engine cooling, hydraulics and fluid control - which supply the aircraft as well as automotive industries. With the exception of the JCB deal at Stoke and the Vax presence at Droitwich, the deals are concentrated in Birmingham, the M42 corridor and the wider Coventry area.

Table 4.2 Recent Grade A take-up in units of 100,000 sq ft + in the West Midlands, manufacturers

Year	Occupier	Scheme name*	Location	Size sq ft	Grade
2014	Jaguar Land Rover	Prologis Midpoint DC4	Minworth	470,000	Secondhand
2014	Rangemaster	Hermes 119	Minworth	119,046	Secondhand
2014	Hydraforce	The Advanced Manufacturing Hub	Birmingham	120,000	New
2014	Jaguar Land Rover	Prologis Park Ryton	Ryton	226,760	New
2014	Aston Martin	Wellesbourne Distribution Park	Wellesbourne	225,000	New
2014	Screwfix	Trentham Lakes	Stoke on Trent	320,000	New
2014	Vax	Stonebridge Cross Business Park	Droitwich	231,420	New
2014	DAU Draexlmaier Automotive	Birch Coppice	Tamworth	168,900	New
2013	JCB	G-Park Blue Planet	Chatterley Valley	385,000	New
2013	Vax	The Big Berry	Droitwich	202,324	Secondhand
2013	Laidlaw	The Hub, Unit 1	Witton	120,000	New
2012	Jaguar Land Rover	The Fort	Birmingham	160,000	Secondhand
2012	Lear Corporation	Rivet	Coventry	220,150	New
2012	TTAS (part of Toyota)	Unit 4, Meteor Park	Birmingham	115,067	New
Average size				220,262	

Source: JLL

4.51 The DAU Draexlmaier Automotive deal is particularly important, as they are a supplier to JLR. They were ‘embedded’ at the Solihull site but due to expansion of the JLR facility they have been forced to find premises elsewhere.

4.52 The table below gives details of all deals for logistics, distribution, warehousing, retailer and ‘other’ occupiers since the beginning of 2012.

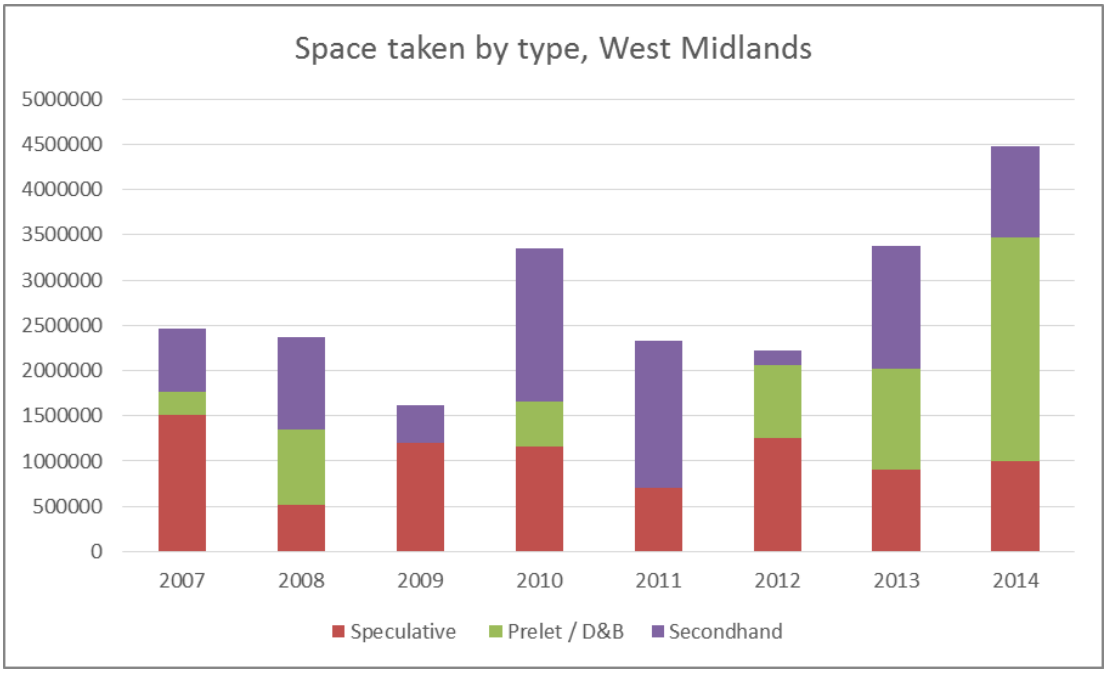
Table 4.3 Grade A industrial take-up in the West Midlands in units of 100,000 sq ft +, 2012-14, non-manufacturing

Year	Occupier	Scheme name*	Location	Size sq ft	Grade
2014	Norbert Dentressangle	Radial Point	Stoke on Trent	183,000	Secondhand
2014	Euro Car Parts	Birch Coppice	Tamworth	778,000	New
2014	Asda	Park Lane, Minworth	Minworth	120,000	New
2014	Bunzl	Unit A1, Swift Park	Rugby	114,473	Secondhand
2014	Aldi	Centurion Point	Tamworth	120,000	Secondhand
2014	UPS	Birch Coppice	Tamworth	152,599	New
2014	Wiggle	Citadel	Darlaston	320,000	New
2014	Confidential	J1 Rugby	Rugby	100,000	New
2014	H&M	Rugby Gateway	Rugby	236,000	New
2014	Finning	Kingswood 127, Lakeside Business Park	Cannock	127,000	New
2014	UK Mail	Prologis Park Ryton	Ryton	231,000	New
2013	H&K	Rapida	Rugby	120,000	Secondhand
2013	DHL	Swift Valley, Valley Park 334	Rugby	334,000	Secondhand
2013	Euro Car Parts	Tamworth 594	Tamworth	194,000	Secondhand
2013	Freeman Events	Prologis Park Ryton	Ryton	170,500	New
2013	Hi Logistics (LG Electronics)	Prologis Park Ryton	Ryton	165,200	New
2013	Hermes Parcelnet	Tamworth 594	Tamworth	400,000	Secondhand
2013	Clipper Logistics	The Duke	Burton upon Trent	300,000	New
2013	Bunzl	Birch Coppice	Tamworth	165,600	New
2013	SERCO	Eagle Eco Park	Sandwell	500,000	New
2013	Norgren	Unit 7 Fradley Park	Lichfield	104,014	New
2013	Confidential	Athena Point	Birmingham	101,582	Secondhand
2013	Storage Base	Opus Blueprint Junction 9 M6	Wednesbury	112,000	New
2012	Minor Weir & Willis	Altitude	Witton	148,915	New
2012	The Pallet Network (TPN)	Prologis Park, Midpoint	Midpoint	367,500	New
2012	Hoby Craft	First Point Centrum 100	Burton upon Trent	213,281	New
2012	Network Rail	Prologis Park, Ryton	Ryton	300,000	New
2012	DHL	150 Stirling Park	Solihull	149,383	New
2012	APC	Kingswood Lakeside	Cannock	130,000	New
2012	Smyths Toys	415 @ Lymdale Cross	Newcastle under Lyme	415,000	New
Average size				229,102	

Source: JLL

4.54 The chart below shows the take-up of units of 100,000 sq ft or more in the West Midlands, divided by type. Since 2011 the share of pre-let / design and build units has increased, in response to the falling supply of both second-hand and, in particular, speculative units.

Figure 4.8 Space taken by type, Grade A industrial units over 100,000 sq ft, 2012-14, West Midlands, sq ft



Source: JLL

4.55 Looking over the past decade, no unit taken up by manufacturers has exceeded 500,000 sq ft (again this excludes the JLR plant at i54, which measures around 1m sq ft but is excluded from the statistics). However, 63% of take-up has been less than 250,000 sq ft; only 38% has fallen into the 250,000-500,000 sq ft size bracket. Indeed, over the past three years, there has been more of a skew to the smaller sized units, with c75% in this category.

4.56 In contrast, distributors appear to take much larger units. Over the 10-year period, 48% of logistics units let (by size) were in the 100,000-250,000 sq ft category; a further 34% were in the 250,000-500,000 sq ft category; 7% were in the 500,000 sq ft – 750,000 sq ft category; and 9% were larger than this, but none exceeded 1m sq ft. In recent years, there appears to have been more let in the 250,000 sq ft – 500,000 sq ft range than is typical, however.

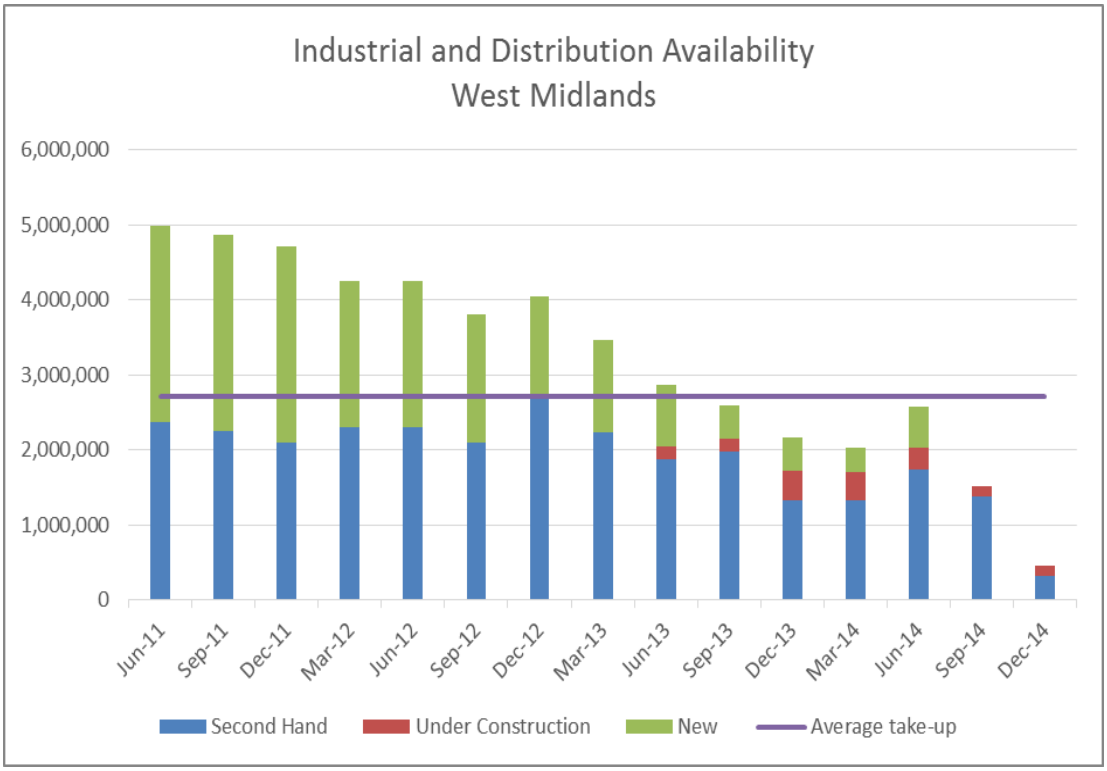
4.57 On average, the unit size taken by manufacturers over the decade has been somewhat smaller than for logistics operators – 197,668 sq ft, compared to 242,500 sq ft. This has not changed materially over recent years.

Supply

4.58 The supply of newly built units of 100,000 sq ft or more has been declining since it peaked in the aftermath of the financial crisis. As the graph below shows, in June 2011 availability in this size category across the region stood at 5.0m sq ft, of which 2.6m sq ft was new space. By December 2014 availability had fallen by over 90% to

456,000 sq ft, all second-hand – i.e. no new space was available, although 142,000 sq ft was under construction.

Figure 4.9 Industrial floorspace availability, Grade A units over 100,000 sq ft, end 2014, West Midlands, sq ft



Source: JLL

4.59 As shown in the table below the available built space was in just three units.

Table 4.4 Grade A industrial units over 100,000 sq ft currently available, end 2014, West Midlands

Map no.	Scheme name	Location	Size sq ft	Status
1	Swift Valley	Rugby	211,594	Secondhand
2	Falcon Fradley Park	Lichfield	102,174	Secondhand
3	Silver Bullet, Hams Hall	North Warks	142,000	Under construction

Source: JLL

4.60 Given the lack of new units on the market, it is unsurprising that, as detailed above, there has been an increasing amount of take-up via design & build or prelets.

4.61 Table 4.5 shows sites in the region where there is land immediately available for industrial / logistics development in lots of 20 acres or more. It is important to note that this schedule is based on market intelligence, as opposed to planning data. These two kinds of information are not directly comparable. Locations shown in the schedule refer to general areas or nearest larger settlements, not local authority areas.

Table 4.5 Industrial sites immediately available, 20+ acres, end 2014, West Midlands

Map No	Site	Size acres	Developer	Comments
1	Worcester Technology Park	90	Stoford	R&D, Manufacturing and Logistics
2	Longbridge West	70	St Modwen	Outline planning conset for B1/B2 uses
3	Blythe Valley Business Park, Solihull	20	IM Properties	Permission for B1
4	Prologis Park Ryton, Coventry	25	Prologis	Permission / being marketed for B1, B2, B8
5	Rugby Gateway, Rugby	75	Roxhill	Permission / being marketed for B1, B2, B8
6	Ansty Park, Coventry	30	Highbridge Properties	Focus on R+D and technology but may consider B2 and B8
7	Lyons Park, Coventry	48	Goodman	Permission / being marketed for B1, B2, B8
8	Whitley Business Park	93	St Modwen	Planning permission / being marketed for B1, B2, B8
9	Tournament Fields	30	Sackville / Clowes	Allocated site with planning consent for 225,000 sq ft unit
10	Signal Point, Birmingham	20	Mucklow	Permission for B1, B2, B8
11	Advanced Manufacturing Hub	30	G Birmingham & Solihull LEP	Consent for B1/B2
12	The Hub, Witton, Birmingham	80	IM Properties	Planning permission / being marketed for B1, B2, B8
13	Land at J10 M42, nr Tamworth	21	St Modwen	Permission / being marketed for 200,000 sq ft B2,B8+F23
14	Opus Blueprint	22	Opus Land	Permission for B1, B2, B8
15	Prime 10	20	Systemhaven	Outline planning permission for 400,000 sq ft of B1, B2,B8
16	Land at i54	23	Staffordshire County Council	Land comprises 4 remaining plots; permission for B1, B2
17	Four Ashes	52	Bericote Properties	Permission/marketed for B8
18	Kingswood Lakeside, Cannock	52	Biffa / Staffordshire County Council	Permission / being marketed for B1, B2, B8
19	Fradley Park, Fradley	47	Evans/Graftongate	Permission for B1, B2, B8 split between 4 separate plots
20	Prologis Park, Fradley	60	Prologis	Permission / being marketed for B1, B2, B8
21	Land South of Branston, Burton Upon Trent	35	St Modwen	Permission for 770,000 sq ft. Restricted access and yet to be marketed
22	Telford 54, Telford	78	ACA, Telford & Wrekin Council, Co-op	Planning permission for B1,B2,B8
23	Redhill Business Park, Stafford	40	Staffordshire County Council	Permission / being marketed for B1, B2, B8. Split into small plots.
24	Trentham Lakes, Stoke	41	St Modwen	Permission / being marketed for B1, B2, B8. Split between 5 plots
25	Sideway, Stoke	41	Prologis	Permission / being marketed for B1, B2, B8
26	G Park, Stoke	22	Gazeley	Permission / being marketed for B1, B2, B8
Total		1,165		

Source: JLL

4.63 The table below summarises the immediately available supply and compares it with take-up over the previous three years. Both sides of this calculation deal with new space only, comprising new-build units and sites that can provide such units. To convert the land areas at Table 4.5 into floorspace we assume a plot ratio of 40%. We also include in the total the single new-build unit available on the market, Silver Bullet at Hams Hall.

Table 4.6 Demand and supply summary – immediately available land supply, West Midlands, end 2014, 20 acres+

Sub-region	Land area acres	Floorspace sq ft	Annual take-up New build, sq ft	Years supply
Birmingham & Solihull	220	3,833,280	380,288	10.1
Black Country	42	731,808	310,667	2.4
Coventry & Warks	322	5,752,528	624,870	9.2
Staffordshire	309	5,384,016	713,131	7.5
Stoke-on-Trent	104	1,812,096	373,333	4.9
Telford	78	1,359,072	-	-
Worcestershire	90	1,568,160	77,140	20.3
TOTAL	1,165	20,440,960	2,479,430	8.2

Source: JLL

4.64 For the region as a whole, this immediately available total of 20.4m sq ft amounts to 8.2 years supply. Overall this seems a reasonable level of supply, more than the five-year land reserve required by the former Regional Strategy (the NPPF also requires planning authorities to maintain five years of 'deliverable' supply, but only for housing). Of the individual sub-regions only the Black Country is below the five-year threshold but the adjoining area of Staffordshire is well above the threshold. As noted earlier the past take-up data for Staffordshire exclude the 1m sq ft at the JLR engine plant; if this very exceptional site were added the years supply figure for Staffordshire would fall to 5.1 years.

4.65 The next section will look closely at the geographic distribution of demand and supply. But first, in the table below we show sites of 20 acres or more that are being proposed or considered for industrial development but are not considered by the market to be immediately available. We call these sites 'potential supply'. They are at different stages of promotion and planning and there is no certainty about when they will come forward. Indeed there is no guarantee that all the potential sites will come forward at all, given that for many of them there are major obstacles to development.

Table 4.7 Potential industrial land supply, West Midlands, end 2014, 20+ acres

Map No	Site	Size, acres	Developer	Comments
1	Redditch Gateway, Redditch	47	Gorcott Estate, HCA and Stoford	Allocated in draft Stratford core strategy. Awaiting planning consent. Infrastructure required. Site straddles Coventry & Warks and Worcestershire.
2	Coventry Gateway, Coventry	168	Rigby Holdings Ltd	Permission refused at appeal by Secretary of State. Councils intend to re-submit following Green Belt review and adoption of Local Plans
3	Birch Coppice Phase 3, Dordon	70	IM Properties, Hodgetts Estates	Likely to be developed separately based on different ownerships Site has planning consent
4	Land at Junction 10, M42, Phase 2	60	St Modwen	Application for 80,000 sq m submitted in December 2014
5	Land at Hams Hall, Coleshill	50	E.ON	Green Belt
6	Birmingham International Gateway (BIG), Birmingham	227	Prologis, Ashford Development	Green Belt site on boundary of Birmingham and North Warwickshire, being promoted as extension to Peddimore allocation in Birmingham Development Plan
7	Peddimore	175	ProLogis	Allocated in Birmingham Development Plan
8	Phoenix 10, Darlaston	37	HCA	IMI site. Serious issues with ground conditions and access
9	Lichfield Park, Lichfield	24	Stoford Developments	CPO was secured 2014, access bridge close to completion and construction of industrial units will follow
10	Branston Locks, Burton Upon Trent	50	Nurton Developments	Planning permission to be granted in the near future
11	Extension to Stone Business Park, Staffs	33	Stoford Developments	Allocated by the Stafford Local Plan
12	Meaford Power Station, Stone	69	St Modwen	Site has planning permission. Access improvements needed, funding application was unsuccessful
13	Blythe Vale Business Park, Stoke	115	St Modwen	Planning limited to B1. Not being actively marketed.
14	Chatterley Valley, Stoke	112	Harworth Estates	Ground remediation and levelling issues
Total		1,237		

Source: JLL

4.66 In the more popular parts of the region, where past take-up has been highest, these obstacles are typically on the supply side and the main one is the Green Belt. The second largest potential site, Peddimore, is now allocated in the emerging Birmingham Development Plan despite being in the Green Belt. But the first and third largest potential sites, Birmingham International Gateway and Coventry Gateway, which jointly account for one third of the region's potential supply, are both in the Green Belt and do not benefit from either plan allocation or planning consent. Coventry Gateway was refused planning permission earlier this year and the BIG scheme failed to secure an allocation in the recently adopted North Warwickshire Development Plan. As discussed in Chapter 2 above, the Inspector who examined that plan acknowledged that there was much unmet demand for strategic distribution space in the region; but he considered that, in the absence of larger-than-local policy or evidence, he could not apportion a share of that demand to North Warwickshire.

The knot could be untied by a regional strategic sites policy, agreed under the Duty to Cooperate, which triggers a review of the North Warwickshire plan.

4.67 In other parts the region the obstacles to development are more to do with weak demand and/or abnormal costs. Thus the fourth and fifth potential sites in order of size, Blythe Vale Business Park and Chatterley Valley, are in less popular locations near Stoke-on-Trent. Blythe Vale is not being actively marketed at present and Chatterley Valley has ground remediation and levelling issues.

4.68 If all the potential sites were to come forward in reality, then using the same assumptions as before they would provide 8.7 years supply across the region, in addition to the immediate supply of 8.2 years discussed earlier. The resulting total supply, both immediately available and long-term, is 16.9 years.

4.69 Neither the previous Regional Strategy nor the NPPF provide a ready-made benchmark against which to assess this level of supply. But for housing the NPPF advises that, in addition to five years 'deliverable' (i.e. immediately available) supply planning authorities should identify 'developable' supply or broad locations for at least years 6-10 of the plan period, and preferably until year 15. Footnote 12 of the NPPF defines a developable site as one that is suitable location for development and has a reasonable prospect of being available and viably developed within the timescale envisaged.

4.70 If the same standards are applied to industrial land, they suggest that planning should ideally provide at least a 15-year supply of sites that either are immediately available ('deliverable') or have a reasonable prospect of coming forward within the period. The West Midlands does not meet that test. The sum of immediately available and potential sites in the region does provide 16.9 years supply – the sum of 8.2 years of immediately available sites and 8.7 years of potential sites. But the potential supply cannot be counted as 'developable', because large parts of it cannot be guaranteed to come forward within a 15-year time period, if ever.

Market geography

4.71 As discussed earlier, the demand for large-scale industrial space in the West Midlands is most intense along an 'M42 belt' that lies at the boundary between the Birmingham & Solihull LEP, Coventry & Warwickshire and Staffordshire (more specifically, where the boundaries of Birmingham, Solihull, North Warwickshire and Tamworth converge). This is shown on the map overleaf as Area A.

4.72 There is a further area of high demand to the east, around Coventry and Rugby; in the latter section demand is strongly focussed around distribution operators, suggesting spill over from the Daventry area. This is shown on the map overleaf as area B.

4.73 This is not to say that there is not demand for other parts of the West Midlands region; merely that areas A and B account for a disproportionate amount of take-up at the 100,000 sq ft+ size band.

4.74 As discussed earlier, these geographic preferences reflect proximity to motorways and the ability to service a large proportion of the population within given drive times. Further to the west and north this advantage drops off, particularly given the

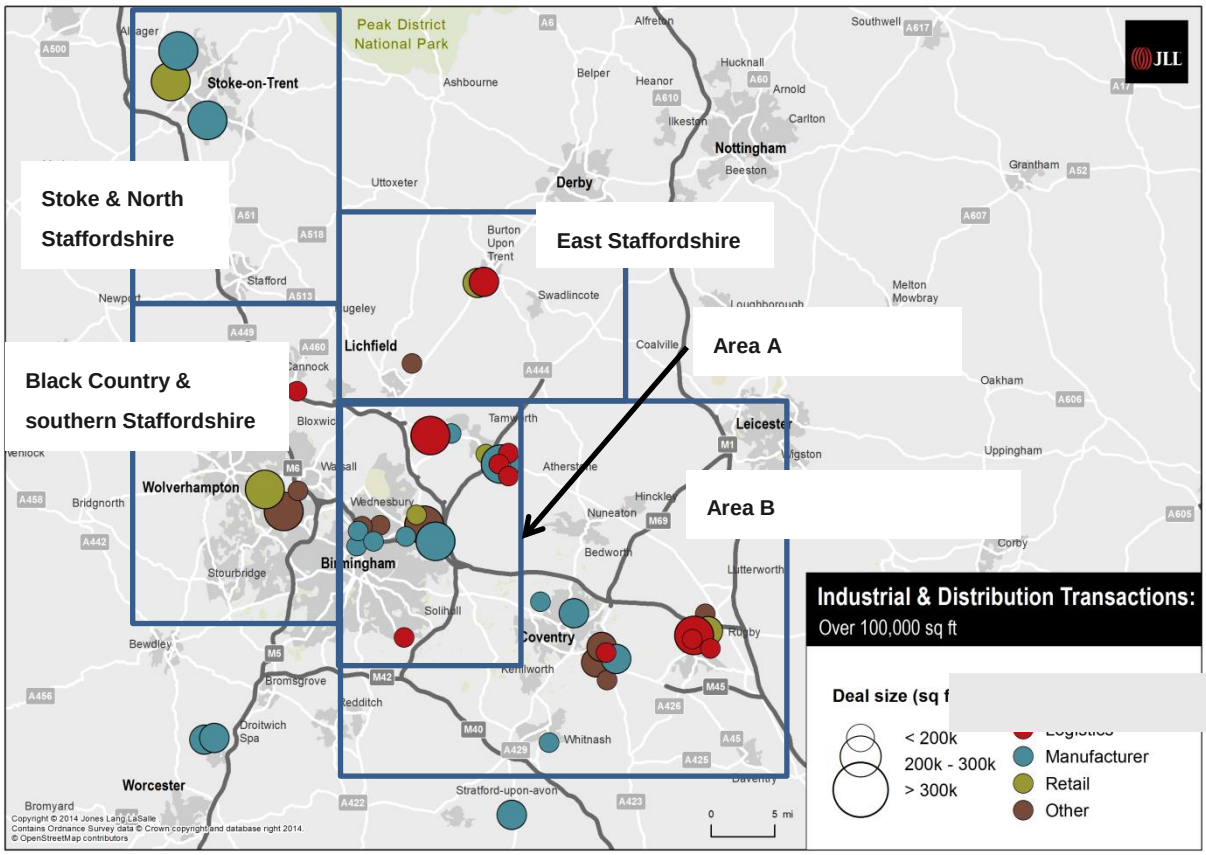
perceived delays associated with the M6 through North Birmingham and the Black Country. The proximity to automotive facilities at Hams Hall, Solihull, Castle Bromwich and Coventry may also be important; as is the ability also to access the aerospace cluster around Derby via the M42.

4.75 There are other 'functional market areas' for industrial and distribution space in the region. The East Staffordshire area leading from Tamworth to Burton-on-Trent is effectively a continuation of the M42 corridor with links to the East Midlands. The Black Country, together with southern Staffordshire adjoining it, is distinct in that it does not have the demand for national and 'super-regional' distribution facilities that can be seen further east, but has a reasonably strong level of demand for smaller industrial and warehousing facilities. Finally, the area around Stoke-on-Trent, including the northern part of Staffordshire, has a different occupier profile, orientated around companies such as JCB and regional logistics requirements, offering links to the North West.

4.76 On the map below, these areas are indicated by the box outlines, which cut across sub-regions and local authority areas.

4.77 Of the floorspace taken up in 2012-14, 33% was in Area A and 26% was in Area B. Next in order of take-up were Stoke-on-Trent and North Staffordshire and the Black Country and southern Staffordshire, with 15-16% each. (As noted earlier these statistics exclude the exceptional JLR development at i54; if this is added the share of the Black Country and southern Staffordshire rises to 25% of the total, between Area A at 29% and Area B at 23%.)

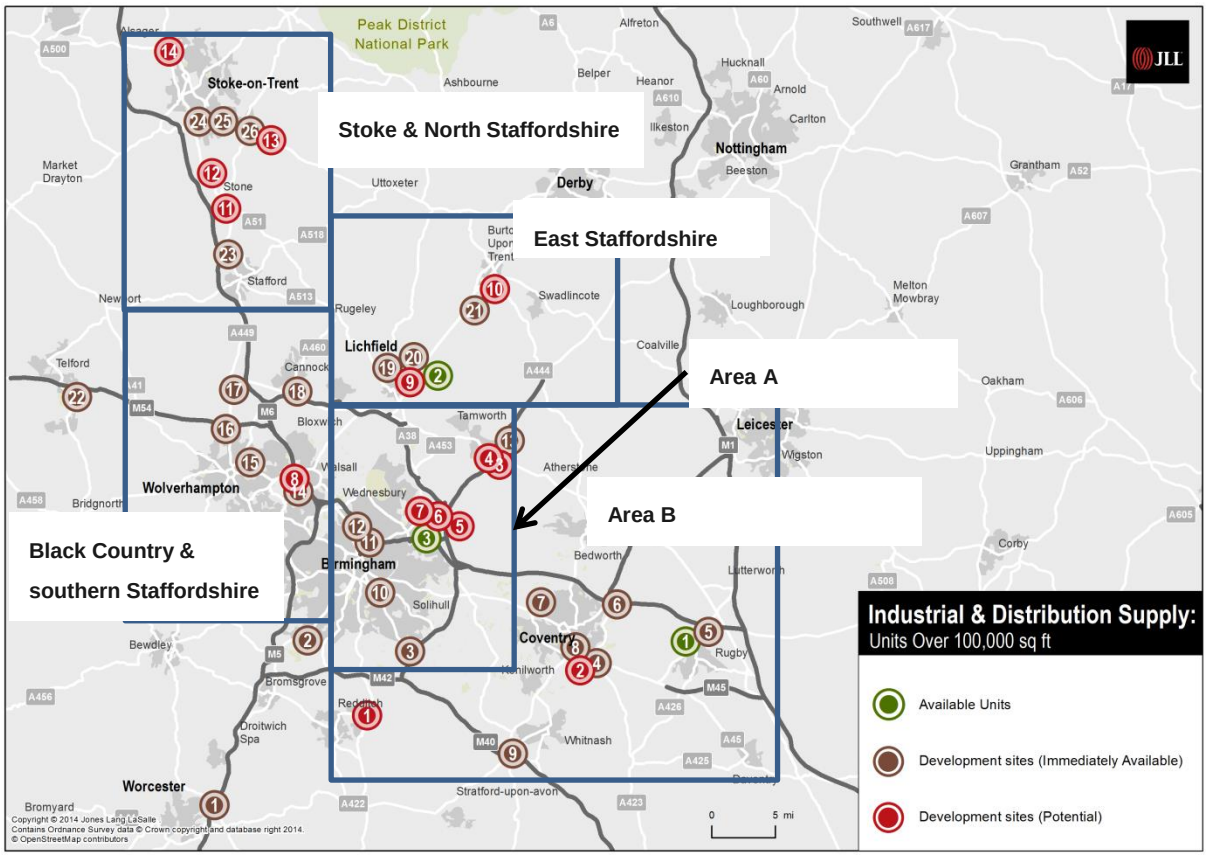
Figure 4.10 Industrial take-up over 100,000 sq ft in the West Midlands 2012-14



Source: JLL

4.78 The map below shows available units in green and immediately available sites in brown. Potential sites are shown in red.

Figure 4.11 Immediate and potential industrial land supply, West Midlands, end 2014



Source: JLL

4.79 Table 4.8 summarises the immediately available supply by market area and compares it with demand.

Table 4.8 Demand and supply by market area – immediately available supply

Market area	Land area acres	Floorspace sq ft	Annual take-up New build, sq ft	Years supply
Area A	171	3,121,504	836,659	3.7
Area B	301	5,244,624	624,870	8.4
Black County & southern Staffs	169	2,944,656	396,333	7.4
Stoke on Trent & North Staffs	144	2,509,056	373,333	6.7
East Staffordshire	142	2,474,208	171,094	14.5
Remainder	238	4,146,912	77,140	53.8
Total	1,165	20,440,960	2,479,430	8.2

Source: JLL

4.80 Immediately available supply is tightest in area A, where it equals 3.7 years, less than the benchmark of five years. Area B has just five years supply. In the other market areas the immediate supply looks generous.

4.81 Table 4.9 provides the same analysis for potential longer-term supply and Table 4.10 summarises the years supply position for both immediate and potential sites.

Table 4.9 Demand and supply by market area– potential supply, 20 acres+

Market area	Land area acres	Floorspace sq ft	Annual take-up New build, sq ft	Years supply
Area A	582	10,140,768	836,659	12.1
Area B	215	3,746,160	624,870	6.0
Black County & southern Staffs	37	644,688	396,333	1.6
Stoke on Trent & North Staffs	329	5,732,496	373,333	15.4
East Staffordshire	74	1,289,376	171,094	7.5
Remainder	0	0	77,140	0.0
Total	1,237	21,553,488	2,479,430	8.7

Source: JLL

Table 4.10 Demand and supply by market area – summary

Market area	Years supply		
	Immediate	Potential	Total
Area A	3.7	12.1	15.9
Area B	8.4	6.0	14.4
Black County & southern Staffs	7.4	1.6	9.1
Stoke on Trent & North Staffs	6.7	15.4	22.1
East Staffordshire	14.5	7.5	22.0
Remainder	53.8	0.0	53.8
Total	8.2	8.7	16.9

Source: JLL

4.82 By analogy with the NPPF housing policies discussed above, the total supply should preferably be 15 years or longer. Against this benchmark three of the market areas give most cause for concern:

- In area A, on the face of it total supply looks reasonable at 15.9 years. But as noted earlier the immediately available component of that total is inadequate at 3.7 years, and furthermore the potential component is risky, being concentrated in two very large sites. The largest long-term site, Peddimore, which accounts for 38% of the area's total, has now been allocated but may take a long time to come forward. The second largest, BIG, accounts for another third of the total but is

constrained by the Green Belt as discussed earlier. The E.ON site at Hams Hall is also in the Green Belt and not allocated for development.

- For Area B, again the total supply on the face of it looks adequate at 14.4 years. But this number is over-optimistic, because three quarters of the potential supply is at one site, Coventry Gateway, which has been refused planning permission.
- The Black Country and South Staffordshire has the smallest total years supply, at 9.1 years. Not only is potential supply very small at just 1.6 years, but all of that potential supply is at one site, Phoenix 10 (IMI), which has serious issues with infrastructure and access.

4.83 These areas of tight supply are also the areas where demand (take-up) has been greatest, and which are most likely to attract nationally and in internationally mobile occupiers, whether in logistics – where the West Midlands is in close competition with the East Midlands – and in manufacturing – where many occupiers are international companies with a wide choice of location or part of those companies' supply chains.

Conclusion

4.84 Since the end of the recession the UK market for large industrial units (production and logistics) has seen a dramatic recovery, primarily driven by the retail sector. Across the country the last 3 years or so have seen steeply falling floorspace availability and rising property values. The East and West Midlands remain the country's industrial and distribution heartland, with the greatest take-up in recent years and the second lowest current vacancy after South East England.

4.85 In the West Midlands the dynamics of occupier demand are different from the East, due to the weight of manufacturing, especially the automotive industry and its supply chain. The industry has seen a marked revival in recent years, which is generating demand both for production and distribution space – which are increasingly merging into a single market.

4.86 Retailers and third party logistics operators are the other major driver of demand in the region. These occupiers' favoured location has traditionally been the Northamptonshire 'Golden Triangle', whose eastern border was around Rugby. But scarcity of land and labour has shifted demand outwards, extending the Golden Triangle into the West Midlands. as far as the east of Birmingham and motorway-accessible parts of Coventry.

4.87 Consequently, this area is experiencing strong levels of demand from both distribution specialists and a resurgent manufacturing sector.

4.88 Considering both kinds of occupier together:

- The demand for large industrial units is most intense in an 'M42 belt' that lies at the boundary between the Birmingham & Solihull LEP, Coventry & Warwickshire and Staffordshire (more specifically, where the boundaries of Birmingham, Solihull, North Warwickshire and Tamworth converge).
- There is a second area of high demand to the south-east of Coventry and around Rugby.

- While demand is particularly strong in these two areas, there is a healthy market for industrial space right across the West Midlands region, notably in the Black Country and southern Staffordshire. But outside areas A and B the unit sizes required may be smaller, particularly in logistics, as warehouses are likely to serve more local needs.

4.89 The popularity of the first two areas reflects proximity to motorways and the ability to service a large proportion of the population within given drive times. The proximity to automotive facilities at Hams Hall, Solihull, Castle Bromwich and Coventry may also be important; as access to the aerospace cluster around Derby via the M42. Further to the west and north this advantage drops off, particularly given the perceived delays associated with the M6 through North Birmingham and the Black Country.

4.90 To see if there is enough strategic industrial land in these popular locations, we have analysed the balance of supply and demand for five market areas:

- Area A, covering the M42 belt and East Birmingham;
- Area B, covering the Coventry, Rugby and Warwickshire areas, excluding the M42 belt;
- The Black Country and southern Staffordshire;
- Stoke-on-Trent and Northern Staffordshire;
- Eastern Staffordshire.

4.91 For the first of three of these areas land supply is tight in relation to demand. For Area A immediately available supply is just 3.7 years and potential supply depends heavily on Peddimore, which may take a long time to come forward, and Birmingham International Gateway, which is in the Green Belt and has no planning status. For Area B, immediate supply seems good but potential longer-term supply is risky, as three quarters of it is at the Coventry Gateway site, which has been refused planning permission. For the Black Country and southern Staffordshire, similarly immediate supply looks good, by potential longer-term supply is both very small and risky – being all at one site, Phoenix 10 (IMI), which has serious issues with infrastructure and access.

4.92 These three areas of constraints land supply are also the areas which have attracted the greatest volume of demand in recent years. This includes nationally and internationally mobile demand, both for logistics – where many occupiers are footloose between the East and West Midlands – and manufacturing – where many occupiers are international companies with a wide choice of location. Therefore, if supply constraints are relieved in these areas this should bring net additional jobs to the West Midlands.

5 INTERNATIONAL INWARD INVESTMENT

Introduction

5.1 As discussed earlier in Chapter 2, an important objective of the regional strategic sites policies was to attract international inward investment that would otherwise not locate in the West Midlands or even the UK. In this chapter we aim to investigate what kinds of businesses form this target market, what they are looking for in terms of sites and locations, how the West Midlands offer matches these requirements, and whether strategic sites policies can enhance that offer. We look at two sources of evidence in turn, JLL's own market knowledge and the FDI Markets database. As before, data are 'frozen' at the end of 2014.

JLL experience

Major projects

5.2 The table below shows examples of large buildings purchased by international investors for owner-occupation since 2012, collected by JLL's EMEA team[7].

Table 5.1 International property purchases in Europe, large industrial units

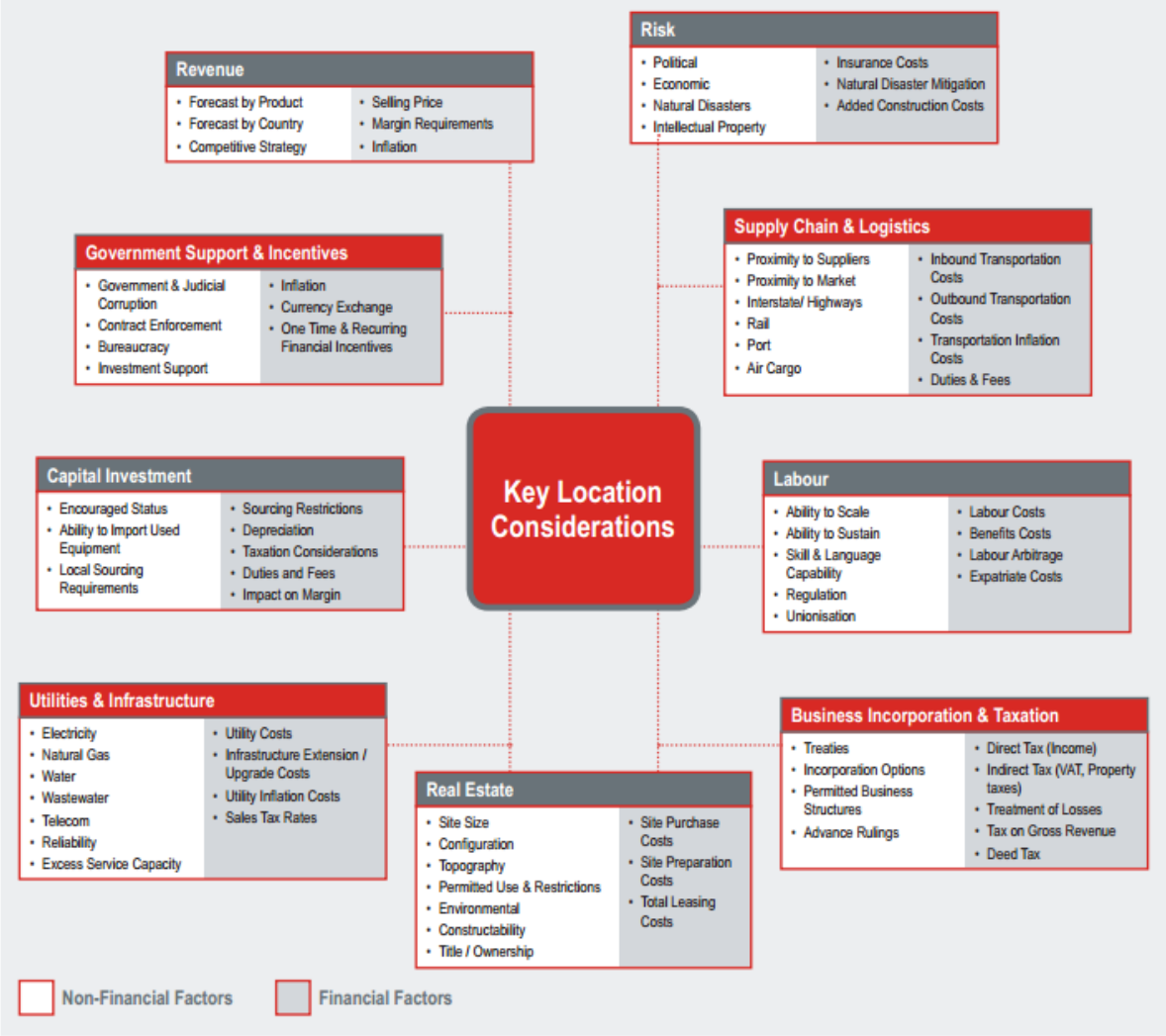
Year	City	Country	Purchaser	Floor area acquired	
				sq ft	sq m
2012	Munich	Germany	Bernhard Hemmerle	39,504	3,670
2013	Erfurt	Germany	Qundis GmbH	150,696	14,000
2014	Perm	Russia	Gradient	157,154	14,600
2012	Boortmeerbeek	Belgium	Chemtool bvba	185,937	17,274
2013	Kampenhout	Belgium	Rotra Group NV	199,134	18,500
2012	Puurs	Belgium	Vandeputte Safery	199,683	18,551
2013	Unterschleißheim	Germany	RZ-Zimmermann, Bochum	214,720	19,948
2013	Günzburg	Germany	Al-Ko Kober	259,994	24,154
2013	Székesfehérvár	Hungary	Emerson Process	269,100	25,000
2012	Odense	Denmark	Lemvigh-Müller A/S	285,978	26,568
2013	Pulheim	Germany	Hammer Pulheim GmbH & Co. KG	403,650	37,500
2013	Uddevalla	Sweden	Benders Sverige AB	1,076,400	100,000
2013	Mönchengladbach	Germany	SMS Meer	1,506,960	140,000
2011	Markaryd	Sweden	Konecranes Lifttrucks i Markaryd	1,184,040	110,000

Source: JLL

[7] The list is not exhaustive. In many countries, particularly in Southern and Eastern Europe, markets are much less transparent than in the UK and data are hard to come by.

5.3 The size profile is similar to UK 'big box' market discussed earlier, with an average unit size of 335,867 sq ft (31,203 sq m) and a maximum of 1.5m sq ft (140,000 sq m). Deals larger than these are extremely rare. Research among JLL's EMEA logistics and industrial team identified a few examples, which are all in the Czech Republic and Poland. For example, Volkswagen's new plant at Września in the Voivodeship Wielkopolska in Poland will cover 220 hectares when complete. An earlier example is the 200-hectare Hyundai plant at Nošovice in the Czech Republic.

Figure 5.1 Framework for local evaluation



Source: JLL

5.4 JLL's Global Corporate Solutions team is involved in large-scale inward investment projects all over the world. In their view, where inward investment does occur on a large scale, key factors in the choice of location include:

- Proximity to customer / supplier base
- Infrastructure, accessibility and transport costs
- Labour costs
- Availability of skilled labour force now and in the future (including presence of high-quality universities)
- Homogenous piece of land with right dimensions, including expansion space

- Site services (utilities, access)
- Incentives from local and national government

5.5 Land is only one factor in this decision making process; often proximity to customers / suppliers, access and labour are more important. On the other hand, there are instances when several locations have similar merits in respect of these key factors, so that land becomes the decisive consideration.

5.6 'Incentives' may include, of course, the availability of cheap or zero-cost land, which is often offered in Eastern and Central Europe. Other attractive features of that area, which may explain the large investments in Poland and the Czech Republic discussed earlier, are ready availability of land, and relatively low labour costs – including for skilled and educated workers These advantages are difficult to match in Western Europe. Therefore footloose international inward investment is perhaps unlikely to be a major feature of the UK's industrial landscape in the medium term.

Re-shoring

5.7 There has, however, been some evidence of 'reshoring' – i.e. companies bringing outshored activities back to the UK. Research by the government's Manufacturing Advisory Service found that 15% of companies were returning production during 2013, compared with only 4 % offshoring. PwC estimates that reshoring could create 100,000-200,000 extra jobs in the UK over the next decade, boosting national output by £6-£12bn over the next decade.

5.8 In the US, where reshoring is perhaps a stronger phenomenon, it is driven by cost – particularly the cheap energy prices now available. In the UK and Europe, it is driven more by concerns over the resilience of the supply chain in an increasingly unstable world, as well as the difficulties of quality control over a dispersed supply chain, while rising labour costs in some emerging markets have made the advantages of offshoring less substantial. (These same factors are leading to a greater degree of 'nearshoring' to locations such as Poland and the Czech Republic,) A survey by EEF gave the following as the drivers behind reshoring: maintain certainty on delivery times, minimise logistics costs, reduce inventory costs, reduce product delivery time, minimise supply chain risks, improve quality of inputs, wage inflation overseas.

5.9 Where there are examples such as Raspberry Pi and Hornby, which have moved production back to the UK from China, much of the reshoring witnessed so far consists of awarding contracts to existing (often relatively small) UK firms, rather than large-scale inward investment. For example, Bathrooms.com has decided to hand half of the contracts currently held by Chinese manufacturers to business in the Midlands. This kind of reshoring supports the growth of Midlands businesses, but it does not result in major inward investment projects.

FDI Markets data

Europe

5.10 The analysis in this and the next section is based on the FDI Markets database, compiled by the Financial Times, which is the most comprehensive source of information on foreign direct investments. The table below ranks countries by the

number of jobs created in the 500 largest inward investment projects. The UK tops the list with some 27,000 jobs, followed by six countries in Central/Eastern Europe and the Middle East. The next West European country is France, in eighth place with some 9,000 jobs.

Table 5.2 Jobs created in the largest 500 inward investments, 2009-14

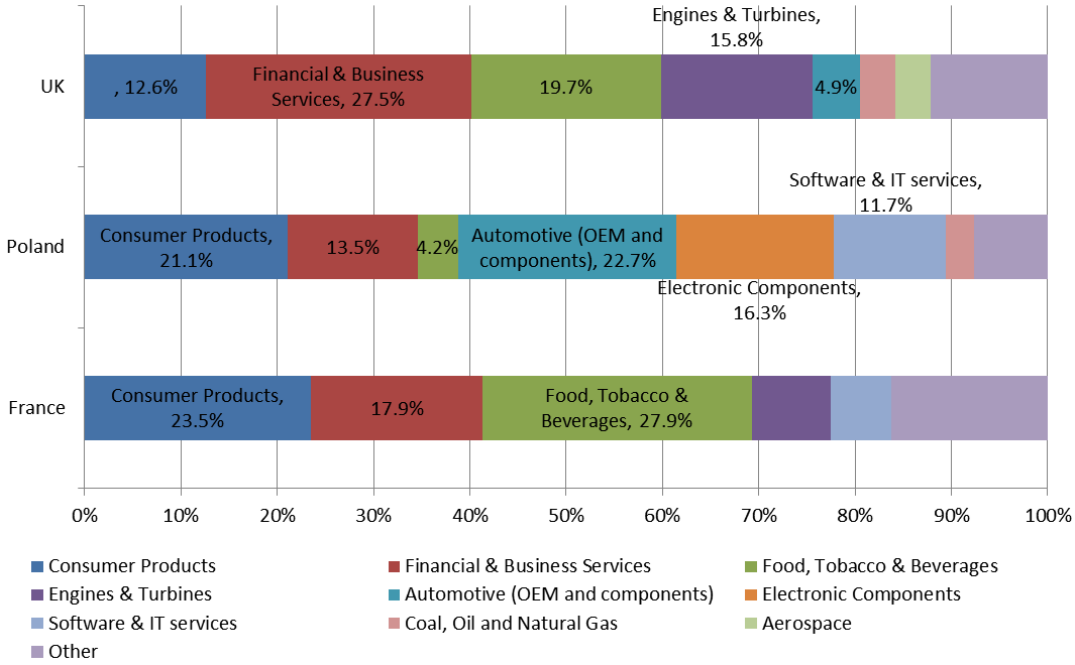
State	New projects	Expansion/ co-location
UK	27,273	26,964
Russia	20,300	6,550
Poland	17,068	8,988
Serbia	16,470	2,739
Turkey	11,800	6,400
Macedonia FYR	11,550	0
Romania	11,250	12,880
France	8,951	5,750
Hungary	8,100	10,638
Spain	8,071	5,500
Germany	6,603	2,050
Czech Republic	5,050	6,077
Bulgaria	4,650	3,000
Ireland	3,050	2,800
Slovakia	3,010	9,117
Ukraine	2,500	1,000
Italy	1,600	1,510
Belgium	1,000	1,100

Source: FDI Markets database. Job numbers are estimates.

5.11 The UK's position in the list may be simply due to it having more foreign-owned companies than comparable countries, so a higher proportion of investments are classed as international inward investment. This bias may be less marked (although still present) for new projects than expansion of existing projects, therefore in the next table we only consider new projects.

5.12 Figure 5.2 shows the sector profile of these new projects in the UK, Poland and France since 2009, measured by percentage of jobs created. Poland is of interest because as noted earlier it has attracted much investment by major automotive companies, such as VW. France has been chosen because its economic and demographic profiles are similar to the UK's.

Figure 5.2 Jobs created in the largest 500 inward investments, 2009-14, new projects only, by sector



Source: FDI Markets database. Job numbers are estimates.

5.13 For the UK and France circa 60% or the jobs created in inward investments are in three sectors: consumer products, financial and business services and food, tobacco and beverages. Many of these jobs are not based in industrial units. For example, of the 27,273 new UK jobs listed above, some 6,493 are in customer contact centres (i.e. offices) and a further 6,320 are in retail.

5.14 These three non-industrial sectors are significant in Poland too, but less so, as they account for only some 40% of the total. By contrast, in Poland industrial sectors are better represented. Thus, the automotive sector (OEM and components) accounts for 23% of jobs in new projects in Poland. Examples of such projects include:

- VW plant at Wrzesnia (2,300 jobs, 2014)
- International Truck Alliance plant in Szczecin (1,000 jobs, 2010)
- PSA Peugeot -Citroen (Faurecia Interior Systems) plant at Legnica (570 jobs, 2012).

5.15 By contrast, in the UK only 5% of jobs in new projects are in the automotive sector – the 750 JLR jobs at i54 (the other automotive jobs are in expansions of existing plants).

5.16 Going further back in time than Figure 5.2, Poland has also attracted major investments from General Motors and Fiat, building plants on 300-500 hectares. The Polish list also includes substantial investments in electronic components and software & IT services from companies such as IBM, Somfy and AU Optronics.

5.17 According to JLL's Poland office, which has been involved in several deals in the automotive sector, there are three reasons for the country's popularity. Firstly, the level of public aid for special economic zones (which has recently been reduced, and may explain the recent relatively high levels of activity); the second is the availability

of efficient and skilled labour at low cost; and the third is the existence of other factories in Poland for the same manufacturers. There has been similar investment in the Czech Republic, Hungary and Slovakia, which offer the same advantages..

5.18 The following table analyses inward investment in industrial sectors – comprising manufacturing, logistics, research, design, development and testing facilities. Again, it shows a count of jobs created in projects producing 500 jobs or more since 2009.

Table 5.3 Jobs created in the largest 500 inward investments, 2009-14, industrial sectors

State	New	Expansion/ Co-location
UK	23,020	18,771
Russia	38,272	94,655
Poland	13,721	23,788
Serbia	4,255	18,370
Turkey	14,884	25,193
Macedonia FYR	0	11,550
Romania	15,000	13,344
France	3,817	4,200
Hungary	10,850	9,919
Spain	10,361	7,387
Germany	5,895	3,739
Czech Republic	8,959	4,988
Bulgaria	1,507	5,272
Slovakia	14,968	3798
Ukraine	1,000	11,477

Source: FDI Markets database. Job numbers are estimates.

5.19 The UK performs well overall and on expansions, but on new investments in Russia, Turkey and Poland do much better. Of these three countries Poland is the least dissimilar to Britain (Russia and Turkey are outside the EU, and in Russia much investment relates to raw materials and energy resources). Therefore, in the table below we show a detailed comparison of these industrial investments between the UK and Poland, for new projects only.

Table 5.4 Jobs created in the largest 500 inward investments, 2009-14, new projects only, industrial sectors

Sector	Poland		UK	
	Jobs	%	Jobs	%
Aerospace			1,000	5%
Automotive Components	1,339	6%	600	3%
Automotive OEM	4,574	19%	750	4%
Ceramics & Glass	673	3%		
Coal, Oil and Natural Gas	3,000	13%		
Communications, Research & Development			1,982	11%
Consumer Electronics	644	3%	500	3%
Consumer Products - Logistics & Distribution	6,738	28%	3,450	19%
Electronic Components	2,778	12%		
Engines & Turbines			4,940	27%
Food & Tobacco Logistics			600	3%
Food & tobacco manufacturing	1,480	6%	1,400	8%
Industrial Machinery, Equipment & Tools	523	2%		
Plastics	500	2%		
Textiles - Logistics & Distribution	800	3%		
Transportation - Logistics & Distribution	739	3%	3,049	17%
Total industrial sectors	23,788	100%	18,271	100%

Source: FDI Markets database. Job numbers are estimates.

5.20 Poland has more jobs in this category than the UK, and the industrial mix of those jobs also differs between the two countries. In the UK:

- The various distribution/logistics sectors contribute 39% of total jobs.
- The largest single sector, providing 27% of the total, is Engines and Turbines.
- The next largest sectors are Communications and R&D and Food and Tobacco Manufacturing, with 11% and 8% of jobs respectively.
- The two automotive sectors (components and original equipment manufacturers) together provide 7% of total jobs (including the JLR project at i54).

5.21 In Poland:

- Logistics / distribution is almost as important, with 35% of all jobs.
- But the automotive sectors play a far greater role than in the UK, accounting for 25% of the total.
- The next largest sectors area Coal, Oil and Natural Gas (13%) and Electronic Components (12%).

5.22 The equivalent information for expansions is shown below.

Table 5.5 Jobs created in the largest 500 inward investments, 2009-14, expansions / co-locations only, industrial sectors

Sector	Poland		UK	
	Jobs	%	Jobs	%
Aerospace Manufacturing			2,268	10%
Automotive Components	1,942	14%	2,450	11%
Automotive OEM	1,788	13%	12,466	54%
Business Machines & Equipment	3,000	22%		
Consumer Electronics	988	7%		
Consumer Products – Logistics & Distribution	1,046	8%		
Electronic Components	700	5%		
Engines & Turbines	825	6%		
Food & Tobacco	700	5%		
Industrial Machinery, Equipment & Tools			1,100	5%
Metals			2,008	9%
Paper, Printing & Packaging	2,732	20%		
Software & IT Design, Development and Testing			700	3%
Transportation			2,028	9%
Total industrial sectors	13,721	100%	23,020	100%

Source: FDI Markets database. Job numbers are estimates.

5.23 The situation here is quite different to new projects. The UK has almost twice as many jobs in the industrial category as Poland, and a higher proportion of these jobs is in the automotive sectors: 65% in the UK against 35% in Poland. The list of UK projects includes JLR in the Midlands, Honda in Swindon, GM at Ellesmere Port, BMW at Oxford, Toyota at Burnaston and Ford in Essex. So in the UK automotive industries expansion of existing facilities is far more important as a source of jobs than new inward investment.

5.24 The table below shows average job numbers in inward investment projects (this is a small sample and caution should be used in drawing conclusions). Polish averages are similar for expansions and new facilities, but in the UK expansions appear to generate significantly more jobs than new investments (although obviously there has to be a new investment first). In Poland, manufacturing investments create more jobs on average, whereas in the UK. logistics investments are create more jobs.

Table 5.6 Average jobs created per project, largest 500 inward investments, 2009-14, selected categories

Project type	Poland	UK
New	914	751
Expansion/co-location	938	1,049
Manufacturing	1,006	840
Logistics, distribution & transportation	717	912

Source: FDI Markets database. Job numbers are estimates.

The UK regions

5.25 The table below gives a regional analysis of all UK projects since 2003 featured in the database that created 500 or more jobs. The analysis is not restricted to industrial or logistics projects; many of the projects included are in retail or financial service call centres.

Table 5.7 Inward investments the UK by region, projects creating 500 or more jobs, 2003-14

Region	Jobs created	Number of projects
Wales	11,708	9
South East (UK)	7,332	7
West Midlands (UK)	6,250	7
North West (UK)	5,482	6
East Midlands (UK)	5,100	6
South West (UK)	3,627	5
East Anglia	3,606	3
North (UK)	3,353	4
Scotland	3,050	5
Yorkshire and Humberside	1,250	2
Northern Ireland	800	1
Region not specified	600	1
UK total	52,158	56

Source: FDI Markets database. Job numbers are estimates.

5.26 For the West Midlands total job creation is estimated at 6,250, or to 568 jobs per year. The region comes third in order of jobs created, after Wales and the South East.

5.27 For Wales, the industrial projects on the list include:

- Various Airbus investments at Broughton in Flintshire (over 3,000 jobs, 2003-2008)
- LG plant in Newport (3,000 jobs, 2014, expansion of an existing site)
- Exxon Mobil's investment in the Milford Haven terminal (over 2,000 jobs, 2007)

- Corus/Tata steel production facility in Port Talbot (1008 jobs, expansion)
- A new Celsa plant in Cardiff for iron & steel production (552 jobs)
- A new Toyota plant in Swansea (600 jobs, 2009)
- An expansion to the Ford plant in Bridgend in (938 jobs, 2014)

5.28 The comparable list for the South East is as follows:

- Various investments by Arla Foods in production facilities in Aylesbury (1,400 jobs, 2009/10)
- BMW Mini plant in Oxford (1,000 jobs, expansion, 2009)
- News International complex in London in 2013 (2,144 jobs, 2013)
- New Palmer Johnson shipbuilding facility in Southampton (800 jobs)
- Rainbow Growers facility in Kent in (550 jobs, 2009)
- Thales defence & automotive facility in Crawley (1,438 jobs, expansion, 2012)

5.29 For the West Midlands, industrial projects include:

- JLR investments at Solihull, Birmingham and Wolverhampton (i54), (4,550 jobs, 2009 onwards, mix of new facilities and expansions)
- BMW engine facility at Hams Hall near Coleshill (2012, expansion)
- Investments by Tblisi Aircraft Manufacturers / Market-Mats in Hereford (1,000 jobs, 2011-2013).

5.30 So in the West Midlands inward investment has been highly concentrated in the automotive sectors, much more so than for the other two regions. With the exception of Tbilisi at Hereford, the West Midlands projects listed are automotive, and those automotive investments are dominated by Jaguar Land Rover. Without JLR, the West Midlands would be near the bottom of the list at Table 5.7, with only Scotland and Yorkshire and the Humber showing fewer jobs.

5.31 Indeed, Hereford aside, the only non-JLR project was BMW's expansion of its engine making facilities at Hams Hall, near Coleshill in North Warwickshire, which safeguarded 800 jobs. The original plant was built in 2001. It manufactures small, low-emission, highly efficient engines, and is currently developing future generation of petrol and diesel engines as well as those for the new i8 hybrid plug-in sports car. So far 3.5 m engines been built at Hams Hall, supplied to plants both in the UK and abroad to power BMW and MINI vehicles sold across the world. BMW's UK facilities also include the MINI plant at Cowley, Oxford, which could be viewed as the southern outlier of the Midlands automotive cluster, particularly given its historical links.

5.32 The geography of West Midlands projects is also interesting. Of the 5,250 jobs in the projects we have listed, 3,800 (86%) are either in the Greater Birmingham and Solihull LEP area or (in the case of Hams Hall) just outside it. The remainder relate to the JLR plant at i54.

Conclusion

Large single-user sites

5.33 International inward investment is a highly competitive market. For large-scale projects which are internationally footloose, Central and Eastern Europe offer the advantages of low-cost labour including highly skilled labour, low-cost or free land and other substantial incentives.

5.34 Due to these advantages, the evidence suggests that the UK is generally not competitive for new foreign direct investment in very large, free-standing, purpose-built industrial plants. These investments, which in any case are very few, tend to choose Central / Eastern Europe.

5.35 The JLR at i54 is a rare exception, probably reflecting the UK's and the region's comparative advantage in the automotive sector together with the concentration of existing JLR plants in the region. Even so, it seems that these factors were not sufficient on their own: JLR at i54 also had the benefit of a site owned and prepared by the public sector, land sold direct to the occupier, and a new link road and motorway junction paid for by the county and district councils.

5.36 Under the previous Regional Strategy, Major Investment Sites (MISs) were intended to accommodate these very large free-standing projects, and as noted earlier the policy required that two such sites be available at any one time. Our analysis suggests that attracting occupiers to such sites has become more difficult, due mainly to greater competition from other countries, the result of increasing globalisation and the enlargement of the EU. Furthermore, even if a possible project did come forward there is no guarantee that one of the sites identified would suit its particular requirements.

5.37 In this context, to maximise the changes of success, any industrial 'new MISs' should be in highly attractive locations. This in practice is likely to mean the Green Belt – where development would only be acceptable if it provides exceptional benefits to outweigh the harm caused. Any sites identified should be in the ownership of public organisations whose objective is economic development, such as LEPS; a private sector landowner, or indeed a public sector owner with other priorities, would generally not accept the delay and risk of waiting for an outsize inward investor – possibly for a long time. The sites should also offer 'shovel-ready' development opportunities supported by high-quality infrastructure and substantial incentives, because this is what competing locations will be offering. One way to deliver both fast delivery and financially attractive terms is for publicly owned land to be sold direct to occupiers, without developers being involved.

Other international inward investment

5.38 Other than these very large free-standing projects, the evidence suggests that the UK's comparative advantage against other parts of Europe lie in:

- Services, including those that occupy industrial space (logistics / distribution, especially in the Midlands) and many that do not;
- Consumer products such as food;

- The automotive industry, especially for the West Midlands as noted earlier;
- Expansion at existing sites, as opposed to new projects – which could become even more important as reshoring grows.

5.39 Where foreign-owned businesses do take up large industrial spaces (production or logistics), their requirements seem no different from those of other 'big box' occupiers. The size profile of their units is similar to the wider market, and they work to a similar geography. The location decisions of foreign-owned firms respond to the same factors as other businesses. What is different about them is that in some cases they have a wider choice of location, which extends beyond national boundaries. But this does not apply to industries that need to be close to their customers, such as most services – including logistics – and some consumer industries.

5.40 This means that, if the region provides more strategic industrial sites in the most popular parts of the region as proposed in the last chapter, it will be supporting inward investment as well as indigenous firms. Some of this inward investment will be internationally footloose, although most of it inevitably will be tied to the UK if not to the West Midlands.

6 CONCLUSION

Overview

6.1 This study considers if there is a need for strategic employment sites to be held in reserve for regionally significant projects, continuing the strategic sites policies in the former Regional Spatial Strategy (RSS). We have assessed this need under three headings: offices, industrial space (manufacturing and logistics) and international inward investment, which overlaps the other two categories. For the purposes of the study, and based on the study brief and previous regional policies, we have defined strategic employment sites as follows:

Strategic employment sites are business development sites that can bring net additional activity and jobs to the region by:

- *Attracting nationally or internationally mobile business activity;*
- *Providing accommodation that would not otherwise come forward through the local planning system, principally because:*
  - *They are large sites, providing at least some 25 ha and often much more;*
  - *They may be in greenfield locations.*

6.2 The study is entirely about employment land and floorspace that meet the above definition - which among other things means large sites, large buildings and high-quality ('Grade A') accommodation. In this the study is quite different from an employment land review, because an employment land review would consider the whole market for employment uses, of which strategic sites are only a specialist subset.

6.3 As required by the study brief, we have approached the question from a market perspective, using market data. Our analysis has firstly assessed the demand for strategic sites, secondly looked at the supply available to meet that demand, thirdly considered how far that supply is constrained, and finally reflected on how policy could release these constraints and what the wider economic impact would be. This market and economic evidence should help inform policy decisions, but of course it is only one of the considerations that policy should have regard to, alongside social and environmental factors.

Analysis

6.4 In relation to offices, market evidence suggests that there is no need for special policies to bring forward strategic sites. The region's main office markets have a healthy pipeline of allocated development sites, and there is no indication that land supply will fall short of demand for the foreseeable future.

6.5 In contrast, for large industrial units the planned land supply falls severely short in the three areas of highest demand:

- The M42 belt to the east of Birmingham ('Area A'), which offers:

- To logistics operators, the best travel times to the UK population, as well as access to multi-modal facilities
- To manufacturers and their suppliers, proximity to the main automotive facilities;

- Areas south and east of Coventry to Rugby ('Area B'), which for logistics operators is an extension of the East Midlands Golden Triangle;
- The Black Country and Southern Staffordshire, which has attracted much growth in recent years, albeit on a smaller scale than the above.

6.6 The supply of large industrial sites in these areas is constrained, primarily by the Green Belt, though there are also access and infrastructure issues:

- For Area A the immediately available industrial land supply is just 3.7 years and potential longer-term supply depends heavily on Peddimore, which may take a long time to come forward, and Birmingham International Gateway, which is in the Green Belt and has no planning status.
- For Area B, immediate supply seems good but potential longer-term supply is risky, as three quarters of it is at the Coventry Gateway site, which has been refused planning permission.
- For the Black Country and southern Staffordshire, similarly immediate supply looks good, by potential longer-term supply is both very small and risky – being all at one site, Phoenix 10 (IMI), which has serious issues with infrastructure and access.

6.7 These three areas of constraints land supply are also the areas which have attracted the greatest volume of demand in recent years. This includes nationally and internationally mobile demand, both for logistics – where many occupiers are footloose between the East and West Midlands – and manufacturing – where many occupiers are international companies with a wide choice of location. Therefore, if supply constraints are relieved in these areas this should add to economic growth and employment in the West Midlands, in the manufacturing as well as distribution industries. This would be not only by attracting inward investment, but also from encouraging firms already based in the region to grow, expand and diversify in the region, and from the suppliers that serve both sets of firms.

6.8 However, as the North Warwickshire Inspector's report illustrates, it is difficult for individual districts to make the case for development in the Green Belt and to justify infrastructure spending, because the benefits of such strategic schemes are spread over large geographies, while negative impacts and costs are geographically concentrated. Larger-than-local policies, would be a more effective way to bring forward these sites.

Policy

Strategic industrial sites

6.9 This analysis suggests that the original case for strategic employment sites still stands. A larger-than-local policy that designates sites of regional importance for industrial use (both manufacturing and logistics) in the highest-demand areas would

likely bring additional economic activity and jobs to the region. Such designations may cover new land, extensions to existing sites or both, depending on the merits of individual sites. An example of a policy that supports extension of an existing sites is found in Policy P1 of the adopted Solihull Local Plan:

'The Council will support and encourage the development of Jaguar Land Rover within its boundary defined in this Local Plan. This will include a broad range of development needed to maintain or enhance the function of Jaguar Land Rover as a major manufacturer of vehicles. The reasonable expansion of the site into the Green Belt will be given positive consideration where economic need can be demonstrated and appropriate mitigation can be secured.'

6.10 If the region provides strategic sites for industrial uses, it will be supporting as both indigenous firms and inward investment. Some of this inward investment will be internationally footloose, although most of it inevitably will be tied to the UK if not to the West Midlands.

6.11 As regards the features of strategic industrial sites, we believe that most of the requirements in the Regional Strategy remain valid. In particular, we would support the requirement that major logistics sites should be served by rail freight. This is what many occupiers want, partly because retailers have sustainability strategies which require them to use more environmentally friendly forms of transport, but also because in the right locations rail freight is cheaper and more efficient.

6.12 However, we consider that the geography of strategic sites, as set out in the RS, is no longer up to date. The RS the Regeneration Zones and Technology Corridors should no longer be a deciding factor, since they are not part of any current development plan. Nor do we think that the location of strategic sites should be driven by concentrations of resident workers or unemployed workers. Most of the region's workers, and an even higher proportion of its unemployed workers, live in the conurbation, but this is not where occupiers of strategic sites generally want to locate. That is because the need for strategic sites relates to manufacturing and logistics rather than offices, and in these sectors large-scale, high-quality, mobile occupiers typically choose out-of-town sites, preferably around the edges of the conurbation.

6.13 Given that strategic sites will always account for a small minority of jobs, in our view this market requirement should carry considerable weight in deciding the location of strategic sites. Naturally every effort should be made to make these sites accessible to workers by sustainable means, as is proposed at Peddimore for example; this applies to any place where large numbers of people work. It also goes without saying that Local Plans should aim to align the location of jobs and housing to minimise the adverse impacts of commuting. Spatial strategies that achieve this cannot be developed for strategic employment sites in isolation; they must take account of all development that accommodates jobs, covering all employment sites and also other economic uses, such as retail, leisure, education and health services.

6.14 In addition to planning allocations and permissions, to bring forward strategic industrial sites will often require active policy intervention beyond the scope of land-use planning - which may include infrastructure provision, land reclamation and land assembly. Like planning policy, these interventions should be larger than local, so

that costs can be shared across the region or sub-regions. The interventions fall under the remit of the LEPs – whose spending should be guided by any future strategic sites policy, just as the spending of Advantage West Midlands was guided by the strategic sites policies in the RSS. In future the new Combined Authority should also consider contributing.

Single users and target sectors

6.15 Under the previous Regional Strategy, Major Investment Sites (MISs) were intended to accommodate these very large free-standing projects, and as noted earlier the policy required that two such sites be available at any one time. Our analysis suggests that attracting occupiers to such sites has become more difficult, due mainly to greater competition from other countries, the result of increasing globalisation and the enlargement of the EU. Furthermore, even if a possible project did come forward there is no guarantee that one of the sites identified would suit its particular requirements.

6.16 In this context, to maximise the changes of success, any industrial 'new MISs' should be in highly attractive locations. This in practice is likely to mean the Green Belt – where development would only be acceptable if it provides exceptional benefits to outweigh the harm caused. Any sites identified should be in the ownership of public organisations whose objective is economic development, such as LEPS; a private sector landowner, or indeed a public sector owner with other priorities, would generally not accept the delay and risk of waiting for an outsize inward investor – possibly for a long time.

6.17 Any 'new MISs' should also offer 'shovel-ready' development opportunities supported by high-quality infrastructure and substantial incentives, because this is what competing locations will be offering. One way to deliver both fast delivery and financially attractive terms is for publicly owned land to be sold direct to occupiers, without developers being involved. Like other strategic sites, active intervention to support 'new MISs' would fall in the remit of the LEPs, and possibly the new West Midlands Combined Authority.

6.18 A related question raised by the study brief is whether strategic employment sites should target specific sectors, in particular advanced manufacturing. In our view experience it is very difficult to restrict occupiers to specific uses: 'advanced manufacturing' is not easy to define rigorously, there is no obvious way to enforce any restrictions as occupier businesses evolve and change, and occupier restrictions generally reduce values and discourage development – except in a handful of places which are exceptionally attractive to clear specialist clusters. Even where there is demonstrable demand for such specialist accommodation, commercial landowners / developers may not meet it, because providing standard space may be more viable. As with large single-user sites, land owned by public bodies whose priority is economic development will generally be a more effective route.

Next steps

6.19 As shown in the study brief, the present report is intended as Phase 1 of a larger study. The brief says that, if this phase shows that land supply falls short of demand, the study should go on to a second phase - which would consider how such shortfall

might be addressed, including through local studies to identify specific opportunities and assess policy implications. Our findings suggest that it is time to commission that Phase 2 study.