

Topic paper: Employment land supply

1) Introduction

1.1 Policy SD16 of Plan:MK allocates 'Land South of Milton Keynes, South Caldecotte' for Class B2/B8 employment floorspace (plus ancillary B1), with the supporting text explaining that this site is allocated for *"large footprint B2/B8 units to meet the requirement for this type of commercial floorspace..."*

1.2 The site is allocated in light of the evidence gathered through -

- the Employment Land Study 2015;
- the Employment Land Study 2017;
- updates to the ELS analysis
- the Sustainability Appraisal (SA) process; and
- consultation / engagement.

1.3 Each of these sources of evidence is considered in turn below.

2) Employment Land Study 2015

2.1 The Employment Land Study (ELS) 2015 comprised two 'phases', with Phase 1 involving completion of detailed technical analysis, and Phase 2 considering implications for Plan:MK.

2.2 A key conclusion reached by the Phase 2 report (see paras 7 to 9) was as follows -

*"In quantitative terms it is clear that there is sufficient supply in MK to meet demand but this is not the case qualitatively. 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. 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."* [Emphasis added]

2.3 Further elaboration is then provided at para 29, where the report recommends -

"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." [Emphasis added]

2.4 The report does identify an over-supply of B8 within the wider M1 corridor; however, this is with considerable uncertainty (see paras 3.53 to 3.55), and this analysis does not serve to alter the conclusion that there is a shortfall within MK that should be met through Plan:MK. Para 3.57 concludes on this matter, stating:

*"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.**"*

2.5 In short, the ELS 2015 identified a need for Plan:MK to allocate a site, or sites, totalling c.49 ha, for B8 within the M1 corridor.

3) Employment Land Study 2017

3.1 The ELS 2017 sought to update the quantitative analysis (only) presented within the 2015 ELS. Specifically, it updated: **A)** employment growth forecasts and in turn the need for new employment floorspace within MK; and **B)** understanding of the existing land supply ‘pipeline’. (A) and (B) are considered in turn below, before a final section draws conclusions on the evidence provided.

The need for new employment floorspace within MK

3.2 The ELS 2017 reports that the preferred Experian Pagnel model shows there to be a need for 104 ha new employment land for B8 uses and a **need for 132 ha overall**.

3.3 Were the alternative East of England Forecasting Model (EEFM) to be used, then it would serve to identify a need for 66ha new employment land for B8 uses and 87 ha overall (i.e. lower need). In comparison, the ELS 2015 reported the Experian model as showing a need for 94 ha new employment land for B8 uses and 124 ha overall (i.e. lower need than the 2017 Experian) and the EEFM as showing a need for 119 ha new employment land for B8 uses and 159 ha overall (i.e. higher than all other forecasts).

The existing land supply ‘pipeline’

3.4 The ELS 2017 found there to be a slightly increased pipeline of supply. Specifically, it identified there to be an increase of 18.5 ha across the portfolio of ‘proposed’ and ‘potential’ sites resulting in a total **pipeline supply of 216ha** - see Figure A .

N.B. Proposed sites have planning permission, whilst potential sites are without planning permission. All of the potential sites identified by the ELS are in effect allocated by Plan:MK on account of being listed within Table 6.1 (“Vacant employment land”) and on the basis that Policy ER1 states: “*Planning permission will be granted for employment uses listed in Table 6.1*”.

Figure A: The ‘proposed’ and ‘potential’ employment sites comprising the supply pipeline (216 ha)



Conclusions on the ELS 2017 evidence

3.5 The ELS 2017 concludes with a section considering 'demand supply balance', in which it simply confirms that the conclusion reached by the ELS 2015 regarding quantitative supply holds true in light of the updated analysis.

3.6 Specifically, the conclusion of the quantitative analysis is that the pipeline figure for all employment uses types (216 ha) exceeds the need figure for all employment use types (132 ha).

3.7 In respect of the qualitative conclusion reached by the ELS 2015 - namely that there is a c.49 ha undersupply of land for B8 uses, and hence a need to allocate new land for B8 through Plan:MK - the ELS 2017 is not able to present any update.

4) Updating the conclusion of the ELS qualitative analysis

4.1 As discussed, the ELS 2015 identified a pipeline of B8 supply amounting to 45.4 ha, leaving a shortfall of circa 49 ha to meet the identified demand of 94 ha. This led to the recommendation that Plan:MK should allocate land for B8 uses (in close proximity to the M1).

4.2 The ELS 2017 did not revisit qualitative analysis, and so was not able to update this conclusion; however, in practice, there are several factors that can and should be taken into account.

Need/demand

4.3 There is little in the updated evidence of need presented within the ELS 2017 to suggest diverting from the 2015 conclusion regarding a significant shortfall, with the 2017 analysis reporting a higher need for new B8 employment land (104 ha rather than 94 ha, going by the Experian model). However, there is a need to consider the possibility that the Experian model may have failed to accurately capture need/demand in MK. There are two primary considerations.

4.4 Firstly, there is a need to consider the possibility that the Experian model may not have captured reduced demand in MK due to recent increases in supply in neighbouring authorities. On this subject, the ELS 2017 makes the following statement: *"It must be recognised that occupiers in this [B8] sector are footloose meaning that if the sites aren't provided in one location i.e. Milton Keynes they will locate elsewhere... 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.**"* [Emphasis added]

4.5 The ELS 2015 (see Table 3.1) presents an analysis of the B8 supply through 'identified sites' for each of the M1 local authorities; however, there is a need to update this analysis. On this subject, Plan:MK (para 4.47) states: *"since [the ELS 2015] was prepared, a number of other sites for warehousing within the Borough have also been proposed by developers. Major warehousing schemes have also been proposed in Northamptonshire... close to junction 15 of the M1 and may come forward in Central Bedfordshire by junction 13 of the M1."* The latest situation, in respect of increases to B8 provision, in those authorities most closely related to MK, is as follows -

- Luton – the adopted plan (2017) allocates Century Park (London Luton Airport) for mixed aviation related B1b-c, B2 and B8 uses (with the anticipated extent of B8 not specified). The plan also provides policy support for B8 proposals in several areas close to the M1 (Sundon Park employment area; Junction 11 Craddock Road and Chaul End Lane; and Limbury Sidings). Proposals have been established (i.e. in the public domain) since publication of the plan (Reg 19) in late 2015.
- Central Beds – the proposed submission version of the Local Plan (2018) allocates two strategic sites for B8 along the M1 corridor: a 35ha site at J13 (i.e. in close proximity to MK), and a 45 ha site at J11a. These proposals were confirmed only in January 2018, upon publication of the plan.

- Bedford – the proposed submission version of the Local Plan (2018) does not allocate any new land for B8; however, it does discuss the recent granting of planning permission for a 50 ha site at the ‘Wixams northern expansion area’, which is c.15km from M1 J13.
- South Northants – the ‘pre-submission’ (Reg 18) version of the plan (2017) allocates a 35 ha site for a mix of employment including B8 at Towcester (c. 10km from the M1), as well as a smaller site at Old Stratford / Cosgrove.

Also, whilst not mentioned within the plan, two adjacent large scale ‘strategic rail freight interchange’ (SRFI) schemes are currently being progressed as Nationally Significant Infrastructure Projects (NSIPs) at M1 J15 (south of Northampton). The Northampton Gateway SFRI (Roxhill Developments Limited) would deliver “up to 6,000,000sq.ft / 557,418 sq.m. (gross internal area) of warehousing and ancillary buildings”;¹ whilst the adjacent Rail Central SFRI (Ashfield Land Limited) is proposed to deliver: “Up to 702,097 sq m (Gross External Area) of rail connected and rail served warehousing, with a range of building sizes to suit market requirements.”² Both schemes are currently at the pre-application stage - see <https://infrastructure.planninginspectorate.gov.uk/projects/east-midlands/>.

4.6 Secondly, there is a need to consider the possibility that the Experian model may not have accurately captured the demand for employment that will arise as a result of housing growth proposed by Plan:MK. The ELS 2017 states: “The SHMA suggests that Milton Keynes will need to provide 1,766 dwellings per annum between 2016-2031. To retain a 1.5 jobs to dwelling ratio, this would mean providing 2,649 jobs per annum, requiring a significant uplift above either employment forecast [in the ELR].”

4.7 In short, there are factors pulling in both directions. On one hand increasing supply within the M1 corridor potentially serves to indicate that need/demand within MK may not be as high as suggested by the 2017 Experian forecast; however, on the other hand, the Experian forecasts did not fully account for the demand that will be created through the housing growth proposed by Plan:MK.

4.8 On this basis, and in the absence of further detailed analysis, there is a need to conclude that the 2017 Experian modelling can be relied upon for Plan:MK.

Supply

4.9 In respect of the pipeline supply, there is a need to factor in some updates. The 2015 ELS identified two pipeline sites - Land to the East of Magna Park 34.5 ha; and Land at Pineham 10.85 ha - with the potential to deliver 45.4 ha of B8; however, the pipeline supply is now understood to stand at 56.5 ha, comprising -

- Land to the east of Magna Park (now referred to as Eagle Farm North) - up to 35.8 ha;
- Land at Pineham - up to 10.9 ha; and
- Magna Park –Glebe land - up to 9.8ha.

N.B. these are ‘up to’ figures on the basis that some non-B8 uses may also come forward at the sites.

4.10 Whilst there are other sites listed in Table 6.1 with potential for B8 development, in practice the scope for significant warehousing development on those sites is limited by a number of factors including site size and location. As such, delivery of B8 on these sites is not assumed to form part of the ‘pipeline’, and in turn the assumed pipeline figure can be considered to be somewhat conservative.

4.11 In conclusion, this B8 pipeline supply is up to 56.5 ha which, when considered alongside the forecast demand (104 ha) produces a shortfall figure of at least 47.5 ha (104 - 56.5) to be met by Plan:MK.

¹ See <https://infrastructure.planninginspectorate.gov.uk/projects/east-midlands/northampton-gateway-rail-freight-interchange/>

² See <http://railcentral.com/the-project/parameters-plan/>

5) Sustainability Appraisal

5.1 Part 1 of the SA Report deals with 'plan-making / SA up to this point', and in particular deals with consideration of 'reasonable alternatives' (RAs). Part 1 of the SA Report is structured as follows:

Chapter 6 - explains the process of establishing the RAs

Chapter 7 - presents the outcomes of the appraisal of the RAs

Chapter 8 - explains the reasons for supporting the preferred option, in light of the appraisal of RAs

N.B. Part 1 does not present an appraisal of 'employment' RAs, but rather presents 'spatial strategy' RAs, where each of the spatial strategy options appraised is defined in respect of the approach to the allocation of land to meet both housing and employment needs.

5.2 Chapter 6 explains the process of establishing the RAs, specifically explaining that -

- Contextual understanding was provided by the Milton Keynes Futures 2050 Commission Report (2016), the Strategic Development Directions (SDD) consultation (2016), the Draft Plan:MK consultation (March 2017) and the appraisal findings (including relating to employment alternatives/options) presented within the Interim SA Report (March 2017).
- The following three employment sites were identified as available and potentially suitable for meeting needs (i.e. delivering significant new warehousing):
 - o Caldecotte South;
 - o East of M1 / South of the A422; and
 - o North East of Newport Pagnell.
- Two of these options were then progressed for further detailed consideration as elements of the spatial strategy RAs. Specifically: Caldecotte South - was included within four of the seven RAs (specifically those assuming non-allocation of East of M1); and East of M1 / South of Newport Pagnell - was included within three of the seven RAs (those assuming allocation of East of M1). Final points to note are -
 - o Each option assumed allocation of just one of the two competing employment sites. It was not considered necessary ('reasonable') to test any option involving allocation of both, given the need/demand for new B8 identified by the ELS.
 - o The one site not progressed for detailed consideration was North East of Newport Pagnell, on the basis that it was considered sequentially less preferable to the other two employment site options. The site is suitable for employment development in certain respects, including on the basis that it is quite well linked to the M1 (c.4km at its closest point, and c.7km when measured from the Chicheley Hill roundabout); however: the developable area is 25 ha, which falls well short of the identified shortfall; and the site is associated with Newport Pagnell, as opposed to the MK urban area. Also, the site does not relate well to Newport Pagnell in built form terms, even once account is taken of the committed strategic eastwards expansion of the town, and there is significant landscape constraint (albeit the developable area figure assigned does reflect this constraint).

5.3 Chapter 7 then presents an appraisal of the reasonable spatial strategy alternatives, giving consideration to how the housing and employment sites included under each option will impact in combination, but also giving consideration to impacts associated with specific sites in isolation.

5.4 The appraisal served to highlight that the Caldecotte South site is associated with a notable landscape constraint in comparison to the East of M1 / South of the A422 site, and this is an issue that was further raised through consultation in late 2017. Specifically, a primary concern is that views over MK from the

Greensand Ridge will be impacted by the presence of warehouses and other large industrial buildings. Other key considerations in relation to the South of Caldecotte site are -

- Size - the site is 57ha and the proportion of the site that is developable for B8 is tentatively assumed to be relatively high;
- Location - whilst some distance from the M1, the site is located on the A5 - a main strategic route that is now linked to the M1 c.18.5km to the south (J11a), via the new A5/M1 link road (journey time 15 minutes). The site is also linked to M1 junctions 13 and 14 to the north via dual carriageway roads (shorter distance, but increased risk of traffic). Furthermore, the site is very well linked to Bow Brickhill train station and close to existing employment areas (see Figure A).
- Biodiversity - another issue raised through consultation relates to the presence of a significant patch of Biodiversity Action Plan (BAP) grassland habitat on-site.

5.5 Finally, Chapter 10 of the SA Report presents an appraisal of Plan:MK as a whole, and so naturally revisits discussion of the merit associated with the South Caldecotte site. The appraisal also discusses the potential for additional employment land to be delivered as part of the East of M1 site that is a ‘strategic reserve’ in Plan:MK. For the avoidance of doubt, the East of MK site would likely include two centres of employment -

- A main employment area on the southern edge, adjacent to the M1, potentially comprising 75ha of land for B8 and a 25ha high technology business park; and
- A smaller area at the northwest extent of the site (as defined by Plan:MK), directly adjacent to Newport Pagnell and the M1.

N.B. this site is not under the control of the main East of M1 site promoters (Berkeley), and is being promoted separately as a stand-alone site for 19.3 ha of B8 employment; however, it is included within the concept masterplan produced by the East of M1 promoters. This is the ‘East of M1 / South of the A422’ site discussed above, and within Part 1 of the SA Report.

Figure B: The East of M1 concept masterplan



6) Consultation / engagement

6.1 Key responses have been received from –

- North East Newport Pagnell promoters;
- East of MK promoters; and
- Bow Brickhill Parish Council.

6.2 Comments received are summarised and discussed below.

North East Newport Pagnell

6.3 A detailed representation was made on Draft Plan:MK, followed by a much shorter representation on the proposed submission version of the plan. The Draft Plan:MK representation highlights the site as benefiting from being –

- immediate availability, with the potential for a first phase of development within two years of allocation; and
- in single land ownership and with a developer on-board *“with funding to deliver and a business model approach offering flexibility in terms of leasehold and freehold opportunities”*

6.4 The representation also states: *“In relation to the current use of the site for agricultural purposes, the site is grade 3 agricultural land and therefore loss of part of the site to employment uses would not result in loss of the best and most versatile agricultural land.”* However, the Council would question this statement, on the basis that the northern part of the site has been surveyed in detail (i.e. using the ‘post 1988 criteria’ methodology) and been found to comprise a mixture of grade 2, grade 3a and grade 3b quality agricultural land (where grades 1 to 3a are ‘best and most versatile’). Also, it is noted that land nearby to the south (Great Tickford Fields) has been surveyed in detail and been found to comprise grade 2 quality land. In comparison, South Caldecotte has been surveyed in detail and been found to comprise mostly grade 3b quality land, with a band of grade 3a quality land running down its western flank.

6.5 The representation goes on to present a critique of the proposed South Caldecotte allocation, for example highlighting that –

- The site is located over 11km from Junction 13 of the M1, with a journey time of at least 12 minutes and a need to cross eight or nine roundabouts, whereas the site north east of Newport Pagnell is located 5 minutes from Junction 14 of the M1.
- The alternative route to the motorway network would be via the new A5/M1 link road to Junction 11a. This is a lengthier route, which is less than ideal (i.e. HGVs should avoid A roads as far as possible, but a fast route, with a journey time of around 15 minutes.
- The road network around the south Caldecotte site has been highlighted as congested through *“comments by BWB Consultancy”*.
- South Caldecotte is more suited to technology and office park uses.

6.6 The representations also question the deliverability of the site; however, in this respect the Council is confident that the scheme is deliverable in the early part of the plan period.

6.7 The representation also presents the findings of a range of detailed technical studies. It is difficult for the Council to comment on findings in detail; however, it is noted that the representation presents the following summary conclusions of the landscape and visual appraisal -

“6.7. The site is covered by two different local landscape character areas...”

6.8 *The visual appraisal concludes that the sensitivity of the North Crawley Clay Plateau Farmland with Tributaries to the changes proposed on the proposal site is 'low'...*

6.9 *The sensitivity of the '5b Ouse South Undulating Clay Farmland' local landscape character area to the west is considered to be 'medium/high'. However, it is considered that with sensitive masterplanning and by locating development on the site away from the western slopes that extend towards the valley bottom, there is scope to accommodate any proposed development without significant consequences to this character area.*

6.10 *The visual appraisal concludes that the sensitivity of the landscape resource is 'low'...*

6.11 *In terms of visual amenity...*

6.12 *The assessment found that some groups were considered to have low sensitivity...*

6.13 *Four remaining receptor groups were considered to have a medium sensitivity to changes that could take place on the proposed site. Notwithstanding this, the visual assessment sets out a number of mitigation measures that would be adopted in taking the site forward..."*

East of MK

6.8 Detailed representations were received at both the Regulation 18 consultation stage and the Regulation 19 publication stage.

6.9 The representation does not object to the South Caldecotte site, but does state: *"It is worth noting that this site is subject to some uncertainty as one of the proposed [i.e. possible] routes for the Oxford-Cambridge Expressway runs alongside this site which could affect the timescales for deliverability of development in this location."*

6.10 A focus of the representation is an attempt to call into question the pipeline of supply identified by the ELS, with the suggestion that it comprises -

"a range of generally smallscale and fragmented employment allocations, many of which are legacy of the original 1970 Plan, having been 'left over' from development by initial occupiers and/or having failed to attract market interest during that time. Many of these sites remain within the Draft Plan:MK as identified in Table 6.1 'Vacant Employment Land in the Borough of Milton Keynes'. The majority of these sites (18 out of 23 sites) are comprised of less than 10ha... This residual portfolio of sites does not match the economic importance or ambition of Milton Keynes, in particular the absence of sites to accommodate larger floorplate, high specification strategic employment development and inward investment. The Inspector for the 2013 Core Strategy specifically noted the qualitative deficiencies of the current portfolio of sites and advised that the Council remedy this through Plan:MK. Berkeley is still of the view that the Council should put in place a range of new employment allocations including that at MKE to support a 21st Century economy, attract large or footloose businesses to Milton Keynes and stimulate the growth of both the City and the wider Oxford-Milton Keynes-Cambridge corridor in line with the NIC report's recommendations. This would also better align with national policy and para. 22 of the NPPF which states that: "planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose".

6.11 It is fair to question the deliverability of some of the sites listed within Table 6.1 of Plan:MK; however, this does not give rise to an argument for allocation of additional land through Plan:MK (i.e. allocation of land east of the M1 either in place of or in addition South Caldecotte). This is on the basis that (as discussed under the discussion of 'supply' within Section 3) the shortfall figure that Plan:MK is seeking to provide for is calculated on the basis of a conservative assumption regarding the sites listed within Table 6.1 that will come forward for B8 in the plan period.

Bow Brickhill Parish Council

6.12 The Regulation 19 representation from the Parish Council (PC) questions a number of the claimed benefits of the site and raises a number of concerns. Key points raised include -

- The unmanned level crossing on Brickhill Street (which forms the eastern boundary of the site) - which *“regularly brings Brickhill Street to a standstill”* and creates a traffic queue which *“reaches from the A5 to Bow Brickhill Station - past the site’s only road access”*. The PC also highlights the planned future increased closures at the level crossing, and suggests that *“there is currently no feasible alternative to the at-grade level crossing...”*
- The Landscape Sensitivity Study (Gillespies, 2016) - which the PC suggest has been ‘disregarded’. However, it is important to highlight, in response, that the landscape constraint was taken into account as part of SA work completed in 2017, ahead of finalising the proposed submission version of Plan:MK (see Chapter 7 “Appraising reasonable alternatives”).
- The Greensand Ridge - in addition to the landscape constraint, the PC also seeks to highlight that: *“Noise would also have a serious and detrimental effect on the rights of enjoyment of the Brickhill Woods, a major leisure destination for the inhabitants of Milton Keynes and further afield. Development on this site could only serve to increase that effect and compromise the peace and tranquillity afforded by the woods.”*

7) Conclusion

7.1 In summary, the South Caldecotte is able to deliver a quantum of new B8 more than sufficient to meet the identified shortfall. Moreover, delivery should be possible early in the plan period, with the Oxford to Cambridge Expressway unlikely to be a hindrance. It is recognised that there are sensitivities/issues (e.g. landscape and transport/traffic); however, the strategy of allocating South Caldecotte (only) is on balance preferable to alternatives. The large-scale proposal to the east of the M1 would deliver a greater quantum of new B8 and could be very well linked to the M1; however, this site is not suitable for allocation ahead of certainty regarding funding for major road infrastructure upgrades. The two other omission sites are associate with notable issues/drawbacks, most notably relating to the scale of B8 that could be delivered. On the basis of this one issue alone, either site can be ruled-out as an alternative to South Caldecotte.