



# **South West Milton Keynes**

## **Updated Employment Assessment**

Carter Jonas LLP

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## CONTENTS

<b>1.0 Introduction</b>	<b>1</b>
<b>2.0 Planning Policy Context</b>	<b>2</b>
National Planning Policy Framework (NPPF)	2
Aylesbury Vale Local Planning Policy Context	<b>Error! Bookmark not defined.</b>
Aylesbury Vale – Other Supporting Evidence - Based Documents	3
Milton Keynes - Local Planning Policy Context	4
Milton Keynes – Other Evidence Based Supporting Documents	5
Summary	6
<b>3.0 Commercial Market Assessment</b>	<b>8</b>
Commercial Office Market – Milton Keynes	8
Commercial Industrial / Logistics Market – Milton Keynes	9
Summary	10
<b>4.0 Employment Generation</b>	<b>11</b>
Employment Land – Jobs Creation	11
New Homes – Jobs Creation	11
Neighbourhood Centre and School – Jobs Creation	12
Summary	13
<b>5.0 Conclusion</b>	<b>14</b>

## EXECUTIVE SUMMARY

1. Carter Jonas LLP ('CJ') was commissioned by the South West Milton Keynes Consortium ('SWMK') to prepare an updated Employment Assessment in support of a proposed revision of the outline planning application (15/00314/AOP) for a mixed-use sustainable urban extension on land to the South West of Milton Keynes. The original Employment Assessment was prepared in 2014 and whilst there are no revisions to the employment development proposed, there have been changes to national and local planning policy in the intervening period which are addressed in this updated Assessment.
2. The application is seeking permission for up to 1,855 mixed tenure dwellings including 60 extra care units; an employment area (B1); a neighbourhood centre including retail (A1/A2/A3/A4/A5), community (D1/D2) and residential (C3) uses; a primary school; and related works.
3. The analysis and forecasts set out in this report are based on the identified employment land quantum of 2.07ha; as defined in the Illustrative Masterplan for the application site, a neighbourhood centre, primary school and secondary school together with the provision of up to 1,855 dwellings.
4. In achieving sustainable development, an overarching economic objective is to help build a strong, responsive and competitive economy by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth.
5. The submission draft of the Vale of Aylesbury Local Plan allocates the site, **Policy D-NLV001** for a mixed use sustainable urban extension to provide up to 1,855 mixed tenure dwellings; an employment area (B1); a neighbourhood centre including retail (A1/A2/A3/A4/A5), community (D1/D2) and residential (C3) uses; and schools that will be closely related to West Bletchley in Milton Keynes.
6. In relation to broader employment and economic strategy, both Local Planning Authorities seek to deliver employment and economic growth. In terms of the spatial distribution of jobs it is recognised that the main centres of Aylesbury and Milton Keynes in particular possess a critical mass given existing agglomerations of commercial provision as well as their accessibility. The development site is not in competition with these locations, but rather represents a location that would provide complementary employment uses as part of a sustainable development.
7. Given the scale, provision and location of existing office and industrial floorspace, especially within Milton Keynes, the proposed employment development within the development site is not of a large scale. Furthermore, the development proposal is housing-led and it is therefore likely that any employment provision will be for offices; on a smaller scale within a business park type setting. Provision of up to 10,350 sq.m gross is anticipated. The form this space may take will be dependent on market demand, but is likely to be units of between 200 sq.m and up to 1,000 sq.m gross.
8. Occupiers are seeking locations which provide an attractive environment for staff to work, socialise and live. This entails good transport linkages, good visibility, local retail offer and proximity to a residential catchment. The development proposal provides this opportunity.
9. Based on the quantum of employment land and other uses proposed it is envisaged that the proposed development could support the following:
  - for the employment land - assuming office (B1) use - there is potential to generate circa 690 jobs;
  - there is also potential for an additional 575 jobs from retailing, health etc;
  - some 686 jobs would be generated from education, real estate etc;

- 87 potential additional jobs would be associated with the local centre; and
- potentially 30 full time teaching staff jobs from the primary school;
- potentially 37 teaching staff jobs from the secondary school.

10. In conclusion, it is estimated that up to 2,105 total jobs could be created by the Proposed Development.

## 1.0 INTRODUCTION

- 1.01 Carter Jonas was commissioned by the South West Milton Keynes Consortium to prepare an updated Employment Assessment in support of a proposed revision of the outline planning application (15/00314/AOP) for a mixed-use sustainable urban extension on land to the South West of Milton Keynes. The original Employment Assessment was prepared in 2014 and whilst there are no revisions to the employment development proposed, there have been changes to national and local planning policy in the intervening period which are addressed in this updated Assessment.
- 1.02 The applicant is seeking permission for up to 1,855 mixed tenure dwellings including 60 extra care units; an employment area (B1); a neighbourhood centre including retail (A1/A2/A3/A4/A5), community (D1/D2) and residential (C3) uses; a primary school; secondary school, a grid road reserve; multi-functional green space; a sustainable drainage system; and associated access, drainage and public transport infrastructure.
- 1.03 The analysis and forecasts set out in this report are based on the identified employment land quantum of 2.07ha; a neighbourhood centre, primary school, secondary school together with the provision of up to 1,855 dwellings.
- 1.04 At the outset it is recognised that whilst the development site lies within the administrative area of Buckinghamshire Council (formerly Aylesbury Vale District Council), in geographic terms it lies immediately to the southwest of the Milton Keynes Council administrative area boundary. This provides an additional administrative and influential policy context for the development site.
- 1.05 The purpose of this Employment Assessment is to quantify the jobs growth that are likely to arise from the proposed development. A full assessment of the planning policy context is provided in the update to the application Planning Statement. For ease of reference and to address the objectives of the brief the report is structured as follows.
- **Section 2:** provides an overview of relevant national and local planning policies pertaining to the proposed development.
  - **Section 3:** provides a description of the potential for commercial provision based on the identified employment land quantum for the proposed development.
  - **Section 4:** provides a reliable indication of the jobs anticipated to be generated from the employment land (2.07ha).
  - **Section 5:** summarises the outputs of the analysis from the previous sections and provides a synopsis of key findings.

## 2.0 PLANNING POLICY CONTEXT

- 2.01 This section provides a brief overview of the relevant national and local development plan planning policy pertaining to the proposed development, along with other associated material documents. A more detailed summary of the planning policy context is provided in the supporting Planning Statement, also prepared by Carter Jonas.

### Aylesbury Vale Local Planning Policy Context

- 2.02 By way of background whilst proposed development is within the administrative boundary of Buckinghamshire Council, it is also immediately adjacent to the south-western boundary of the adjacent administrative authority of Milton Keynes Council. This provides an additional administrative and policy influence.
- 2.03 The Employment Assessment takes account of the following planning and evidence base documents:
- Adopted Aylesbury Vale District Local Plan (AVDLP) 2004
  - The Vale of Aylesbury Local Plan (VALP) Submission 2013-2033
  - Aylesbury Vale Employment Land Review Update 2012
  - Aylesbury Vale Economic Development Strategy 2016 - 2033
  - Adopted Plan:MK (2019)
  - Milton Keynes Council and Milton Keynes Development Partnership Employment Land Review and Economic Growth Study Phase 1 - Technical Analysis (November 2015)
  - Milton Keynes Council and Milton Keynes Development Partnership Employment Land Review and Economic Growth Study Phase 2 - Delivery Strategy (November 2015)
  - Milton Keynes Economic Growth and Employment Land Study Supply & Demand - Partial Update (June 2017)

#### Adopted Aylesbury Vale District Local Plan (AVDLP) 2004

- 2.04 The Development Plan for Aylesbury Vale is currently made up of the saved policies of the Aylesbury Vale District Local Plan (AVDLP) 2001 - 2011 (2004)<sup>1</sup>, neighbourhood plans, the Buckinghamshire Minerals and Waste Local Plan 2004-2016 (2006)<sup>2</sup>, and the Buckinghamshire Mineral and Waste Core Strategy DPD (2012)<sup>3</sup>.
- 2.05 There are no specific economic policies pertaining to the application site. Contextually para 2.27 of the Plan states (inter alia) that in relation to the local economy the aim is "*...To develop and promote the local economy and establish Aylesbury Vale as a vibrant economic centre...*". In terms of saved policies of relevance this includes Policy GP17 which states that the Council "*... will seek to retain existing employment sites and uses...*".
- 2.06 At the time of writing this report the AVDLP (2004) remains extant but is scheduled to be replaced in the near future by the Vale of Aylesbury Local Plan (VALP) 2013-2033 (detailed below).

<sup>1</sup> <http://www.aylesburyvaledc.gov.uk/section/adopted-aylesbury-vale-district-local-plan-avdlp>

<sup>2</sup> <http://old.buckscc.gov.uk/environment/planning/minerals-and-waste-planning-policy/minerals-and-waste-local-plan2004-2016/>

<sup>3</sup> <http://old.buckscc.gov.uk/environment/planning/minerals-and-waste-planning-policy/minerals-and-waste-core-strategy2012/>

### **The Vale of Aylesbury Local Plan (VALP) Proposed submission 2013 -2033**

- 2.07 The Vale of Aylesbury Local Plan (VALP) Submission 2013-2033 is the latest draft of the emerging Local Plan to be published. It was submitted for examination in February 2018. The Council consulted on main modifications during November and December 2019. There are no Main Modifications proposed that are pertinent to this Employment Assessment.
- 2.08 In terms of its content, the VALP:
- sets out the overall strategy for the District to 2033 including the number of jobs and homes to be provided;
  - contains development management policies; and
  - makes strategic allocations for housing and employment land in the District.
- 2.09 The emerging VALP includes the proposed development within strategic site allocation **Policy D-NLV001**.

### **National Planning Policy Framework (NPPF)**

- 2.10 The latest version of the NPPF was published in February 2019. This sets out the planning policies for England and how these are expected to be applied. At the heart of the NPPF is a presumption in favour of sustainable development, in both plan-making and decision-taking (paragraph(s) 7-10). The NPPF (paragraph 11) sets out the Government's view of what sustainable development means in practice for both plan-making and decision-taking at the local level.
- 2.11 In achieving sustainable development an overarching economic objective is to help build a strong, responsive and competitive economy by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity and by identifying and co-ordinating the provision of infrastructure (para 8).
- 2.12 In the context of strategic policies and employment the NPPF provides that these policies should set out an overall strategy for the pattern, scale and quality of development, and make sufficient provision for (inter alia) housing, employment, retail, leisure and other commercial development (para 20).
- 2.13 Planning policies should also support (inter alia) an appropriate mix of uses across an area, and within larger scale sites, to minimise the number and length of journeys needed for employment, shopping, leisure, education and other activities (para 104).

### **Aylesbury Vale – Other Supporting Evidence - Based Documents**

- 2.14 The following section sets out a brief summary of the other evidence-based documents that are relevant to this employment assessment.

#### **Aylesbury Vale Employment Land Review Update 2012**

- 2.15 The Employment Land Review Update (ELRU) includes more detailed demand forecasts for employment land and floorspace over the 2011-31 period. In summary the ELRU identifies (*inter alia*):
- that provision is made for an employment land supply of between 106-112 hectares of land across the Vale for the 2011-31 plan period. This would support delivery of up to 425,000 sq.m of employment floorspace (para 9.2);
  - the need to plan for up to 30 hectares of additional employment land provision to meet economic needs over the period to 2031 through the VALP (para 9.9);



- the delivery of new town centre floorspace should be promoted as part of mixed-use development and redevelopment (para 9.12);
- a 15 hectare allocation of land to provide a modern high quality business park at Aylesbury which could support 50,000 sq.m or more of B1 floorspace (para 9.15); and
- an allocation of 6.5 hectares of land at Buckingham for employment development to support the on-going development of the town's economy (para 9.18).

### Aylesbury Vale Economic Development Strategy 2016 -2033

- 2.16 The Economic Development Strategy (EDS) seeks to accelerate the business and jobs growth in the District. In terms of future planning and growth of the Vale the document recognises that Aylesbury Vale does not exist in isolation (para 2.5). In this way the Council has to engage positively with its neighbouring authorities and by virtue of its geography it is seen as an attractive inward investment location.
- 2.17 The EDS sets out a vision for Aylesbury Vale as a vibrant dynamic business location by 2033; summarises progress on the VALP and on economic development strategy objectives; and it also identifies building blocks for the strategy and priority actions. It further states that the EDS will need to be reviewed on an ongoing basis in light of the emerging plans of the Local Economic Partnership (LEP) and others. The priority areas of action are likely to seek:
- to sustain and grow jobs and increase business rates.
  - improve stakeholder engagement and One Bucks team working.
  - Government funding for economic growth.
  - continued support for businesses including start-ups, existing and new.
  - stronger partnerships to market the Aylesbury Vale offer for inward investment, especially the Enterprise Zones for which the District Council is the accountable body.
  - to put the business customer first working with internal services, including liaison with IncGen and other business facing services such as the regulatory services.
  - to deliver the jobs growth at the Enterprise Zones by attracting key sector related businesses.

### Milton Keynes - Local Planning Policy Context

- 2.18 As noted previously, the proposed development borders the administrative boundary of Milton Keynes Council. As a result, local policy covering Milton Keynes is considered below.

#### Plan: MK

- 2.19 Plan:MK was adopted in March 2019. One of the strategic objectives of Plan:MK is:

*“To allocate and manage the development of employment land and pursue a vigorous economic development strategy so that the business sector and local economy are supported, existing firms can expand, new firms are attracted, the level of working skills among the local population is enhanced and the area's resident population can find employment locally”.*

- 2.20 **Policy ER1** details the employment sites in the Borough and reiterates the position from the previous plan, as follows:

*“Central Milton Keynes (CMK) is the primary focus for the development of additional office B1(a) and research and development B1(b) floorspace within the Borough. Planning applications for more than 1,000 sq.m of B1(a) floorspace and 2000 sq.m for B1(b) floorspace on sites outside CMK will need to provide evidence that demonstrates why the development cannot occur within CMK. Developments should not be deliberately sub-*



*divided or phased in an attempt to avoid the 1,000 sq.m threshold for B1(a) development or 2000 sq.m threshold for B1(b) development.*

*Proposals for more than 1000 sq.m of B1(a) floorspace and proposals for more than 2000 sq.m of B1(b) floorspace, which clearly demonstrates with evidence, why it cannot be accommodated within CMK will be permitted on employment sites, shown on the proposals map, with good transport links."*

- 2.21 In terms of vacant employment land available within Milton Keynes the total quantum cited is 160.3 hectares and in relation to both Snelshall East and Snelshall West the quantum detailed previously in the adopted 2013 Core Strategy are retained.
- 2.22 The Plan also states that *"the majority of future jobs developed on employment land within the Borough will come from office type development rather than from warehousing and industrial development. (Job densities, the amount of space per worker in an office development is typically 10-13 sq.m per worker compared to 36-47 sq.m in an industrial building and 70-95 sq.m in a warehouse)"* (para 4.43).

## Milton Keynes – Other Evidence Based Supporting Documents

- 2.23 The following provides a brief summary of some of the key evidence-based documents relevant to this employment assessment that were prepared in support of the then emerging Plan: MK.

### **Milton Keynes Council and Milton Keynes Development Partnership Employment Land Review and Economic Growth Study Phase 1 – Technical Analysis (November 2015)**

- 2.24 The salient findings from this study are:
- Milton Keynes (MK) is the fastest growing city in the UK at annual growth rate of 1.6% (para 2.5).
  - MK has a containment rate of approximately 64% of jobs for its employed population. The rest of its workforce travels to the neighbouring boroughs of Central Bedfordshire, Bedford, Aylesbury Vale and Central London (para 2.39).
  - The existing employment sites contain a broad mix of B class employment use with the majority of sites providing a mix of office, industrial and warehouse/distribution uses (para 9.25).

### **Milton Keynes Council and Milton Keynes Development Partnership Employment Land Review and Economic Growth Study Phase 2 – Delivery Strategy (November 2015)**

- 2.25 The relevant findings from the study are:
- MK's 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 it has a good stock of space, but this does not necessarily meet occupier requirements (para 6.2).
  - 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 (para 6.4).
  - Central MK's role as a key focus of economic growth and office based activity needs to be protected. It is recommended that CMK is promoted as a hub for knowledge intensive activity (para 6.9). Careful consideration is also required to how greater knowledge based activity is secured within Milton Keynes, particularly as a driver for CMK (para 6.15).
  - 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 (para 6.10).
  - In terms of potential locations for growth, the study recommends (para. 6.24):

- Allocation of additional land within the M1 corridor to meet the shortfall in supply when compared to the considerable identified demand for logistics occupiers.
- Increase the quantum and density of Grade A office floorspace in CMK to maintain and grow the centre's position as a regional office location.
- 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.
- Consider incorporating employment uses into the allocations around the MK main built-up area with accessibility being a key driver.
- The town centres within MK provide an important opportunity for new workspace to meet a range of business needs.
- Businesses will tend to seek space in established locations in order to benefit from wider amenity and agglomeration opportunities (para 6.26).

### **Milton Keynes Economic Growth and Employment Land Study Supply & Demand - Partial Update (June 2017)**

2.26 This document represents a partial update to the Council's 2015 Economic Growth and Employment Land Study (EGELS). The key findings are:

- Milton Keynes will experience significant expansion of their employment base over the plan period, with a total employment growth of 17% (para 2.7).
- Milton Keynes needs to plan for a significant amount of additional B Class employment land to accommodate this employment growth (para 2.11).
- The Employment Land Projections range from 87ha and 132ha (dependent on the forecasts used) (para(s) 2.6 and 2.37).
- In quantitative terms, there is sufficient supply in Milton Keynes to meet forecast demand with an increase in supply from 1,204ha in 2017 compared with 1,186ha in 2015 (para 3.12 & Pg. 2).
- The likely future requirement for office space within Milton Keynes is estimated to be between 130,777-151,720 sq.m; suggesting that CMK can provide sufficient capacity to contribute to this office space requirement.
- Milton Keynes has achieved a long term trend in the jobs to dwellings relationship, generally retaining a ratio of 1.5 jobs per dwelling, and it is the Council's aspiration to continue to ensure that sufficient jobs are provided for new and existing residents (para 5.2).
- Projections forecast housing growth will overtake the growth in employment in Milton Keynes (para 5.6).
- Based on the Councils' Strategic Housing Market Assessment (SHMA) which suggests that Milton Keynes will need to provide 1,766 dwellings per annum between 2016 and 2031, it recommends retention of a 1.5 jobs to dwelling ratio, this would mean providing 2,649 jobs per annum, requiring a significant uplift above either employment forecast (para 5.11).
- The decrease in the ratio between jobs and homes may help to decrease the reliance of Milton Keynes on external workers to fill the jobs provided (para 5.13)

## **Summary**

2.27 This review indicates that:

- In achieving sustainable development an overarching economic objective is to help build a strong, responsive and competitive economy by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth.

- There is emerging support for housing and employment development in the Vale of Aylesbury Local Plan which proposes the allocation of the site (Policy D-NLV001) for a mixed use development including employment land, a neighbourhood centre and schools together with the provision of up to 1,855 dwellings that will be closely related to West Bletchley in Milton Keynes.
- In relation to broader employment and economic strategy, both LPAs seek to deliver jobs growth.. The proposed development represents a location that would provide complementary employment uses as part of a sustainable development.

### 3.0 COMMERCIAL MARKET ASSESSMENT

- 3.01 This section provides an overview of the potential for new commercial uses in the proposed development based on the employment land area of 2.07ha as defined in the Illustrative Masterplan for the development site.

#### Commercial Office Market – Milton Keynes

- 3.02 Employers are attracted to Milton Keynes due to its advantageous location, good infrastructure, transport connections, the abundant supply of large sites and significant parking. The town centre is divided into distinct office and retail grid zones. The office stock in the Central Milton Keynes (CMK) area comprises of large modern blocks with good parking facilities. Headline prime office rents in central Milton Keynes as at Quarter 2 (Q2) 2018 stood at circa. £22/sq.ft. (£237/sq.m) whilst out-of-town they are lower at circa. £19/sq.ft. (£205/sq.m)<sup>4</sup>.
- 3.03 The diversity of the market is seen in the range of major office occupiers that have a 'headquarter' presence including Argos, Network Rail, Volkswagen Group, Daimler Mercedes Benz and Suzuki.
- 3.04 The average annual take-up over the period 2008 to 2017 has been 311,000 sq.ft. In 2017 take up was estimated at 202,000 sq.ft. (18,766 sq.m)<sup>5</sup>. This lower rate of take-up is attributed to weaker occupier interest.
- 3.05 According to PMA<sup>6</sup>, between 2014 and 2016, availability in Milton Keynes saw year-on-year increase due to the release of secondary buildings to the market, some following internal refurbishment, alongside modest demand. Furthermore, a lack of new space has kept prime availability persistently low; this however is set to change in 2019 with the completion of 100 Avebury Boulevard which will add prime office stock to the market.
- 3.06 Whilst office development has been subdued within Central Milton Keynes, offices have been developed out-of-town over recent decades and tend to comprise of landscaped mixed-use business parks. Many of the speculative developments in these locations have been designed for multi-letting to small businesses, from which the majority of demand stems. This includes:
- **Caldecotte Lake Business Park** – a prime out of town office location to the south of the town centre and comprising some 160,000 sq.ft. (14,864 sq.m)
  - **Willen Lake** – located to the north-east of the town centre where Unify (previously known as Siemens Enterprise Communications) have a high-quality stand-alone office complex.
  - **Fox Milne** – near Junction 14 of the M1 accommodating a large Customer Service Centre for Unisys.
  - **Knowlhill** – located to the south west of the town centre and comprising a number of industrial and distribution companies.
- 3.07 Considering the proximity, provision, critical mass and location of extant office floorspace within Milton Keynes, any office floorspace within the proposed development will be proportionate and would likely take the form of a smaller scale business park type offer. Any speculative commercial development proposed as part of the proposed development would also need to be located on a road with good visibility.

<sup>4</sup> Source: PMA Office PROMIS report for Milton Keynes (October 2018) and Carter Jonas Agents.

<sup>5</sup> Source: PMA Office PROMIS report for Milton Keynes (October 2018)

<sup>6</sup> Source: PMA Office PROMIS report for Milton Keynes (October 2018), *Ibid*.

## Commercial Industrial / Logistics Market – Milton Keynes

- 3.08 Milton Keynes' local economy is diverse. It is recognised as a key logistics centre within reach of a wide variety of markets benefitting from easy access to the national motorway network. It is equidistant between London and Birmingham, Oxford and Cambridge. It has immediate access to the M1 motorway at junctions 13 and 14, with proximity to the M6, M25 and M40. MK also has fast rail connections to both London and North.
- 3.09 Major logistics employers include DHL, Exel, Kuehne & Nagel, Yusen Logistics and Parcelforce. Milton Keynes has benefited from large scale retailers including the John Lewis Partnership, Amazon and River Island streamlining and consolidating their logistics functions in-house rather than using third-party logistics firms.
- 3.10 The choice of distribution location is driven by an interaction of factors such as access to markets, suppliers, and ports and the quality and size of the local workforce. The annual take-up within Milton Keynes is estimated to have reached 1,638,000 sq.ft. (152,174 sq.m) in 2017<sup>7</sup>. The stock data for Milton Keynes suggests that industrial stock at end-2017 is 28.3 million sq.ft. (2.63 million sq.m). The stock can be broken down into factories (35%) and warehousing (65%).
- 3.11 The majority of Milton Keynes' industrial development is situated between CMK and the M1. Other locations include:
- **Magna Park** – Gazeley's scheme at Fen Farm has provided the focus for recent distribution development. Fen Farm's location to the east of central Milton Keynes, close to the M1 makes it a prime location for distribution warehousing. It has seen significant large scale development as retailers have been drawn to the state of the art development including H&M, Waitrose, River Island;
  - **Kingston Industrial Estate** – west of Fen Farm benefitting from easy access to Junctions 13/14 of the M1. It is a more traditional mixed use industrial park; tenants include Givaudan Roure and HTC Floor Systems;
  - **Brinklow industrial area** – south of Kingston Industrial Estate is where a number of large distribution warehouses are currently occupied by companies such as Seko Logistics, Kuehne and Nagel, Amscan and Lok n Store;
  - **Northfield industrial area** – east of Willen Lake close to Junction 14 of the M1 with occupiers including Coca-Cola Enterprises and Ball Beverage Cans;
  - **Tongwell and Blakelands industrial areas** – large occupiers include power tools manufacturer Makita, Bong UK and RBC Logistics;
  - **Interchange Park** – crossing the M1 and located close to the A509 in Newport Pagnell with occupiers including packaging manufacturer Nampak and Anker International;
  - **Prologis Park at Marston Gate** – close to Junction 13 with existing operators including Dwell and XPO Logistics with large pre-lets agreed to Amazon and Yusen Logistics;
  - **Linford Wood** – is a predominantly office led area to the north of CMK, occupiers consist of small to medium sized national business such as stationary firm Mitsubishi Pencil and Packaged Plant;
  - **Denbigh, Mount Farm and Tilbrook industrial areas** – on the south side of CMK. The majority of stock in these areas is dated. The exception is PPG Southern and Volume Development's warehouse, Paragon:MK let to shirt maker Charles Tyrwhitt;
  - **Old Wolverton, Stonebridge and Kiln Farm** – these are other areas designated for industrial usage north west of CMK where concentrations of industrial space are interspersed with residential and leisure development.

<sup>7</sup> Source: PMA Industrial PROMIS report for Milton Keynes (October 2018)

- Distribution activity is also concentrated further west in **Snelshall** along the A421, where several large schemes were completed in the mid-2000s. In Q3 2016, DS Smith let the refurbished (2016) 318,000 sq. ft. (29,543 sq.m) Celestia Big Shed unit, previously occupied by Waitrose. Other occupiers include Suzuki UK and Delico who both occupy purpose build units.

3.12 The above analysis shows that Milton Keynes is very well provided in terms of the scale and provision of industrial floorspace. The proposed development is in a peripheral location, relative to other areas, to serve Milton Keynes. For this reason it is unlikely to attract any development in the trade, industrial and distribution markets. Instead, operators in these markets will be attracted to other better located sites within Milton Keynes which will make better or optimum use of demand in these sectors. New employment related floorspace in the proposed development of this type is likely to be ancillary and proportionate to the associated development.

## Summary

- 3.13 Considering the scale, provision and location of extant office and industrial floorspace within Milton Keynes Borough it is unlikely that commercial development within the proposed development will be of a large scale. It is envisaged that it will meet small scale needs for offices, possibly including some serviced office accommodation. Moreover, this type of development will sit well with the other principal proposed uses, particularly housing and the neighbourhood centre.
- 3.14 Furthermore, in terms of emerging policy, Policy D-NLV001 of the Submission VALP seeks to create a sustainable community on the allocation site supported by local employment opportunities, infrastructure services and facilities. Separately, in terms of Plan:MK (2019), Policy ER1 reinforces Central Milton Keynes (CMK) as the primary focus for the development of additional office B1(a) and research and development B1(b) floorspace, but continues to acknowledge the need for a variety of sites to meet the differing requirements of a wide range of employment uses.

## 4.0 EMPLOYMENT GENERATION

- 4.01 The application scheme proposes the provision of 2.07ha of employment land. It should be noted that employment generation will be reflective of market demand and the nature and design of the specific proposal. This section provides a reliable estimation of:
- The number of jobs generated from the employment land proposed;
  - The number of new jobs generated from the Neighbourhood Centre;
  - The number of jobs generated from the schools; and
  - The potential jobs created from the proposed housing.
- 4.02 For the purposes of this assessment, it is assumed that the commercial development will comprise office provision. Also it should be noted that employment densities and plot ratios can vary significantly depending on a range of factors including location, site size and layout; and price-point (e.g. high-end or low-cost). Additionally, technology advances, changing working practices, home-working and agile working are affecting employment densities across all sectors.

### Employment Land – Jobs Creation

- 4.03 2.07ha (i.e. 20,700 sq.m) represents the gross site area of the proposed employment land provision.
- 4.04 The first step is to derive the broad indication of floorspace for employment use based on plot ratios. A plot ratio of 0.5<sup>8</sup> is applied reflecting the provision of some 10,350 sq.m gross of employment floorspace. Using a gross to net ratio of 80% results in a net derived floorspace of 8,280 sq.m net.
- 4.05 The next step is to forecast the number of jobs created based on the derived net floorspace (8,280 sq.m net) and by applying an average job density figure by sector. Plan:MK indicates that job densities are typically:
- 10-13 sq.m per office worker<sup>9</sup>;
  - 36-47 sq.m per industrial worker and for an industrial building; and
  - 70-95 sq.m for a warehouse.
- 4.06 Our assessment focuses on the office sector and assumes 12 sq.m per office worker. This results in the generation of circa 690 B1 Class employment jobs.

### New Homes – Jobs Creation

- 4.07 In addition to the B1 Class employment jobs there will be other employment created as a result of the proposed new housing-led mixed use development.
- 4.08 This is informed by the *Milton Keynes Core Strategy* (2013) which provided a multiplier for the jobs potential of existing employment locations in Milton Keynes Borough<sup>10</sup>; no updated data is provided in adopted Plan:MK. Table 5.3 of the Core Strategy has been reproduced below for ease of reference (see **Table 4.1**). It identifies

<sup>8</sup> Buckinghamshire Housing and Economic Development Needs Assessment (HEDNA) Update 2016; Figure 93 Pg. 129.

<sup>9</sup> The HCA Employment Densities Guide, 3rd Edition November 2015 also provides B1(a) offices at a density pf between 10 – 13 sqm per of office worker Net Internal Area (pg. 29).

<sup>10</sup> Milton Keynes Core Strategy (adopted 2013), Table 5.3.



that some 0.31 jobs per dwelling will be generated from retailing, health etc. and 0.37 jobs per dwelling in education, real estate, etc.

**Table 4.1: Jobs Potential of Employment Location in Milton Keynes**

	VACANT LAND	NUMBER OF JOBS
1. Existing employment locations (including SLA)	216.3ha	11,790 – 39,620
2. Number of jobs in CMK delivery of 12,000sq metres of B1 (a) Office space per annum (2013 -2026)		10,400
3. Jobs from retailing, health etc 0.31 jobs per dwelling 28,000 dwgs in MK		8,680
4. Jobs from education, real estate etc 0.37 jobs per dwelling 258,000 dwgs in MK		10,360
<b>5. Total number of potential jobs (rounded figures)</b>		<b>41,230 – 69,060 jobs</b>
<b>(Row 5= sum of rows 1-4)</b>		
<b>6. Potential jobs per dwelling ratio (No of jobs in rows 5/28,000 dwgs)</b>	<b>28,000 dwgs</b>	<b>1.5 – 2.5 jobs per dwelling</b>
<b>7. Number of jobs in Milton Keynes in 2010 (rounded figures)</b>	<b>0</b>	<b>143,200</b>

(Source: Milton Keynes Core Strategy (adopted 2013), Table 5.3, p.29)

- 4.09 Using this approach, the derived indirect jobs resulting from 1,855 new homes would result in the following forecast of job generation:
- **575 jobs from retailing, health etc.** - assuming a ratio of 0.31 jobs per dwelling; and
  - **686 jobs from education, real estate etc.** - assuming a ratio of 0.37 jobs per dwelling.
- 4.10 On this basis and specific to these sectors, these indirect jobs are in addition to the 690 jobs derived from the proposed employment land.

## Neighbourhood Centre and Schools – Jobs Creation

- 4.11 In addition to the above the proposed development also provides for:
- a Neighbourhood Centre on 0.67ha of land;
  - a Three Form Entry Primary School; and,
  - a Four Form Entry Secondary School
- 4.12 The detailed form and composition of the Neighbourhood Centre has not been formulated and the mix of uses will also be reflective of market demand. On this basis it could potentially comprise a variety of uses including high street type retail, a food store, restaurants and cafes. The employment densities for these types of uses typically vary from 15 sq.m to 20/sq.m<sup>11</sup> per job.
- 4.13 For the purposes of the planning application it has been assumed that floorspace for retail and community uses within the neighbourhood centre would comprise the following mix of uses:-

<sup>11</sup> Employment Density Guide 3rd Edition (November 2015)

- Community Uses D1/D2 up to 585 sq.m
- Retail Uses (A1/A2/A3/A4/A5) up to 930 sq.m

- 4.14 On this basis, assuming up to 1,515 sq.m and assuming 17.5 sq.m per job (the mid-point employment density – see 4.12 above), results in 87 potential additional jobs.
- 4.15 The application scheme provides for a three form entry primary school. Over seven years of entry (Reception to Year 6) up to 630 pupils may be assumed. Application of the national level benchmark ratio of primary school pupils per full time teaching staff member of 21.1<sup>12</sup>; indicates that the school could support 30 full-time teaching staff member jobs.
- 4.16 A four form entry secondary school would provide for 600 pupils. Application of the national level benchmark ratio of secondary school pupils per full time teaching staff member of 16.1 indicates that the school could support 37 full-time teaching staff members.

## Summary

- 4.17 Based on the above, the employment analysis estimates the following:
- some 690 jobs would be generated from the employment land, assuming that this land is used for office (B1) use;
  - there would also be potential for an additional 575 jobs from retailing, health etc;
  - 686 jobs will be generated from education, real estate etc;
  - 87 potential additional jobs would also be associated with the local centre; and
  - potentially 30 full time teaching staff member jobs from the primary school;
  - potentially 37 full time teaching staff member jobs from the secondary school.
- 4.18 The proposed development has the potential to generate up to 2,105 jobs.

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<sup>12</sup> Source: Times Education Supplement (<https://www.tes.com/news/numbers-pupil-teacher-ratios>)

## 5.0 CONCLUSION

- 5.01 The preceding sections have addressed the extant and emerging planning context of Aylesbury Vale and Milton Keynes, reflecting on the proposed development's allocation, Policy D-NLV001, in the Submission VALP and the site's spatial relationship with Milton Keynes.
- 5.02 It is clear that the Milton Keynes economy is strong and that it benefits from an economic geography which is a function of its location, accessibility and relationship with nearby economic assets and clusters. These factors, coupled with a positive planning framework have and continue to support high levels of economic growth. The city has a significant stock of B-class employment space, of which over half comprises warehousing space; demand for new B Class property is driven by the logistics sector.
- 5.03 In the office sector, CMK is a strong regional competitor offering a cost effective and accessible location. However, a large proportion of the office stock is second-hand with very limited high quality 'Grade A' space available. More recently new office development has been subdued within CMK, offices have been developed in out of centre locations and tend to comprise of landscaped mixed-use business parks.
- 5.04 The commercial offer on the application site is likely to be B1 office development, with the potential for circa 10,350 sq.m gross of new floorspace. The form this development may take will be reflective of market demand, but is likely to be units of between 200 sq.m and up to 1,000 sq.m gross. Potential occupiers will be seeking locations which provide an attractive environment for staff to work, socialise and live. This entails good transport linkages, visibility, local retail offer and proximity to a residential catchment.
- 5.05 Based on the quantum of employment land proposed it is envisaged that the employment land could support up to 690 jobs. It is also estimated that the proposed neighbourhood centre, primary school and secondary school will generate a further 154 jobs. In terms of a wider economic contribution, the proposed development will indirectly generate significant new employment, estimated at 1,216 jobs.

