



**SANDWELL LOCAL PLAN - EXAMINATION IN PUBLIC
MARCH 2025**

TOPIC PAPER – EMPLOYMENT

CONTENTS

1. Background.....	3
2. NPPF.....	4
3. Black Country Local Authorities Economic Development Needs Assessment (EDNA).....	4
4. Sandwell Employment Land Review (SEAR) (Black Country Employment Area Review (BEAR)).....	5
5. EDNA Conclusions.....	6
6. Employment Land Supply Paper Technical Paper.....	7
7. Duty to Co-operate.....	7
8. West Midlands Strategic Sites Study 2023/24.....	8

1. Background

- 1.1 Sandwell has a long industrial history, especially in manufacturing. Until the 1980s the Black Country, together with neighbouring Birmingham, was the powerhouse of Britain's manufacturing economy.
- 1.2 Sandwell has many growing and productive businesses, and a higher-than-average proportion of its businesses are small, but residents are not always able to take up opportunities related to those employment and economic activities. Sandwell also has a limited amount of the type of high-quality land needed to enable businesses to expand and grow in the borough's industrial core.
- 1.3 In the Black Country Core Strategy (BCCS), adopted in 2011, it was anticipated that the then current economic decline (a product in part of the worldwide economic collapse around the mid- to late 2000s) would continue, resulting in the release of large amounts of former employment land for redevelopment as housing. However, work undertaken around 2017 prior to the commencement of the production of its replacement, the Black Country Plan, demonstrated a clear need for additional employment land.
- 1.4 This increased and sustained demand arose because of a growing requirement for industrial and warehousing land, which was not anticipated or planned for in the previous BCCS. In the previous Strategy, it was anticipated that industry would continue to decline as employment shifted to the office and service sector, which generally requires less land. Much of the employment land was expected to become surplus to requirements and thus available for reallocation to meet housing needs. This shift did not occur and many of the employment sites allocated for housing have continued in profitable employment-related use.
- 1.5 This is very apparent in Sandwell in particular, where many of the sites allocated for housing in the previous local plan (the Sandwell Site Allocations and Development Document) have remained in active economic use and their landowners have confirmed a commitment to both continue and, in some cases, expand operations on those sites.
- 1.6 The Sandwell Local Plan aims, through its strategy and policies, to provide a supply of employment land to meet local requirements, as set out in the NPPF. The Sandwell Local Plan strategy and employment policies are based on two key pieces of evidence. They are the two-stage Economic Development Needs Assessment (EDNA), and the Black Country Employment Area Review (BEAR).
- 1.7 The employment policies within the local plan are concerned with promoting and supporting employment manufacturing, research and development E(g)(ii), E(g)(iii), B2 and B8 uses and other uses that are appropriately located in employment areas.
- 1.8 This topic paper sets out the key policy context that has been considered, the key evidence base (including updates up to November 2024).

2. National Policy – NPPF

- 2.1 The NPPF (2024)¹ states that planning policies should help create conditions within which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, considering both local business needs and wider opportunities for development. The approach should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.
- Planning policies should set out a clear economic vision and strategy that:
 - Positively and proactively encourage sustainable economic growth.
 - Set criteria or identify strategic sites for local and inward investment to match the strategy and to meet anticipated needs over the plan period.
 - Seek to address potential barriers to investment and be flexible enough to accommodate needs not anticipated in the plan.

3. Black Country Local Authorities Economic Development Needs Assessment (EDNA)

- 3.1 The Black Country FEMA primarily comprises the four Black Country Local Authorities (BCLAs), based on well-established socio-economic, market and administrative relationships between the four authorities, and drawing on the strong economic interactions of the four authorities with Birmingham and South Staffordshire. EDNA also recognised the economic interactions of lesser strength with other areas on the edge of the Black Country such as Wyre Forest, Bromsgrove, Lichfield, and Cannock Chase. The principal aim of the EDNA is to provide updated evidence regarding the economic and employment land demand estimates across the four Black Country Local Authorities (BCLAs). The latest EDNA (2024) (Warwick Economics & Development) assessment provides an update of the 2017, 2021 and the 2023 revisions of the EDNA while also drawing on new economic forecasts produced post-pandemic.
- 3.2 The evidence in the EDNA focuses on the Black Country and provides information for each BCLA; the main elements of the updated EDNA include:
- Review of national, regional and local policy context.
 - Review of socio-economic characteristics of the Black Country.
 - Review of the Black Country FEMA and functional relationships between the Black Country Local Authorities with neighbouring authorities.
 - Forecast future needs drawing on a range of estimates and future scenarios for future economic and employment growth.
 - Identification of future employment land needed to reflect the levels of forecast of both employment and Gross Value Added.

¹ NPPF 2024 paragraph 85

3.3 The EDNA provides an objective assessment of the employment land requirement in the Black Country and Sandwell to 2041, based upon an independent assessment of the area's economic development needs.

4. Sandwell Employment Land Review (Black Country Employment Area Review (BEAR))

4.1 The overall purpose of this Study is to assess the suitability of existing employment land across the Black Country for continued business and industrial use. The Study reviews the stock of existing operational employment land which is already in use, identifies what is suitable to retain and what can be released to other uses, notably housing. The Study is not concerned directly with the identification of currently vacant land for new employment development, this being considered in all the Employment Development Needs Assessments (EDNA) and associated Employment Land Supply statement.

4.2 A key objective of the SLP was to ensure that there was sufficient employment land to meet the job needs of residents and the accommodation requirements of businesses over the period of the plan to 2041.

4.3 The overall purpose of the Study was to assess the suitability of existing employment land across the Black Country for continued business and industrial use. The Study reviews the stock of existing operational employment land which is already in use, identifies what is suitable to retain and what can be released to other uses, notably housing. Through the BEAR, 1,193 hectares of occupied employment land was identified as being suitable and carried forward into the SLP.

4.4 For the purposes of the Study, employment land consists of land for factories, warehouses, logistics and other uses that need to locate in industrial areas (trade wholesale, depots, car sales / repair garages, waste management).

4.5 The 2017 EDNA recommended that the Black Country Plan should maintain the distinction between Strategic High-Quality Employment Land and Local Employment Land. This recommendation has been carried over in the Sandwell Local Plan.

4.6 The BEAR reviewed all employment land and sites that scored 30 and over have been allocated as SEC2 - Strategic Employment sites, sites that scored 20 and over have been allocated as SEC3 - Local Employment sites and sites that scored under 20 as SEC4 – Other Employment sites. With regards to the SEC4 sites, if these sites are no longer required for employment uses then they could potentially be redeveloped for alternative non-employment uses such as housing.

4.7 Due to the lack of vacant employment for development, this has meant that developers have had to redevelop existing industrial sites or companies have had to expand on their existing sites. Since 2021, there has been 51 hectares (gross) of industrial development has taken place on existing occupied employment land. Development has either been in the form of extensions to existing buildings or demolition of existing of buildings and new premises built in their place. Of the 51 hectares developed only 11.8 hectares was on net additional land. Much of this industrial development was on employment land previously allocated for residential

use in the Sandwell Site Allocations and Delivery Development Plan Document (SAD).

5. EDNA Conclusions

- 5.1 Within the EDNA (2023), the overall employment land need figure for the Black Country is stated to increase from 470 hectares to 533 hectares (equivalent to 25.38ha per annum) between 2020 and 2041, to include the employment land lost because of planned redevelopment to alternative uses. In Sandwell, the initial total target figure of 186 hectares was increased to 212 hectares through the addition of 26 hectares associated with sites comprising existing operational employment land that are now allocated for housing and other land uses. The need to replace these losses will be monitored as the Plan is implemented.
- 5.2 A further update of the EDNA (November 2024) has indicated that there have been some significant changes in the underlying Oxford Economics (OE) forecasts (produced in January 2024) compared to the previous set of forecasts (which were used to inform the EDNA 2023 calculations). The 2024 OE forecasts, for example included an assumption that the working age population would reduce between 2020-2042. This reduction is not supported by the population forecasts produced by ONS, that in fact show that working age populations are projected to increase in all four Black Country Local Authorities (BCLAs). Therefore, different assumptions based on past completions were used in the modelling, this led to a change in the forecasting of the employment land requirements in the EDNA (November 2024) and has led to additional modifications to Policy SEC1, which show the updated figures for employment land for Sandwell and the Black Country.
- 5.3 These changes in turn led to further changes in the forecasted amounts of employment land; for example, using OE forecasts would lead to negative employment land requirements. However, these forecasted levels of future employment land are not supported by evidence related to historical long-term (15 years) trends in completions and developments in the Black Country, including the assumption that the lower than average completion rates achieved in the past will be delivered in the future. On this basis and given the lack of any evidence indicating a downturn in the local economy, it can be concluded that existing baseline forecasts provided by OE are not reliable enough to predict the likely future requirement for industrial land in the Black Country.
- 5.4 The employment land demand figure is now based on past completions (past completions is based on the past development levels with the average projected forward). This approach is based on the amounts of land that have been developed over a 15-year period and represents the best empirical evidence available to sense check future employment land requirements.
- 5.5 The requirement figures based on past completions for the Black Country and the individual local authorities have been superseded by the November 2024 EDNA update. The total demand for the Black Country up to 2041 increases to 634.7. In total, 377.4ha of land has been identified within the Black Country FEMA, that can

contribute towards meeting identified needs to 2041, and 387ha of land to 2042. The 2041 shortfall is therefore 257.2ha and the 2042 shortfall 280.4ha.

6. Employment Land Supply Technical Paper

- 6.1 This paper forms part of the evidence base, to support the preparation of the individual Local Plans produced by the Black Country Local authorities (BCLAs). The overall purpose of the Paper is to provide a definitive position statement on employment land supply to meet future needs. The approach is consistent with the guidance on Housing and Economic Land availability assessments set out in Government Planning Practise Guidance (July 2019). In late 2022 it was agreed that work on the BCP would cease, and that the individual BCLAs would produce their own Local Plans. Since then both Sandwell Council, Dudley Council and City of Wolverhampton Council have published Regulation 18 and 19 Plans for consultation. Walsall Council is also progressing a Local Plan, with publications dates yet to be determined.
- 6.2 However, for the purposes of employment land, given the close physical and functional economic relationships between the BCLAs, and the nature of the joint evidence base prepared to date, the BCLAs are continuing to work together through the Duty to Cooperate to ensure that future needs continue to be forecasted and, where possible accommodated, on a Black Country-wide basis, corresponding to the geography of the Functional Economic Area confirmed in the 2021 Black Country Economic Development Needs Assessment.
- 6.3 For the purposes of this paper, employment land consists of land for factories, warehouses, logistics and other uses that need to locate in industrial areas (trade wholesale, depots, big garages, waste management). It does not include shops, offices (except where ancillary to B2/B8 uses), and leisure uses.
- 6.4 The context for this paper is the Black Country Economic Development and Needs Assessment (EDNA) prepared by WECD consultants in 2017, with further updates in 2021, 2022, 2023 and 2024. The paper provides a position statement on Black Country Employment Land supply (2020-2041 and 2020-2042). The paper uses a logical step by step approach to show how the local authorities have examined existing and forecast future land availability to meet identified needs.
- 6.5 The paper concluded the FEMA shortfall as set out in paragraph 5.5, Sandwell's contribution to the FEMA equates to a demand figure which increases to 229.5 hectares (203.5ha plus 26ha lost to non-employment uses) and current supply of 44.5 hectares equating to an employment land shortfall of 185 hectares up to 2041.

7. Duty to Cooperate

Black Country Functional Market Area / Locations with an economic relationship with the Black Country FEMA

- 7.1 The Black Country FEMA was originally established in the 2017 Black Country Economic Development Needs Assessment (EDNA). The extent of the 2017 FEMA

was subsequently reviewed and confirmed in the 2022 EDNA update. This work identifies Black Country FEMA primarily comprising the four Black Country Local Authorities (BCLAs), based on well-established socio-economic, market and administrative relationships between the four authorities, and Birmingham and South Staffordshire drawing on the strong economic interactions of the four authorities with Birmingham and South Staffordshire. The 2017 EDNA also recognised the economic interactions with other areas on the edge of the Black Country - Wyre Forest, Bromsgrove, Solihull, Tamworth, Lichfield, and Cannock Chase.

- 7.2 Duty to Cooperate discussions to date have agreed contributions from neighbouring local authorities from South Staffordshire and Shropshire. South Staffordshire have agreed through a Statement of Common Ground (SoCG) to a contribution to the Black Country of 112.2 hectares minimum and Shropshire have agreed through another SoCG to contribute 30 hectares. This equates to a total of 142.2 hectares of additional employment land contributions, which when added to the current supply in the Black Country equates to a new total of 519.6 hectares. Therefore, the shortfall is reduced to 115 hectares in the Black Country FEMA to 2041.
- 7.3 In meeting this shortfall, the four Black Country authorities will continue to progress engagement through Duty to Cooperate with neighbouring local authorities identified as having a strong or moderate economic relationship with the Black Country FEMA, and other areas where there is an evidenced functional relationship.

8. West Midlands Strategic Employment Site Study 2023/24

- 8.1 To progress provision of strategic employment sites and aid local plan making across the West Midlands, the seven West Midland Metropolitan local authorities and several local authorities in Shropshire, Staffordshire, Warwickshire and Worcestershire along with the West Midlands Combined Authority commissioned a study.
- 8.2 For businesses to grow and for inward investment to take place, creating jobs and GVA growth, land needs to be available. Since the end of regional planning and Regional Spatial Strategies it has been more challenging to bring forward large scale investment sites in the West Midlands and other parts of the UK. A report was therefore commissioned jointly by the West Midlands Combined Authority (WMCA) and various local authorities in the region, to provide land-based recommendations designed to support continued economic growth in the West Midlands in the two decades up to 2045. The study focussed on strategic employment provision and was intended to inform the local plan making process.
- 8.3 The purpose of the study was to:
 - Provide an update position on currently committed strategic sites.
 - Identify the need for large scale strategic logistics and manufacturing.
 - Address modern industry's requirements on the overall number and type of strategic sites (25 hectares plus) in the study area and how many rail enabled logistics sites / manufacturing sites are needed to attract large scale international investors; and

- Advise on the phasing and priority of broad locations / corridors for new strategic sites to meet forecast demand to inform Local Plan preparation.
- 8.4 The work set out to provide an assessment of the need for large scale employment investment sites across the West Midlands study area, typically being those sites above 25 hectares and typically large units of 9,300 sqm and above. The study reported on broad locations for growth, taking into account current supply, a review of broadly achievable locations and having engaged with a wide range of stakeholders.
- 8.5 The study did not identify any sites in Sandwell that could be considered as strategic; the largest employment site available for employment development is 7 hectares, although there are several industrial / warehouse units in the borough over 9,300 sqm. The study did identify that Sandwell has a significant proportion of employment in manufacturing (17.2%) and relatively high employment in the wholesale sector (7%) compared to other districts in the study area.