



Report

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Milton Keynes Council and Milton Keynes Development Partnership

Employment Land Review and Economic Growth Study

Phase 2 – Delivery Strategy: Final Report

November 2015

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For and on behalf of GVA Grimley Ltd

Executive Summary

1. This Phase 2 Delivery Strategy Final Report draws together the key findings from this Economic Growth and Employment Land Study and provides recommendations as to the Employment Land Strategy for Milton Keynes for Plan:MK to follow.
2. It is important that the employment land strategy for Milton Keynes responds to the particular characteristics and opportunities that are presented by the unique urban form and land supply position it presents. A bespoke approach is suggested which does not seek to simply replicate what other locations are trying to achieve but sets a trajectory that reflects the spirit of the City.
3. This strategy focuses much more closely on the qualitative needs and approach to property rather than the quantitative amount of employment land.

Aligning Economic Growth and Land Supply

4. The Experian economic forecasting model identified a requirement of 124 hectares of additional employment land split:
 - **Offices** – 21 hectares;
 - **Other Business space** – 9 hectares; and
 - **Warehouse** – 94 hectares.
5. To provide informed advice on the proposed employment land strategy for Milton Keynes (MK) and the deliverability of future sites (from a market perspective) to meet demand a further assessment (to Phase 1) was undertaken against additional criteria to differentiate between those sites that scored excellent and good. This is a particular issue for the B class employment market as the Phase 1 report identified that the current supply (whilst scoring well) does not meet the needs of current occupiers.
6. This second assessment assessed 1,176.27 hectares of employment land as follows~:
 - **Existing employment sites** – 980.42 hectares;
 - **Proposed sites** – 36.86 hectares; and
 - **Potential sites** - 158.99 hectares.

Addressing Qualitative Needs

7. In quantitative terms it is clear that there is sufficient supply in MK to meet demand but this is not the case qualitatively.
8. Many Existing, Proposed and Potential Employment sites are not in prime geographical locations to meet the needs of the market, most notably for logistics based employment.
9. Only two sites, providing a potential supply of 45.37 hectares (see table 2.34), could be brought forward for logistics use. This leaves a shortfall of circa 49 hectares to meet the identified demand of 94 hectares. The Council will need to give serious consideration to the allocation of additional land (in close proximity to the motorway) for logistics sector use.
10. The picture for office based employment is more positive. There are two classifications of sites in MK that can meet the needs of office users and these are located either on proposed sites (throughout MK) that are part of existing employment locations or on potential sites within CMK.
11. The proposed sites offer a potential supply of 14.51 hectares (see table 2.23) and the potential sites 11.68 hectares (see table 2.36) providing a total supply of circa 26 hectares, a circa 5 hectare over supply to the identified demand of 21 hectares.
12. This over supply is based upon the premise that all of the proposed sites that are entirely suited for office use are developed out for this purpose. If this does not transpire and a policy decision is taken to focus new office development in CMK to maintain its reputation as a location for office based employment then there will be a shortfall. In this scenario the Council will need to give consideration to the allocation/change of use of other space within CMK to meet this demand i.e. redevelopment of some of the vacant and tired secondary office stock.
13. It is apparent that many Existing and some Potential Employment sites do not provide a product that meets the requirements of modern occupiers. This will have a key influence on the Employment Land Strategy and may necessitate the Local Authority making some key policy decisions moving forwards.

Role of CMK

14. CMK's role as a key focus of economic growth and office based activity needs to be protected. We would seek to promote and reinforce CMK as a hub for knowledge intensive activity. There is a current over supply in CMK of secondary 1970's office stock that is no longer fit for purpose, nor is it suitable for conversion to residential uses under permitted development powers, and there are many vacancies. There remains high demand for prime Grade A space but limited supply.

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15. Recent developments in CMK have seen more mixed use development including ground floor retail/leisure uses and upper floor residential and office uses. We see this approach as the future for the remaining development sites in CMK. A recent planning application has adopted a similar approach.
 16. A mixed use development aids viability and drives development density. Such a mix of uses including restaurants, retail and residential also helps the development of the centres evening economy by providing natural surveillance.
 17. Further, these more mixed environments can create the appropriate conditions within which new forms of workspace can be delivered that will help attract new sectors and also support local start-up and SME activity. The provision of managed units and co-working spaces should be encouraged within CMK in particular to assist in the evolution of the economy here.
 18. To the north east of CMK and disconnected from the city centre by the V8 highway is Campbell Park. The public open space is bounded by existing residential accommodation, small scale retail and development sites. A number of these sites have remained undeveloped since the new towns inception.
 19. These sites are historical employment allocations but with limited demand for employment uses in this location, and given CMK's employment focus we recommend that consideration be given to reallocating these sites for residential and/or mixed use development.
 20. Careful consideration is also required to how greater knowledge based activity is secured within Milton Keynes, particularly as a driver for CMK. It is clear that there is not a need or sufficient driver locally to deliver a standalone 'science park' offer however there is a mix of business, education and innovation assets within the city centre that can be harnessed to drive a locally authentic innovation cluster that plays to the area's existing strengths.
 21. Achieving this within CMK will require greater coordination of planning, economic development, property development and public realm activities to ensure investments and interventions are mutually reinforcing and enable greater levels of growth to be achieved.
 22. New and flexible office stock is a must if businesses are to be attracted to the area. In the short term this may require some loss of stock in order to strengthen the value proposition and help the achievement of a viable development proposition.

Protection and Alterations to Existing Sites

23. Much of the existing employment land stock in Milton Keynes is of a similar quality, not fit for purpose and doesn't meet the needs of modern occupiers.

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24. As a result this Strategy recommends that the Council gives serious consideration to the alteration and in some cases comprehensive redevelopment of some existing employment locations. Such an approach, whilst it could be perceived as a radical option, would give Milton Keynes the opportunity to provide new development sites that respond to both market demand and occupier needs and will provide the opportunity to retain existing occupiers and attract new investors.
 25. Further feasibility work will be required to determine which sites/areas could be considered for comprehensive redevelopment. We recommend that the two supply assessment matrices prepared to inform this Study be used to identify sites, focussing on those sites that scored the worst.
 26. It is recognised that the comprehensive redevelopment of an existing employment area/s in the City would be quite an undertaking, would have cost implications and would need to be carefully planned and all potential locations assessed against, at a minimum, a basket of planning, economic, deliverability, financial and accessibility criteria.
 27. Given that occupiers have already confirmed that the current floorspace does not meet their requirements doing nothing is not an option. If the quality of the employment land stock/product on offer doesn't meet the needs of the occupiers then these footloose companies will relocate to other areas where their requirements are met. This will result in an increased number of vacancies and over time will have a detrimental impact on the City as a location for investment as businesses leave Milton Keynes.

Appropriate Locations for Growth

28. It is clear from the above analysis that the future employment land offer for Milton Keynes needs to provide the right type of floorspace in the right locations.
29. We recommend that the Council give serious consideration to the following options as potential solutions:
 - Allocation of additional land within the M1 corridor to meet the shortfall in supply when compared to the considerable identified demand for logistics occupiers. This would align with market and occupier requirements and enable the demand to be accommodated within MK and not lost to competing locations;
 - Increase the quantum and density of Grade A office floorspace in CMK to maintain and grow the centres position as a regional office location. To identify opportunities for both new build and redevelopment opportunities to provide further stock. To aid viability look to incorporate more mixed use development i.e. residential;

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- Consider changing the use of the vacant employment sites in Campbell Park to residential led mixed uses opportunities;
 - Comprehensive redevelopment of some existing employment areas to provide a product that meets occupier requirements. This would not seek to displace existing activity but would be targeted at those estates that scored poorly in the assessment of sites, had a number of vacancies and were not fit for purpose for the needs of modern occupiers;
 - Consider incorporating employment uses into the allocations around the MK main built up area with accessibility being a key driver. This would allow some new forms of workspace to come forward and also help achieve viability of new workspace development. This will need to recognise the impact that any development will have on its neighbours and be cognisant of duty to co-operate responsibilities;
 - The Town centres within MK provide an important opportunity for new workspace to meet a range of business needs. We recommend that these should be targeted in locations with an existing economic base and wider amenity, transport and commercial provision.
30. Despite the growing flexibility in working practices and the role of improved technology in 'decentralising' economic activity we do not believe that it is appropriate to plan to deliver employment uses in areas that are not well defined commercial locations.
31. Businesses will tend to seek space in established locations in order to benefit from wider amenity and agglomeration opportunities. Whilst there are increasing options for remote or flexible working and the need for 'touch-down' or co-working spaces these are unlikely to succeed in predominantly residential areas. As such, to realign land provision and strengthen values we recommend that sites within residential areas are re-allocated for other, more compatible (and if possible employment generating) uses.

1. Introduction

- 1.1 Milton Keynes Council (MKC), together with the Milton Keynes Development Partnership (MKDP) appointed GVA to undertake an Economic Growth and Employment Land Study (EGELS) for the Borough of Milton Keynes, one of the fastest growing and most dynamic local authority areas in the UK. The study will form a key part of the Council's evidence base for its new Local Plan, Plan: MK.
- 1.2 Plan: MK will replace the current MKC Core Strategy adopted in July 2013, which seeks to provide for a minimum of 28,000 dwellings and around 42,000 jobs over the period 2010-2026. It will also replace the saved policies in the Milton Keynes Local Plan adopted in December 2005. The new comprehensive Local Plan will cover the period up to 2031.
- 1.3 The current Milton Keynes Employment Land Study (prepared by GVA in 2007) is now out of date, as its production predated the economic recession. It now has no regard to the current situation Milton Keynes finds itself in or current economic opportunities and threats. It also does not address the revised national policy position as set out in the National Planning Policy Framework (NPPF) and National Planning Practice Guidance (NPPG). It is therefore not fit to support the development of Plan:MK.
- 1.4 This new EGELS has two primary purposes. Firstly, it will establish the likely level of jobs growth resulting from the economic growth of Milton Keynes up to 2031. Secondly, it will assess the implications for Milton Keynes Council in planning to accommodate the anticipated level of economic growth.
- 1.5 More specifically, in order to achieve this purpose, the EGELS will:
 - Take stock of the existing situation;
 - Create a picture of future requirements;
 - Review the supply of employment land;
 - Compare the supply and demand; and
 - Identify key development options and recommendations.
- 1.6 Ultimately this new EGELS will identify a justified and reasoned strategy for Plan:MK to follow.
- 1.7 Both the NPPF and NPPG contain guidance on the preparation of economic land availability assessments. They indicate that the main purpose of these studies is to assess the existing and future supply of land available for economic development and its suitability to meet identified needs. Specifically, the NPPG requires that these studies should identify sites and broad

locations with potential for development; assess their development potential; and assess their suitability for development and the likelihood of development coming forward. Taken together, this Phase 2 report and the earlier Phase 1 report are consistent with this approach.

- 1.8 This Final Report has been prepared to provide the client group with an overview of GVA's work on Phase 2: 'The Delivery Strategy'. This should be read alongside the baseline findings detailed in the Phase 1: 'Technical Analysis' Final Report.

Report Structure

- 1.9 The remainder of this report is structured as follows:

- **Section 2:** Aligning Economic Growth and Land Supply;
- **Section 3:** The Employment Land Strategy;
- **Section 4:** Other Economic Considerations;
- **Section 5:** Stakeholder Engagement; and
- **Section 6:** Conclusions and Recommendations.

- 1.10 If you require any further information please contact the Project Director as below:

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2. Aligning Economic Growth and Land supply

Demand

- 2.1 The Experian economic forecasting model referred to in the Phase 1 report identified a requirement of 124 hectares of additional employment land to accommodate over 730,000sqm of floorspace, as detailed in Table 2.1 below.

Table 2.1 – Experian Based Forecast Land Requirement

| | Floorspace Demand 2011 – 2031 | Allowance for windfall losses | Allowance for Churn | Change in floorspace | Change in Land |
|----------------------|-------------------------------|-------------------------------|---------------------|----------------------|----------------|
| Office | 259,488 | 23,505 | 36,806 | 319,799 | 21 |
| Other Business Space | -53,090 | 86,033 | 2,161 | 35,103 | 9 |
| Warehouse | 320,178 | 11,235 | 46,192 | 377,605 | 94 |
| Total | 526,576 | 120,773 | 85,159 | 732,507 | 124 |

Source: Experian Business Strategies, GVA, 2015

- 2.2 The majority of floorspace will be required within the warehouse and distribution sector, with an additional requirement of over 375,000 sqm of new floorspace resulting in 94ha of land.
- 2.3 The forecast also identifies a future requirement of circa 320,000 sqm of new office floorspace, requiring 21ha of land.
- 2.4 Finally, there is a smaller requirement for ‘other business space’ (i.e. space for industrial activity) however, this is solely driven by a need to offset losses of space to other activities and therefore may over-estimate future need.

Supply

- 2.5 The supply assessment included in the Appendices of the Phase 1 Report concluded that the majority of the employment sites in Milton Keynes were of excellent or good quality based upon the assessment criterion.
- 2.6 Only seven sites were ranked as being of ‘average’ quality (see Table 2.2).

Table 2.2 – Sites ranked as average in Phase 1 Report

| Site reference number and name | Type of site |
|---------------------------------------|----------------|
| P47a – Land at Campbell Park | Potential Site |
| P47b – Land at Campbell Park | Potential Site |
| P47c – Land at Campbell Park | Potential Site |
| E11 – Fenny Stratford Employment Area | Existing Site |
| E41 – Willen Lake | Existing Site |
| P54 – Land at West Bletchley | Potential Site |
| R53 – Old Bletchley | Removed Site |

Source: GVA, 2015

- 2.7 To provide informed advice to the client group on the proposed employment land strategy for Milton Keynes and the deliverability of future sites to meet demand it has been necessary to undertake a further assessment against additional criteria to differentiate between these sites that scored excellent and good.
- 2.8 This further analysis will identify those sites that are the most deliverable from a market perspective. This is a particular issue for the B class employment market as the Phase 1 report identified that the current supply (whilst scoring well) does not meet the needs of current occupiers.
- 2.9 This second assessment has focussed upon those Existing Employment Sites, Proposed Sites (smaller sites within existing employment sites/areas) and Potential Employment Sites that scored good and above in the first supply assessment.
- 2.10 We outline below our criteria for this further deliverability assessment. We have applied a traffic light colour coding approach as indicated in Table 2.3.

Table 2.3 – Outline of Assessment Criteria

| Criteria | Green | Amber | Red |
|--|---|--|--|
| Surrounding Uses (Existing) | No residential development surrounding the site. | 1, 2 or 3 sides of the site are surrounded by residential development. | The site is entirely surrounded by residential development. |
| Surrounding Uses (Allocated) | No residential development surrounding the site. | 1, 2 or 3 sides of the site are surrounded by residential development. | The site is entirely surrounded by residential development. |
| Clustering for Employment Uses | Site is entirely surrounded by employment uses. | 1, 2 or 3 sides of the site are surrounded by employment uses. | No employment uses surrounding the site. |
| Fit with Occupier Requirements for Logistics Use | The site is/would be entirely suited to the needs of logistics occupiers. | The site is/would be partially suited to the needs of logistics occupiers. | The site is not/would not be suited to the needs of logistics occupiers. |
| Fit with Occupier Requirements for Office Use | The site is/would be entirely suited to the needs of office occupiers. | The site is/would be partially suited to the needs of office occupiers. | The site is not/would not be suited to the needs of office occupiers. |
| Topography | The site is flat and has no constraints to development. | The site is partially uneven leading to some constraints to development. | The site is very uneven and possibly undevelopable. |
| Flood Risk | The sites do not fall in a Flood Zone. | Part of the site falls in a Flood Zone (less than 25%). | Part of the sites falls in a Flood Zone (over 50%). |

Source: GVA, 2015

2.11 We explain in Table 2.4 below our rationale and the significance behind each criteria.

Table 2.4 – Rationale and significance of criteria

| Criteria | Rationale | Significance |
|--|---|---|
| Surrounding Uses (Existing) | This considers the level of residential development surrounding the sites. | This criterion has been applied for all three types of sites (existing, proposed and potential). When assessing suitability of sites or broad locations for development, occupiers carefully consider the amenity impacts of neighbouring areas with preference given to existing employment locations. |
| Surrounding Uses (Allocated) | This considers the level of residential development surrounding the site, as above, but the difference being that it takes account of information supplied to the consultants from MKC i.e. where particular areas are being considered for alternative uses to employment. | This will impact upon the sites we have assessed. This criterion has only been applied for Proposed and Potential Employment Sites. |
| Clustering for Employment Uses | This considers the level of employment uses (Use Class B) surrounding the site. | This is linked to the viability of the site and has been applied for all sites. If there is a strong clustering of employment uses in the immediate vicinity, it is likely to increase the prospect that future employment use development will come forward on the site. |
| Fit with Occupier Requirements for Logistics Use | This considers the appropriateness and likely market attractiveness of sites which are ideally of sufficient size for the use and are accessible to a motorway junction and away from residential areas. | This has been applied for all sites. |
| Fit with Occupier Requirements for Office Use | This considers the appropriateness and likely market attractiveness of sites which included the functional connectivity to other office uses, and accessibility by both public transport and the private car. | This has been applied for all sites. |
| Topography | This considers the physical limitations of the site including landscape features and the lay of the ground. | This is important because it could reduce the developable area and increase development costs. This criteria has been applied for Proposed and Potential employment sites. |
| Flood Risk | This considers whether the site is located within a Flood Zone. | This is important because flood risk impacts upon development parameters and cost, particularly if mitigation measures are required. This criteria has been applied for Proposed and Potential employment sites. |

Source: GVA, 2015

2.12 We have applied the above criterion for all Existing, Proposed and Potential Employment Sites scoring good and above, with the exception of Surrounding Uses (Allocated), Topography and Flood Risk which has not been considered for Existing Employment Sites. This is because in the few instances where Potential Sites are being considered for uses other than employment, this will not affect an Existing Employment Site, which already has an established use. Topography and Flood Risk have also not been considered for Existing Employment Sites as these are already built out.

Site Assessments

2.13 The total site area of the employment land included in this additional assessment is shown in Table 2.5.

Table 2.5 – Summary of Employment Land Supply in Milton Keynes

| Site Typology | Existing Employment Sites (ha) | Proposed Sites (ha) | Potential Sites (ha) | Total (ha) |
|-----------------|--------------------------------|---------------------|----------------------|------------|
| Total Area (ha) | 980.42 | 36.86 | 158.99 | 1,176.27 |

Source: GVA, 2015.

Existing Employment Sites

2.14 We turn now to describe the findings from site assessments for the Existing Employment Sites. All summary tables are drawn from the Site Assessment Matrix supplied at Appendix A.

2.15 Table 2.6 summarises the outputs of the site assessments for the Surrounding Uses (Existing) criterion.

Table 2.6 – Site assessment summary for Surrounding Uses (Existing)

| Criteria | Green | Amber | Red | Totals |
|-----------------------------|-------|-------|-----|--------|
| Surrounding Uses (Existing) | 9 | 32 | 3 | 44 |
| Percentage of sites (%) | 20% | 72% | 8% | 100% |

Source: GVA, 2015

2.16 Table 2.6 indicates that just 20% of the Existing Employment Sites were categorised as Green indicating that they have no residential development surrounding the site. The majority (72%) of sites have residential development on one to three sides with just 3 sites (8%) being entirely surrounded by residential development. These are listed in Table 2.7.

Table 2.7 – Sites which were categorised as Green for Surrounding Uses (Existing)

| Site reference number | Site name | Site size (ha) |
|-----------------------|------------------------------------|----------------|
| E1 | Atterbury Existing Employment Area | 1.55 |
| E10 | Denbigh West Employment Area | 38.13 |
| E12 | Fox Milne Industrial Estate | 14.80 |
| E13 | Granby Trade Park | 5.10 |
| E19 | Magna Park | 110.04 |
| E20 | Mount Farm Auckland Park | 20.33 |
| E21 | Mount Farm Industrial Estate | 33.90 |
| E24 | Northfield Drive Industrial Estate | 23.26 |
| E31 | Snelshall West Industrial Estate | 14.46 |

Source: GVA, 2015

- 2.17 Occupiers are likely to favour the sites listed in Table 2.7 as there will be fewer issues/conflict over neighbouring uses, and consequently they are likely to remain the most attractive and established employment locations in MK.
- 2.18 Table 2.8 summarises the outputs of the site assessments for the Clustering for Employment Uses criterion.

Table 2.8 – Site assessment summary for Clustering for Employment Uses

| Criteria | Green | Amber | Red | Totals |
|--------------------------------|-------|-------|-----|--------|
| Clustering for Employment Uses | 7 | 18 | 19 | 44 |
| Percentage of sites (%) | 16% | 41% | 43% | 100% |

Source: GVA, 2015

- 2.19 Table 2.8 indicates that 16% of sites were categorised as Green demonstrating that they are completely surrounded by other areas of B Class employment use. These are listed in Table 2.9. The remainder of the sites have adjacent employment uses on one to three sides (41%) or have no employment uses surrounding the site (43%).

Table 2.9 – Sites which were categorised as Green for Clustering for Employment Uses

| Site reference number | Site name | Site size |
|-----------------------|----------------------------------|-----------|
| E7 | Bradwell Abbey Industrial Estate | 15.64 |
| E10 | Denbigh East Employment Area | 14.50 |
| E10 | Denbigh West Employment Area | 38.13 |
| E13 | Granby Trade Park | 5.10 |
| E16 | Kingston Business Park | 55.39 |
| E20 | Mount Farm Auckland Park | 20.33 |
| E21 | Mount Farm Industrial Estate | 33.90 |

Source: GVA, 2015

- 2.20 Four of these sites (E10, 13, E20 and E21) were also categorised as Green for the Surrounding Uses (Existing) criterion, indicating that they are bordered entirely by other employment uses.
- 2.21 Table 2.10 summarises the outputs of the site assessments for the Fit with Occupier Requirements for Logistics criterion.

Table 2.10 – Site assessment summary for Fit with Occupier Requirements for Logistics

| Criteria | Green | Amber | Red | Totals |
|--|-------|-------|-----|--------|
| Fit with Occupier Requirements for Logistics | 1 | 3 | 40 | 44 |
| Percentage of sites (%) | 2% | 7% | 91% | 100% |

Source: GVA, 2015

- 2.22 Table 2.10 shows that only 2% (one site) was categorised as Green meaning that it is entirely suited to the needs of logistic employers. This means that it is located close to a motorway junction, away from residential development and is of sufficient size to accommodate logistics use. It is identified in Table 2.11.

Table 2.11 – Sites which were categorised as Green for Fit with Occupier Requirements for Logistics

| Site reference number | Site name | Site size |
|-----------------------|------------|-----------|
| E19 | Magna Park | 110.04 |

Source: GVA, 2015

- 2.23 It must be noted that this site is now fully developed out and has no additional development capacity.
- 2.24 Three sites (7%) namely E2 – Brinklow Industrial Estate, E16 – Kingston Business Park and E35 Tongwell Industrial area scored Amber as they are well-located on the strategic road network. It must be noted that these are all existing occupied sites and would only be suitable for logistic use if the site was comprehensively redeveloped.
- 2.25 Table 2.12 summarises the outputs of the site assessments for the Fit with Occupier Requirements for Office criterion.

Table 2.12 – Site assessment summary for Fit with Occupier Requirements for Office

| Criteria | Green | Amber | Red | Totals |
|---|-------|-------|-----|--------|
| Fit with Occupier Requirements for Office | 1 | 10 | 33 | 44 |
| Percentage of sites (%) | 2% | 23% | 75% | 100% |

Source: GVA, 2015

- 2.26 Only 2% (1 site, see Table 2.12) was categorised as Green meaning that it would be entirely suited to the needs of office occupiers in that it is accessible by both public and private transport and that it is functionally connected to other office uses.

Table 2.13 – Sites which were categorised as Green for Fit with Occupier Requirements for Office

| Site reference number | Site name | Site size |
|-----------------------|---------------------------|-----------|
| E9 | Crownhill Business Centre | 21.27 |

Source: GVA, 2015

- 2.27 Table 2.13 shows that Crownhill Business Centre is the only well-accessed site (accessed via Watling Street and Portway, both of which are main bus routes). The Centre comprises a number of B1a Use Class premises, rather than industrial and warehousing units which make up the bulk of most of the other Existing Employment Sites in Milton Keynes.

Conclusions from Existing Employment Sites

- 2.28 We further assessed 44 Existing Employment Sites totalling 980.42 ha. Table 2.14 summarises the findings for these Existing Employment Sites.

Table 2.14 – Summary of findings for Existing Employment Sites

| Criteria | Number of Sites categorised as Green | Percentage of Sites categorised as Green | Total ha Scored Green | % of total ha for Existing Employment Sites (980.42ha) |
|--|--------------------------------------|--|-----------------------|--|
| Surrounding Uses (Existing) | 9 | 20% | 261.57 | 27% |
| Clustering for Employment Uses | 7 | 16% | 182.99 | 19% |
| Fit with Occupier Requirements for Logistics | 1 | 2% | 110.04 | 11% |
| Fit with Occupier Requirements for Office | 1 | 2% | 21.27 | 2% |

Source: GVA, 2015

- 2.29 We note that under the Surrounding Uses (Existing) criteria just 20% of sites have no residential development surrounding the sites and just 16% of sites are surrounded by employment uses. This suggests that only a small proportion of the Existing Employment Sites have the ideal functional location.
- 2.30 Only Magna Park was identified as being entirely suited to the needs of logistics occupiers but it was noted that there is no development capacity remaining at this site. Similarly only one site, Crownhill Business Centre, was entirely suited to the needs of office occupiers.

- 2.31 This further strengthens the position that Existing Employment Sites in Milton Keynes do not meet the requirements of modern occupiers.

Proposed Employment Sites

- 2.32 We discuss below the outcome of the site assessments for Proposed Employment Sites. Table 2.15 below summarises the outputs of the site assessments for the Surrounding Uses (Existing) criterion.

Table 2.15 – Site assessment summary for Surrounding Uses (Existing)

| Criteria | Green | Amber | Red | Totals |
|-----------------------------|-------|-------|-----|--------|
| Surrounding Uses (Existing) | 24 | 3 | 0 | 27 |
| Percentage of sites (%) | 89% | 11% | 0% | 100% |

Source: GVA, 2015

- 2.33 Table 2.15 shows that the majority of sites (89%) were categorised as Green indicating that there is no residential development surrounding the site. This is to be expected as these proposed sites are located within existing employment areas and are more likely to be entirely surrounded by existing employment uses unless they are located on the periphery of the employment area. They are listed in Table 2.16.

Table 2.16 – Sites which were categorised as Green for Surrounding Uses (Existing)

| Site reference number | Site name | Site size |
|-----------------------|--|-----------|
| E9a | Site A - Crownhill Business Centre | 1.19 |
| E10A | Site A - Denbigh Employment Area | 2.66 |
| E10B | Site B - Denbigh Employment Area | 0.70 |
| E12A | Site A - Fox Milne Industrial Estate | 0.83 |
| E14A | Site A - Kents Hill Park | 5.48 |
| E15A | Site A - Kiln Farm Industrial Estate | 0.20 |
| E17A | Site A - Knowlhill Employment Area | 2.37 |
| E17B | Site B - Knowlhill Employment | 1.27 |
| E17C | Site C - Knowlhill Employment | 1.64 |
| E17D | Site D - Knowlhill Employment | 0.21 |
| E17E | Site E - Knowlhill Employment | 1.93 |
| E18A | Site A - Linford Wood Business Centre | 0.40 |
| E18B | Site B - Linford Wood Business Centre | 1.35 |
| E18C | Site C - Linford Wood Business Centre | 0.62 |
| E20A | Site A - Mount Farm Auckland Park | 1.94 |
| E25B | Site B - Old Wolverton Industrial Estate | 0.48 |
| E26A | Site A - Yardley Road Industrial Estate | 2.71 |
| E35A | Site A - Tongwell Industrial Area | 0.49 |

| Site reference number | Site name | Site size |
|-----------------------|---|-----------|
| E42A | Site A - Winterhill | 0.15 |
| E42B | Site B - Winterhill | 0.75 |
| E43A | Site A - Wolverton Rail Freight Terminal | 2.56 |
| E44A | Site A - Wolverton Mill Industrial Estate | 0.70 |
| E44B | Site B - Wolverton Mill Industrial Estate | 0.47 |
| E45A | Site A - Wymbush Industrial Estate | 1.19 |
| Total area | | 32.29 |

Source: GVA, 2015

2.34 As can be seen in Table 2.16, these sites are located throughout MK. Table 2.17 summarises the outputs of the site assessments for the Surrounding Uses (Allocated) criterion.

Table 2.17 – Site assessment summary for Surrounding Uses (Allocated)

| Criteria | Green | Amber | Red | Totals |
|------------------------------|-------|-------|-----|--------|
| Surrounding Uses (Allocated) | 22 | 5 | 0 | 27 |
| Percentage of sites (%) | 81% | 19% | 0% | 100% |

Source: GVA, 2015

2.35 For the reasons described above the majority of sites (81%) were categorised as Green meaning that there is no residential development surrounding the site. These are identified in Table 2.18.

Table 2.18 – Sites which were categorised as Green for Surrounding Uses (Allocated)

| Site reference number | Site name | Site size |
|-----------------------|---|-----------|
| E9a | Site A - Crownhill Business Centre | 1.19 |
| E10A | Site A - Denbigh Employment Area | 2.66 |
| E10B | Site B - Denbigh Employment Area | 0.70 |
| E12A | Site A - Fox Milne Industrial Estate | 0.83 |
| E15A | Site A - Kiln Farm Industrial Estate | 0.20 |
| E17B | Site B - Knowlhill Employment | 1.27 |
| E17C | Site C - Knowlhill Employment | 1.64 |
| E17D | Site D - Knowlhill Employment | 0.21 |
| E17E | Site E - Knowlhill Employment | 1.93 |
| E18A | Site A - Linford Wood Business Centre | 0.40 |
| E18B | Site B - Linford Wood Business Centre | 1.35 |
| E18C | Site C - Linford Wood Business Centre | 0.62 |
| E20A | Site A - Mount Farm Auckland Park | 1.94 |
| E25B | Site B - Old Wolverton Industrial Estate | 0.48 |
| E26A | Site A - Yardley Road Industrial Estate | 2.71 |
| E35A | Site A - Tongwell Industrial Area | 0.49 |
| E42A | Site A - Winterhill | 0.15 |
| E42B | Site B - Winterhill | 0.75 |
| E43A | Site A - Wolverton Rail Freight Terminal | 2.56 |
| E44A | Site A - Wolverton Mill Industrial Estate | 0.70 |
| E44B | Site B - Wolverton Mill Industrial Estate | 0.47 |
| E45A | Site A - Wymbush Industrial Estate | 1.19 |
| Total area | | 24.44 |

Source: GVA, 2015

2.36 Table 2.19 below summarises the outputs of the site assessments for the Clustering for Employment Uses criterion.

Table 2.19 – Site assessment summary for Clustering for Employment Uses

| Criteria | Green | Amber | Red | Totals |
|--------------------------------|-------|-------|-----|--------|
| Clustering for Employment Uses | 18 | 5 | 4 | 27 |
| Percentage of sites (%) | 67% | 18% | 15% | 100% |

Source: GVA, 2015

2.37 The majority of sites (67%) were categorised as Green, meaning that they are entirely surrounded by other areas of B Class employment use. These are listed in Table 2.20.

Table 2.20 – Sites which were categorised as Green for Clustering for Employment Uses

| Site reference number | Site name | Site size |
|-----------------------|---|-----------|
| E9A | Site A - Crownhill Business Centre | 1.19 |
| E10A | Site A - Denbigh Employment Area | 2.66 |
| E10B | Site B - Denbigh Employment Area | 0.70 |
| E12A | Site A - Fox Milne Industrial Estate | 0.83 |
| E15A | Site A - Kiln Farm Industrial Estate | 0.20 |
| E17A | Site A - Knowhill Employment Area | 2.37 |
| E17B | Site B - Knowhill Employment | 1.27 |
| E17C | Site C - Knowhill Employment | 1.64 |
| E17D | Site D - Knowhill Employment | 0.21 |
| E17E | Site E - Knowhill Employment | 1.93 |
| E18A | Site A - Linford Wood Business Centre | 0.40 |
| E18C | Site C - Linford Wood Business Centre | 0.62 |
| E20A | Site A - Mount Farm Auckland Park | 1.94 |
| E26A | Site A - Yardley Road Industrial Estate | 2.71 |
| E43A | Site A - Wolverton Rail Freight Terminal | 2.56 |
| E44A | Site A - Wolverton Mill Industrial Estate | 0.70 |
| E44B | Site B - Wolverton Mill Industrial Estate | 0.47 |
| E45A | Site A - Wymbush Industrial Estate | 1.19 |
| Total area | | 23.59 |

Source: GVA, 2015

- 2.38 Table 2.21 summarises the outputs of the site assessments for the Fit with Occupier Requirements for Logistics criterion.

Table 2.21 – Site assessment summary for Fit with Occupier Requirements for Logistics

| Criteria | Green | Amber | Red | Totals |
|--|-------|-------|-----|--------|
| Fit with Occupier Requirements for Logistics | 0 | 4 | 23 | 27 |
| Percentage of sites (%) | 0% | 15% | 85% | 100% |

Source: GVA, 2015

- 2.39 No sites were categorised as being suitable for logistic use in this assessment but this is to be expected as these sites, by their nature, are smaller sites within already established existing employments areas.
- 2.40 Table 2.22 summarises the outputs of the site assessments for the Fit with Occupier Requirements for Office criterion.

Table 2.22 – Site assessment summary for Fit for Occupier Requirements for Office

| Criteria | Green | Amber | Red | Totals |
|---|-------|-------|-----|--------|
| Fit with Occupier Requirements for Office | 11 | 7 | 9 | 27 |
| Percentage of sites (%) | 41% | 26% | 33% | 100% |

Source: GVA, 2015

- 2.41 The majority of sites (41%) were categorised as Green indicating their suitability for the needs of office occupiers, and are listed in Table 2.23 below.

Table 2.23 – Sites which were categorised as Green for Fit with Occupier Requirements for Office

| Site reference number | Site name | Site size |
|-----------------------|---|-----------|
| E8A | Site A – Caldecotte Lake Business Park | 0.61 |
| E8B | Site B - Caldecotte Lake Business Park | 1.92 |
| E12A | Site A - Fox Milne Industrial Estate | 0.83 |
| E17A | Site A - Knowlhill Employment Area | 2.37 |
| E17B | Site B - Knowlhill Employment | 1.27 |
| E17C | Site C - Knowlhill Employment | 1.64 |
| E17D | Site D - Knowlhill Employment | 0.21 |
| E17E | Site E - Knowlhill Employment | 1.93 |
| E18A | Site A - Linford Wood Business Centre | 0.40 |
| E18C | Site C - Linford Wood Business Centre | 0.62 |
| E26A | Site A - Yardley Road Industrial Estate | 2.71 |
| Total area | | 14.51 |

Source: GVA, 2015

- 2.42 Table 2.23 illustrates that the Proposed Employment Sites that could meet the needs of office users are located throughout MK adjacent to existing office uses on existing Business Parks and Industrial Estates. These sites offer a potential supply of 14.51 hectares, a 6.49 hectare shortfall to the identified demand of 21 hectares for office sites.

- 2.43 Table 2.24 summarises the outputs of the site assessments for the Topography criterion.

Table 2.24 – Site assessment summary for Topography

| Criteria | Green | Amber | Red | Totals |
|-------------------------|-------|-------|-----|--------|
| Topography | 26 | 1 | 0 | 27 |
| Percentage of sites (%) | 96% | 4% | 0% | 100% |

Source: GVA, 2015

- 2.44 Table 2.24 shows that all but one of the sites (96%) were categorised as Green indicating that the ground is flat with no constraints to development.

2.45 Table 2.25 below summarises the outputs of the site assessments for the Flood Risk criterion.

Table 2.25 – Site assessment summary for Flood Risk

| Criteria | Green | Amber | Red | Totals |
|-------------------------|-------|-------|-----|--------|
| Flood Risk | 27 | 0 | 0 | 27 |
| Percentage of sites (%) | 100% | 0% | 0% | 100% |

Source: GVA, 2015

2.46 Table 2.25 shows that all sites were categorised as Green for Flood Risk, meaning that they are not located in a Flood Zone as designated by the Environment Agency.

2.47 When taking the physical criteria together (both Topography and Flood Risk) no sites are undevelopable with regard to topography nor have over 50% of the site located within a flood zone.

Conclusions from Proposed Employment Sites

2.48 We assessed 27 Proposed Employment Sites totalling 36.86 hectares. Table 2.26 summarises the findings for these sites.

Table 2.26 – Summary of findings for Proposed Employment Sites

| Criteria | Number of sites categorised as Green | Percentage of sites categorised as Green | Total ha Scored Green | % of total ha for Existing Employment Sites (36.86 ha) |
|--|--------------------------------------|--|-----------------------|--|
| Surrounding Uses (Existing) | 24 | 89% | 32.29 | 87.60% |
| Surrounding Uses (Allocated) | 22 | 81% | 24.44 | 66.30% |
| Clustering for Employment Uses | 18 | 67% | 23.59 | 63.99% |
| Fit with Occupier Requirements for Logistics | 0 | 0% | 0 | 0% |
| Fit with Occupier Requirements for Office | 11 | 41% | 14.51 | 39.36% |
| Topography | 26 | 96% | 36.37 | 98.67% |
| Flood Risk | 27 | 100% | 36.86 | 100% |

Source: GVA, 2015

2.49 The majority of sites (89%) had no residential development surrounding the site when compared to surrounding existing uses and 81% when compared against surrounding allocated uses. This is to be expected as these sites fall within existing employment areas whose use is already established. Similarly, when we consider the clustering criteria it follows that 67% of sites are entirely surrounded by employment uses.

- 2.50 No sites were categorised as being entirely suited for logistics use, this due to these proposed sites not being of sufficient scale for this type of use.
- 2.51 In contrast 41% of sites were identified as being entirely suited to the needs of office occupiers. This indicates strong synergy with adjacent office uses and will in part be reflective of the smaller land take required for office development when compared to say logistics uses.
- 2.52 The assessment of topographical and flood risk factors showed minimal constraints to future development for these 27 proposed sites.

Potential Employment Sites

- 2.53 We discuss below the outcome of the site assessments for Potential Employment Sites. Table 2.27 summarises the outputs of the site assessments for the Surrounding Uses (Existing) criterion.

Table 2.27 – Site assessment summary for Surrounding Uses (Existing)

| Criteria | Green | Amber | Red | Totals |
|-----------------------------|-------|-------|-----|--------|
| Surrounding Uses (Existing) | 28 | 13 | 2 | 43 |
| Percentage of sites (%) | 66% | 30% | 5% | 100% |

Source: GVA, 2015

- 2.54 Table 2.27 shows that the majority of sites (66%) were categorised as Green indicating that there is no residential development surrounding the development site and therefore we would expect them to be attractive to the market. They are listed in Table 2.28.

Table 2.28 – Sites which were categorised as Green for Surrounding Uses (Existing)

| Site reference number | Site name | Site size |
|-----------------------|-----------------------|-----------|
| P46 | Land at Brook Furlong | 6.70 |
| P48a | Site in CMK | 0.65 |
| P48b | Site in CMK | 1.03 |
| P48c | Site in CMK | 0.38 |
| P48d | Site in CMK | 0.42 |
| P48e | Site in CMK | 0.81 |
| P48f | Site in CMK | 0.42 |
| P48g | Site in CMK | 5.29 |
| P15a | Land near Kiln Farm | 9.51 |
| P49 | Land at Pineham | 10.85 |
| P27 | Land at Redmoor | 1.68 |
| P28 | Land at Rooksley | 1.28 |
| P29b | Land at Shenley Wood | 2.95 |
| P29e | Land at Shenley Wood | 1.19 |

| Site reference number | Site name | Site size |
|-----------------------|------------------------|-----------|
| P31a | Land at Snelshall West | 3.00 |
| P31b | Land at Snelshall West | 1.03 |
| P31c | Land at Snelshall West | 1.25 |
| P41 | Land at Willen Lake | 1.05 |
| P44a | Land at Wolverton Mill | 1.91 |
| P44b | Land at Wolverton Mill | 3.19 |
| P52 | Land at Fishermead | 0.37 |
| Total area | | 54.96 |

Source: GVA, 2015

- 2.55 As can be seen in Table 2.28 these sites are located throughout MK including CMK.
- 2.56 Table 2.29 summarises the outputs of the site assessments for the Surrounding Uses (Allocated) criterion.

Table 2.29 – Site assessment summary for Surrounding Uses (Allocated)

| Criteria | Green | Amber | Red | Totals |
|------------------------------|-------|-------|-----|--------|
| Surrounding Uses (Allocated) | 17 | 20 | 6 | 43 |
| Percentage of sites (%) | 40% | 46% | 14% | 100% |

Source: GVA, 2015

- 2.57 The majority of sites (46%) were shown to have between one and three sides of the site surrounded by residential development. Just below this, 41% of sites were identified as having no adjacent residential when compared against the surrounding located use. These are identified in Table 2.30 below.

Table 2.30 – Sites which were categorised as Green for Surrounding Uses (Allocated)

| Site reference number | Site name | Site size |
|-----------------------|--------------------------------|-----------|
| P48b | Site in CMK | 1.03 |
| P48c | Site in CMK | 0.38 |
| P48d | Site in CMK | 0.42 |
| P48e | Site in CMK | 0.81 |
| P48f | Site in CMK | 0.42 |
| P48g | Site in CMK | 5.29 |
| P49 | Land at Pineham | 10.85 |
| P18a | Land at Linford Wood | 1.37 |
| P18b | Land at Linford Wood | 1.32 |
| P19 | Land to the East of Magna Park | 34.52 |
| P27 | Land at Redmoor | 1.68 |

| Site reference number | Site name | Site size |
|-----------------------|----------------------|-----------|
| P28 | Land at Rooksley | 1.28 |
| P29a | Land at Shenley Wood | 2.96 |
| P29c | Land at Shenley Wood | 3.49 |
| P40 | Land at West Ashland | 2.85 |
| P41 | Land at Willen Lake | 1.05 |
| Total area | | 68.96 |

Source: GVA, 2015

- 2.58 For this criterion, there is little variation between these categorisations and the previous.
- 2.59 Table 2.31 summarises the outputs of the site assessments for the Clustering for Employment Uses criterion.

Table 2.31 – Site assessment summary for Clustering for Employment Uses

| Criteria | Green | Amber | Red | Totals |
|--------------------------------|-------|-------|-----|--------|
| Clustering for Employment Uses | 13 | 20 | 10 | 43 |
| Percentage of sites (%) | 30% | 47% | 23% | 100% |

Source: GVA, 2015

- 2.60 The majority of sites (47%) are surrounded by employment uses on one to three sides, whereas 30% of sites are entirely surrounded by B Class employment use and would so be attractive to the market for future employment development. These are listed in Table 2.32.

Table 2.32 – Sites which were categorised as Green for Clustering for Employment Uses

| Site reference number | Site name | Site size |
|-----------------------|------------------------|-----------|
| P48b | Site in CMK | 1.03 |
| P48e | Site in CMK | 0.81 |
| P48f | Site in CMK | 0.42 |
| P48g1 | Site in CMK | 2.29 |
| P48g2 | Site in CMK | 2.22 |
| P48g3 | Site in CMK | 1.93 |
| P18a | Land at Lindford Wood | 1.37 |
| P18b | Land at Lindford Wood | 1.32 |
| P27 | Land at Redmoor | 1.68 |
| P28 | Land at Rooksley | 1.28 |
| P29a | Land at Shenley Wood | 2.96 |
| P44a | Land at Wolverton Mill | 1.91 |
| P44b | Land at Wolverton Mill | 3.19 |
| Total area | | 22.41 |

Source: GVA, 2015

- 2.61 Table 2.33 summarises the outputs of the site assessments for the Fit with Occupier Requirements for Logistics criterion.

Table 2.33 – Site assessment summary for Fit with Occupier Requirements for Logistics

| Criteria | Green | Amber | Red | Totals |
|--|-------|-------|-----|--------|
| Fit with Occupier Requirements for Logistics | 2 | 8 | 33 | 43 |
| Percentage of sites (%) | 5% | 19% | 76% | 100% |

Source: GVA, 2015

- 2.62 Only two sites (5%) were categorised as Green in this assessment that they are entirely suited to the needs of logistics occupiers. This indicates that there is a shortage of Potential Employment Sites for this high demand sector. The vast majority of sites do not fit the specific locational criteria of occupiers in the logistics sector (see para 2.21). Those which may be appropriate are detailed in Table 2.34 below.

Table 2.34 – Sites which were categorised as Green for Fit with Occupier Requirements for Logistics

| Site reference number | Site name | Site size |
|-----------------------|--------------------------------|-----------|
| P19 | Land to the East of Magna Park | 34.52 |
| P49 | Land at Pineham | 10.85 |
| Total area | | 45.37 |

Source: GVA, 2015

- 2.63 These two sites provide a potential supply of 45.37 hectares of land that could be brought forward for logistics use. This still leaves a shortfall of circa 49 hectares to meet the identified demand of 94 hectares.
- 2.64 If the Council wishes to retain this level of demand within the City the Council will need to give serious consideration to the allocation of additional land (in close proximity to the motorway) for logistics sector use.
- 2.65 Table 2.35 summarises the outputs of the site assessments for the Fit with Occupier Requirements for Office criterion.

Table 2.35 – Site assessment summary for Fit for Occupier Requirements for Office

| Criteria | Green | Amber | Red | Totals |
|---|-------|-------|-----|--------|
| Fit with Occupier Requirements for Office | 8 | 33 | 2 | 43 |
| Percentage of sites (%) | 19% | 77% | 4% | 100% |

Source: GVA, 2015

- 2.66 Less than one fifth (19%) of these potential office employment sites were categorised as Green indicating that they are entirely suited to the needs of office occupiers. These are listed in Table 2.36.

Table 2.36 – Sites which were categorised as Green for Fit with Occupier Requirements for Office

| Site reference number | Site name | Site size |
|-----------------------|-------------|-----------|
| P48c | Site in CMK | 0.38 |
| P48d | Site in CMK | 0.42 |
| P48e | Site in CMK | 0.81 |
| P48f | Site in CMK | 0.42 |
| P48g1 | Site in CMK | 2.29 |
| P48g2 | Site in CMK | 2.22 |
| P48g3 | Site in CMK | 1.93 |
| P48g4 | Site in CMK | 3.21 |
| Total area | | 11.68 |

Source: GVA, 2015

- 2.67 It is interesting to note that all of the sites that are entirely suited to meet the needs of office occupiers are located within CMK. This is to be expected given the centres functional connectivity to other office uses and its accessibility by both public transport and the private car.
- 2.68 These sites offer a potential supply of 11.68 hectares, a circa 9 hectare shortfall to the identified demand of 21 hectares for office sites.

- 2.69 If the Council wish CMK to continue to be perceived as a location for office based employment they will need to give consideration to the allocation/change of use of other space within CMK to meet this demand. Some of the vacant and tired secondary office stock could provide such an opportunity through redevelopment to facilitate new build office environments.
- 2.70 To assist the facilitation of rebalancing the CMK office stock portfolio the Council and MKDP may need to take a proactive approach given the marginal viability position of redevelopment. This should focus on two key themes – firstly promoting opportunities to land owners and developers and secondly seeking to make interventions that raise the underlying development values for alternate uses, to improve the scheme viability. In many cases the two will go hand in hand.
- 2.71 A joined up approach to promoting ‘opportunity sites’ within CMK will help to raise the profile and ‘de-risk’ developers decisions by demonstrating that an alternate approach will be supported through planning. It may also be necessary to continue to invest in enhancements to the public realm, ensuring that a high quality environment is delivered that complements new, higher quality development.
- 2.72 It should not be anticipated that these opportunities will be delivered immediately, however over time as the market and values continue to strengthen in response to wider trends and localised interventions we would anticipate an increased likelihood that such sites will come forwards. This will, however, require a long term commitment to joint promotion of CMK from all partners.
- 2.73 Table 2.37 below summarises the outputs of the site assessments for the Topography criterion.

Table 2.37 – Site assessment summary for Topography

| Criteria | Green | Amber | Red | Totals |
|-------------------------|-------|-------|-----|--------|
| Topography | 32 | 9 | 2 | 43 |
| Percentage of sites (%) | 74% | 21% | 5% | 100% |

Source: GVA, 2015

- 2.74 Table 2.37 shows that the majority of sites (74%) are flat with no constraints to development, 21% are partially uneven leading to some constraints and just 5% are constrained to the extent that they may be undevelopable.
- 2.75 Table 2.38 summarises the outputs of the site assessments for the Flood Risk criterion.

Table 2.38 – Site assessment summary for Flood Risk

| Criteria | Green | Amber | Red | Totals |
|-------------------------|-------|-------|-----|--------|
| Flood Risk | 34 | 6 | 3 | 43 |
| Percentage of sites (%) | 79% | 14% | 7% | 100% |

Source: GVA, 2015

- 2.76 Table 2.38 shows that the majority of sites (79%) do not fall within a flood zone as designated by the Environment Agency. The remaining 9 sites (21%) will require mitigation strategies to be developed, to alleviate the constraints posed by partially falling within flood zones, to enable development.

Conclusions from Potential Employment Sites

- 2.77 We assessed 43 Potential Employment Sites totalling 158.99 hectares. Table 2.39 below summarises the findings for these Potential Employment Sites.

Table 2.39 – Summary of findings for Potential Employment Sites

| Criteria | Number of sites categorised as Green | Percentage of sites categorised as Green | Total ha Scored Green | % of total ha for Existing Employment Sites (158.99) |
|--|--------------------------------------|--|-----------------------|--|
| Surrounding Uses (Existing) | 28 | 66% | 54.96 | 34% |
| Surrounding Uses (Allocated) | 17 | 40% | 69.80 | 44% |
| Clustering for Employment Uses | 13 | 30% | 22.42 | 14% |
| Fit with Occupier Requirements for Logistics | 2 | 5% | 45.37 | 29% |
| Fit with Occupier Requirements for Office | 8 | 19% | 11.68 | 7% |
| Topography | 32 | 74% | 114.39 | 72% |
| Flood Risk | 34 | 79% | 81.60 | 51% |

Source: GVA, 2015

- 2.78 The majority of potential sites (66%) had no residential development surrounding the site when compared to surrounding existing uses and would therefore be attractive to the market. It's interesting to note that this falls to 40% when compared against surrounding allocated uses. This is due in part to 46% of sites having residential development on one to three sides.
- 2.79 Two sites were categorised as being entirely suited for logistics use and if brought forward for this identified uses would accommodate approximately 50% of the forecasted demand for the sector.

- 2.80 In contrast 19% of sites were identified as being entirely suited to the needs of office occupiers. All of these sites are located in CMK with its functional connectivity to other office uses and accessibility by both public and private forms of transport.
- 2.81 The assessment of topographical and flood risk factors showed that in excess of 70% of sites have no constraints to future development.

Overall Conclusions

- 2.82 In quantitative terms there is sufficient supply in MK to meet demand but this is not the case qualitatively.
- 2.83 Many Existing, Proposed and Potential Employment sites are not in prime geographical locations to meet the needs of the market, most notably for logistics based employment.
- 2.84 Only two sites, providing a potential supply of 45.37 hectares, could be brought forward for logistics use. This leaves a shortfall of circa 49 hectares to meet the identified demand of 94 hectares. The Council will need to give serious consideration to the allocation of additional land (in close proximity to the motorway) for logistics sector use.
- 2.85 The picture for office based employment is more positive. There are two classifications of sites in MK that can meet the needs of office users and these are located either on proposed sites (throughout MK) that are part of existing employment locations or on potential sites within CMK.
- 2.86 The proposed sites offer a potential supply of 14.51 hectares and the potential sites 11.68 hectares providing a total supply of circa 26 hectares, a circa 5 hectare over supply to the identified demand of 21 hectares.
- 2.87 This over supply is based upon the premise that all of the proposed sites that are entirely suited for office use are developed out for this purpose. If this does not transpire and a policy decision is taken to focus new office development in CMK to maintain its reputation as a location for office based employment then there will be a shortfall. In this scenario the Council will need to give consideration to the allocation/change of use of other space within CMK to meet this demand i.e. redevelopment of some of the vacant and tired secondary office stock.
- 2.88 Finally it is apparent that many Existing and some Potential Employment sites do not provide a product that meets the requirements of modern occupiers. This will have a key influence on the Employment Land Strategy and may necessitate the Local Authority making some key policy decisions moving forwards. This is discussed in the following section.

3. The Employment Land Strategy

Protection and Alterations to Existing Sites

- 3.1 It has become apparent from the stakeholder engagement undertaken as part of this Study that much of the existing employment land stock in MK is of a similar quality, not fit for purpose and doesn't meet the needs of the modern occupiers.
- 3.2 As a result this Strategy recommends that the Council gives serious consideration to the alteration and in some cases comprehensive redevelopment of those existing employment locations that score poorly in the site assessments. Such an approach, whilst it could be perceived as a radical option, would give MK the opportunity to provide new development sites that respond to both market demand and occupier needs and will provide the opportunity to retain existing occupiers and attract new investors.
- 3.3 Further feasibility work will be required to determine which sites/areas could be considered for comprehensive redevelopment. We recommend that the two supply assessment matrices prepared to inform this Study be used to identify sites, focussing on those sites that scored the worst.
- 3.4 It is recognised that the comprehensive redevelopment of an existing employment area/s in the City would be quite an undertaking, would have cost implications and would need to be carefully planned and all potential locations assessed against, at a minimum, a basket of planning, economic, deliverability, financial and accessibility criteria.
- 3.5 Given that occupiers have already confirmed that the current floorspace does not meet their requirements doing nothing is not an option. If the quality of the employment land stock/product on offer doesn't meet the needs of the occupiers then these footloose companies will relocate to other areas where their requirements are met. This will result in an increased number of vacancies and over time will have a detrimental impact on the City as a location for investment as businesses leave MK.
- 3.6 We discuss the role of CMK in greater depth later in this section (see para 3.64 onwards) but for now we note the important role that the city centre provides as a key focus of economic growth and office based activity. This needs to be protected, particularly in light of recent Government changes to permitted development rights, which may see office uses come under increasing pressure from alternate uses i.e. residential.
- 3.7 The policy for CMK needs to be clear as to where office uses are prioritised and where they will be protected. Clearly this is more difficult given the current permitted development regime,

however it will help to manage expectation and provide a basis for the consideration of prior approval notifications.

- 3.8 The scale of risk associated with the extended permitted development rights is difficult to estimate, particularly given there remains uncertainty over whether the regime timeframe will be extended beyond the current cut off of 30th May 2016 (or beyond). However, our review of the stock within CMK suggests that, in the core area at least, the nature of premises does not easily lend itself to conversion that would be allowed within as 'permitted development'. As such, it maybe that the risk is reduced and development can be managed through the usual planning process.
- 3.9 However, there are key clusters of activity which are particularly important to the critical mass and clustering of business activity that underpin the economic proposition of CMK and the local authority area more widely. If PD rights are extended post May 2016 it may be necessary for the Council to consider pursuing some restrictive policies (potentially through an Article 4 Direction) to manage future risks.
- 3.10 The deployment of an Article 4 Direction (for example) would require the identification and evidencing of a tightly drawn boundary around the key office location(s). To support this boundary detailed analysis of the value and special status of the activity within it would need to be provided, demonstrating the risk to the Milton Keynes and wider economy if capacity is lost. This study provides the starting point, however the Council may want to review the detailed evidence it would require at the time of introducing the Direction.
- 3.11 Notwithstanding this there will continue to be demand for traditional B class employment use within MK with the occupation of this space targeted at local companies often seeking traditional and cheaper floorspace products. Table 2.1 identified there being demand of circa 9 hectares or 35,000 sqm for other business uses and so it will be necessary for MK to continue to provide supply to fulfil this demand.
- 3.12 There will be some existing sites allocated for employment use that may be better suited for alternative uses i.e. residential. We would encourage the Council to utilise the findings of the two supply assessments produced for the Phase 1 and 2 reports as part of their wider consideration of the feasibility of any future change of use. One example is the site at Walton (Ref. P37) where the land in the south west corner (currently allocated for employment purposes) is less suitable for employment use and will be of limited attractiveness to occupiers given capacity constraints, its 'visibility and accessibility' from the grid roads and its adjacency to existing residential use. By contrast land to the north west of the site should be retained for employment uses as it provides a more accessible and visible opportunity adjacent to major business and could be used for their expansion or new development. In this case consideration should be given to splitting the site.

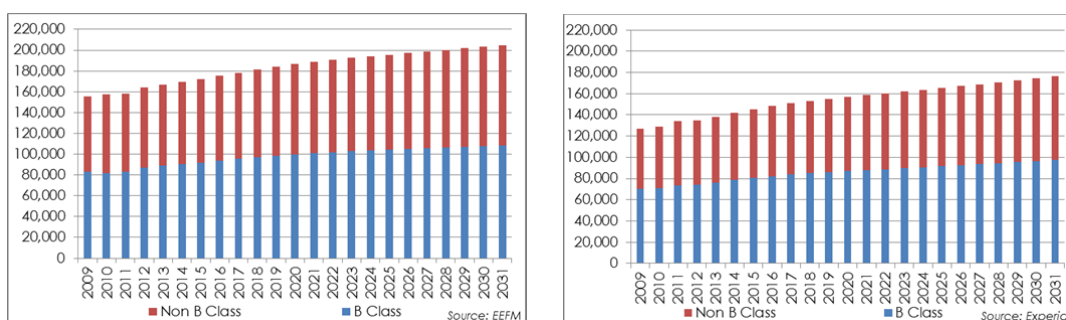
Appropriate Locations for Growth

- 3.13 It is clear from the above analysis that the future employment land offer for MK needs to provide the right type of floorspace in the right locations.
- 3.14 We recommend that the Council give serious consideration to the following options as potential solutions:
1. Allocation of additional land within the M1 corridor to meet the shortfall in supply when compared to the considerable identified demand for logistics occupiers. This would align with market and occupier requirements and enable the demand to be accommodated within MK and not lost to competing locations;
 2. Increase the quantum and density of Grade A office floorspace in CMK to maintain and grow the centres position as a regional office location. To identify opportunities for both new build and redevelopment opportunities to provide further stock. To aid viability look to incorporate more mixed use development i.e. residential;
 3. Consider changing the use of the vacant employment sites in Campbell Park to residential led mixed uses opportunities;
 4. Comprehensive redevelopment of some existing employment areas to provide a product that meets occupier requirements. This would not seek to displace existing activity but would be targeted at those estates that scored poorly in the assessment of sites, had a number of vacancies and were not fit for purpose for the needs of modern occupiers;
 5. Consider incorporating employment uses into the allocations around the MK main built up area with accessibility being a key driver. This would allow some new forms of workspace to come forward and also help achieve viability of new workspace development. This will need to recognise the impact that any development will have on its neighbours and be cognisant of duty to co-operate responsibilities;
 6. The Town centres within MK provide an important opportunity for new workspace to meet a range of business needs. We recommend that these should be targeted in locations with an existing economic base and wider amenity, transport and commercial provision.

Meeting Demand on Non-Employment Sites

- 3.15 This Economic Growth and Employment Land Study is primarily focussed on understanding the scale, nature and type of growth within Milton Keynes that will require the provision of new B class floorspace over the Plan Period.

- 3.16 However, not all employment generating activities are accommodated within designated B class employment sites with a range of retail, leisure, health, education and community activities all providing jobs in other locations outside of the designated employment sites.
- 3.17 As discussed in the Phase 1 Report employment within Milton Keynes is shared between B and Non-B class activities. Looking forward to 2031 both Experian and EEFM forecasts predict that employment growth will be driven by B class activity.
- 3.18 Overall the EEFM forecast predicts that, in 2031, 47% of employment will be within non-B Class sectors and therefore not likely to be predominantly located within allocated employment sites.



- 3.19 Ultimately, whilst the share of B and non-B class employment is forecast to remain constant over the plan period there is expected to be a significant increase in employment that will be accommodated outside of designated employment sites. The forecasts predict that between 18,300 and 21,500 jobs will be created in sectors that do not traditionally occupy employment sites.
- 3.20 Given the nature of non-B class employment it is not possible to accurately estimate the quantum of floorspace that will required to accommodate the additional jobs. Floorspace requirements in non-B class sectors are more directly driven by service delivery requirements rather than established employment densities and can vary significantly between different activities and sectors. For example effective employment densities for health centres will be significantly influenced by the type and range of treatments provided and the number of staff required to deliver each one, rather than how big each surgery room is.
- 3.21 Whilst we cannot necessarily forecast the amount of land required through this Study, wider research and evidence base development by MKC will identify future operational requirements for non-B sectors. What is clear, however, is that for Milton Keynes to achieve the forecast levels of employment growth ensuring sufficient provision is made via Plan:MK is vital.
- 3.22 As we discuss in more detail later in this Report there have been significant changes to working practices over the past decade as improving technology enables greater levels of remote access, supporting a wider range of work options.

- 3.23 It is therefore possible that some of the B class employment growth would result in activity being located outside of the designated sites either on an occasional or permanent basis, largely as a result of people working from home. However, as we highlight later, this trend is not certain and, at this point, not possible to accurately predict – as such we would not recommend any adjustment to forecast land requirements is made.
- 3.24 As discussed later, the provision of new forms of workspace will diversify the range of locations that could be considered for smaller business activity in particular. However, it is our experience and understanding that these small business spaces are most successful when they have a close relationship with established, active, commercial districts. We would therefore recommend that any new spaces are not delivered in locations removed from employment sites and, where possible, should be integrated into new employment-led developments.
- 3.25 To be clear, in planning for future SME provision policy should seek to direct development either to CMK or the designated employment sites, rather than seek locations within more residential or community facility orientated locations.

Sector Specific Requirements and Opportunities

- 3.26 We consider below the opportunities provided by key sectors of activity within MK.

Spaces for the Knowledge Economy (Science Parks and Incubation Space)

- 3.27 It has been a long standing aspiration of the Council's to increase the level of employment within knowledge intensive sectors in Milton Keynes, encouraging a wider range of technology, creative and other high value added businesses to locate within the local authority area.
- 3.28 As the UK seeks to recover from the recession the knowledge economy is key to rebalancing the economy, focusing on the development and exploitation of new technologies to both create new products and improve the way in which existing activities are undertaken. Capturing a greater share of this knowledge economy activity is therefore vital for helping the economy of Milton Keynes evolve and diversify, enabling the city to provide a greater range of employment opportunities and raising the city's competitiveness with other regional economic hubs.
- 3.29 To develop a strategy that helps to achieve this economic evolution it is important to understand how innovation is achieved, what is driving this new economic wave and what property types will be required to harness this opportunity in Milton Keynes.

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- 3.30 Historically innovation and technological advances have been driven by one of two factors, either major research and development from large corporates (such as large pharmaceuticals companies) or within academic environments, where new technology (or applications of technology) have been developed by Higher Education research capabilities. Often these two components have come together to integrate academic and commercial business activity, either through research partnerships or where business start-ups have been 'spun out' of academic activities to commercialise research applications.
- 3.31 As economic activity has become more research intensive through the latter half of the twentieth century a new generation of property development emerged that established new, planned environments where businesses and Universities could co-exist and work side by side to increase innovation. Science Parks became the cornerstone of the knowledge economy within the UK, providing mixed environments (most often in out of town locations) that allowed academics and businesses develop close relationships.
- 3.32 The most successful examples have been underpinned by leading, research orientated Universities and had a specific activity focus that directly aligned to the specialisms of the University. As such strong clusters of activity have been formed, with life sciences agglomerating around the strengths of Cambridge, digital technology in Birmingham and biomedical activity in Liverpool.
- 3.33 Despite the presence of the Open University within Milton Keynes there is a clear lack of a research orientated higher education institution within the area that could drive the development of a specific science park within the area. Given trends within the higher education sector at present it is unlikely that a new institution would seek to locate within Milton Keynes in the foreseeable future.
- 3.34 The Open University is an important institution for Milton Keynes, however it is very much focussed on its academic role, and has not suggested it has any interest in increasing the commercialisation of its activity or providing incubation or 'science park' space. Importantly, its research activities within Milton Keynes are relatively limited in terms of scale and focus, predominantly providing Research Centres in the social sciences. These tend to have lower commercialisation and spin out opportunities.
- 3.35 However, that is not to say that the knowledge economy aims are unachievable. It is our understanding that the range of assets the City does possess can provide an excellent platform for growth. Importantly, at a strategic level, whilst the education-business link is still important in some fields or areas of work, technological advances have somewhat democratised the innovation process enabling a wide range of businesses and entrepreneurs to become 'innovators'.

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- 3.36 This does not necessarily focus on standalone research and development and activity but instead utilises new technologies within a business to improve and enhance products, services and technologies as part of the on-going development of the businesses own activities.
- 3.37 A 'strict' science park development model would restrict the ability of these businesses to locate within such an offer as they would not necessarily be regarded as appropriate tenants for a science park as their core activity is not research and development per se.
- 3.38 Further how and where research and development and technology development is undertaken is also changing, with many businesses seeking more urban environments to benefit from better transport connections and also provide a more mixed environment for their staff, assisting recruitment.
- 3.39 Milton Keynes has seen the benefits of these changing knowledge economy dynamics already, with the location of the Transport Systems Catapult within the city centre attracting a number of innovative business activities to the area. Similarly the presence of the Network Rail HQ, the Open University, University Campus Milton Keynes and the wide range of local, national and international businesses all provide an environment that will help drive growth in the knowledge economy.
- 3.40 Milton Keynes can also draw on the expertise and high quality research undertaken at Cranfield University and the commercial activity established within its own Technology Park. The particular focus on technology, engineering and high value manufacturing at Cranfield, alongside the Aerospace Technology Institute provide key opportunities to link businesses, the Transport Systems Catapult and research activity into a coherent 'eco-system' that is capable of driving growth of an innovation cluster within Milton Keynes and more widely across the sub-region.
- 3.41 On balance we do not believe there is merit in seeking to identify land to provide a new 'science park' offer within the area as this is unlikely to have the desired impact without a major institutional presence, which in itself is unlikely to be achievable. We also believe this approach would be inappropriate as it would fail to recognise or respond to the unique characteristics of Milton Keynes and develop an approach that aligns with current strengths and opportunities.
- 3.42 A 'science park' would potentially exclude some business activity and limit the flexibility of Milton Keynes to attract a range of knowledge based activities. Indeed the opportunity that Milton Keynes has been able to offer businesses in the past through its flexible land supply and ability to meet a wide range of requirements has been a key strength in attracting new activity.

- 3.43 Given infrastructure provision and development capacity, alongside a wider set of leisure, dining and retail amenities and a diversifying residential offer we would expect the city centre to provide a strong proposition to a wide range of knowledge economy business activities, complementing the offer already made within CMK and the out of town locations.
- 3.44 Developing an innovation cluster within CMK will require a range of interventions but, as the Transport Systems Catapult demonstrates, by providing good quality floorspace in a mixed use environment high technology businesses can be attracted to CMK. In the future it will be important to ensure that new office development provides flexibility in terms of its configuration so it can adapt to changing business requirements.

Major logistics (at a national and regional scale)

- 3.45 Logistic operators have very specific requirements for new sites with a preference for land that is of sufficient scale i.e. Magna Park, located in close proximity and accessible to the motorway network and situated away from residential development.
- 3.46 Our Experian forecasts (see Table 2.1) identify demand for 94 hectares of warehouse/logistics space for Milton Keynes in the plan period. This reflects the low employment density of logistics uses when compared to office or industrial activity which results in a larger land requirement despite lower employment growth projections. Our Phase 1 report concluded that whilst Milton Keynes has an over-supply (in quantitative terms) of available land it is not appropriate qualitatively i.e. not in the right location or of sufficient scale to meet this quantum of demand.
- 3.47 Magna Park will be completed imminently, and it is anticipated that by the end of 2015 the development will be fully occupied and will provide approximately 353,031 sqm (3.8 million sqft) of floorspace. According to the developers this has been delivered over a ten year period at an average take up rate of 35,303 sqm p.a. (380,000 sqft p.a.).
- 3.48 Earlier in the report we identified sites which were categorised as Green for Fit with Occupier Requirements for Logistics. This included P19 Land to the east of Magna Park and P49 Land at Pineham. We understand that site reference P19 (sometimes referred to as Eagle Farm North) is a 34.5 ha site which now has outline planning permission and is expected to be developed for largely B8 uses.
- 3.49 Our engagement with a stakeholder active in the logistics sector confirmed a strong latent demand for additional space in Milton Keynes. This could only be delivered through the identification of a new strategic allocation on a site/s in the right location.
- 3.50 The stakeholder identified that there could be sufficient demand to deliver take up of up to 46,452 sqm p.a. (500,000 sqft p.a.) on a major distribution park. The stakeholder contends that,

based upon a typical development density of 1,672-1,858 sqm (18-20,000 sqft) per acre, over a ten year period this would require a site of 101-113 hectares. Consequently, according to the stakeholder, such a development could accommodate up to 6,000 jobs.

- 3.51 This projection is not too much higher than our demand forecasts. Using the HCA density guide, we have calculated that such a development could accommodate 5,263 jobs.
- 3.52 It must be recognised that occupiers in this sector are footloose meaning that if the sites aren't provided in one location i.e. Milton Keynes they will locate elsewhere. This is potentially a big political issue for the City, particularly if the Council wish to be recognised as a location for logistics investment. If this isn't addressed in planning policy terms and/or future allocations Milton Keynes will lose this latent demand to competing locations along the M1 corridor.
- 3.53 We have undertaken some initial analysis of competing locations along the M1 corridor which suggests that in quantitative terms there is sufficient alternative capacity along the M1 corridor, to meet the corridor wide demand, based on identified sites although a large proportion of this is tied in with DIRFT in Daventry.
- 3.54 A summary of the data is provided at Tables 3.1 and 3.2 below, this is based on Experian projections of demand against identified major site supply.

Table 3.1: M1 Corridor Supply

| Local Authority | Total Land | B8 Estimate | Notes |
|-----------------|---------------------|-----------------------|---------------------------------------|
| Three Rivers | 0 | 0 | |
| Hertsmere | 5 | 2.5 | Not likely to be large B8 |
| Watford | 0 | 0 | |
| St Albans | 0 | 0 | |
| Dacorum | 0 | 0 | |
| Luton | 43 | 22 | Not all B8 |
| Central Beds | 139 | 70 | Not all B8 |
| Bedford | 50 | 50 | Estimate of existing land allocations |
| Milton Keynes | 0 | 0 | |
| South Northants | 79 | 79 | All Midway Pk |
| Northampton | 0 | 0 | |
| Daventry | 345 | 345 | All DIRFT |
| Harborough | 0 | 0 | |
| Rugby | 67 | 34 | Not all B8 |
| Total | 728 hectares | 602.5 hectares | |

Source: GVA, 2015

Table 3.2 Demand Assessment (based on Experian)

| | Floorspace Demand 2011 - 2031 | Allowance for windfall losses | Allowance for Churn | Change in floorspace | Change in Land |
|------------|-------------------------------|-------------------------------|---------------------|----------------------|----------------|
| | sqm | sqm | sqm | sqm | Ha |
| Office | 746,555 | 0 | 0 | 746,555 | 49.8 |
| Industrial | 214,600 | 0 | 0 | 214,600 | 53.7 |
| Warehouse | 1,794,550 | 0 | 0 | 1,794,550 | 448.6 |
| Total | 2,755,705 | 0 | 0 | 2,755,705 | 552.1 |

Source: GVA, 2015

3.55 There are a couple of caveats. Firstly this doesn't address qualitative issues (i.e. are sites actually big enough for strategic distribution) but it does show a large over supply in the market. With the exception of Hertsmere (and maybe Rugby) all other locations are allocating sites specifically for strategic distribution so sites should be acceptable in market terms. Secondly, these are base forecast demand figures, we have not reviewed any enhanced scenarios each authority may have tested.

3.56 From this it would appear that there is 153.5ha of over-supply (supply of 602.5ha minus demand for 449ha).

- 3.57 The allocation of additional land for strategic distribution within Milton Keynes is therefore not necessary to meet what is in effect a sub-regional or regional need. However the delivery of additional land capacity would secure new investment and a range of jobs in the area.
- 3.58 Based on our understanding of the sector we do not believe that the delivery of new distribution space would come at the cost of the ability of Milton Keynes to achieve its aspirations in growing the knowledge based economy locally. At a basic level the two uses are unlikely to be in competition for land resources and may provide a complementary activity in terms of capacity to move goods in and out of Milton Keynes or through the deployment of new transport technologies.
- 3.59 Furthermore, jobs within the logistics sector are changing somewhat. With increased mechanisation comes an increased need for well skilled staff who are capable of programming and maintaining systems. These tend to be staff who have good computing and software skills, adding to the demand for more skilled labour locally.

Rail freight

- 3.60 Our engagement with stakeholders active in the warehouse and distribution sectors and our market knowledge indicates that the transport of freight by rail is historic with this method of transport continuing to reduce with road transport preferred.
- 3.61 We are aware that some employment sites (for example E25 – Old Wolverton Industrial Estate and E43 – Wolverton Rail Freight Terminal) still have rail access and/or rail head connectivity but we understand that in many cases they are rarely used.
- 3.62 The proposed East-West Rail link will place Bletchley at the intersection of strategic east-west and north-south rail routes linking key centres of economic activity. The western section of this route, extending between Oxford and Bedford (via Bletchley), is scheduled to become operational in 2019. As part of this, a section of rail track near Bletchley which has been out of use and ‘mothballed’ since the early-1990s will be rebuilt and ultimately form a part of the electric spine railway route (a two-track electrified railway).
- 3.63 In 2013, Milton Keynes Council’s Cabinet Committee approved a local contribution of £7.65m over the period 2014 to 2028 towards the delivery of East West Rail and there is now an appetite for Bletchley to capitalise on whatever opportunities may flow from that project. Against this context the ‘Fixing the Links’ project aims to maximise the potential benefits of East West Rail and intends to, among other things, create a high quality station gateway and a more efficient and effective transport interchange in the proximity of Bletchley Railway Station and Bletchley Town Centre.

- 3.64 We do not expect rail head access to be a key requirement for industrial occupiers when they are seeking new employment land sites. The upgrades to the Bletchley railway, station and surrounding infrastructure will be positive for the surrounding employment areas like Site E10 – Denbigh West.

The Role of Central Milton Keynes

- 3.65 Central Milton Keynes (CMK) plays an important role as a key focus of economic growth and office based activity. This needs to be protected, particularly in light of recent Government changes to permitted development rights, which may see office uses come under increasing pressure from other uses i.e. residential.
- 3.66 As explained in the Phase 1 report, the brief for this study defines Central Milton Keynes (CMK) as the area of land between the west coast mainline and the Grand Union canal between H5 Portway and H6 Childs way, which includes Campbell Park. This area is also covered by the CMK Business Neighbourhood Plan which was 'made' in June 2015.
- 3.67 For the purpose of our Phase 1 and Phase 2 reports and their respective site assessments we have distinguished between CMK and Campbell Park, due to the different character and infrastructure of Campbell Park to the rest of CMK.
- 3.68 CMK is a regional centre of office development and is highly accessible by both the private car and public transport which will be enhanced further once East West rail connectivity reaches MK.
- 3.69 Located between the Portway (H5) and Childs Way (H6) and Grafton Gate (V6) and Marlborough Street (V8). To the south west of the V6 is the station quarter and to the north east of the V8 Campbell Park and environs.
- 3.70 The 1970's new town was developed with a retail core (the primary shopping area) in a city grid pattern with boulevards linking the retail core to office based accommodation and larger development sites for employment uses.
- 3.71 There is a current over supply in CMK of secondary 1970's office stock that is no longer fit for purpose, nor is it suitable for conversion to residential uses under permitted development powers, and there are many vacancies.
- 3.72 Recent new Grade A office developments have included the Pinnacle and the Network Rail headquarters (the Quadrant) with top rents around £21.50psf. The oversupply of office space in CMK (albeit largely secondary stock) is impacting on the rental values of both the secondary and prime Grade A stock. There remains high demand for prime Grade A space but limited supply. We understand that the Council has recently received a planning

application for a five storey office building that will include a mixture of complementary uses. The 4,502 sqm property will provide 3,253 sqm of Grade A office floorspace which will help in providing much needed prime office floorspace in CMK.

- 3.73 Recent developments in CMK have seen more mixed use development including ground floor retail/leisure uses and upper floor residential and office uses. We see this approach as the future for the remaining development sites in CMK. A mixed use development aids viability and drives development density. Such a mix of uses including restaurants, retail and residential also helps the development of the centres evening economy by providing natural surveillance.
- 3.74 A few development sites remain, most notably the site in the south west located between the V6, Childs Way, Witan Gate and Avebury Boulevard (Site Ref P48g). The north east portion of the site has outline planning consent for a sustainable residential quarter, the development is being led by Barratt's. The rest of the site (termed Blocks B4) is being reserved for major developments of strategic importance, such as a university campus, major research or similar institute, or international headquarter offices or government establishment which would raise the profile of Milton Keynes nationally and/or internationally through the CMK Business Neighbourhood Plan.
- 3.75 To the north east of CMK and disconnected from the city centre by the V8 highway is Campbell Park. The public open space is bounded by existing residential accommodation, small scale retail and development sites. A number of these sites have remained undeveloped since the new towns inception.
- 3.76 These sites are historical employment allocations but with limited demand for employment uses in this location, and given CMK's employment focus we recommend that consideration be given to reallocating these sites for residential and/or mixed use development.
- 3.77 In Campbell Park some vacant land (termed blocklets F1.2 - F1.4) are being reserved for major developments of strategic importance through the CMK Business Neighbourhood Plan.

4. Other Economic Considerations

4.1 There are a wide range of trends and factors that will influence the future health of the Milton Keynes economy and the potential for it to achieve the aspirations of MKC and the MKDP. The potential success and strength of the economy will depend to a large degree on the ability of Milton Keynes to provide an appropriate range and mix of premises and property, particularly if it is to increase knowledge-based activity and close the gap to other regionally and nationally important cities and towns.

4.2 Within this section we review the wider considerations that may influence the success of the economy and the type of floorspace provided.

Benchmark Comparators

4.3 The success of the Milton Keynes economy will be in part determined by its ability to compete with other significant towns and cities for business investment and occupier demand. This in turn will be heavily influenced by Milton Keynes' competitive position. To understand the position and standing of Milton Keynes we have benchmarked it against a range of other settlements of similar size and locational characteristics, from this we can identify where performance lags and where strengths may lie.

4.4 The selection of comparators were based on the following criteria:

- Comparable scale of the settlement (e.g. Swindon, Northampton, Derby);
- Proximity and reach - reachable within an hour train journey (e.g. Northampton, Peterborough, Luton, Stevenage, Coventry); and
- Employment and Economic Characteristics (e.g. Brighton and Hove, Northampton).

4.5 To analyse Milton Keynes against its comparators we have considered a range of factors that act as important drivers for economic investment within a city and also drivers of productivity, these are consistent with analysis from the Centre of Cities and the Productivity and Competitiveness Indicator (DBERR). Comparison is undertaken across a range of years depending on the availability of data, relevant data points are recorded in the final row of Table 4.1.

4.6 Table 4.1 provides a comparative ranking of Milton Keynes against other comparator towns/cities for its headline socioeconomic and productivity indicators. It suggests that while Milton Keynes is strongly positioned in terms of its population and demography, economic output and has a strong private sector base, it performs comparatively poorly in labour market

indicators such as earnings and claimant counts and is challenged with issues of high carbon emissions.

Table 4.1: Comparison Matrix (Ranking 1- High to 16- Low)

| Rank | Population | | Employment and Labour Market | | | | | | | Economic Characteristics | | | | Commercial Floorspace (B-Class) | | Co2 emission per capita |
|--------|--------------------------------|--|-------------------------------------|----------------------------|-----------------------------|-------------------|-----------------------------|-------------------|------------------------------------|-------------------------------------|---------------------------|-------------------|-----------------------|---------------------------------|-------------------|-------------------------|
| | Annual Growth Rate (2011-2001) | Young Demographics (Population under 0-16yr) | Economic Activity Rate (aged 16-64) | Employment Rate (16-64 yr) | No Qualification (16-64 yr) | Claimant Count | Earnings-Resident Workplace | Job Density | GVA (Annual Growth rate) 2014-2004 | Sector Split- Private-Public Sector | B-class sector engagement | Knowledge Economy | Industrial Floorspace | Office Floorspace | | |
| 1 | Milton Keynes | Luton | Warrington | Warrington | Peterborough | Coventry | Guildford | Crawley | Milton Keynes | Milton Keynes | Milton Keynes | Oxford | Milton Keynes | Bristol | Warrington | |
| 2 | Peterborough | Milton Keynes | Cambridge | Cambridge | Derby | Peterborough | Brighton and Hove | Cambridge | Warrington | Warrington | Warrington | Cambridge | Bristol | Milton Keynes | Guildford | |
| 3 | Swindon | Peterborough | Swindon | Swindon | Luton | Derby | Warrington | Oxford | Northampton | Northampton | Crawley | Reading | Northampton | Coventry | Crawley | |
| 4 | Cambridge | Crawley | Stevenage | Stevenage | Coventry | Northampton | Reading | Northampton | Oxford | Reading | Reading | Bristol | Coventry | Reading | Swindon | |
| 5 | Oxford | Derby | Crawley | Crawley | Northampton | Luton | Northampton | Reading | Guildford | Guildford | Swindon | Brighton and Hove | Derby | Swindon | Milton Keynes | |
| 6 | Bristol | Stevenage | Brighton and Hove | Oxford | Stevenage | Bristol | Cambridge | Warrington | Swindon | Guildford | Stevenage | Guildford | Peterborough | Warrington | Peterborough | |
| 7 | Derby | Northampton | Peterborough | Brighton and Hove | Swindon | Stevenage | Luton | Milton Keynes | Stevenage | Reading | Derby | Milton Keynes | Swindon | Peterborough | Oxford | |
| 8 | Brighton and Hove | Coventry | Milton Keynes | Peterborough | Warrington | Milton Keynes | Oxford | Guildford | Bristol | Northampton | Bristol | Northampton | Warrington | Brighton and Hove | Cambridge | |
| 9 | Luton | Swindon | Derby | Milton Keynes | Bristol | Brighton and Hove | Bristol | Bristol | Derby | Brighton and Hove | Northampton | Luton | Luton | Derby | Stevenage | |
| 10 | Northampton | Reading | Oxford | Northampton | Crawley | Swindon | Swindon | Peterborough | Reading | Coventry | Peterborough | Peterborough | Crawley | Cambridge | Derby | |
| 11 | Reading | Warrington | Northampton | Reading | Milton Keynes | Warrington | Peterborough | Stevenage | Stevenage | Cambridge | Coventry | Coventry | Reading | Crawley | Northampton | |
| 12 | Crawley | Bristol | Reading | Derby | Reading | Reading | Milton Keynes | Derby | Derby | Luton | Guildford | Stevenage | Oxford | Oxford | Coventry | |
| 13 | Warrington | Guildford | Bristol | Guildford | Brighton and Hove | Crawley | Crawley | Swindon | Luton | Derby | Luton | Swindon | Guildford | Luton | Reading | |
| 14 | Guildford | Oxford | Luton | Bristol | Guildford | Oxford | Stevenage | Brighton and Hove | Cambridge | Cambridge | Brighton and Hove | Derby | Oxford | Stevenage | Bristol | |
| 15 | Coventry | Brighton and Hove | Guildford | Luton | Oxford | Cambridge | Coventry | Coventry | Coventry | Cambridge | Cambridge | Warrington | Cambridge | Northampton | Brighton and Hove | |
| 16 | Stevenage | Cambridge | Coventry | Coventry | Cambridge | Guildford | Derby | Luton | Peterborough | Stevenage | Oxford | Crawley | Brighton and Hove | Guildford | Luton | |
| Source | Census data, ONS | Census-2011, ONS | ONS, 2014 | ONS, 2014 | Census-2011, ONS | ONS-2014 | ONS, 2014 | ONS-2014 | ONS, 2014 | ONS, 2013 | ONS, 2013 | ONS, 2013 | ONS, 2012 | ONS, 2012 | ONS, 2012 | |

4.7 Drawing on this comparative assessment the following key messages can be identified:

- **Population Growth and young demographics:** In terms of population Milton Keynes holds special advantage over its comparators. It has seen the highest growth rate in population and it also has a demographic profile skewed towards younger residents (under 16 years), indicating a strong reserve of future labour. It is the fastest growing city by population in the UK (Centre of Cities).
- **Employment and Labour Market:** In terms of employment and labour market indicators Milton Keynes' performance ranges from mid to low levels and it commonly lags behind cities like Oxford, Cambridge, Reading and Northampton. Milton Keynes' economic activity rate among the 16-64 ages is towards the mid-range compared to other benchmarks which may create challenges for future employment. Similarly, claimant count rate (which is indicative of unemployment) falls in the mid-ranges in Milton Keynes. Its resident to workplace earnings ratio is towards the lower end, which signifies that the working residents in Milton Keynes generally earn less than non-resident workers. Milton Keynes has relatively low resident population with no qualifications compared to other benchmark areas but falls behind cities with strong education infrastructure such as Cambridge, Oxford and Reading.
- **Economic Characteristics:** The analysis shows that Milton Keynes is well positioned in terms of its GVA output, proportion of B-class engagement, private sector employment and but has only moderate engagement in high value knowledge economy. Milton Keynes' economy has shown a strong growth trend with the highest GVA growth rate in the past decade. It has a strong private sector engagement, which indicates a stable market less reliant on public sector. It has the highest proportion of employment engagement within the commercial sector sectors (B- use class) which is also reflected in its high quantum of commercial floorspace availability (both for office and Industrial floorspace). Milton Keynes has reasonably high employment engagement in the knowledge based economy that signifies its strength in high value sectors.
- **Carbon Emissions:** Milton Keynes has high carbon emissions per capita as per the DECC and is positioned in the top five cities when compared to the other benchmarks. High carbon emission for a City indicates risk to its competitiveness and can pose challenges in terms of attracting new investment within its economy.

4.8 The above evidence presents a mixed picture for Milton Keynes and to view its employment and economic indicators in isolation of other qualitative factors may lead to a mis-directed future strategy. However, taken alongside the detailed analysis within the EGELS there are clear directions for future growth.

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- 4.9 As evident from the table Milton Keynes shows strength in B-class jobs and the scale of commercial floorspace provided, however this does not necessarily mean that all of its existing stock will make a positive contribution in the future. Indeed, our qualitative assessment in this Report demonstrates that much of its existing stock is unlikely to meet future qualitative needs and hence may not be fit for purpose.
- 4.10 In particular, given that Milton Keynes is likely to see significant growth in office related sectors the provision of floorspace is particularly weak. Intervention will be required to ensure stock can meet future occupier requirements and attract inward investment.
- 4.11 The evidence also shows that Milton Keynes has a comparatively weak representation of knowledge intensive activities. However, forecasts suggest there is potential to expand this activity and shift from a mid-range position (falling closely behind Guildford, Bristol and Brighton) to perform more closely with other major hubs.
- 4.12 However, achieving this growth will require the provision of appropriate workspace which responds to the characteristics of Milton Keynes and its economy, delivering a range of high quality innovation, co-working and larger corporate spaces.

Changes to working practices

- 4.13 The make-up of the 'workplace' has changed dramatically over the past decade. At one level improvements in information and communication technologies are enabling large businesses to use space more efficiently, whilst at another level they are diversifying the way people are able to work. Ultimately, through greater electronic storage of information, more flexible working (including hot-desking and increased working from home) and the adoption of open plan space rather than cellular offices businesses are able to make better use of the space they occupy.
- 4.14 However, these trends are not universal, with their impact limited by sectoral activity, floorspace supply and job role. The nature of some activities, such as call centres, will prevent the introduction of increased flexible working, although given the nature of the work those workers can be accommodated at a higher density. However professional service activities (such as legal and accounting practices) are unlikely to be able to achieve high space efficiencies through higher occupational density as they need to accommodate greater provision of cellular offices and meeting spaces. However, they do enable some degree of flexible, remote working, raising potential efficiency levels.
- 4.15 Whilst improved technology underpins the ability to change working patterns by connecting remote locations together, providing instant access to systems via the internet and more densely populating office floorspace, it also presents challenges for built stock in

- accommodating the infrastructure required. Modern office buildings are designed to provide the space and flexibility to accommodate significant amounts of cabling; however older stock has not been designed this way. As such, there may be challenges for businesses occupying this stock in achieving a greater degree of flexible working (and hence a higher occupier density).
- 4.16 Given the wide range of factors that affect the ability to accommodate significant shifts in working practices at a sector or business level (not least the on-going technological advances that at present cannot be foreseen) it is difficult to accurately predict how changes will affect the demand for floorspace within Milton Keynes over the long term.
- 4.17 However, what is clear from recent experience is that however working practices do change in the future they are likely to drive up space efficiencies and increase effective occupier densities. To understand what this may mean for Milton Keynes we first need to understand more about how occupier trends have changed in recent years, we can then run a sensitivity test on the demand forecasts to identify what implications this can have on policy.
- 4.18 In assessing the amount of floorspace required to accommodate the forecast scale of employment growth within Milton Keynes over the plan period the first stage of work used an office employment density of 12sqm per employee (NIA) to convert jobs into floorspace need. The NPPF, NPPG and HCA Density Guide (2010) all recognise that employment densities vary by activity type and location, therefore a single density figure is not provided for each use class, allowing densities to be adjusted to reflect local circumstances.
- 4.19 The HCA Density Guide provides the core reference point for employment land calculations and this identifies a range of occupancy density for B1a accommodation of between 8sqm for a call centre and 47sqm for a data centre. The general office density is identified as 12sqm, which includes headquarters, administrative and client facing activities.
- 4.20 However, as described above, these densities can vary significantly between activities; to understand how this may change floorspace needs we have drawn on research undertaken by the British Council for Offices (BCO) and IPD in 2013 which looked specifically at office occupancy trends.
- 4.21 The BCO's 2013 Occupier Density Study surveyed the BCO membership to identify the relationship between floorspace provision and occupancy (in terms of employee numbers), this survey drew on occupiers themselves, building architects and owners. Overall the sample consisted of 2.5million sqm of floorspace across 381 properties, providing a base dataset that covered a wide range of stock types, ages and locations.
- 4.22 To supplement this sample-based approach the study also drew on data held by IPD, which again draws on information provided by occupiers. This comprised circa 8.5million sqm of

- office floorspace shared almost equally between public and private sector occupiers. An additional perception survey was also completed to identify future trends.
- 4.23 Once the data had been collated it was analysed to identify trends by sector and geography. At the headline level the Study found that across the UK the mean density per workplace was 10.9sqm (NIA) with 38% of the sample properties being occupied at density below 10sqm and 58% occupied at a density between 10sqm and 12sqm.
- 4.24 For the South East region the average occupier density was calculated to be 12.7sqm (NIA), a lower density than achieved within Greater London which itself had an average of 11.3sqm (NIA). It appears from the data, and our wider experience in advising on office development, that higher densities (between 8 and 10 sqm) tend to mainly be achieved within Central London where the cost of floorspace and nature of business activity drives occupiers to increase efficiency.
- 4.25 The BCO also identified general occupier density by broad economic sector, breaking down the general trends to understand how certain activities utilise space. Our employment growth projections and understanding of the Milton Keynes economy suggests that future office-based employment growth is principally going to be driven by corporate activity within the professional services, technology and media sectors, mirroring trends at the national level. Whilst the 'public sector' has contracted in recent years there are likely to be longer term opportunities, particularly as central government decentralises from Central London and other public sector bodies also review their estates. The relocation of Network Rail to the city centre provides a benchmark for what could be attracted to Milton Keynes.
- 4.26 Data from the BCO survey suggests that these sectors would operate at a range of densities:
- Corporate activity 13.1sqm;
 - Professional services 12.3sqm;
 - Public sector 12.1sqm; and
 - Technology, media and telecommunications 10.5sqm.
- 4.27 These figures suggest that whilst there have been recent trends of increasing density through changing working practices and the need to reduce costs through the recession, occupier density has not significantly reduced. Indeed the BCO study suggests that density has begun to plateau and there are, for many occupiers, limited further opportunities for using space more efficiently. However, the study recognises that this trend is not uniform across all sectors and that individual circumstances will drive future changes.
- 4.28 As discussed the major impact of changing working practices for employment land provision will be the shift in the effective density of occupation of a building, which will essentially mean

there will be more employees within each office unit. As businesses plan space they will seek to achieve a higher density by providing fewer desks than they have staff on the principle that not all staff will be in the office all of the time. To understand what this means for the future demand requirements for office space within Milton Keynes we have undertaken a sensitivity test of the Phase 1 demand forecast.

- 4.29 Based on the findings of the BCO Study and the broad range of densities identified within the HCA Density Guide 2010 we have calculated the floorspace requirement over the plan period if densities increased from the current 12sqm per employee level to either 10sqm or 8sqm.

Table 4.2 – Floorspace Requirement Sensitivity Test

| Office Density | Forecast Base | Floorspace Requirement | Land Requirement (inc Windfall & Churn allowance) |
|---------------------------------------|---------------|------------------------|---|
| 12sqm per employee (Stage 1 forecast) | Experian | 259,488sqm | 21ha |
| | EEFM | 247,184sqm | 20ha |
| 10sqm per employee | Experian | 216,240sqm | 18ha |
| | EEFM | 205,987sqm | 18ha |
| 8sqm per employee | Experian | 172,992sqm | 16ha |
| | EEFM | 164,790sqm | 15ha |

Source: GVA, 2015

- 4.30 Based on our sensitivity tests it would appear that changing working practices could have a potentially significant impact on the floorspace requirement, decreasing the need for new office floorspace by almost a third if 8sqm per employee is achieved.
- 4.31 Whilst this analysis is helpful in understanding the potential impact for Milton Keynes the overriding evidence currently available suggests that this is unlikely to be a realistic or achievable occupancy level within the area based on the nature of the market or the sectors that are expected to grow.
- 4.32 Further, employment densities at the higher end of the spectrum have not solely been driven by changing working practices and more often are a result of increasing cost pressures on businesses which are forcing them to consider how space can be utilised more efficiently in order to reduce overheads. As such, it is no coincidence that occupancy densities are highest within the most expensive office markets – most notably Central London.
- 4.33 Whilst an established office market Milton Keynes, as noted in the Phase 1 Market Review, the cost of office property in the area is relatively low and unlikely to drive a considerable shift or need for businesses to consider operating at much higher efficiencies. Therefore any changes to working practices that affect employment densities may be offset by a lower propensity for businesses to seek greater efficiencies.

- 4.34 It is also important to consider that the Milton Keynes market offers a broader range of office property locations and typologies, therefore in planning terms an appropriate density is one that is applicable to the whole portfolio. There are considerable differences, for example, of how in and out of town offices are designed and utilised and planning policy needs to reflect this. Even with greater levels of remote working (for example) campus style office buildings will not operate at significantly higher densities.
- 4.35 Given the above we recommend that it is prudent for Milton Keynes Council (MKC) to continue to plan based on an 'average' occupier density of 12sqm per employee given the correlation between this density and those recorded by the BCO study for the South East generally and for the specific sectors we anticipate will lead Milton Keynes' growth.
- 4.36 As discussed the impact of changes to working practices is still unclear, particularly when the impacts of future changes to technology are considered. Therefore we would recommend that how office space is utilised within Milton Keynes is monitored and employment floorspace strategies reviewed if clear trends become apparent. We would suggest that MKC monitor new office developments in particular to understand the density and space planning assumptions that underpin their design in order to identify if there are particular local characteristics consistent across a number of developments.
- 4.37 It is also important to understand that any changes to working practices will likely impact a much wider range of activity and property types than solely offices. The increase in remote or agile working has seen the growth in use of coffee shops as informal workplaces, providing a role similar to those envisaged in previous generations of hot desk or work pod provision. This type of provision is increasingly an important part of the economic 'mix' that needs to be provided within Milton Keynes to support more flexible approaches to working.
- 4.38 Potentially, as ICT infrastructure and portable computing technology continues to improve there will also be an impact on housing design, with better integrated and planned 'home offices' likely to be required. This differs from more formal "live – work" provision (although this may also be required) and is likely to influence the size of property to people demand.
- 4.39 Finally, and as we consider later in this report, there will be an increased need for small business or co-working space where those working remotely or running their own business can access a desk, meeting facilities and office amenities without needing to rent a standalone office.

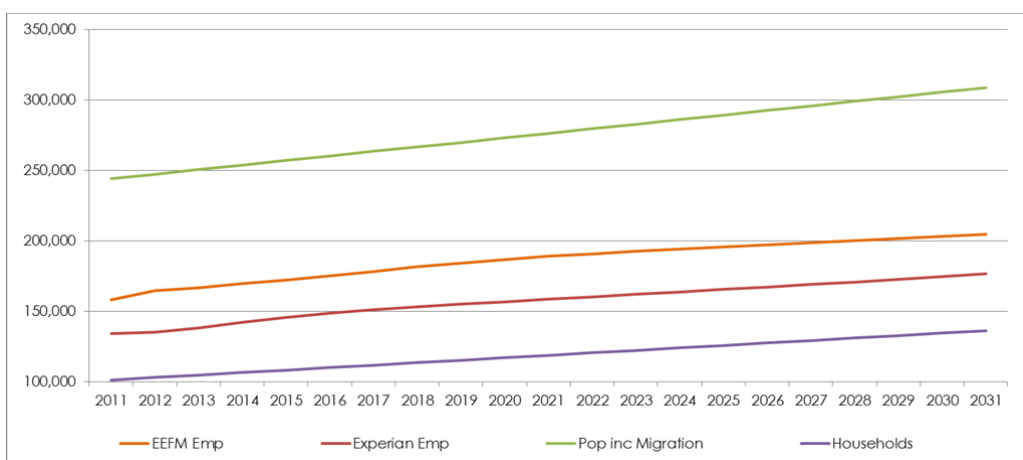
Jobs v Population Balance

- 4.40 Milton Keynes has always sought to achieve a sustainable and balanced form of growth. The long term relationship between the total number of employee jobs and total number of

dwelling within the Borough is around 1.5 jobs per dwelling. This ambition is one MKC wishes to continue to pursue and therefore we need to consider the economic projections established in Phase 1 in this light, understanding how the relationship between jobs, population and homes may change.

- 4.41 To understand the potential jobs and homes balance going forward we have reviewed the Milton Keynes Strategic Housing Market Assessment 2013 (draft report prepared by ORS in April 2014) to understand the expected level of population and household growth over the period 2011-2031.
- 4.42 The SHMA identifies that population growth will be driven by both 'natural change' (i.e. births within Milton Keynes outweighing deaths) and also through net inward migration. Our interpretation of the SHMA data suggests that the total population of Milton Keynes will increase by over 37,250 residents (27%), with the number of households increasing by 35,000 (36%). This difference represents changes to household formation rates.
- 4.43 These population and household forecasts are compared to the employment forecasts below.

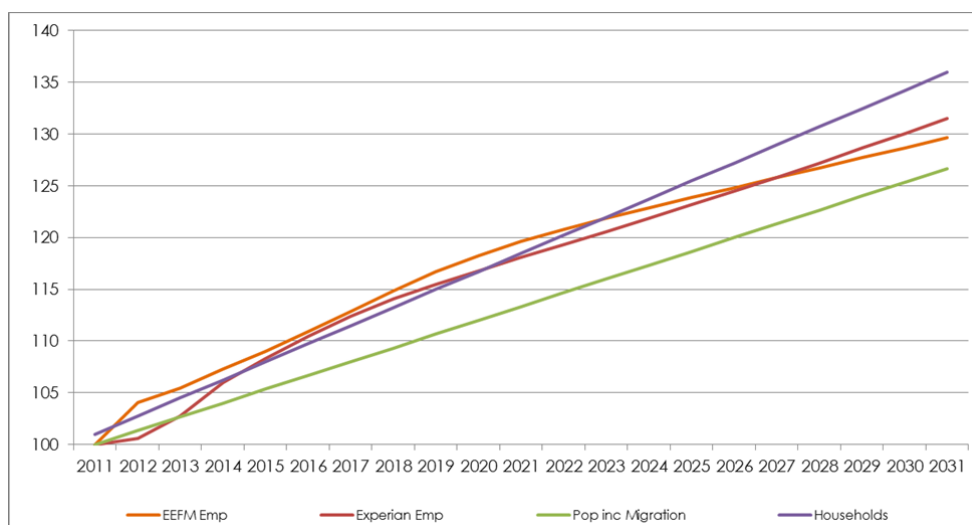
Figure 4.1 – Comparing Population and Household Forecasts with Employment Forecasts



Source: GVA, 2015

- 4.44 As shown employment growth under both the Experian and EEFM forecasts follows a relatively consistent trajectory, which broadly mirrors that of household growth. However, total population growth is forecast to be steeper.
- 4.45 When we compare the proportion growth rates set to a consistent base it becomes clear that household growth will, proportionally, be higher than population or employment growth over the plan period.

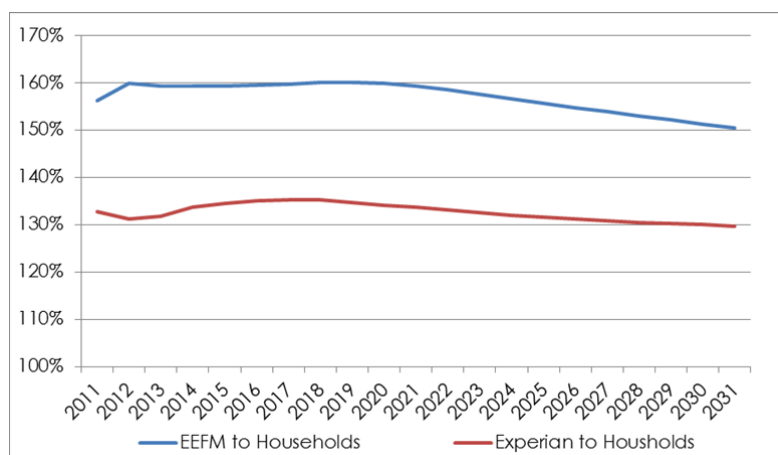
Figure 4.2 – Proportional Growth



Source: GVA, 2015

- 4.46 Growth in households will be 5% higher than employment growth forecast by Experian and 6% higher than the EEFM forecast growth. Ultimately this results in a marginal decrease in relationship between employment and households. There are a number of reasons for this. In part this is explained by an aging population where there will be fewer workers per household, but it is also a result of smaller household sizes which, by definition, would accommodate fewer workers. It will also be a result of non-household related trends, such as commuting patterns, where an increasingly footloose workforce is travelling further for work.

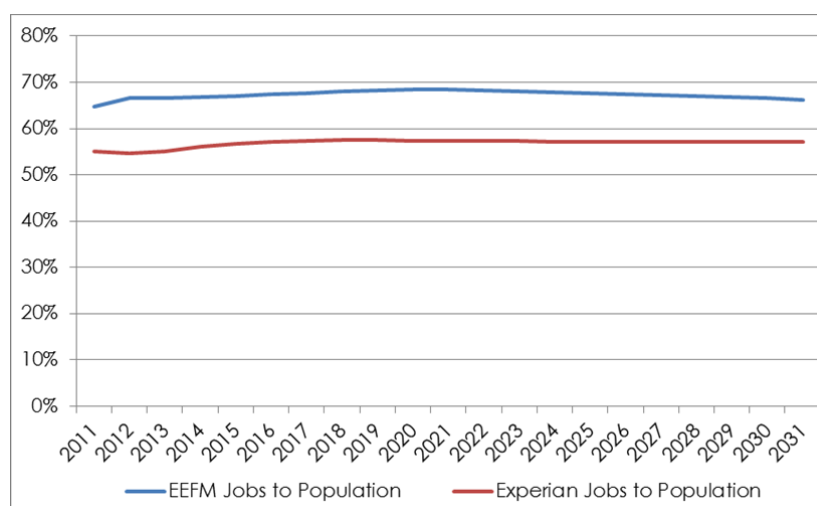
Figure 4.3 – Household Growth



Source: GVA, 2015

- 4.47 As shown above, in 2011 the EEFM employment level was 56% higher than the number of households (157,913 jobs against 101,100 households). Whilst there are fluctuations over the plan period by 2031 the EEFM forecast suggests that this will fall back to 50% higher. However, the Experian forecast indicates that currently the ratio is only 1.33 jobs for every household, which by 2031 decreases to 1.3 jobs, a smaller reduction than forecast by the EEFM.
- 4.48 Looking at additional units only the SHMA recommends that 1,750 new homes are delivered per annum over the 20 year plan period, to achieve a 1.5:1 jobs to homes ratio this would require the equivalent of 2,625 jobs be delivered per annum. The EEFM forecast equates to 2,339 jobs per annum whilst Experian equates to 2,114 jobs per annum. This suggests that to maintain the 1.5:1 ratio between 286 and 511 additional jobs will be required per annum within Milton Keynes (an additional 5,720 to 10,220 jobs in total).
- 4.49 Historic growth rates suggest this may be achievable, however trends in population demographics such as an aging population suggest that it is likely to require increased levels of in-commuting to fill these jobs.
- 4.50 Given the aspirations of neighbouring authorities to grow their own economies and the close labour market relationship Milton Keynes has with its neighbours it is questionable whether this would be achievable or appropriate in the sub-regional context.
- 4.51 However, allowing the jobs:homes balance to change marginally may help make the local economy more sustainable, allowing a level of growth that is not largely reliant on increasing in-commuting. Importantly, this change would not necessarily have an adverse impact on local employment when jobs are compared against total population.

Figure 4.4 – Jobs and Homes Balance



Source: GVA, 2015

- 4.52 Over the period we estimate that employment will grow by 2% more than the population under the Experian forecast, increasing the employment to population ratio to 0.57:1. Under the EEFM there is a higher level of activity to start with, which increases by 1% more than population to result in a ratio of 0.66:1.
- 4.53 Despite this potential the SHMA highlights the risk that the growth in jobs locally will outpace the growth in workforce, creating challenges in local capacity to fill opportunities within the City. Whilst this may be closer to 'equilibrium' over the whole plan period there may be particular issues in the short to medium term given the pace of growth in Milton Keynes.
- 4.54 This lag could result in a greater need for in-commuting particularly, as the SHMA highlights, when the impact of an aging population and increasing retirees are taken into account.
- 4.55 Regardless of the detailed dynamics of the jobs and population balance it is likely that, given the scale of the Milton Keynes economy, it will continue to be an attractor of labour from neighbouring areas. Upgrades to the East-West rail connections may further exacerbate this trend.
- 4.56 Given the improved rail connections to London in particular, but also centres to the west and east there is the potential for Milton Keynes to continue to lose workers to other locations, potentially at a greater rate than currently experienced.

Meeting the Needs of SME's

- 4.57 Our analysis of the Milton Keynes economy and our engagement with key stakeholders has highlighted the importance of start-up, small and medium sized enterprises to the health of the

- economy. These businesses provide significant economic value to Milton Keynes and provide a significant proportion of employment.
- 4.58 However, our analysis of existing property stock suggests that, whilst these businesses are important, they are not particularly well catered for in terms of good quality, well located and affordable premises. Whilst there are exceptions much of the space for small businesses is located in secondary locations and often comprised of poorer quality stock which, for offices in particular, is often sub-divided larger floorplates rather than being purpose built.
- 4.59 As the focus of economic activity changes within Milton Keynes there will be greater opportunities for small business growth. However for this to be successfully nurtured we would argue that more appropriate stock will be required, with purpose built, modern and well-connected space being provided.
- 4.60 Bespoke small business workspaces in the form we recognise them today are relatively a recent phenomenon in the UK. They have their origins in the rise of the creative industries as a distinct economic sector in 1990s, which gave birth to new models of workspace types as business requirements changed from traditional office or industrial premises. Initially these spaces were often collections of artist studios with small ancillary office spaces. However, over time these have evolved into a range of types with more specialised spaces involving different industries, operators and sectors.
- 4.61 There are a number of factors which have driven this surge in provision. Clearly the overall growth and diversification of the economy is the fundamental underpinning, with increasing opportunities for small businesses within rapidly evolving design, technology and creative industries in particular. The way big corporates operate is also evolving, with a greater emphasis on out-sourcing elements of activity that previously were kept in-house. A good example is in the life sciences sector where key trial activities are now outsourced, generating a new cadre of specialist clinical trial businesses. However, the life sciences are not alone in this approach, with major software, ICT hardware and digital businesses all seeking greater collaboration. This is driving a need for smaller workspaces in locations accessible to major corporate activity.
- 4.62 The shift towards new technologies and ways of working has resulted in a new wave of businesses and entrepreneurs that are seeking and favouring more bespoke forms of accommodation and workspaces. In part this is driven by a new business ethos, which values the opportunity to collaborate, but it is also a result of increasing set up costs for a number of tech and design activities. For example it is unlikely that a start-up product design business would be able to access finance to buy its own industry specification 3D printers and other production assets in order to deliver prototypes of its product. However, the growth in new,

shared resources within the new breed of workspaces is removing this barrier to entry and helping to increase access to business to a wider range of people.

- 4.63 The commitment to deliver high speed broadband coverage for 97% of the borough in 2016 will help enable a greater range of employment sites to play a role in accommodating this new generation of business activity.

Workspace Typologies

- 4.64 These dynamics have increased the demand for managed workspaces and also broaden the range of spaces demanded and, in turn, the type of provider prepared to deliver space. This has created a broad spectrum of workspace offer which at one end has the 'traditional' serviced office and industrial space and at the other highly specialised spaces that encourage the commercialisation of new research, often provided or supported by Universities.
- 4.65 Between these two extremes lie a variety of spaces and actors that provide a large mix of spaces, with non-profit organisations, specialist commercial businesses and large corporates all funding, delivering and managing workspaces.
- 4.66 Whilst the market is complex it is possible to begin to organise and categorise the type of provision and wider requirements by provider type. No categorisation is perfect and there are overlaps and areas where providers may do more than one thing, however this approach helps to structure the understanding of the sector to identify future opportunities.
- 4.67 The type of provision that is most appropriate in a location will depend on a number of factors, principal amongst these are those related to the economic and institutional landscape, the 'eco-system' in place (or that can be delivered) to support activity, the nature of the built stock and the relationship of each potential site to wider infrastructure provision.
- 4.68 Given the nature of the Milton Keynes economy there is the potential to deliver new managed workspace across a range of uses. The mix of professional service, technology and manufacturing businesses within Milton Keynes would suggest a range of spaces, from small office suites through to workshop and studio spaces may be appropriate. The principal focus of these spaces is on providing more formal, individual spaces for small and start-up businesses with a number of shared facilities such as meeting rooms and reception services.
- 4.69 In terms of where these should be located, key requirements are likely to include:
- **Locations which have established economic activity** – business seek to 'co-locate' so proximity helps the centre attract occupiers and become commercially viable;

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- **Good accessibility** – so clients are able to access businesses, and businesses are able to access core market areas;
 - **Wider service and amenity provision** – therefore tend to be close to an established centre or larger business park where a critical mass supports a wider offer;
 - **Re-use of good quality refurbished spaces** – although needs to be of good quality, be sub-divisible and able to provide a good specification fit out;
 - **New build in established locations** – providers deliver bespoke spaces in locations where demand is highest to maximise viability; and
 - **Spaces that provide a high quality working environment** – with a professional central core, reception, naturally lit units and spaces;
- 4.70 Depending on any sectoral focus it is likely that managed workspace provision could be appropriate within CMK or as an integrated part of a business park. There are likely to be less successful in isolated locations or areas where there isn't some level of established economic activity.
- 4.71 Outside of individual small units the increase in remote working, wireless technology and entrepreneurialism is increasing demand for 'occasional' space that provide a more professional environment than a home office. A shift in the inter-relationships between new 'cutting edge' technology applications in different sectors has also begun to break down the traditional barriers between businesses, particularly at start up stage. As businesses increasingly collaborate within and across disciplines, and the costs of commercial floorspace rise, co-working and shared workspaces are becoming increasingly common.
- 4.72 Co-working spaces tend to provide shared 'office' type environments in large open plan floorplates where members can either access desks for a period of time or rent a permanent desk space. There are usually 'private' meeting spaces and quiet work areas within the space provided.
- 4.73 Key site/location requirements are:
- **Large, open floorplate stock** – to provide the core workspace;
 - **Work within refurbished spaces** – where these can provide appropriate floorplates and be refurbished to a good standard. Require little internal works or subdivision;
 - **Require connectivity to residential locations** – as early stage start-up businesses most entrepreneurs will seek to locate close to home where possible to reduce costs.
 - **Work best in locations which have established economic activity** – business seek to 'co-locate' so proximity increases networking opportunities. Also provides the profile for business, whilst saving cost;
-

- **Can occupy mixed use buildings** – occupying part of a larger premises, similar to the Transport Systems Catalyst; and
 - **Can be located within mixed use neighbourhoods** – uses are compatible with other activities and workspace can benefit from mixed use locations the amenities and animation these provide.
- 4.74 The provision of co-working spaces within CMK could encourage a new generation of entrepreneurs into the city centre and also support existing businesses who need temporary space for their clients or supply chains.
- 4.75 Traditionally these spaces have required support or direct delivery intervention from the public sector which, in an era of austerity, is unlikely to be achievable. However, a range of specialist workspace operators are active across the UK and have been growing their portfolios in most of the countries major cities operating independently or in partnership with local authorities on a commercial basis.
- 4.76 Businesses such as I2, Capital Space and The Office Group all operate managed offices or co-working ‘club rooms’ whilst Basepoint and Capital Space provide a mix of small offices and workshops. The Council, alongside MKDP, have considerable influence over a range of land assets as part of the new town legacy, which could be used to promote and attract these activities.

The Land Based Economy

- 4.77 A significant portion of the Milton Keynes local authority area is rural in character and, as such, the land based and food production sector is a key employer in these locations. Milton Keynes therefore attracts a number of rural business activities linked to these sectors.
- 4.78 Many of these businesses, in the food processing/production activities, will locate within ‘normal’ employment locations given they have similar locational requirements as other production and distribution businesses. As such the retention and protection of employment sites within the towns and villages around the City will be vital in maintaining the viability of this sector.
- 4.79 However, some activity will need to be retained in locations outside of the designated employment sites, particularly where these are linked to the growing, harvesting and packaging of fresh produce. Whilst the scale of growth in these activities is unlikely to be large, they will continue to be an important economic component.
- 4.80 Future planning policy will need to provide sufficient flexibility to allow the rural activities to grow and diversify in line with the needs of the industry, this may require the development of new property within farms or the conversion of existing buildings to other uses.

- 4.81 Clearly each case would need to be judged on its own merits, however the general thrust of policy should be to support diversification of farm activity in particular to ensure the health and vibrancy of the rural economy is retained.

5. Stakeholder Engagement

- 5.1 The third and final workshop took place on the evening of 14th May and focussed upon the consultants draft conclusions and recommendations.
- 5.2 It was well attended by a variety of key stakeholders from the public and private sectors with client group representatives joined by colleagues from neighbouring local authorities and a selection of property agents, consultants and developers who have been engaged throughout the Study. A full list of attendees can be provided on request.
- 5.3 The questions and discussions that followed the presentation were based around the following broad themes:
- Employment Locations;
 - Space for start-up companies and SME's;
 - Grade A office floorspace in CMK;
 - Science Park/Innovation Cluster;
 - Logistic sector demand; and
 - Cross boundary issues.

Employment Locations

- 5.4 The variety of employment types and locations in Milton Keynes was recognised as a strength, providing a range and choice of location, cost and premises type. However, particularly within the urban area it was recognised that much of the stock was of a similar type/scale, therefore reducing some options for occupiers.
- 5.5 Similarly the diversity of the employment base with a few larger corporate occupiers and a large number of smaller businesses was seen as a positive contributor to the economy and reflective of the key balance between inward and indigenous investment. Providing space for both types of growth was viewed as critical for this work and the Council's strategy moving forward.
- 5.6 The town centres within Milton Keynes offer an important opportunity for new workspace to meet a range of business needs, however these should be targeted in locations with an existing economic base and wider amenity, transport and commercial provision.
- 5.7 It was clarified that the recommendation to redevelop some existing employment areas would be targeted at those estates that scored poorly in the assessment of sites, had a

number of vacancies and were not fit for purpose for the needs of the modern occupier rather than seeking to displace existing activity.

- 5.8 The consultants clarified their thinking around the recommendation that employment uses could be incorporated into the allocations around the MK main built up area with accessibility being a key driver. This would allow some new forms of workspace to come forward and also help achieve viability of new workspace development.
- 5.9 It was confirmed that some growth is expected in the sectors that rely on a low skilled workforce. However, there needed to be ongoing investment and support to raise skills and enable residents to access a greater range of jobs.

Space for start-up companies and SME's

- 5.10 It was recognised that a supply of good quality space for start-up and SME activity was important for the ongoing health of the economy. However, a question was raised as to whether all start-ups/SMEs needed to be located within CMK or whether there were opportunities in other locations.
- 5.11 Linked to the employment locations comments it was confirmed that the provision of this particular space needed to respond to the full range of demand. It was confirmed that the Strategy proposes providing space in other locations, but within areas where there was an infrastructure and existing scale of commercial activity that would attract new businesses.
- 5.12 Importantly, it was recognised that there was clear evidence of demand for space within CMK for small businesses as they seek to co-locate with other similar or supply chain businesses. The success of the Transport Systems Catapult has demonstrated that good quality space does attract a range of occupiers.

Grade A office floorspace in CMK

- 5.13 There was support for the aspiration to deliver more Grade A space in CMK to ensure that CMK maintained and grew its status as a regional office location. The challenges to development viability were recognised but so was the need to provide some focus within CMK to create a greater critical mass of better quality stock.

Science Park/Innovation Cluster

- 5.14 Much discussion followed with support for the development of an Innovation Cluster in CMK and a query as to how this could be developed in MK.

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- 5.15 A number of questions focussed on the ability of Milton Keynes to attract greater levels of knowledge based employment – with particular questions around the development of a standalone science park. GVA set out the challenges to this approach, based on their knowledge of the sector and the economic drivers within Milton Keynes. Questions were asked relating to the ability of the Open University (OU) Campus or Cranfield University to support such a development, however GVA confirmed their research into the OU suggested there was insufficient research and commercialisation of activity within the campus to support development of a science park.
- 5.16 With regard to Cranfield, it was seen as a key driver of potential knowledge based activity, in particular when considered as part of a larger ‘innovation cluster’ that combines other local drivers (the Catapult, Network Rail and other advanced businesses) – however further testing of this point is required.
- 5.17 It was recognised that achieving this would require more than commercial space provision (although that was seen as a key component). Delivering an innovation cluster will require a joined up approach to marketing and promotion, business support and networking as well as public realm and transport investment.

Logistic sector demand

- 5.18 The study has identified considerable potential demand for strategic distribution activity along the M1 corridor. It was confirmed that the level of demand was borne out of stakeholder engagement with developers/agents active in the sector and through the econometric forecasts (demand model) applied.
- 5.19 It was confirmed that the consultants had not specifically identified a site/s to accommodate the latent demand from this sector in MK, but that market and occupier requirements would dictate that it would need to be within the M1 corridor.
- 5.20 The discussion also confirmed that the B8 market is potentially ‘footloose’ and that a decision not to allocate land in Milton Keynes would result in employment opportunities being lost to other locations within the M1/40 corridors.

Cross boundary issues

- 5.21 There were some comments on cross boundary synergies, competition for key target sector growth and the demand and supply of labour. It was agreed that there are a number of drivers of economic growth in each authority area which can help to deliver greater levels of innovation and knowledge intensive growth.

5.22 Whilst there is likely to be some 'healthy competition' for occupiers there are also benefits to be achieved through more coordinated approaches to promoting the sub-region, particularly where there are shared sectors or activities.

6. Conclusions and Recommendations

- 6.1 It is important that the employment land strategy for Milton Keynes responds to the particular characteristics and opportunities that are presented by the unique urban form and land supply position it presents. This needs a bespoke approach which does not seek to simply replicate what other locations are trying to achieve but sets a trajectory that reflects the spirit of the City.
- 6.2 In truth this strategy needs to be focussed much more closely on the qualitative needs and approach to property rather than the quantitative amount of employment land. As discussed Milton Keynes has a good stock of space, but this does not necessarily meet occupier requirements.

Addressing Qualitative Needs

- 6.3 In quantitative terms there is sufficient supply in MK to meet demand but this is not the case qualitatively.
- 6.4 Many Existing, Proposed and Potential Employment sites are not in prime geographical locations to meet the needs of the market, most notably for logistics based employment.
- 6.5 Only two sites, providing a potential supply of 45.37 hectares, could be brought forward for logistics use. This leaves a shortfall of circa 49 hectares to meet the identified demand of 94 hectares. The Council will need to give serious consideration to the allocation of additional land (in close proximity to the motorway) for logistics sector use.
- 6.6 The picture for office based employment is more positive. There are two classifications of sites in MK that can meet the needs of office users and these are located either on proposed sites (throughout MK) that are part of existing employment locations or on potential sites within CMK.
- 6.7 The proposed sites offer a potential supply of 14.51 hectares and the potential sites 11.68 hectares providing a total supply of circa 26 hectares, a circa 5 hectare over supply to the identified demand of 21 hectares.
- 6.8 This over supply is based upon the premise that all of the proposed sites that are entirely suited for office use are developed out for this purpose. If this does not transpire and a policy decision is taken to focus new office development in CMK to maintain its reputation as a location for office based employment then there will be a shortfall. In this scenario the Council will need to give consideration to the allocation/change of use of other space within CMK to

- meet this demand i.e. redevelopment of some of the vacant and tired secondary office stock.
- 6.9 CMK's role as a key focus of economic growth and office based activity needs to be protected. We would seek to promote and reinforce CMK as a hub for knowledge intensive activity. There is a current over supply in CMK of secondary 1970's office stock that is no longer fit for purpose, nor is it suitable for conversion to residential uses under permitted development powers, and there are many vacancies. There remains high demand for prime Grade A space but limited supply.
- 6.10 Recent developments in CMK have seen more mixed use development including ground floor retail/leisure uses and upper floor residential and office uses. We see this approach as the future for the remaining development sites in CMK. A recent planning application has adopted a similar approach.
- 6.11 A mixed use development aids viability and drives development density. Such a mix of uses including restaurants, retail and residential also helps the development of the centres evening economy by providing natural surveillance.
- 6.12 Furthermore these more mixed environments can create the appropriate conditions within which new forms of workspace can be delivered that will help attract new sectors and also support local start-up and SME activity. The provision of managed units and co-working spaces should be encouraged within CMK in particular to assist in the evolution of the economy here.
- 6.13 To the north east of CMK and disconnected from the city centre by the V8 highway is Campbell Park. The public open space is bounded by existing residential accommodation, small scale retail and development sites. A number of these sites have remained undeveloped since the new towns inception.
- 6.14 These sites are historical employment allocations but with limited demand for employment uses in this location, and given CMK's employment focus we recommend that consideration be given to reallocating these sites for residential and/or mixed use development.
- 6.15 Careful consideration is also required to how greater knowledge based activity is secured within Milton Keynes, particularly as a driver for CMK. It is clear that there is not a need or sufficient driver locally to deliver a standalone 'science park' offer however there is a mix of business, education and innovation assets within the city centre that can be harnessed to drive a locally authentic innovation cluster that plays to the area's existing strengths.

- 6.16 Achieving this within CMK will require greater coordination of planning, economic development, property development and public realm activities to ensure investments and interventions are mutually reinforcing and enable greater levels of growth to be achieved.
- 6.17 New and flexible office stock is a must if businesses are to be attracted to the area. In the short term this may require some loss of stock in order to strengthen the value proposition and help the achievement of a viable development proposition.

Protection and Alterations to Existing Sites

- 6.18 Much of the existing employment land stock in Milton Keynes is of a similar quality, not fit for purpose and doesn't meet the needs of modern occupiers.
- 6.19 As a result this Strategy recommends that the Council gives serious consideration to the alteration and in some cases comprehensive redevelopment of some existing employment locations. Such an approach, whilst it could be perceived as a radical option, would give Milton Keynes the opportunity to provide new development sites that respond to both market demand and occupier needs and will provide the opportunity to retain existing occupiers and attract new investors.
- 6.20 Further feasibility work will be required to determine which sites/areas could be considered for comprehensive redevelopment. We recommend that the two supply assessment matrices prepared to inform this Study be used to identify sites, focussing on those sites that scored the worst.
- 6.21 It is recognised that the comprehensive redevelopment of an existing employment area/s in the City would be quite an undertaking, would have cost implications and would need to be carefully planned and all potential locations assessed against, at a minimum, a basket of planning, economic, deliverability, financial and accessibility criteria.
- 6.22 Given that occupiers have already confirmed that the current floorspace does not meet their requirements doing nothing is not an option. If the quality of the employment land stock/product on offer doesn't meet the needs of the occupiers then these footloose companies will relocate to other areas where their requirements are met. This will result in an increased number of vacancies and over time will have a detrimental impact on the City as a location for investment as businesses leave Milton Keynes.

Appropriate Locations for Growth

- 6.23 It is clear from the above analysis that the future employment land offer for Milton Keynes needs to provide the right type of floorspace in the right locations.

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- 6.24 We recommend that the Council give serious consideration to the following options as potential solutions:
1. Allocation of additional land within the M1 corridor to meet the shortfall in supply when compared to the considerable identified demand for logistics occupiers. This would align with market and occupier requirements and enable the demand to be accommodated within MK and not lost to competing locations;
 2. Increase the quantum and density of Grade A office floorspace in CMK to maintain and grow the centres position as a regional office location. To identify opportunities for both new build and redevelopment opportunities to provide further stock. To aid viability look to incorporate more mixed use development i.e. residential;
 3. Consider changing the use of the vacant employment sites in Campbell Park to residential led mixed uses opportunities;
 4. Comprehensive redevelopment of some existing employment areas to provide a product that meets occupier requirements. This would not seek to displace existing activity but would be targeted at those estates that scored poorly in the assessment of sites, had a number of vacancies and were not fit for purpose for the needs of modern occupiers;
 5. Consider incorporating employment uses into the allocations around the MK main built up area with accessibility being a key driver. This would allow some new forms of workspace to come forward and also help achieve viability of new workspace development. This will need to recognise the impact that any development will have on its neighbours and be cognisant of duty to co-operate responsibilities;
 6. The Town centres within MK provide an important opportunity for new workspace to meet a range of business needs. We recommend that these should be targeted in locations with an existing economic base and wider amenity, transport and commercial provision.
- 6.25 Despite the growing flexibility in working practices and the role of improved technology in 'decentralising' economic activity we do not believe that it is appropriate to plan to deliver employment uses in areas that are not well defined commercial locations.
- 6.26 Businesses will tend to seek space in established locations in order to benefit from wider amenity and agglomeration opportunities. Whilst there are increasing options for remote or flexible working and the need for 'touch-down' or co-working spaces these are unlikely to succeed in predominantly residential areas. As such, to realign land provision and strengthen values we recommend that sites within residential areas are re-allocated for other, more compatible (and if possible employment generating) uses.



Appendix A
Phase 2
Employment
Sites
Assessment
Matrix

| Site Reference Number | Site Name | Site Address | Settlement | Grid Reference | Site (ha) | Surrounding Uses (Existing) | Surrounding Uses (Allocated) | Topography | Flood Risk | Clustering Employment Uses | Occupier Requirements Logistics | Occupier Requirements Office |
|----------------------------------|------------------------------------|--------------------|-----------------|----------------|-----------|-----------------------------|------------------------------|------------|------------|----------------------------|---------------------------------|------------------------------|
| EXISTING EMPLOYMENT SITES | | | | | | | | | | | | |
| E1 | Atterbury Existing Employment Area | Fairbourne Drive | Atterbury | 15E | 1.55 | | N/A | N/A | N/A | | | |
| E2 | Brinklow Industrial Estate | Brudenell Drive | Binklow | 17H | 36.91 | | N/A | N/A | N/A | | | |
| E3 | Blakelands Industrial Estate | Tanners Drive | Blakelands | 12B | 16.73 | | N/A | N/A | N/A | | | |
| E4 | Bleak Hall Industrial Estate | Chesney Wold | Bleak Hall | 11K | 27.74 | | N/A | N/A | N/A | | | |
| E5 | Denbigh Hall Industrial Estate | Denbigh Hall Drive | Bletchley | 11L | 4.96 | | N/A | N/A | N/A | | | |
| E6 | Bradville Industrial Estate | Blundells Road | Bradville | 9D | 5.75 | | N/A | N/A | N/A | | | |
| E7 | Bradwell Abbey Industrial Estate | Alston Drive | Bradwell Abbey | 7F | 15.64 | | N/A | N/A | N/A | | | |
| E8 | Caldecotte Lake Business Park | Caldecotte Lake | Caldecotte | 16M | 10.65 | | N/A | N/A | N/A | | | |
| E9 | Crownhill Business Centre | Vincent Avenue | Crownhill | 7F | 21.27 | | N/A | N/A | N/A | | | |
| E10 | Denbigh East Employment Area | Bond Avenue | Denbigh East | 13M | 14.50 | | N/A | N/A | N/A | | | |
| E10 | Denbigh West Employment Area | Denbigh Road | Denbigh West | 14M | 38.13 | | N/A | N/A | N/A | | | |
| E12 | Fox Milne Industrial Estate | Opal Drive | Fox Milne | 15E | 14.80 | | N/A | N/A | N/A | | | |
| E13 | Granby Trade Park | Peverel Drive | Granby | 12L | 5.10 | | N/A | N/A | N/A | | | |
| E14 | Kents Hill Park | Timbold Drive | Kents Hill Park | 15H | 8.15 | | N/A | N/A | N/A | | | |
| E15 | Kiln Farm Industrial Estate | Pitfield | Kiln Farm | 5F | 50.90 | | N/A | N/A | N/A | | | |
| E16 | Kingston Business Park | Chippenham Drive | Kingston | 17G | 55.39 | | N/A | N/A | N/A | | | |
| E17 | Knowlhill Employment Area | Davy Avenue | Knowlhill | 10J | 29.98 | | N/A | N/A | N/A | | | |
| E18 | Linford Wood Business Centre | Rockingham Drive | Linford Wood | 11E | 38.68 | | N/A | N/A | N/A | | | |
| E19 | Magna Park | Fen Street | Magna Park | 19G | 110.04 | | N/A | N/A | N/A | | | |
| E20 | Mount Farm Auckland Park | Mount Avenue | Mount Farm | 14L | 20.33 | | N/A | N/A | N/A | | | |
| E21 | Mount Farm Industrial Estate | Dawson Road | Mount Farm | 13L | 33.90 | | N/A | N/A | N/A | | | |
| E22 | Newport Pagnell Business Park | Tickford Street | Newport Pagnell | 4C | 4.81 | | N/A | N/A | N/A | | | |
| E23 | Newport Pagnell Interchange Park | Renny Park Road | Newport Pagnell | 6B | 22.63 | | N/A | N/A | N/A | | | |
| E24 | Nothfield Drive Industrial Estate | Northfield Drive | Northfield | 15E | 23.26 | | N/A | N/A | N/A | | | |
| E25 | Old Wolverton Industrial Estate | Colts Holm Road | Old Wolverton | 6C | 57.60 | | N/A | N/A | N/A | | | |
| E26 | Yardley Road Industrial Estate | Yardley Road | Olney | 2C | 9.32 | | N/A | N/A | N/A | | | |
| E27 | Redmoor Employment Area | Wimblington Drive | Redmoor | 12K | 13.59 | | N/A | N/A | N/A | | | |
| E28 | Rooksley Employment Area | Precedent Drive | Rooksley | 9G | 14.17 | | N/A | N/A | N/A | | | |
| E29 | Shenley Wood Employment Area | Chalkdell Drive | Shenley Wood | 8K | 13.37 | | N/A | N/A | N/A | | | |
| E30 | Snelshall East Industrial Estate | Pendeen Crescent | Snelshall East | 8P | 6.30 | | N/A | N/A | N/A | | | |
| E31 | Snelshall West Industrial Estate | Steinbeck Crescent | Snelshall West | 8P | 14.46 | | N/A | N/A | N/A | | | |
| E32 | Stacey Bushes Industrial Estate | Erica Road | Stacey Bushes | 7E | 8.55 | | N/A | N/A | N/A | | | |
| E33 | Stonebridge Employment Area | Fingle Drive | Stonebridge | 7D | 11.35 | | N/A | N/A | N/A | | | |
| E34 | Tillbrook Industrial Estate | Bradbourne Drive | Tillbrook | 16L | 43.51 | | N/A | N/A | N/A | | | |
| E35 | Tongwell Industrial Area | Michigan Drive | Tongwell | 13C | 56.77 | | N/A | N/A | N/A | | | |
| E36 | Yeomans Drive Industrial Estate | Yeomans Drive | Tongwell | 12C | 22.26 | | N/A | N/A | N/A | | | |
| E37 | Walton Employment Area | Walton Drive | Walton | 15J | 9.17 | | N/A | N/A | N/A | | | |
| E38 | Water Eaton Industrial Estate | Barton Road | Water Eaton | 13P | 8.85 | | N/A | N/A | N/A | | | |
| E39 | Wavendon Gate Business Park | Walton Road | Wavendon Gate | 17J | 10.13 | | N/A | N/A | N/A | | | |
| E40 | West Ashland Employment Area | Thornbury | West Ashland | 13L | 3.58 | | N/A | N/A | N/A | | | |
| E42 | Winterhill | Snowdon Drive | Winterhill | 10H | 7.97 | | N/A | N/A | N/A | | | |
| E43 | Wolverton Rail Freight Terminal | Stratford Road | Wolverton | 6D | 6.80 | | N/A | N/A | N/A | | | |
| E44 | Wolverton Mill Industrial Estate | Featherstone Road | Wolverton Mill | 4E | 23.70 | | N/A | N/A | N/A | | | |
| E45 | Wymbush Industrial Estate | Garamonde Drive | Wymbush | 7G | 27.17 | | N/A | N/A | N/A | | | |
| PROPOSED SITES | | | | | | | | | | | | |
| E8A | Site A | Monellan Grove | Caldecotte | 15M | 0.61 | | | | | | | |
| E8B | Site B | Caldecotte Drive | Caldecotte | 16M | 1.92 | | | | | | | |
| E9A | Site A | Vincent Avenue | Crownhill | 7F | 1.19 | | | | | | | |
| E10A | Site A | Third Avenue | Denbigh West | 13M | 2.66 | | | | | | | |
| E10B | Site B | Third Avenue | Denbigh West | 13M | 0.70 | | | | | | | |
| E12A | Site A | Opal Drive | Fox Milne | 14F | 0.83 | | | | | | | |
| E14A | Site A | Timbold Drive | Kents Hill Park | 15H | 5.48 | | | | | | | |
| E15A | Site A | Tilers Road | Kiln Farm | 5G | 0.20 | | | | | | | |

| REMOVED SITES | | | | | | |
|--|---------------------------------|-----------------|-----------------|-----|-------|--|
| R33 | Land at Stonebridge | Fingle Drive | Stonebridge | 7D | 0.40 | |
| Sites not included in Phase 2 Assessment | | | | | | |
| E11 | Fenny Stratford Employment Area | Simpson Road | Fenny Stratford | 14N | 4.85 | |
| E41 | Willen Lake | Willen Lake | Willen Lake | 13E | 2.73 | |
| P47a | Land at Campbell Park | Enterprise Lane | Campbell Park | 12F | 0.90 | |
| P47b | Land at Campbell Park | Overgate | Campbell Park | 12F | 0.19 | |
| P47c | Land at Campbell Park | Overgate | Campbell Park | 13F | 0.57 | |
| R53 | Old Bletchley | Old Bletchley | Old bletchley | 12N | 11.67 | |

EXISTING EMPLOYMENT SITES

PROPOSED SITES

POTENTIAL SITES

REMOVED SITES



Appendix B
Abbreviations
and Glossary
of terms used

Appendix B – Abbreviations and Glossary of terms used

EEFM – The East of England Forecasting Model (EEFM) was developed by Oxford Economics to project economic, demographic and housing trends in a consistent fashion. It covers a wide range of variables, and is designed to be flexible so that alternative scenarios can be run. The EEFM provides forecasts for the East of England region and sub-regions (counties, unitary and district authorities), including the South East Midlands Local Enterprise Partnership area (East of England Local Government Association, 2013).

FEMA – The Functional Economic Market Area (FEMA) is a key economic market that broadly corresponds to sub-regions or city regions, rather than administrative boundaries, as flows often overlap local authority boundaries. There is no universal approach to defining FEMAs, and they are often developed using census commuting data, and supplementing this with data from other key markets: such as housing markets; supply chains in industry and commerce; and service markets for consumers. The 2010 CLG Report 'Functional Economic Market Areas – and Economic Note' provides further information on FEMAs.

GDP – Gross Domestic Product is the monetary value of all the finished goods and services produced within a country's borders in a specific time period, usually calculated on an annual basis.

MKC – Milton Keynes Council is the Local Authority for Milton Keynes which has commissioned this study, together with Milton Keynes Development Partnership.

MKDP – Milton Keynes Development Partnership is an independent legal entity wholly owned by Milton Keynes Council to facilitate Milton Keynes' continued growth and economic success. It does this by promoting the development of its land assets in line with the Council's Corporate Plan and Economic Development Strategy.

NPPF - The National Planning Policy Framework sets out the government's planning policies for England and how they are expected to be applied. It provides guidance for local planning authorities and decision-takers, both in drawing up plans and making decisions about planning applications (CLG, 2012).

NPPG – The National Planning Practice Guidance helps to put the strategic vision set out in the NPPF into practice. It contains practical information for local authorities such as what the policies in development plans should and should not include.

SEMLEP – The South East Midlands Local Enterprise Partnership is collaboration between local authority and private sector partners, committed to delivering the strategic infrastructure and skills projects that are essential for economic growth, new jobs and new homes, in the South East Midlands.

BCO - The British Council for Offices' mission is to research, develop and communicate best practice in all aspects of the office sector. It delivers this by providing a forum for the discussion and debate of relevant issues.

IPD - The IPD Rental Information Service (IRIS) helps researchers, fund managers and investors assess the strengths and weaknesses of their future income.

SME - Small and medium-sized enterprises.

DIRFT - Daventry International Rail Freight Terminal (DIRFT) is a rail-road intermodal freight terminal with an associated warehousing estate in Northamptonshire, England.

DECC – Carbon emissions standards

HCA – Homes and Communities Agency

EGELS - Economic Growth and Employment Land Study for the Borough of Milton Keynes.



Appendix C References

Appendix C – References

- British Council for Offices (BCO) and IPD Occupier Density Survey, 2013
- Centre for City and the Productivity and Competitiveness Indicator
- Experian Business Strategies, 2014
- HCA Density Guide, 20110
- Milton Keynes Core Strategy Employment Technical Paper 2012
- Milton Keynes Core Strategy submissions by third parties on employment site allocations
- Milton Keynes Strategic Housing Market Assessment 2013
- SEMLEP Strategic Economic Plan 2014