
WILTSHIRE LOCAL PLAN CONSULTATION

Appendix 2 to CPRE Wiltshire's Response - Economic Land Assessment for Wiltshire CPRE

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1. Background

1. I was asked to review the basis for the economic land numbers presented in the Wiltshire Plan Consultation to inform the response by Wiltshire CPRE.

2. To do this I have considered the broad evidence informing the plan, in particular the 2016 Functional Economic Market Assessment (FEMA)¹ and the 2018 Employment Land Review (ELR)².

3. While these provide a snap shot of the situation at that time, I have some concern that the Council continues to rely on these documents (see footnote 6 to the Consultation Strategy) both for the economic land requirement and for housing need assessment, without having reviewed the robustness of the assumptions and projections behind those reports given the uncertainty about many areas of economic activity (such as retail) in the future.

4. The ELR reassures the reader in Section 2 of the Executive Summary that little has changed since the FEMA was produced in 2016. 4 years later it is hard to say that is still true.

5. There is also, as I said in the paper on housing numbers, a potential circularity to the Council's approach, where the assumed increase in jobs increases the housing need which then increases the employment needs. This issue is one which Councils were warned about in the Planning Advisory Services' technical advice note on: Objectively Assessed Need and Housing Targets of 2015.³

6. A quote from Oxford Economics, which provided one of the economic models for the FEMA, is pertinent:

¹ [Microsoft Word - Final Draft Report v1.0 - Swindon and Wiltshire Functional Economic Market Area Assessment.docx](#)

² [wilts-elr-report-final.pdf \(wiltshire.gov.uk\)](#)

³ [objectively-assessed-need-9fb.pdf \(local.gov.uk\)](#)

‘The population and employment forecasts are inter-linked, thus if more people are attracted into an area this will have implications for the employment forecasts via demand for local services (education, healthcare, retailing, leisure etc.). It is a little more complicated than this as developments in one local area affect another, so the models have to solve this simultaneously.

Therefore, forecasts from other sources, including alternative population forecasts, should not be set alongside those produced by Oxford Economics’ Local Authority District Forecasting Model as they will not be consistent given linkages within the Oxford model.’

7. Of course, in housing terms the old approach to establishing housing numbers should have been superseded by the Standard Methodology but Wiltshire Council has chosen to over-ride the SM and adopt higher figures based on the FEMA as I discuss in more detail in the housing paper.

8. Equally, however, that has implications for Employment Land need which appears to have been largely derived from assumptions about jobs growth, feeding into the need for offices and industrial space.

9. In this report I consider broadly how that process appears to have worked and the issues it raises.

2. Functional Economic Market Area Report (FEMA)

10. The FEMA report (which also covers Swindon) starts by defining three functional market areas:

- Swindon/M4 corridor
- A350 and west/central Wiltshire towns
- Salisbury/Amesbury/A303

11. Evidence on growth zones and travel to work mapping seems to support these divisions. And, as is also pointed out, the zones have different spheres of influence outside the FEMA area.

12. These zones it should be noted, however, are not coterminous with the housing market areas established in the SHMA and adopted in the Plan for the purpose of defining employment land needs.

13. The FEMA then projects future employment by class (Table 2). What is noticeable is how much of this is dependent on either retail or office development, with over 30% of the need in all cases for classes A1 and B1 accommodation.

14. Table 4 converts this growth in employment into employment land need for each area. The quantum of industrial land is fixed but a range is given for office

development reflecting the very different land use requirement for town and out of town office development.

15. It should be noted that these projected future employment levels are an amalgam of two models, the Oxford Econometrics and Cambridge Economics forecasts, with the Oxford Econometrics model predicting lower job growth generally. As I explain in the housing paper, this is likely to partly reflect the different approach in the two models to migration and population inputs. In some case, including particularly D and C uses, there is also a clear direct relationship between population and jobs. You are likely to need more nursery staff, for example, if you have more people of working age.

16. Table 5.2 shows the wide difference between the two models, with OE predicting 18,800 additional jobs and Cambridge Econometrics 29,900 between 2016 and 2036, although in the OE prediction there is also more employment in Swindon, though not enough to close the gap. Both are forecasting overall higher growth than the Strategic Economic Plan for Wiltshire (2014).

17. Appendix 7 of the FEMA considers this in a little more detail⁴. At 5.1 the appendix says

The total jobs forecasts for Wiltshire are 18,800 (OE) and 29,900 (CE). Initial comparison with demographic analysis emerging from the SHMA suggests the higher level of growth may be beyond what can be sustainably supported by workforce growth. The OE and CE models will be internally consistent with workforce and job growth nationally and locally. Detailed data on demographic assumptions have not been provided by the forecasters. If their models forecast lower workforce growth it would act as a brake on job growth. This suggests a far greater positivity in respect of workforce growth by CE

18. At 5.4 the Appendix suggests further caution is needed:

There is also some imbalance in the early years of the period between existing policy ambition and the level of jobs forecast, with forecasts potentially in excess of growth expectation.

19. Nevertheless, the FEMA approach is to take the average of the two projections with the exception of a few specific exceptions set out in 5.4.2. The net additional jobs by use class are set out in Table 5.5 for both Swindon and Wiltshire. Again, it is apparent how many of these jobs depend on areas of the economy which themselves rely on population growth.

20. These figures are then converted into floorspace requirements and hence land requirements. The report, however acknowledges (for example in relation to A1 retail development at 6.2.1) that there is a difficulty in doing this because not all industrial development is as dense. This is particularly pronounced when considering out of town and in town requirements (for instance in relation to car parking). The resulting land use figures (which are given as a range for some uses) can, therefore, be seen as

⁴ Microsoft Word - Appendix 7 - Baseline Forecast Analysis - Draft v1.0.docx (wiltshire.gov.uk)

leading to policy-on choices, e.g., where does one encourage retail development. 6.2.4 quantifies this discrepancy with in town office development can be 1:1 while out of town typically only utilises 40% of the land.

21. The land requirement resulting from this assessment is then set out in Table 6.4 (Essentially the same table as Table 2) and this is deemed to be consistent with the 19 hectares per annum (hpa) of land for business which has been historically (albeit lumpily) delivered. The report then suggests 15 hpa should be provided across Swindon and Wiltshire, just under 300 hectares from 2016-2036.

3. Employment Land Review (ELR)

22. To take the FEMA results forwards the Employment Land Review (ELR) for Wiltshire (May 2018) considers the supply of land specifically in Wiltshire to meet the need in the FEMA.

23. It assumes little has changed in terms of economic fundamentals and its figures for need can generally be compared directly with the FEMA for the A350 and Salisbury areas.

24. However, it should be noted that the Swindon area only includes part of the FEMA figure and I could not ascertain exactly how this split was derived. Those three sets of figures are set out in Figure 0.1. It can also be seen that the need is predominantly for Industrial rather than Office Development.

25. To consider whether the need can be met on existing sites, Wiltshire carried out a review of sites which were already allocated and, in a few cases, unallocated. They then discounted sites which had a high risk of non-delivery, although these only seem to account for about 6 hectares. I have not reviewed these sites myself but have assumed their analysis was robust.

26. The resulting Figure (0.4) shows the total land considered available, which amounts to 172 hectares across Wiltshire, of which 166 hectares is considered at low or medium risk. Figure 0.5 then compares an overall need generated by the FEMA (157 ha to 182 ha) with the supply of 166 hectares.

27. The 166 hectares figure results in a potential shortfall (16 hectares) but only if the higher figure for need is adopted, although the ELR goes on to explain that there is also an overall surplus for the first 5 years.

28. For the split between the three areas the report suggests that:

In the M4/Swindon (Wiltshire) FEMA, demand for employment land exceeds supply over the whole plan period (2016 to 2036) and during the first five years. There is potential for more land to be allocated at Marlborough, and at Malmesbury, where there is little supply, to capture growth in proximity to Dyson.

In the A350 FEMA, the potential supply (excluding sites that are un-allocated or at high risk of non-delivery) is just above the range of potential demand scenarios. The market is interested in Chippenham, and there is scope for more land to be allocated here, as well as at Melksham and Corsham.

In the A303/Salisbury FEMA, there is sufficient land to meet demand during the first five years of the Local Plan period, but not enough land to meet the forecast demand over the whole 20-year plan period. There is potential for more allocations in the Salisbury area to enable growth here, but sites have not yet been identified.

29. Figure 3.1 then gives a breakdown of the requirement in each area based on the FEMA results (although for Swindon the link is harder to verify as it is only a proportion of the land in the Swindon analysis in the FEMA). The range of figures results entirely from uncertainty about office accommodation needs.

30. A series of 6 options is then considered for the breakdown of demand within each FEMA, taking account of factors such as past performance, housing and market interest. None of these seem to consider the sustainable development or climate change issues related to each possible pattern of development. There seems to be particular interest in Chippenham despite the lack of overall need in the A350 FEMA.

31. Further consideration is given to the marketing of sites and improving deliverability, and in Chapter 6, the question of shortfall is considered. At the upper level of demand the analysis results in a shortfall of 16 hectares across Wiltshire. However, that is likely, the report says, to apply to industrial rather than office development (see Figure 6.2). There is also no shortfall in the first five years.

32. The report then considers the specific situation for each of the three areas. In Swindon there is considered to be a shortfall of 5-8 hectare and 4 hectares in the first five years

33. On the A303 corridor there is a shortfall of 3-12 hectares but none required in the first five years.

34. On the A350 corridor, there is an excess ranging from 3 to 16 hectares, but the report suggests both Chippenham and Trowbridge lack a choice of supply.

35. Lastly, they refer to specific unallocated sites they have tested, and to proposals for two 'exceptional' sites on the M4 Junction [17](#) amounting to 77 hectares which they do not suggest require including.

4. The Draft Plan

36. At Para 2.18 the draft plan includes a table of additional need for land for business. It says:

‘Studies of employment needs for the plan period resulted in a forecast requirement to plan for an additional 26ha of land for business’.

37. Footnote 6 identifies these as the FEMA and ELR. This is then split into the four HMAs three areas, 6 hectares for Swindon (Wiltshire part), 10 for Salisbury, 9 for Chippenham and 1 for Trowbridge.

38. It should be understood that these numbers conflate two things. The Salisbury and Swindon numbers are based on numerical calculations, whereas the figures for Chippenham and Trowbridge (as discussed above) are based on a perceived need for additional sites in those settlements to provide choice, something based on anecdotal evidence.

39. The actual FEMA requirement for land is, therefore, only 16 hectares, and the rest is additional to that.

5. Commentary

40. The need to allocate industrial and office space is far from an exact science and it is important that local authorities provide a range of sites which are appealing to the market. However, with the exception of Chippenham and Trowbridge the analysis here appears to be largely arithmetical. The Plan does not identify particular sizes or types of sites where the current portfolio is inadequate. Instead, it quantifies need purely based on arithmetic employment calculations.

41. Those employment calculations were undertaken in the FEMA of 2016 and it was admitted at the time that they could be influenced by BREXIT. In 2018 it appeared little had changed when the ELR was undertaken. However, it is hard to argue that is still the case. It is clear that the impact of COVID may not be only recessionary but also structural, particularly in sectors such as retail.

42. This clearly impacts on those projections. For example, Para 5.3.5 of Appendix 7 sets out the jobs projections in retail for Swindon and Wiltshire. They are 700 using OE and 2100 using CE. Since the final figure is a blend of both, one can see that the assumption for retail employment growth was subject to significant doubt at the time and even more so now with the contraction of the High Street.

43. Not only are the projections for employment growth based on pre-BREXIT/COVID assumptions, they are also significantly higher than the household projections from

ONS, even when the standard methodology is applied. The additional households required add approximately 13%. As PAS point out there is a circularity to such additions.

44. The lower Oxford Economic projections may, in fact, be more realistic because they allow for population movement to influence economic activity. That may be why Leicestershire, to take one example, only used the Oxford projections in their Housing and Economic Needs Assessment⁵.

45. There is a further issue, particularly, in terms of office development, that transferring floorspace to land requirement is highly dependent on the density of development. Hence the range of figures with the lower end being beneath the supply level. This is also dependent on how much industrial space, particularly offices, is in town and how much out-of-town. While this is partly a market driven issue it is also a policy issue with impacts for sustainable development.

46. Furthermore, one can also assume that, while significant amounts of future employment will require additional space, there are likely to be changes to working practices post COVID, particularly in terms of home-working, which will reduce the need for office space.

47. In other words, it is not clear to me that the arithmetic approach supports the relatively marginal (10%) extra need for industrial and office development. It also appears to be likely that it is mainly in industrial land that any shortfall might be felt but the plan does not prioritise that.

48. As a result of these factors, I am not convinced whether the shortfall in land for business truly exists at an arithmetic level. Even if it did it would largely apply to the later part of the plan period, probably after a further review which would benefit from more up-to-date post BREXIT and COVID evidence.

49. In terms of the current supply, an interrogation of the full site assessment information provided in Appendix 9 of the ELR which compared sites with specific identified needs might identify specific shortfalls of sites, whether type (e.g. logistics provision) or size (e.g. larger sites which serve a strategic purpose), or also short-term supply issues, but that is beyond this report and is not something stressed in the Draft Strategy as justification for the additional supply of industrial land.

50. Since there is no suggestion of a need for regionally significant sites, and the two larger sites on M4 Junction 17 are rejected, it appears that the need is generalised and so could be met by a variety of options.

51. Furthermore, given the amount of land required I would have liked to have seen consideration of policies to encourage higher density development at sustainable locations where that is appropriate. One difficulty with the Sustainability Appraisal is that it assumed the figures in the Plan and only considered where those could be met,

⁵ Housing and Economic Development Needs Assessment (HEDNA) -Strategic Growth Plan LCC
(lstrategicgrowthplan.org.uk)

whereas for some development reasonable options might include a variety of locations with different densities.

52. Moreover, it is assumed in the Plan that the numerical over-supply, resulting from identified local supply issues, in Chippenham and Trowbridge does not compensate for shortages elsewhere. In effect the arithmetic shortfall is met in Salisbury and Swindon and then the Chippenham and Trowbridge numbers added on. I would like to understand why that is the case.

53. Moreover, the assumptions behind the shortfall in the Swindon corridor remains unclear to me. The ELR only considers meeting that portion of the need within Wiltshire. However, the need is across the two authorities. It may be that there is land allocated within Swindon which could meet that need or new allocations which could be made in Swindon at more sustainable locations.

54. The 2017 Strategic Framework for the two authorities is, as far as I can see the most up to date published joint statement. The Framework page on Swindon's website suggests:

A Statement of Common Ground should, therefore, be prepared between Wiltshire and Swindon to confirm the extent of joint working between the two authorities.

This includes whether:

- *the proposed employment land requirement identified in the Swindon and Wiltshire FEMAA can be accommodated within each authority's boundaries and if not the extent of the shortfall in provision⁶*

55. It seems to me that the authority should provide evidence as to why the additional employment land allocated in that corridor should be specifically allocated in Wiltshire.

56. More generally, and in all the corridors, I would have liked to see more emphasis on the quality of the sites, matching employer demand, rather than the quantum or size. Without employer orientated consideration, there is a risk that oversupply will lead to lack of uptake.

⁶ Swindon and Wiltshire joint spatial framework | Swindon Local Plan | Swindon Borough Council

6. Conclusions

57. The justification for the shortfall in land for business (both offices and industrial) is based on evidence which predates the impacts of both BREXIT and COVID. It is likely that at least some changes in working practices will persist that will impact on both the need and supply of space for business.

Moreover, the shortfall only occurs if one adopts more bullish assumptions about economic growth and population growth.

58. Given that the shortfall accounts for only about 10% of supply and is unlikely to occur until late in the Plan Period, the justification for additional allocations seems to me limited.

59. In terms of the specific FEMAs, the shortage of choice of sites in Chippenham and Trowbridge, while identified as anecdotal, might justify additional provision. I was not asked to consider whether that anecdotal evidence was justified but I understand CPRE will make representations on that. However, even if it is, it is not clear to me why no consideration is given to whether this should be considered to compensate for the modest shortfalls in the other FEMAs.

60. Moreover, I am unclear why there is no consideration of whether the shortfall in the Swindon FEMA could or should be met within Swindon Council.

61. While there may be a case for modest additional allocations based on specific shortfalls of available sites, these considerations do not appear to be clearly articulated in the supporting material.

62. Furthermore, neither the plan nor the Sustainability Appraisal considers reasonable options which would reduce the amount of land required

63. My view, therefore, is that CPRE Wiltshire has justification for objecting to those allocations and specifically identify further work which would be required to robustly justify continuing with this level of additional allocations for business use as the Plan progresses.

64. The objection should not only be to the quantity of development, but it needs to identify the purpose of any additional allocations.