Matter 4: Berkeley Strategic
(273036)

Milton Keynes Core Strategy Public Examination

Matter 4
“Economy and Town Centres”

Submitted by
Sellwood Planning
on behalf of
Berkeley Strategic

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1.0 Introduction

1.1 This statement has been prepared by Sellwood Planning on behalf of Berkeley Strategic (Berkeley). It is supported by a report from Nathaniel Lichfield & Partners (NLP) “Employment Land Assessment” which forms Appendix 1 to all the Berkeley matter statements.

1.2 It is the overall conclusion of Berkeley that the Milton Keynes Core Strategy does not currently provide a sound basis for the planning of the area to 2026. This is because it provides insufficient employment land (both qualitatively and quantitatively) to allow Milton Keynes to realise its economic potential.

1.3 However, Berkeley consider that it would be possible to find the Core Strategy sound if Milton Keynes Council (the Council) committed in the document to immediately prepare a review of this plan to 2030 to meet the objectively assessed development needs of the area. As a consequence, the Core Strategy would effectively have interim status over the next three years but it would allow it to be adopted within twelve months of the publication of the NPPF (para. 214), thus achieving a development plan which can be given ‘full weight’ in planning decisions.

1.4 Berkeley considers that the current deficiencies in the qualitative and quantitative supply of employment land are such that the Core Strategy will not be able to achieve its aspiration for an additional 42,000 jobs between 2010 and 2026 or the objective of the Council’s Economic Development Strategy to diversify the economic base of the area. To remedy this, Berkeley propose that the Core Strategy is amended to provide for a new employment focussed Strategic Development Area (SDA) to the east of the M1 and south of Newport Pagnell.
2.0 (Q(4.1)) “(i) Is the proposed jobs per dwelling ratio properly justified?
(ii) Is the ELS scenario 2 still relevant, given the economic downturn, and is it supported by demographic evidence?
(iii) Is the jobs per dwelling ratio consistent with the wider planning objectives and strategies for the sub region and beyond?
(iv) How does it relate to the information in Table 5.3?”

2.2 (i) Berkeley has no specific comments in relation to this question, other than to observe that the ratio has clearly been a useful historic benchmark for Milton Keynes. Looking forward, in terms of its approach to planning positively for economic growth in this plan, what the Council needs to do is decide what level of jobs growth is sought by the Borough in the period to 2026. This can then be tested to see whether this is realistic in market terms and can actually be delivered by the portfolio of employment sites (both qualitatively and quantitatively). What is concluded by the NLP report (Section 2 of Appendix 1) is that Milton Keynes has historically achieved a rate of job increase which is markedly greater than the 42,000 (2,625 pa) set out in the submitted Core Strategy, which might suggest there is scope for the Council to strive for a more ambitious goal. However, since the additional 2,625 jobs per year is greater than sought in Policy MKAV2 of the RSS, there is nothing unsound in the provision of 42,000 jobs for this current Core Strategy on the basis of our comments in paragraph 1.3 above.

2.3 (ii) The ELS Scenario 2 is an ambitious economic projection (60,000 jobs 2010 to 2026) which may appear unrealistic in the current recessionary environment of 2012, particularly when combined with a proposed housing provision of 28,000 and an inadequate employment land portfolio. However, in the context of the NPPF, it is the responsibility of a Core Strategy to not simply plan for a continuation of the current poor economic circumstances for the next 15 years, particularly if the Council wish to diversify the employment base of the town. Milton Keynes is identified by Centre for Cities (January 2012), an independent think tank, as one of the top five cities in England that will need to drive national economic recovery. It is for these reasons that Berkeley favour the Core Strategy being found sound on the basis that an immediate review of the Core Strategy takes place, where overall level of job growth consistent
with the proactive growth objective of the NPPF and associated demographic and housing implications, can be properly considered.

2.4 (iii) The ratio of 1.5 new jobs per home has been a useful historical benchmark and, on an interim basis (as per paragraph 1.3 above), it can be concluded that it is not inconsistent with wider planning objectives given that structural and wider sub-regional issues, including commuting, can be properly considered as part of a review.

2.5 (iv) Table 5.3 is not accurately titled. Rather than being an estimate of “Jobs potential of existing employment locations in Milton Keynes Borough”, it is actually a mix of capacity-based assessment of sites/locations (rows 1 and 2) and nominally assumed demand for employment arising from specific sectors linked to population growth (rows 3 and 4).

2.6 In due course, the Council will need, through its review of the plan, to adopt a more economic strategy-led approach that identifies growth potential across different business sectors and uses this to set a jobs and housing target. Past trends of higher employment growth in Milton Keynes suggest that, in light of the NPPF, a stronger growth emphasis should be considered as part of the plan review. However, for the purposes of an interim plan, there is no reason to infer from Table 5.3 that the jobs target of 42,000 should not provide the basis for adoption.

2.7 However, there are significant problems with some of the land supply assumptions in Table 5.3 which mean its contents should be treated with caution. It is no more than an arithmetic exercise based on a set of high level assumptions. One of the largest components of Table 5.3 is that between 22,165 and 38,109 jobs could arise from the 195.6 ha of existing employment locations (a figure which has now been reduced by the Council to 179.5ha). The NLP report (Section 5 of Appendix 1) has undertaken a thorough review of the employment land portfolio in Milton Keynes and this comes to very different conclusions from those set out in Table 5.3. Updated figures from the Council suggest a current land supply of 184.5 ha (including 5.05ha at Campbell Park). Even if this figure is accepted uncritically and at face value, NLP conclude that it is insufficient to meet the Core Strategy target to 2026 (a shortfall of 19.3 ha) or a
more realistic scenario based on a continuation of past rates of take up of land (a shortfall of 40.2 ha). This is set out in Table 5.4 of the NLP report.

2.8 Furthermore, NLP’s critical site by site assessment looking at actual constraints to suitability, availability and deliverability conclude that the actual supply is much lower. At paragraph 5.49 NLP concludes that the effective supply of employment land is 111.4 ha. This in turn would mean a shortfall of 92.4 ha in meeting the Core Strategy jobs target or 113.3 ha to meet past take up rates.

2.9 Quantitative measures of employment land supply are one indicator, but qualitative issues are also critically important. Paragraph 5.61 to 5.64 of the NLP report summarise their conclusions that:

- almost half of the 184.5 ha is on small sites, generally ‘left over’ parts of larger sites identified in the original 1970 plan for Milton Keynes
- 63 ha are in the 5 to 10ha category and only Magna Park is able to provide single plots above 10ha
- 120 ha of the land is targeted at sectors that will only make a modest contribution to economic growth and will not facilitate the diversification of the local economy which is a key element in the Council’s Economic Development Strategy.

2.10 Taken together, NLP advise that the actual characteristics of the Council’s current employment land portfolio show significant qualitative deficiencies which are likely to frustrate the Core Strategy target of 42,000 jobs. As a consequence, Table 5.3 of the Core Strategy needs to be recast to reflect an accurate and up to date assessment of land supply in Milton Keynes and identify the level of land releases necessary to achieve 42,000 jobs.
3.0 (Q(4.2)) “Is there a sound basis for the promotion of knowledge based employment, and for less emphasis on logistics and warehousing employment?”

3.1 Paragraphs 5.24 and 5.25 of the submitted Core Strategy refer to the conclusions of the ELS that Milton Keynes needs more jobs in the “knowledge economy” and to “reduce reliance on distribution and logistics activity”. The NLP report (Appendix 1), considers in detail the role and potential of a range of employment sectors in Milton Keynes. Whilst NLP agree with the ELS that a broadened employment basis with more “knowledge economy” jobs is an appropriate objective, this should not mean that Milton Keynes should turn its back on logistic and warehousing employment.

3.2 The NLP report (paras. 3.36 and 3.37) confirms that Milton Keynes has established a regional role as a logistics and warehousing location. This has been due to the strategic locational advantages of Milton Keynes and the historic availability of a range of suitable and deliverable sites. However, Milton Keynes has performed less well in recent years because of the diminishing supply of suitable sites at a time when occupiers are looking for larger buildings which can incorporate the latest technology, thus moving the logistics sector up the ‘value chain’ and creating more skilled jobs. NLP express a concern (para. 3.39) that, at the present time, Magna Park is the only available site for relocating Milton Keynes based logistics businesses or inward investment. This does not represent an appropriate range or choice for a town the size of Milton Keynes.

3.3 In this context, the Council should not be seeking to turn its back on a sector where Milton Keynes obviously has particular market advantages and where sustained job growth can be achieved in the future; if the right type of sites can be provided. NLP advise that what Milton Keynes currently lacks is a strategic logistics park of at least 100 hectares with good access to the M1. Such a provision would strengthen this important sector whilst at the same time allowing the Council to diversify into more knowledge based sectors.
3.4 With regard to the knowledge sectors, NLP identify a number of gaps in the current Council portfolio of employment land. These include

**Knowledge / Technology Parks (para. 3.46 – 3.48)**

Whilst Milton Keynes has an above average proportion of knowledge based industries, it lacks a dedicated Knowledge / Technology Park which can act as a focus for future investment. From experience elsewhere, NLP advise (para. 5.11) that a viable park requires a site of at least 10 to 20 hectares and some of the more successful ones are up to 60 hectares. If the Council is unable to offer a site with this size, profile and high quality environment, its chances of fostering a successful and more diversified knowledge economy are much reduced.

**Inward Investment Site (para 3.49+)**

Whilst currently there is less ‘footloose’ inward investment into the UK than during the period of economic growth up to 2008, NLP advise that the UK remains one of the most popular locations in the world for inward investment, and the NPPF (para 21) specifically identifies the need to set criteria or identify strategy sites for this form of growth. Successful sites elsewhere in the UK include Adanac Park (30ha), Adastral Park (40ha), and the ‘i54’ site in the West Midlands (96ha). NLP note (para. 3.56) that as part of the Government Enterprise Zone (EZ) initiative, the assumption is that a necessary precursor to stimulate economic growth is a ‘clean’ site of between 50ha and 150ha. Milton Keynes has no single employment site which can approach the size of even the smallest of the above sites. As a consequence, Milton Keynes will not figure prominently on any list of potential inward investment locations. NLP confirm that in order to attract the attention of inward investors, the Council needs to add to its employment land portfolio a site of at least 30 to 40 hectares with good access to the M1.
4.0  (Q(4.3)) “Will the existing and proposed employment locations provide the quantity and range of sites that are required to meet the identified needs?”

4.1  As has been partially explained under question 4.2, the short answer is no. In essence:

- the updated Council employment land availability figure of 184.5 ha is insufficient in quantitative terms to achieve either the 42,000 jobs target or the continuation of recent trends
- once individual sites are analysed, the actual level of available sites is estimated by NLP to be 111.4 ha, a shortfall of 92.4 ha in the period to 2026 and increasing thereafter
- the above conclusions do not address qualitative issues. The NLP report demonstrates qualitative deficiencies in the supply which largely comprises small sites or existing sites which are not attractive to occupiers.

4.2  Table ES2 of the Executive Summary of the NLP report categorises the requirement typologies necessary to achieve the Core Strategy employment target of an additional 42,000 jobs. These are:

- Knowledge Park  15ha to 20ha
- Strategic Logistics Park  80ha to 100 ha
- Inward Investment Site  30ha to 40ha
- Strategic Office Park  20ha to 25ha.

4.3  Section 6 of the NLP report sets out how all of these employment requirements can be met through the allocation of a Strategic Development Area (Milton Keynes East or ‘MKE’) to the east of the M1 and south of Newport Pagnell. MKE extends to circa 400 gross hectares (1,000 gross acres) and it will function as a sub-regionally important employment location adjacent to J14 of the M1. Its size will provide the critical mass to establish a distinct identity, accommodate the employment typologies identified above, as well as allowing flexibility in the make up of sites to meet occupier demand over the next twenty years.
5.0 (Q(4.4)) “Is there sufficient guidance about how an appropriate balance between provision of office and high technology floorspace (CMK) and the rest of the borough will be achieved?”

5.1 This is not an issue of ‘balance’ or ‘control’. CMK and the rest of the borough are entirely different office locations in terms of the nature of the market and the likely occupiers. The Core Strategy should not be seeking to prioritise one over the other since both will be needed as part of the balanced supply of land to 2026 and in order to comply with the NPPF focus on supporting economic growth. The issue is more how to promote the distinct identity of each type of office or high technology location to prospective investors and / or occupiers. The Berkeley proposal at MKE will complement CMK by offering site sizes in an environment which cannot be provided in the centre of Milton Keynes.

6.0 (Q(4.5)) “Should Policy CS3 provide a steer for the reallocation of sites referred to in paragraph 5.25 of the Core Strategy and if so, how should this be done?”

6.1 As noted above, the NLP report has demonstrated that there is a shortfall of B1(c), B2 and B8 land. In addition, much of the allocated land is on small sites that are not attractive to potential B1(c), B2 and B8 occupiers. Given that these sites are often the final parts of larger general employment allocations which have been under development for many years, most will not be of the right size, character, quality and ambience to be attractive to office or high technology occupiers. However, given that all employment sites listed in table 5.4 of Policy CS3 (except Old Wolverton and Redmoor – totalling 2.7ha) are already identified as suitable for B1 use, there appears to be no impediment to their use for offices or high technology uses, if an occupier could be found.

7.0 (Q(4.6 and 4.7))

7.1 No comment.