

Employment Land Need Study

Amber Valley Borough Council



Executive Summary

August 2016

Introduction

- i) The report provides an Employment Land Need Study for Amber Valley Borough. It has been carried out to provide a robust evidence base which will inform the emerging Local Plan. It will review the economic performance of the Borough and inform decisions on current and future land allocations. There are five main elements to this study:
- To identify the total area of land for B-Class uses that will need to be provided for the Plan period
 - To determine which, if any, of the current sites identified for employment purposes in the Adopted Amber Valley Borough Local Plan 2006 are still viable and should be retained in the new Local Plan
 - To determine within which areas of Amber Valley would it be best to allocate sites for employment purposes to meet the total land requirement
 - To consider how employment land identified in the neighbouring areas could impact on the employment land need in Amber Valley
 - To consider what impact the Local Enterprise Partnership Strategic Economic Plan's aspirations for job creation could have on the provision of sites and policies for employment in the Local Plan.

Methodology

- ii) A number of research methods have been used, including site visits and interviews with property market stakeholders such as developers, investors and their agents. Major employers in Amber Valley have been individually consulted, as have the 31 parish/town councils of the Borough and key public sector agencies. The Functional Economic Market Area (FEMA) of Amber Valley has been identified and the property market in the local authority areas within that FEMA has been reviewed through desktop analysis of employment and planning strategies, and consultations with officers from those local authorities. Finally, the land supply has been assessed against forecast data to understand future land need. The methodology follows Planning Practice Guidance on employment land reviews.

Findings

- iii) Amber Valley has a skilled and economically active population, with a low unemployment rate and only modest issues with deprivation.
- iv) A key feature of Amber Valley's economy is the local manufacturing sector, with 23.3 percent of the working population in manufacturing jobs, well above wider averages.

In terms of service sectors, professional, scientific and technical followed by business administration and support services have the strongest roles.

- v) Alfreton/Somercotes have a particularly strong role in accommodating Tier Two and Three suppliers of the County's major manufacturing businesses. The area attracts inward investment enquiries for units of up to 10,000 sqm although there are few units of this size available, thus companies tend to look to design and build development options.
- vi) Local industrial need is for light industrial units of 0-200 sqm and expansion premises up to 2,000 sqm with a market focus on Alfreton/Somercotes and Ripley. There are some shortages of mid-sized, 1,000 sqm, units in Ripley and Belper.
- vii) The local office market generally meets the needs of local service sector businesses. Demand is reasonable and focused in Ripley and Belper. There is sufficient space overall but much of that space is in older schemes. Older mill accommodation in Belper was highlighted as having particular issues in terms of physical quality.
- viii) The defined FEMA for Amber Valley includes its immediate neighbours of Derby, Erewash, Derbyshire Dales, Bolsover, North East Derbyshire, Ashfield and Broxtowe. Amber Valley also has good links with the nearby urban centre of Nottingham.
- ix) Within that FEMA, the A38/Junction 28, M1 Corridor is identified as a core market area for the sub-region. Generally, companies will seek the best and most prominent premises across this area regardless of local authority boundaries. Competition for B8 occupiers is likely to be particularly strong as Amber Valley, Bolsover and Ashfield all have property offers which could accommodate this use along the A38. Further south, there are linkages between Heanor/Langley Mill and neighbouring Eastwood, where a major industrial/warehouse scheme is proposed that would serve both settlements and also link to Ripley via the A610.
- x) In terms of competition in the service sector, Amber Valley is located close to two sub-regional office centres in Derby and Nottingham. In terms of Derby, stakeholders report that the City's office market has remained largely static since the recession, with some 10,000 sqm of development held up in the pipeline. Thus, while Amber Valley is a net supplier of labour to Derby, it is judged unlikely to lose many office-based businesses to the City. Nottingham is one of the key employment centres for

the East Midlands. Significant further growth is proposed here, which will have some impact on Amber Valley although ultimately the focus is on meeting needs within the Nottingham Core HMA.

Employment Land Supply and Need

- xi) At 31st March 2016 there was a headline supply of 98.50 ha of available employment land, made up of 19 sites. This is 18.58 ha less than the 2006 supply, analysed in the 2008 HMA Employment Land Review, reflecting strong recent take-up at Denby Hall. The supply includes the remaining allocations of Amber Valley's Adopted Local Plan along with two other sites, notably Site A: Lily Street Farm, Derby Road, Swanwick (14.42 ha).
- xii) Of this supply, 29.66 ha comprises sites unlikely to be brought forward for development or held to meet the needs of individual companies only. Excluding these gives a realistic land supply of 68.84 ha.
- xiii) To assess need two recognised methods of forecasting have been used:
 - Forward projection of historic land take up trends
 - Labour demand – jobs growth, as identified in Oxford Economics (2016) forecast modelling.
- xiv) Both are 'policy-off' models that do not account for any public sector plans or strategies for growth above the baseline. In terms of a 'policy-on' model, while the D2N2 LEP does set a jobs target of 55,000 extra jobs to 2023, this is a LEP area wide target spread across all of Derbyshire and Nottinghamshire. There is no available apportionment of additional jobs, by local authority area, that could easily be applied to the calculations below. The outputs from all the models are outlined in Table ES1.
- xv) With regards to the take up scenarios, it should be noted that the average annual rates of take up includes the 24 ha of completions at Thorntons Park, Alfreton recorded in County Council monitoring for the year 1999. Although of exceptional size in the local context it does reflect the fact that the Borough is home to a range of major employers who will occasionally undertake large expansion or relocation projects. Stakeholder consultation has also established Amber Valley as a modestly successful destination for inward investment, as evidenced by more recent high take

up rates over 2009-2011 when much of Site 2: Denby Hall, Denby was taken up by large B2/B8 occupiers. For these reasons, 1999 is still felt to reflect broader development patterns in the Borough and is not excluded from average take up figures which are projected forward in subsequent calculations of need.

Table ES1 – Land Forecast Models – Summary

Model	Realistic Land Stock adjusted to 2018, ha	Land Need 2018-2028, ha	Buffer (five years further growth at relevant rate)	Surplus (Shortfall), ha	Land Need 2018-2033, ha	Buffer (five years further growth at relevant rate)	Surplus (Shortfall), ha	Assumptions
Historic Land Take-Up Rate/ Adjusted stock (Realistic Supply)	63.44	27.00	13.50	22.94	40.50	13.50	9.44	Based on 2.70 ha/year
Employment based on adjusted stock	63.44	+2.55 Growth -11.98 Change	+1.28 N/A	1) 59.61 2) 75.42	+3.39 Growth -19.72 Change	+1.13 N/A	1) 58.92 2) 83.16	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group 2016

- xvi) If historic take-up rates are used, then Amber Valley needs 27.00 ha of land to 2028, 40.50 to 2033 inclusive of a five-year buffer each (see Table ES1). The Realistic Land Supply of Amber Valley, even allowing for the deductions highlighted above, is sufficient to meet those needs. If a further allowance is made for the loss of Site 6: Taylor Lane, Loscoe, Heanor (9.83 ha) to housing, the surpluses reduce to 13.11 ha to 2028, while to 2033 there is a modest land supply deficit against needs of minus 0.39 ha.
- xvii) The jobs based forecast model suggest the Borough has an oversupply of employment land. This indicates that some of the current land supply may be surplus to requirements and could be used for other activities. However, the market assessment and a review of the historic trends in employment change and land take up (see Section 8.0) suggest that these forecasts underestimate land needs significantly. **The preferred forecasting method is therefore a projection forward of past take-up rates.**

Recommendations

xviii) This report has had full regard to the requirements of the NPPF and the PPGs to encourage and deliver growth through the planning system. The key recommendations are:

- That the Council should adopt the land take-up scenario. This suggests that the Borough does have sufficient land available for the Local Plan period, and onwards to 2033
- Within the baseline employment land supply, the following sites do not appear to be viable and deliverable for B1/B2/B8 uses. It is therefore not recommended that they be retained as employment sites in the next Local Plan:
 - Site 3: Cotes Park East, Somercotes
 - Site 17: Off Cotes Park Lane, Cotes Park West, Somercotes
 - Site 19: Keys Road, Alfreton Trading Estate
 - Site 11: Adams Close, Heanor Gate Industrial Estate
 - Site 7: Nottingham Road, Ripley.
- A mixed-use scheme would also be a viable way to ensure delivery on Site 5: Bullsmoor, Belper
- Elsewhere, Amber Valley Borough Council generally needs to protect its employment sites from non-employment uses, such as housing or retail. It is excepted however, that in the case of Site 6: Taylor Lane, Loscoe, Heanor, employment needs need to be balanced against strategic housing requirements
- The Council should designate seven key employment sites and areas to be safeguarded for B Class Uses and other employment uses which achieve economic enhancement. These are:
 - Cotes Park IE, Alfreton (Incorporating Alfreton Trading Estate)
 - Alfreton IE/Thornton Park, Alfreton
 - Denby Hall Business Park
 - Codnor Gate IE, Ripley
 - Heage Road IE, Ripley
 - Chrysalis Business Park/Langley Bridge Industrial Estate, Langley Mill
 - Access 26, Langley Mill.
- Amber Valley has sufficient land to meet needs overall. However, there is a lack of choice in most settlements, particularly in the longer term. Accordingly, the following settlement specific recommendations are made:

- Alfreton/Somercotes – Look to provide small scale, readily deliverable development sites within the Cotes Park/Alfreton Trading Estate area. The Council should look to identify a successor site to Site A: Lily Street Farm
 - Belper – The provision of small, scale local employment opportunity sites, which could be brought forward early in the Local Plan period, is encouraged. These should look to take advantage of the brownfield regeneration opportunities which remain in the town
 - Heanor – Look to provide small sites to meet immediate local needs
 - Ripley – Look to encourage and support proposals for B1/B2/B8 uses on at least a portion of the 9 ha, Butterley Brick site to meet local employment needs.
 - The Council should work with neighbouring authorities on issues in which interests will overlap
 - Review and monitor the employment land and premises position and undertake the study again in about five years, as 2028 is a long time in the future and much will happen before then.
-