

Briefing Note

Our ref 62455/04/SHO/CR
Date 8 October 2024
To Newark & Sherwood District Council
From Lichfields

Subject Newark & Sherwood Allocations and Development Management DPD Examination

Matter 6 – Employment Development

1.0 Issue 1 – Whether the Plan makes adequate provision for employment development

Q6.1: Are the scenarios in the Nottingham Core Housing Market Area [HMA] and Nottingham Outer HMA Employment Land Needs Study (the Employment Land Needs Study) soundly based and justified?

- 1.1 In 2021 Lichfields produced an Employment Land Needs Study [ELNS, ref: EMP-2] covering the Nottingham Core HMA and Nottingham Outer HMA, which assessed the future economic development needs of the eight authorities (including Newark & Sherwood District Council) up to 2038. The purpose of EMP2 was to provide the Commissioning authorities with an understanding of the current and potential future requirements for employment land and how this aligned with the current stock of employment land across both the Functional Economic Market Area [FEMA] and also at constituent authority level.
- 1.2 EMP2 was prepared in the context of requirements set out in the revised National Planning Policy Framework [NPPF] published in February 2019 and the relevant Planning Practice Guidance [PPG] with regards to planning for economic development needs, as summarised in paragraphs 1.13-1.20 of EMP2.
- 1.3 There are a variety of factors and drivers to consider when objectively assessing the business context and needs for a local economy. The study used a combination of quantitative and qualitative analysis to examine these issues in the context of the Nottingham Core and Outer HMAs and synthesised this analysis to draw overall conclusions and policy implications for long-term planning across the sub-region.
- 1.4 This was informed by a review of market trends and secondary data, as well as consultations with a number of stakeholders such as commercial agents and developers active in the area. An online Business Survey was also undertaken in November 2020-January 2021 to help gain an understanding of local companies' current and future employment space needs (Sections 5.0 and 6.0 of EMP2).
- 1.5 Stage 2 of EMP2 reviewed the strategic employment sites portfolio of the 8 authorities and reported on their suitability to meet future office, industrial and distribution development needs and their likely deliverability. 133 existing allocated, or, in a few instances, potential

employment sites were assessed, of which 26 were in Newark & Sherwood District. Of these, 21 sites were recommended to be retained for employment uses totalling 129.86 ha (Section 7.0 of EMP2).

Scenario Modelling

- 1.6 Stage 3 of EMP2 analysed future employment land requirements for the 20-year period 2018-2038. A number of different growth scenarios were considered to test the likely need for employment land generated over the plan period in line with the PPG. These scenarios considered the need for office and industrial (i.e. manufacturing and warehousing) floorspace, with the final requirements specified in floorspace (sqm) for office (incorporating R&D), and land (in hectares) for E-Class light industrial, B2 and B8 uses to align with the local authorities' employment land policies in their respective adopted / emerging Local Plans.
- 1.7 The following scenarios were modelled:
- 1 Baseline employment forecasts (**labour demand**), using Experian's Local Market Quarterly Forecasts for September 2020 (compared to the March 2020 projection);
 - 2 Trending-forward **past jobs growth** experienced over the long term (1997-2018);
 - 3 **Regeneration-led** econometric model, which factored in the priority sectors targeted in the D2N2's *Spark in the UK's Growth Engine Strategic Economic Plan - 2019-2030*. This referred to 11 priority sectors important to the D2N2 economy which require different interventions in order to effectively contribute to productivity growth.
 - 4 Estimated growth in the **local labour supply** and the jobs and employment space that this could be expected to support. This was based upon the Government's Standard Methodology [SM] for calculating housing need; and,
 - 5 Consideration of **past trends in completions of employment space** based on Council monitoring data and how these trends might change in the future.
- 1.8 All these approaches reflect different factors and EMP2 noted that careful consideration needed to be given as to how appropriate each was to circumstances in the 8 districts. The report recommended that a range of qualitative factors should also be taken into account by the Councils, that would typically consider the quality and demand for existing premises, the spatial distribution of supply and demand for premises, and insights from commercial property agents and local businesses.
- 1.9 As the report was undertaken during the Covid-19 pandemic, EMP2 identified that its impacts on the economy and businesses would be very significant, depending on the employment sector and the nature of the post-Covid-19 recovery. Coupled with the considerable economic uncertainty over Brexit at the time of preparation, EMP2 also identified that future growth projections could be subject to significant change.
- 1.10 Given these external factors, Lichfields also modelled a pre-Covid 19 set of Experian forecasts from March 2020 and the (then) most recent release, from September 2020. The Experian September 2020 projections suggested that Newark & Sherwood District's economy would grow by 6,100 workforce jobs over the 20 years to 2038, somewhat lower than the +7,300 net job growth projected under the pre-Covid forecast. In translating these jobs into employment floorspace requirements, robust assumptions were made concerning

which of the individual industrial sectors were likely to be predominantly located in office, industrial or warehousing space (i.e. manufacturing in B2 industrial units), with a further allowance for jobs in other non-employment sectors that typically utilise industrial or office space, such as some construction uses, vehicle repair, courier services, road transport and cargo handling and some public administration activities.

Methodology

- 1.11 Lichfields translated the resulting figures into employment floorspace projections applying standard employment densities (based upon the 2015 HCA¹ Guidance on employment densities which remains the current version as of October 2024).
- 1.12 An adjustment was also made to reflect the fact that a proportion of employment floorspace will always be vacant. A range of sources² suggested that a return towards the lower end of an 8-10% 'normal' vacancy rate typically used for ELRs represented a robust uplift going forward. As per the previous 2015 ELNS, where a reduction in jobs was forecast (e.g. in manufacturing), the associated negative floorspace was halved (in line with common methodological practice amongst ELRs undertaken elsewhere across the country). This reflected the fact that job decline at a particular company does not automatically translate into a comparable loss of floorspace.
- 1.13 The above adjustments resulted in a net floorspace requirement figure for the two Experian forecasts. Other labour demand scenarios were then modelled, which included a sensitivity test analysing past trends in jobs growth over the longer term (1997-2018) and projected forward over the Plan period alongside a regeneration scenario which was based upon a review of the D2N2's previous Strategic Economic Plan [SEP]. This scenario accelerated key Experian sectors which matched with the SEP's 3 core sectors and 8 Opportunity Sectors. The adjustments to the Experian forecasts resulted in an overall increase of 58,608 jobs to 2038 (9,008 higher than the baseline) for the 5 Core HMA districts, and an increase of 20,581 jobs (5,581 higher than the September 2020 baseline) for the three Outer HMA districts (of which +8,033 related to Newark & Sherwood).
- 1.14 In accordance with the PPG requirements [2a-027-20190220³], EMP2 also modelled demographically-derived assessments of current and future local labour supply (labour supply techniques, including the 494 dpa SM target for Newark & Sherwood); and past take-up of employment land and property (averaging 2,044 sqm per annum of office floorspace and 3.72 ha of industrial / distribution land per annum, net). These quantitative assessments were supported by a qualitative analysis of the commercial property market.
- 1.15 The next step involved translating the net floorspace into land requirements for industrial and distribution uses by applying appropriate plot ratio assumptions. As with the previous 2015 ELFS and in common with the general approach in ELRs/ELNAs nationwide, it was assumed that a gross area of 1 ha was required to develop 4,000 sqm of industrial or warehousing/distribution space (equal to a plot ratio of 40%).

¹ HCA (November 2015): *Employment Densities Guide, 3rd Edition*

² Including the Welsh Government (August 2015): Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan

³ The Planning Practice Guidance [PPG] on housing and economic development needs assessment sets out how future needs for employment land should be calculated. Alongside labour demand, past take up and consultation, this includes “*demographically derived assessments of current and future local labour supply (labour supply techniques)*”.

- 1.16 To estimate the overall requirement of employment space that should be planned for allocating sites and to allow for some flexibility of provision, it is normal practice for ELRs to add an allowance as a safety margin for factors such as delays in some sites coming forward for development. In this instance, a 2-year margin based on two years of average gross take-up was considered to be an appropriate level relative to the estimated scale of the original requirement. For Newark & Sherwood District, this resulted in an additional 4,087 sqm of office floorspace and 7.43 ha of industrial/warehousing land being added onto the net requirement, for all of the scenarios.
- 1.17 Factoring in a safety/flexibility factor should help alleviate any future land shortages if future demand is greater than forecast. In Lichfields' opinion such flexibility is sensible given the uncertainties in the forecasting process and the scope for delays in developing employment space. This approach represents common practice and has been accepted in ELRs at examination previously with examples including Warrington, St Helens, Calderdale, Doncaster and Stockton-on-Tees, with safety/flexibility margins ranging from two to five years.
- 1.18 Finally, to convert the net requirement for employment space into a gross requirement (the amount of employment space or land to be allocated), an allowance was made for some replacement of losses of existing employment space that may be developed for other, non-B-Class uses in future.
- 1.19 It seeks to ensure that sufficient space is re-provided to account for employment space that could be lost moving forwards. It is intended, therefore, to provide some protection against the erosion of employment space over the plan period and provides added flexibility as required by the NPPF⁴. Again, this is a widely accepted approach in planning for future employment land needs – the issue in question is whether a sufficient scale of loss replacement has been allowed for.
- 1.20 EMP2 noted that determining an appropriate scale of re-provision was a judgement for the councils to make to align with their particular economic growth and strategic policy considerations. Nevertheless, there are a number of data sources that can be considered to provide some guidance as to what an appropriate level of re-provision might be. These include identifying how much employment land is in the pipeline to be lost to alternative uses (from reviewing extant planning applications and SHLAAs); reviewing past trends and assessing whether this is likely to continue for the foreseeable future; and a 'rule of thumb' approaching looking at the size of the local property market and the extent to which there needs to be an element of replacement of a certain proportion of the current commercial/industrial stock to ensure that portfolio does not become increasingly obsolete. These considerations were analysed in depth in Appendix 1 to EMP2.
- 1.21 The SHELAA data for Newark & Sherwood suggested that around 23 ha could be lost to residential uses across five existing employment sites in the years ahead. Past trends industrial loss completions were considered to be very low based on the size of the local economy. This was supported by the analysis of VOA data which suggested that industrial

⁴NPPF (February 2019): "*Planning policies should (inter alia): be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances*" [Paragraph 81d].

losses may have been significantly under-reported in recent years. Conversely, the past trend of office completions looks to be high, which could suggest that a lower loss replacement could be appropriate.

- 1.22 EMP2 recommended that to bring this back into balance, the mid-point of the past trends losses of 3,117 sqm and the 1% replacement of stock (7,688 sqm) be projected forward over the plan period. This equated to 5,402 sqm, split 1,761 sqm for office and 3,641 sqm for industrial/warehousing (0.91 ha) per annum. This would equate to around 27 ha over the 20-year Plan period, which was only slightly above the 23 ha that the SHELAA had already identified as being suitable for release.

Results of the Modelling

- 1.23 In summary, EMP2 reported that Newark & Sherwood District's net employment land needs (incorporating a 2-year flexibility factor) range from 11,180 sqm of office floorspace and 8.27 ha of industrial / warehousing land under the 2014-based SNPP labour supply scenario, up to 44,959 sqm of office and 81.78 ha of industrial land based on the Past Take Up scenario.
- 1.24 Table 1.1 reports that the adjustment made to convert the net figure to a gross requirement increase the range to between 46,404 sqm and 80,183 sqm for office floorspace, and to between 26.47 ha and 99.99 ha for industrial land to 2038.

Table 1.1 Gross Floorspace / Land Requirements for Newark & Sherwood District (including flexibility factor and losses) for 2018 to 2038

Scenario		Offices / R&D (sqm)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total Industrial (ha)
1) Experian September 2020 Baseline	Net	13,806	4.50	-1.39	8.69	11.80
	+ Flexibility Factor	17,893	5.18	2.14	11.92	19.24
	+ Loss Replacement	53,117	7.09	11.33	19.02	37.44
2) Experian March 2020 Baseline	Net	12,573	5.87	-1.31	11.75	16.31
	+ Flexibility Factor	16,660	6.55	2.22	14.98	23.74
	+ Loss Replacement	51,884	8.46	11.41	22.08	41.95
3) Regeneration Scenario	Net	20,209	4.50	-0.74	11.41	15.17
	+ Flexibility Factor	24,296	5.18	2.78	14.64	22.61
	+ Loss Replacement	59,520	7.09	11.98	21.74	40.81
4) 2014-based SNPP	Net	7,093	1.73	-3.13	2.23	0.83
	+ Flexibility Factor	11,180	2.41	0.40	5.46	8.27
	+ Loss Replacement	46,404	4.33	9.59	12.56	26.47
5) Current SM (494 dpa)	Net	10,588	3.17	-2.22	5.59	6.55
	+ Flexibility Factor	14,675	3.86	1.30	8.82	13.98
	+ Loss Replacement	49,899	5.77	10.50	15.92	32.19
6) Past Take Up Rates	Net	40,872	6.82	35.23	32.30	74.35
	+ Flexibility Factor	44,959	7.50	38.76	35.53	81.78
	+ Loss Replacement	80,183	9.41	47.95	42.62	99.99

Source: EMP2, Table 8.39.

- 1.25 A comparison of estimated demand for employment space against all currently identified supply in Newark & Sherwood District is presented in Table 1.2. EMP2 reported that the 2018 supply position (taken from the 2018 ELAS) comprised 63.35 ha of commitments with extant planning permission; 33.56 ha of available employment land in a designated employment area; 15 ha remaining from the Core Strategy allocation; and 48.28 ha from sites in the adopted allocations and development management DPD.
- 1.26 Against this total supply of 160.19 ha, the past take up scenario suggests a need for almost 100 ha of industrial / distribution land, plus a further 80,180 sqm of office floorspace. This reflects the consistently high levels of delivery Newark & Sherwood has experienced over the past 11 years or more.
- 1.27 The econometric and labour supply models suggested a lower level of need, of up to 55.69 ha based on the Regeneration Scenario (again converting the office floorspace to land).
- 1.28 The 160.19 ha supply is in excess of all of the scenarios including the past take up scenario. It was stressed that of this supply, the Staunton Works site, on Alverton Road was recommended to be deallocated for employment uses. If this were to be removed, it would reduce the supply down to 154.23 ha overall.

Table 1.2 Demand/Supply Balance of Employment Space 2018-2038 for Newark & Sherwood District

		Office / Industrial Supply as of 1 st April 2018	Need for Offices 2018-38 (sqm)		Need for Industrial / Distribution 2018-38 (ha)	
			Experian/Labour Supply Range	Past Take Up Scenario	Experian / Labour Supply Range	Past Take Up Scenario
Newark & Sherwood	Net	160.19 ha	11,180 – 24,296	44,959	8.27 - 23.74	81.78
	Gross		46,404 – 59,520	80,183	26.47 – 41.95	99.99

Source: EMP2, Table 9.14

Conclusions for Newark & Sherwood District

- 1.29 Bringing the preceding analysis together, EMP2 concluded that for Newark & Sherwood District, the past take up scenario suggests a need for almost 100 ha of industrial / distribution land, plus a further 80,180 sqm of office floorspace (around 20 ha, if a 40% plot ratio is applied). The econometric and labour supply models suggest a lower level of need, of up to 55.69 ha based on the Regeneration Scenario (again converting the office floorspace to land). EMP2 stated that it was for the Council to take a view as to the extent to which the maintenance of the current very high rates of completions (and a loss replacement of 18 ha) is a desirable policy outcome. Even so, the District appeared to have a substantial supply of committed and allocated employment land that would appear to meet the need in full.
- 1.30 EMP2 referenced stakeholders' views that economic growth across Greater Nottingham had been limited by lack of available large-scale strategic distribution sites over the past decade and that studies forecasting need based purely on past trends will significantly underestimate the scale of demand. Agents were confident that there was capacity in the market for a further one, or even two, large regional distribution centres near to these key

M1 junctions and that at current levels of demand, two such schemes, if made available, would be at capacity within a decade.

1.31

As a result, EMP2 recommended that the District Councils should commission a further strategic study to quantify the likely extent of national/regional B8 logistics need across the Core/Outer HMAs. This future study would need to quantify the scale of strategic B8 required and potentially identify sites where this need should be allocated. This further work was undertaken by Icen in August 2022, "*The Nottinghamshire Core and Outer HMA Logistics Study*" [EMP3].

Q6.3: Are the post Covid Experian September 2020 projections still sound?

Background to Experian's regional Planning Service Data

- 1.32 EMP2 used a range of scenarios to forecast employment land needs, including Experian's March 2020 and September 2020 econometric job forecasts for the study area. It is important to emphasise that Experian's UK Regional Planning Service [RPS] forecasting data modelling is widely used by local authorities and planning consultancies nationwide when modelling employment land needs. Whilst there will be inevitably be fluctuations in the forecasts over time, Experian's model has been developed and refined over many years to reflect new developments, improvements in data availability and enhancements to the model's operation and functionality.
- 1.33 Data inputs into the RPS are taken from official sources, primarily the Office for National Statistics [ONS] utilising data sources such as the UK National Accounts, BRES and ABI. The model is an econometric model, meaning it is estimated based on historical data and the relationships between variables. It uses an input-output methodology to understand the relationships between different components of the economy and therefore the inter-relatedness of elements of the economy.
- 1.34 The local authority model is run separately for the local authorities in each region and takes the regional forecast as given. Accordingly, local forecasts are constrained to the regional forecasts of the parent region. Experian's local model is based on the resolution of demand and supply for labour and it takes into account commuting between local areas within a region and across the regional boundary.
- 1.35 A key element of the model involves estimating the demand for labour. The model assumes that demand for jobs at the local level is fastest in those industries which are performing best at the regional level. Total demand for jobs at the local level also depends on its industrial structure. Those local areas which have a more than proportionate share of the best performing industries will perform best overall.
- 1.36 EMP2 was produced during the depths of the Covid pandemic (Winter 2020/Spring 2021), when there was very considerable economic uncertainty. Experian's Data Guide for September 2020 (Appendix 8 to EMP2) states the following:
- “Lockdown measures have been easing in recent months. Since August 1st many leisure settings have reopened. Social distancing has been eased, and where it is not possible to maintain two metres, one metre plus is to be kept instead. However, new restrictions introduced could see suppression measures intensify. Whilst considerably looser than the measures introduced in March, it is yet unclear how much this will drag on growth. UK output could rebound more durably if measures follow a risk -mitigation strategy surrounding Covid-19, and more quickly than in our base case if consumer confidence responds positively, facilitating a greater than projected rise in household spending.”*
[page 14].

March 2020 and September 2020 RPS data

- 1.37 As set out in EMP2 (paragraph 8.11), the study used the (then) most recent macro-economic forecasts for the study area released by Experian at the end of September 2020. These include a base case ‘delayed V-shaped’ recovery scenario which provided a revised view on the areas of future economic growth across the country. The forecasts assumed that the recovery would follow a delayed-V shape, with a substantial drop in output in Q2 2020 as economic activity was highly restricted due to lockdown measures.
- 1.38 As a sensitivity, a further scenario was run that mirrored the approach taken for the baseline scenario using the later forecasts, but instead of using Experian’s September 2020 model run, it used the equivalent from 6 months earlier. Crucially, this was pre-Pandemic and therefore factored in a more optimistic economic outlook, not just over the short term to 2024, but over the whole of the Plan period to 2038.
- 1.39 A comparison between the two sets of data is presented in Table 1.3. It is apparent that for every district, the March 2020 Experian econometric projections forecast a much higher level of growth, equal to 9,100 additional jobs across the Core HMA and 4,100 jobs across the Outer HMA (including +1,200 additional jobs for Newark & Sherwood).

Table 1.3 Workforce Jobs Growth for the Nottingham Core/Outer HMAs and comparator areas

	Experian September 2020 Projections 2018-2038		Experian March 2020 Projections 2018-2038	
	Net Jobs Growth	CAGR	Net Jobs Growth	CAGR
Broxtowe Borough	3,700	0.429%	4,700	0.539%
Erewash Borough	4,800	0.476%	6,200	0.608%
Gedling Borough	2,300	0.312%	2,700	0.364%
Nottingham City	33,000	0.697%	38,000	0.796%
Rushcliffe Borough	5,800	0.588%	7,100	0.710%
Nottingham Core HMA TOTAL	49,600	0.596%	58,700	0.698%
Ashfield District	5,500	0.447%	7,300	0.585%
Mansfield District	3,400	0.377%	4,500	0.492%
Newark & Sherwood District	6,100	0.516%	7,300	0.612%
Nottingham Outer HMA TOTAL	15,000	0.452%	19,100	0.569%
<i>East Midlands</i>	<i>242,620</i>	<i>0.490%</i>	<i>297,410</i>	<i>0.595%</i>
<i>UK</i>	<i>4,022,070</i>	<i>0.544%</i>	<i>4,161,530</i>	<i>0.562%</i>

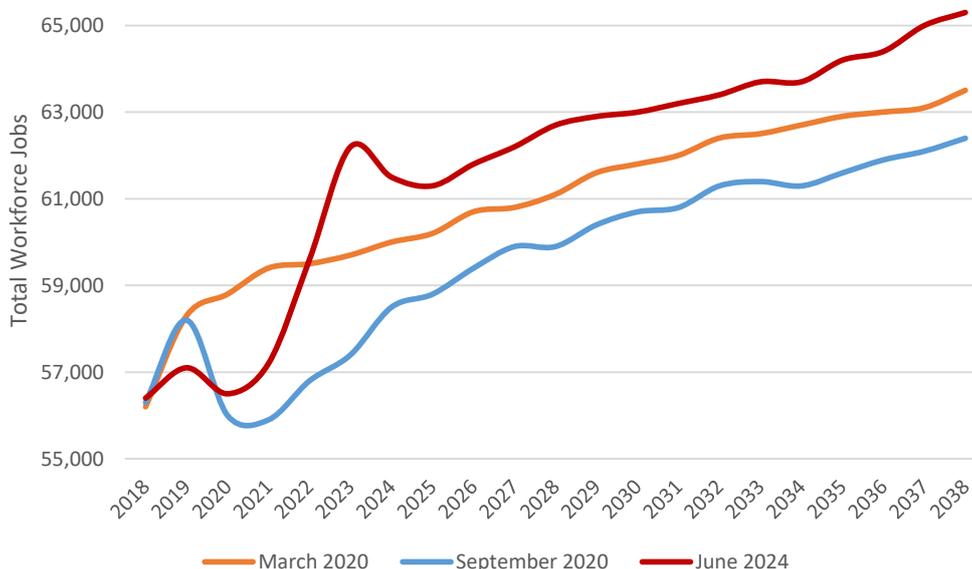
Source: Experian UK Macro Economic Forecasts September 2020 / March 2020

- 1.40 When translated by Lichfields into employment land requirements (including adjustments for vacant units, losses and margin of choice), the Experian September 2020 Baseline generated a requirement for 23,898 sqm of office floorspace and 46.71 ha (gross) of industrial land. In contrast, the March 2020 Experian Baseline generated a requirement for 23,725 sqm of office floorspace and 56.08 ha (gross) of industrial land – hence a reduction in the need for office space, but an increase of around 10 ha of industrial / warehousing land

Implications of the latest June 2024 Experian RPS data

- 1.41 Over three years have passed since the report was produced, and clearly the world has moved on significantly since the September 2020 projections were issued by Experian. Experian’s RPS data is generally re-issued quarterly, with the most up to date forecasts comprising the June 2024 update. This release has taken into account a range of risks including uncertainty over gas prices; escalation of the conflict in the Middle East; uncertainty over the war in Ukraine and weakness in the Chinese economy.
- 1.42 The upshot of these considerations is that the latest forecasts for Newark & Sherwood District point to higher levels of future growth compared to the position considered in September 2020. As can be seen in Figure 1.1, the latest June 2024 projections show that Experian revised their job figures for 2019 and 2020 to indicate that the peak in growth was not as pronounced, nor the fall as precipitous, as their September 2020 forecast expected. Furthermore, between 2020 and 2023 Newark and Sherwood District’s economy grew by 5,700 jobs, compared to the +1,400 forecast by the September 2020 iteration. Whilst the new projections factor in the cost of living crisis, energy crisis, war in Ukraine and the Middle East – resulting in a dip between 2023 and 2025 – overall this is not sufficient to dampen growth in the longer term which is forecast to total +8,900 between 2018 and 2038, compared to 6,100 based on the September 2020 projection and +7,300 in the pre-Covid March 2020 model:

Figure 1.1 Comparison of Experian Job Forecasts for Newark & Sherwood District 2018-38



Source: Experian March 2020 / September 2020 / June 2024 / Lichfields analysis

- 1.43 The sectors likely to experience growth have also changed. As can be seen from Table 1.4, the net increase in office jobs, and the net decrease in B2 industrial jobs, is broadly consistent with the earlier forecasts, as is the strong growth in non B-Use Class jobs. The net increase in light industrial jobs is higher, albeit from a relatively low base. The main reason for the disparity in growth is the strong net increase in jobs likely to be accommodated in B8 warehousing accommodation, which is projected to increase to

+2,422 over the 20 years to 2038, considerably higher than both the March 2020 (+606) and September 2020 (+448) forecasts.

Table 1.4 Forecast workforce jobs change in Newark & Sherwood 2018-2038 – Experian

Use Class	March 2020	September 2020	June 2024
Office*	+931	+1,023	+1,139
Light Industrial**	+402	+309	+748
B2 General Industrial***	-290	-308	-299
B8 Logistics****	+606	+448	+2,422
Non B Class Jobs	+5,650	+4,628	+4,889
Total Office / Industrial / Distribution	+1,650	+1,472	+4,011
Jobs in All Sectors	+7,300	+6,100	+8,900

Source: Experian March 2020 / September 2020 / Experian June 2024 / Lichfields Analysis.

* includes a proportion of public sector employment and administration & support services

** includes some manufacturing, vehicle repair and some construction activities

*** includes manufacturing and some construction/utilities

****includes elements of transport & communications sectors

- 1.44 This is due to the ‘Land Transport, Storage & Post’ sectoral growth increasing by +2,600 between 2018-38 (up from +600 in the September 2020 version), with a very high proportion of these jobs requiring B8 warehousing accommodation. This in itself is unsurprising – the Covid-19 pandemic precipitated a step change in demand for logistics accommodation nationwide due in part to an acceleration in households use of e-commerce, whilst the disruption to international supply chains also saw an increase in on-shoring and storage of parts and materials.
- 1.45 Applying the same assumptions re: losses, margin etc, then the overall industrial land requirement is around 44.68 ha higher than the September 2020 scenario, and around 40.17 ha higher than the March 2020 Experian scenario. The office floorspace requirement is also greater, but of a much lower magnitude, between 1,572 sqm and 2,805 sqm higher than the earlier Experian scenarios. The overall requirement under this updated scenario would therefore be for 54,689 sqm of office floorspace and 82.12 ha of industrial land (95.79 ha in total if the office floorspace is translated into land using a 40% plot ratio).
- 1.46 As noted in the response to Q6.1, the Regeneration Scenario was founded on the September 2020 Experian forecast, with SEP core and opportunity industrial sectors uplifted. Applying the same assumptions to the new Experian projections would result in only a marginal increase on the new baseline, up to 58,355 sqm for office and 82.67 ha for industrial (97.26 ha in total). The very modest uplift is due to the fact that the key industrial sectors are experiencing a level of growth in Newark and Sherwood that generally outstrips the national and regional growth rates, and therefore no further uplift is necessary.

Table 1.5 Newark & Sherwood Gross Employment Land Comparisons 2018-2038

Scenario		Offices / R&D (sqm)	Light Industrial (ha)	General Industrial (ha)	Warehousing (ha)	Total Industrial (ha)
1) Experian September 2020 Baseline	Net	13,806	4.50	-1.39	8.69	11.80
	+ Flexibility Factor	17,893	5.18	2.14	11.92	19.24
	+ Loss Replacement	53,117	7.09	11.33	19.02	37.44
2) Experian March 2020 Baseline	Net	12,573	5.87	-1.31	11.75	16.31
	+ Flexibility Factor	16,660	6.55	2.22	14.98	23.74
	+ Loss Replacement	51,884	8.46	11.41	22.08	41.95
3) Regeneration Scenario	Net	20,209	4.50	-0.74	11.41	15.17
	+ Flexibility Factor	24,296	5.18	2.78	14.64	22.61
	+ Loss Replacement	59,520	7.09	11.98	21.74	40.81
Experian June 2024 Baseline	Net	15,378	10.91	-1.34	46.92	56.48
	+ Flexibility Factor	19,466	11.59	2.18	50.15	63.92
	+ Loss Replacement	54,689	13.50	11.38	57.25	82.12
Regeneration Scenario using Experian June 2024 baseline	Net	19,045	10.91	-0.96	47.08	57.03
	+ Flexibility Factor	23,132	11.59	2.56	50.31	64.46
	+ Loss Replacement	58,355	13.50	11.76	57.41	82.67

Source: EMP2 Table 8.39 / Experian June 2024 / Lichfields Analysis

Ongoing Soundness of the Approach

- 1.47 In terms of what this all means for the soundness of the September 2020 projections, clearly these were point in time projections produced by Experian, one of the UK's leading independent forecasters. The subsequent macro-economic shocks may have suppressed certain sectors, but in general the September 2020 projections under-estimated the extent of growth in the B8 warehousing and logistics sector due predominantly to the boom in e-commerce and return to on-shoring.
- 1.48 However, this does not mean that the findings of EMP2 are out of date. The report ran a series of scenarios for Newark & Sherwood including labour supply forecasts and past completions that resulted in a wide range of growth needs being identified in the conclusions of the report. This ranged from between 46,404 sqm-80,183 sqm of office floorspace between 2018 and 2038, and between 26.47 ha and 99.99 ha of industrial land (with the upper end of the range comprising the past take up rates scenario).
- 1.49 Even with the new forecasts, driven as they are almost entirely by an increased need for warehousing and logistic, the office floorspace requirements have changed to a very limited extent, whilst the resultant industrial land requirement, ranging from 82.12 ha to 82.67 ha depending on whether the baseline or updated Regeneration scenario is used, are still well below the 100 ha upper end of the range discussed in EMP2.
- 1.50 The Council has also identified in its latest Employment Land Availability Statement [EMP4] that with a base date of 2013, Newark and Sherwood District Council has a supply of 201.35 ha (including 14.73 ha likely to come forward after 2033). Figure 3 of that document suggests that with a base date of 2018, and deducting the 27.19 ha of land

completed between 2013 and 2018, the supply would reduce to 174.16 ha. This figure is still well in excess of the adjusted Experian June 2024 overall requirement of 95.79 ha.

1.51

Furthermore, it is noted that as the main difference in the Experian forecasts relates to the substantial increase in demand for warehousing/logistics space, this has been addressed in the Council's Nottinghamshire Core and Outer HMA Logistics Study 2022 [EMP2]. This was specifically commissioned to understand the future demand for strategic warehousing and logistics facilities within the Study Area including how the role of the logistics sector may change based on the growth of e-commerce, de-carbonisation, warehouse automation, urban logistics, Freeports and other drivers for change.