

E4 EMPLOYMENT AND EMPLOYMENT LAND RISK ASSESSMENT

- E4.1 The Black Country is part of a complex network of residential and employment areas. As such there is an equally complex travel movement to and from work, and interdependency with Birmingham, Southern Staffordshire, Telford and other adjacent areas.
- E4.2 The gross and net movement of workers reflects this interdependency. Sandwell, for example, has a net inflow of workers each day from Birmingham, reflecting close juxtaposition of boundaries, and the manufacturing base of Sandwell. Proximity of Birmingham City Centre to Sandwell boundaries might have suggested the reverse would be the case.
- E4.3 The employment strategy in the Vision seeks to achieve a broad match between population growth and growth in jobs. Whilst there will continue to be inter-authority dependency as stated above, the strategy seeks to achieve a maximum degree of self-sufficiency.
- E4.4 This has strong sustainability benefits as well as counterbalancing the inevitable and large-scale decline in manufacturing jobs in the Black Country. It is equally intended that the strategy for skills development from the primary level to adult learning enables recipients to achieve jobs commensurate with their ability, and which helps enhance personal income levels.
- E4.5 The projected growth in jobs (in gross terms, 101,000 jobs in services; 8,000 in retail; 17,000 in logistics and 60,000 knowledge based jobs) represents a net increase of 52,000 jobs in the period to 2021, and 94,000 jobs up to 2031.
- E4.6 This scale of change illustrates the high degree of reliance upon successful centres growth.
- E4.7 Equally, the strategy relies upon the growth and attraction of knowledge-based activities. Increasingly, they, together with offices, look to availability of an appropriately skilled workforce as a key locational consideration.
- E4.8 Any imbalance between the nature and scale of skills uplift, the provision of jobs and needs of the local population will have consequences for activity rates, commuting (in and out) and the area's attractiveness to households and investors as employers.
- E4.9 The sub-region's attractiveness as an office location has traditionally been of a localised nature – local firms seeking better, or better-located space locally, rather than major mobile employers from beyond the sub-region.
- E4.10 Merry Hill as Waterfront provided the key exception, attracting government-related operations, which had a greater level of locational flexibility. This attractiveness included the establishment of purpose-built

office campuses, associated supporting and leisure facilities, surface-level and adequate car parking, environment and prospects for investment growth.

- E4.11 The success of Waterfront as the second largest central office area has been in part a consequence of the scale as well as quality of development so that Waterfront was seen as a major office centre in its own right, as opposed to an isolated smaller scale office project.
- E4.12 Each strategic centre, including Brierley Hill/Merry Hill, will need to grow offices in a deliberate, focused manner with a strong commitment to powerful marketing in order to convince investors/occupiers that each centre is developing strategically with large-scale flexible space allied to other key attractive and growing central area functions.
- E4.13 A high risk factor will be that the scale of warranted growth cannot rely on local markets alone but needs to penetrate national mobile investment markets in order to succeed. The relative strength of Birmingham City Centre and greenfield business parks as office locations must be balanced by Black Country key centres offering competitive rentals, prospects for investment growth and office environments attractive to a potential workforce.
- E4.14 The strategy is heavily dependent upon service jobs, particularly in offices. Successful growth in Black Country offices will be dependent upon complimentary policies in the Region to constrain the scale of greenfield business parks, which have absorbed the large proportion of Midlands Region office growth in the last decade.
- E4.15 Unless there are strong policies of restriction in place, this process will continue, and the attraction of non-local occupiers to town centre office locations will be reduced as a consequence. The market preference towards greenfield parks stems in part from availability but also ample, surface level car parking, access to motorways and thus to a wide A/B catchment.
- E4.16 The risks to the office strategy are:
- Achieving the scale of required growth from a low base.
 - An adequate potential workforce.
 - Appropriate breadth and nature of skill levels.
 - Enhancing market confidence in centres with traditionally low levels of office provision.
 - Creating a comprehensive town centre environment.
 - Complementary restrictive regional policies on greenfield business parks

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- E4.17 The Consortium acknowledge the historical strength of Black Country manufacturing, its vulnerability to change in markets, the inevitable shake-out of employment as it adapts, the changing locational and environmental requirements, needs for high levels of public transport and highway accessibility and availability of an adequate potential workforce.
- E4.18 The encouragement for incubation, new startup business, help towards relocation, adaptation and diversification, are key elements in both Regional and Black Country economic strategies. There is a consensus approach to facilitating adaptation whilst acknowledging the scale and pace of rationalisation.
- E4.19 The strategy does not seek to encourage decline in manufacturing in any way, but rather to assist in business adaptation.
- E4.20 In this respect the strategy for employment land is a key spatial dimension.
- E4.21 Black Country Investments (BCI) is the key local agency to match supply and demand for land or space. There is continuing concern that the sub-region has been lacking a "quality land product" sufficient to attract substantial inward mobile investment.
- E4.22 The last 5 years has seen 1,500 enquiries per annum, largely locally based and seeking smaller units. 75% of these failed to satisfy their requirements at all, or they found space outside the area.
- E4.23 Additionally, in the same period, 36 enquiries per annum sought land. Again 75% of these failed to satisfy requirements at all or found space elsewhere.
- E4.24 BCI believe the absence of a "quality land portfolio" is central to the limited success rate. With some limited exceptions, the Black Country has lacked large-scale sites to attract inward investment. With the exception of i54, Hilton Cross and Featherstone the potential resource is essentially the recycling of brownfield land.
- E4.25 The employment land portfolio, excluding the 3 sites mentioned above, comprises 3,900 ha.
- E4.26 The land required for transfer to housing comprises circa 1,700 ha to 2031 (circa 1,100 ha to 2021). The strategy seeks to create a new high quality land portfolio within the remaining 2,200 ha, at least to a minimum level of 1,600 ha in total to 2031.
- E4.27 This land will function to accommodate relocating Black Country firms, inward investment and new technologies. The challenge represents circa 60 ha per annum and 1,600 ha in total to 2031.

- E4.28 The transformation of land to create competitive, manageable and marketable resource requires:
- Land assembly.
 - Reclamation and servicing.
 - Access.
 - High accessibility to public transport and major roads.
- E4.29 There is clearly a need for a high level of multi-agency commitment in achieving these requirements. The Delivery Plan will set out the sequence of actions for the delivery of top quality land, which will be protected from pressure for alternative use by Joint Core Strategy policies.
- E4.30 Substantial areas within the 2,200 ha potential land resource are currently occupied and will become available as they become vacant or through proactive application of land assembly measures.
- E4.31 The strategy has heavy dependency on land becoming available and, since in part this arises from windfall (i.e. unpredictable availability), there is risk as to the pace of change and action required for delivery.
- E4.32 The nature of demand in future also carries uncertainty. The BCI data indicates that only approximately 15% of enquiries for premises and land are satisfied. This suggests that there is a large latent demand that could be satisfied if the land product is provided in appropriate locations.
- E4.33 There is evidence of new developments in secondary locations that have been marketed as unit schemes for up to 5 years before full occupation is achieved. Secondary locations even with quality land or buildings can be an inhibiting factor to help meet demand.
- E4.34 There is a substantial stock of secondary floorspace on the market where demand is absent but landowner expectations on land values are excessive. There is oversupply at present of poor grade premises which act as one deterrent to new investment, and if the strategy is to succeed this stock must be taken out and the land put to productive use, either for employment (if well located) or transfer to housing.
- E4.35 Poor accessibility to key locations such as Pensnett in Dudley and north of Aldridge is a deterrent to some components of demand. The transport strategy includes interventions as highway/public transport improvements to achieve reliability and efficiency in gaining access to the major road and motorway networks. Despite good management these areas will become fragile unless the transport investment is provided to enhance their contribution to the top quality portfolio.
- E4.36 Land delivery has a further critical role in the relocation process. Area transformation for housing-led regeneration in key areas will be heavily dependent upon relocation of industrial activities.

- E4.37 This process will also be dependent on the adequacy of land/premises to meet relocation requirements. A key risk will thus be the shortfall in speed and scale of land delivery and either consequent pent-up demand or delay to transformation programmes to meet housing objectives and the scale of housing provision.