

Wolverhampton **Local Plan**

Employment Land Topic Paper

Examination in
Public

July 2025



Contents

1. Introduction

2. National Policy

3. The evidence base

Black Country Local Authorities Economic Development Needs Assessment (EDNA)

Black Country Employment Areas Review (BEAR)

Black Country Employment Land Supply Technical Paper

Wolverhampton 2025 update of Black Country Employment Land Supply Technical Paper

West Midlands Strategic Employment Sites Study

4. Duty to Cooperate and addressing the shortfall

5. Implications of not meeting needs in full

6. Conclusions

Appendix 1 Wolverhampton Employment Land Supply Update 2025

1. Introduction

- 1.1 A key element of a new Local Plan is to allocate sites within its scope for different uses where a need has been demonstrated. This includes making provision for employment land.
- 1.2 The Wolverhampton Local Plan (WLP) policies relating to Employment Land (EMP1- EMP5) focus on promoting and supporting employment in manufacturing, research and development (Use Class E(g)(ii), E(g)(iii) and B2), warehousing (Use Class B8) and other uses that are appropriately located in industrial employment areas. Stand-alone offices or offices that are non-ancillary to the above use (Use Class E(g)(i)) are not classed as an employment use for the purposes of these policies and are covered by Policies CEN1 – CEN4, which relate to uses that are more appropriately located in town centres.
- 1.3 In June 2025, at the initial stages of the WLP Examination in Public, the appointed Inspectors provided initial questions to the Council, which included the request for a topic paper on employment land. The Inspectors noted that the Plan as submitted will not meet the area's identified employment land needs, generating a shortfall. They requested a succinct summary of the Council's current position (as of June 2025), which:
 - provides a justification for the chosen requirement figures and relevant policies;
 - confirms whether any impacts arising from not meeting the area's full identified needs have been appropriately assessed;
 - directs to the relevant evidence;
 - clarifies how any shortfalls will be addressed.

2. National Policy

- 2.1 The WLP has been prepared in the context of the 2023 National Planning Policy Framework (NPPF), in particular paras 85, 86 and 87 which focus on setting out planning policies that provide a clear economic vision and strategy, identify sites for local and inward investment to match the overall strategy and meet anticipated needs over the plan period and seek to address barriers to investment. The most up to date planning practice guidance was also utilised.

3. The evidence base

- 3.1 Taking forward the requirements of the NPPF, the evidence base which underpins the approach, policies and proposals in the WLP is set out in a number of documents:

- A four-stage Black Country Economic Development Needs Assessment (EDNA)
- Black Country Employment Areas Review (BEAR)
- Black Country Employment Land Supply Technical Paper
- West Midlands Strategic Employment Sites Study

3.2 The key findings and recommendations of this evidence is set out in turn below.

Black Country EDNA (2017-24)

3.3 The primary evidence base used to inform the strategic and detailed policy approach to employment land, and more specifically to determine the employment land requirement set out in WLP Policy EMP1 is the Black Country Economic Development Needs Assessment (EDNA) (Warwick Economics & Development) covering the Black Country Functional Economic Area (FEMA). The first EDNA was published in 2017 [Submission Document (SD) EC4], with subsequent updates in 2021 [SD EC3], 2023 [SD EC2] and 2024 [SD EC1].

3.4 Together, the EDNA reports include;

- A review of the national, regional and local policy context;
- A review of socio-economic characteristics of the Black Country;
- A review of the Black Country FEMA and functional relationships between the Black Country Local Authorities and neighbouring authorities;
- A forecast of future needs drawing on a range of estimates and future scenarios for future economic and employment growth.

3.5 The most recent EDNA update was published in November 2024. The 2024 update was focussed on a review of the employment land requirement. The previous EDNA Reports established the Black Country FEMA and advised on the overall scope of the policies that the subsequently withdrawn Black Country Plan should adopt – this subsequently was used to inform the approach taken in the individual Local Plans including the WLP.

3.6 The Black Country FEMA comprises the four Black Country Local Authorities (BCLAs) of Dudley, Sandwell, Walsall and Wolverhampton. The FEMA is based on well-established socio-economic, market and administrative relationships between the four authorities, drawing on the strong economic interactions of the BCLAs with Birmingham and South Staffordshire. The Black Country EDNA also recognised the economic interactions of lesser strength with other areas on the edge of the Black Country FEMA – Wyre Forest, Bromsgrove, Solihull, Tamworth, Lichfield and Cannock Chase. The

identification of these neighbouring areas provided the starting point for Duty to Cooperate engagement.

- 3.7 As set out above, a principal aim of the EDNA is to provide evidence regarding the economic and employment land demand estimates across the BCLAs. This demand requirement has shifted between 2017 and the current 2024 version in the light of updated information including completion data from the local authorities, and most significantly the economic impact of the Covid-19 pandemic.
- 3.8 This calculation of employment land needs across a FEMA geography is consistent with para 025 of the Planning Practice Guidance which requires strategic plan making authorities to assess needs on a cross boundary basis where functional economic areas overlap several administrative areas.
- 3.9 Within the EDNA 2024, the overall employment land need figure for the Black Country is 661.9ha of net additional employment land between 2020 and 2042 (table 13). This net requirement takes into account the need to 'make good' employment land lost through redevelopment to alternative uses through replacement provision.
- 3.10 The Black Country wide 661.9ha requirement is the sum of the needs arising in each of the BCLAs. For the Wolverhampton element of this figure, table 2 of the EDNA identifies a need for 138ha of additional employment land 2020 to 2042 based on the mid-range past completions scenario. Table 3 of the EDNA adjusts this figure to take account of completions in South Staffordshire which met needs arising in the Black Country - essentially relocations of Black Country Businesses to outside of the administrative area. This is in the order of 0.67ha per annum and apportioned equally between the four Black Country Local Plan areas. This increases the Wolverhampton requirement to 142.3ha, adjusted upwards again to 152.3ha accounting for potential loss of employment land to non-employment uses reflecting allocations in the WLP. The Regulation 19 WLP did not include the South Staffordshire uplift on the basis that this is a Black Country-wide requirement, referring to a need of 149ha.
- 3.11 The detailed method used to calculate the employment land requirement in the EDNA 2024 is set out in section 3 of the document (SD ED1). The 2024 update represented a shift in approach to calculating needs from that used in the previous reports which were informed by a blended range of sources including predicted GVA and population growth. EDNA 2024 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 BCLAs. Therefore, different assumptions were used in the 2024 modelling which led to a change in the forecasting of the employment land requirements in the EDNA. The Regulation 19 WLP reflects the most up to date EDNA position.

- 3.12 The employment land demand figure set out in EDNA 2024 is based more heavily on past completions. Past completions is based on 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.
- 3.13 Part 6 of the EDNA summarises forecast employment land supply and section 7 balances this supply against forecast demand. The EDNA explains that, taking into account completions 2020-24 of 79.1ha, the BCLAs need to identify 582.9ha of land 2024-42 to meet the objectively assessed employment land need in full. The EDNA confirms that the estimated supply of land within the administrative area between 2024 and 2042 is 302.35ha, resulting in a shortfall of 280.55ha.
- 3.14 For Wolverhampton, completions 2020-24 provided 22.6ha of land, resulting in a residual need for 126.4ha against the Regulation 19 WLP need of 149ha. Planning permissions and sites allocated for development in the Regulation 19 WLP provide for 42.9ha, resulting in a shortfall of 83.5ha 2024-42.
- 3.15 An update of employment land supply with a base date of 1 April 2025 which forms Appendix 1 to this Topic paper, reveals a minor shift in this position. This updated land supply shows that completions 2020-25 provided 31.4ha of land, and sites with planning permission and allocated for development in the Regulation 19 Plan reduced to 34.7ha. This results in an updated shortfall 2025-42 of 82.9ha.

Black Country Employment Areas Review (BEAR) (2021)

- 3.16 The Black Country Employment Areas Review (BEAR) (SD EC9, EC9a and EC9b) is the principal evidence base to support WLP Policies EMP2, EMP3 and EMP4. The approach set out in these policies reflects a key recommendation of the 2017 Black Country EDNA to protect the existing supply of sustainable industrial land, to facilitate investment and improvement of existing improvement areas (including bringing forward the recycling of sites to provide more modern accommodation) and to identify new opportunities to address the significant gap (undersupply) of land to meet anticipated levels of demand. The EDNA also recognises that there may be some pockets of poor-

quality land which may be in active employment use at present but are unlikely to remain so in the future and could be considered for alternative uses.

- 3.17 Taking forward these recommendations, the overall purpose of the BEAR 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 which areas should be the focus for higher quality manufacturing and logistics sectors, and other areas where a wider range of uses may be acceptable and a more flexible approach should be taken. The principle of this differential approach towards the development and redevelopment of land and premises within existing employment areas is a key element of the existing Black Country Core Strategy (BCCS) and one that was strongly endorsed in the EDNA.
- 3.18 The BEAR also identifies areas that should be tested for their suitability for release 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 EDNAs and associated Employment Land Supply Technical Papers (SD EC6, EC7 and EC8).
- 3.19 The BEAR classified all areas and sites into one of four categories, broadly consistent with the definition of Strategic Employment Land and Local Employment Land set out in the BCCS, subsequently carried forward into Local Plans including the Wolverhampton Area Action Plans. The BEAR recommended that the Strategic Employment Areas are the very best quality employment areas in the Black Country, which should be safeguarded for key manufacturing and logistics sectors which are critical to the recovery and growth of the Black Country Economy. The Study also recommends that large tracts of Local Employment Areas are viable and sustainable locations for a wider range of economic activity and businesses and should be safeguarded for those uses. The BEAR definition of Strategic Employment Areas and associated Policy approach is reflected in WLP Policy EMP2. WLP Policy EMP3 is concerned with Local Employment Areas.
- 3.20 The work confirms that a number of employment areas have a limited economic role and are suitable for 'release' to non-employment uses. These areas are subject to WLP Policy EMP4. The quantum of land recommended for release to alternative uses was far less than contained in current Local Plans, recognising that many of these areas have a viable and sustainable future as locations for continued employment activity. For those areas which are recommended as being suitable for redevelopment, the BEAR recommends that Plans should consider whether this land should form part of the overall employment land demand requirement in order that there is no net loss of employment land over the Plan period.
- 3.21 For Wolverhampton, the BEAR surveyed 594.3ha of land which comprises the totality of the City's existing employment areas. Of this, the great majority is

considered to be capable of meeting the needs of existing and new businesses over the Local Plan period and should be safeguarded from redevelopment to alternative uses. The work confirms that a very small number of employment areas have a limited economic role and are suitable for 'release' to non-employment uses. The quantum of land recommended for release to alternative uses is far less than contained in current Local Plans.

Black Country Employment Land Supply Technical Paper Update (2024) (SD EC6)

- 3.22 The overall purpose of the Black Country Employment Land Supply Technical Paper Update Paper (BCELS 2024) 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 Practice Guidance (July 2019). The BCELS 2024 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. The findings of this work informed the statement on employment land supply set out in the 2024 EDNA. For Wolverhampton, as set out in para 3.14 above, the sources of land which make up the supply were subsequently reviewed and a 2025 position is set out in Appendix 1 to this Topic Paper. This reveals a very minor shift in supply from that set out in the BCELS 2024.
- 3.23 The Employment Land Supply calculation contained in the BCELS 2024 is summarised in table 5, with the respective supply from each of the BCLAs summarised in Appendix 7. This confirms the Wolverhampton 2024 land supply of 65.4ha, including completions 2020-24. The majority of the Black Country supply is the equivalent aggregated figure from each of the BCLAs, but the Technical Paper also includes a contribution from 'windfall' development – forecast to provide 73.8ha of land across the Black Country for the period 2024-42. This figure is not broken down by BCLA due to the way in which it has been calculated. The detailed approach to the calculation is set out in paras 2.15-2.21 of the BCELS 2024, and is based on past rates of development and sense-tested against the findings of the BEAR. By way of context, in the case of Wolverhampton, the schedule of completions set out in Appendix 1 of this Topic Paper shows that 3.69ha of employment land completions 2020-24 was windfall development, equivalent to 0.74ha per annum and making up 12% of completions.
- 3.24 The allowance made for windfall development therefore makes an important contribution to overall forecast supply to meet the objectively assessed FEMA need.

West Midlands Strategic Employment Sites Study (2024) (SD EC10)

- 3.25 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 statutory 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.

3.26 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 (25ha 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.

3.27 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 25ha 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. Two of these Opportunity Areas are well related to the Black Country. Area 3: M54/ Shropshire includes the northern boundary of Wolverhampton and Walsall, and is partly predicated on the basis of meeting overspill demand from the Black Country. Area 9 is located to the south of Dudley.

3.28 The study did not identify any sites in Wolverhampton or the wider Black Country that could be considered as strategic; but the location of Opportunity Areas to the north and south clearly provide a starting point for the identification of new sites which could potentially help to address the Black Country FEMA shortfall.

4. Duty to cooperate and meeting the shortfall

- 4.1 The Black Country FEMA was originally established in the 2017 Black Country EDNA. The extent of the 2017 FEMA was subsequently reviewed and confirmed in the 2022 EDNA update. This work identifies the Black Country FEMA comprising the four BCLAs, based on well-established socio-economic, market and administrative relationships between the BCLAs, and drawing on the strong economic interactions of the BCLAs 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.
- 4.2 Given forecast high levels of demand and limited land supply across the BCLAs, a shortfall of employment land was anticipated at the commencement of the Black Country Plan and confirmed in the 2017 EDNA. Throughout the preparation of the BCP, and more recently the WLP, the focus for Duty to Cooperate activity relating to employment land issues has been to address this shortfall through engagement with the neighbouring local authorities identified in the 2017 EDNA, and other authorities where evidence indicates an economic relationship – these being Shropshire and Stafford. This engagement has taken the form of meetings, letters and formal consultation on the WLP.
- 4.3 The principal outcomes from Duty to Cooperate engagement are summarised in section 4 of the Employment Land Supply Paper, and formalised in the Black Country FEMA Statement of Common Ground (SD CD15c). South Staffordshire have agreed to a contribution to the Black Country of 112.2ha minimum, and Shropshire have agreed through another SoCG with the BCLAs to contribute 30ha. This equates to a total of 142.2ha of additional employment land to meet Black Country needs. This reduces the Black Country wide shortfall to 138.1ha 2024 to 2042. These contributions have been made to the Black Country FEMA as a whole and are not apportioned to the individual BCLAs. This approach is consistent with the advice contained in para para 025 of the Planning Practice Guidance which requires strategic plan-making authorities to assess needs on a cross boundary basis where functional economic areas overlap several administrative areas. Subsequent to the Regulation 19 WLP, it is noted that Shropshire Council have resolved to withdraw their Local Plan and focus on preparing a new one for the period 2025-45 under the new planning system. This position is confirmed in correspondence from Shropshire Council dated 28th April 2025 (ED EXAM 1).
- 4.4 While significant progress has been made towards addressing the shortfall, it remains substantial. The EDNA recognises this, and advises that the BCLAs should continue to engage with each other and with neighbouring Local Authorities identified as having a strong or moderate economic relationship with the Black FEMA and other areas with which there is an evidenced functional relationship. This includes those local authority areas associated with the Opportunity Areas identified in the WMSESS described in paras 3.24-3.27. With the exception of South Staffordshire and Cannock Chase, the majority of local authority areas with which the Black Country has an evidenced strong or moderate economic relationship are at relatively early stages in the preparation

of their Local Plans, and so can consider opportunities to provide employment land that can contribute towards meeting needs arising in Wolverhampton and the wider Black Country FEMA.

5. The implications of not meeting the shortfall

- 5.1 Wolverhampton City Council (WCC) and the other BCLAs remain committed to closing out the employment land shortfall as set out in para 4.3 and 4.4. The Council will continue to monitor the delivery of sites in cooperation with the BCLAs, including the delivery of windfall sites, to inform whether a review of Policy is needed.
- 5.2 This approach is in accordance with the preferred Employment Land Growth Option (Option E3), consulted upon at Regulation 18 stage, and set out in the Regulation 19 WLP. The impacts arising of not meeting the City's full identified needs have been appropriately assessed through the sustainability appraisal of the three Employment growth options for the WLP, as detailed in the Regulation 18 WLP Sustainability Appraisal (SD EN20) and the Regulation 19 WLP Sustainability Appraisal (SD CD3a). Para 5.5.16 of CD3a concluded that overall, whilst Option E1 would deliver the smallest quantum of employment growth and could therefore give rise to the least adverse effects against several SA Objectives, there is very little separating any of the three options in terms of growth within Wolverhampton itself. Given that Option E3 would meet Wolverhampton's employment needs within the FEMA, and is likely to provide a greater range of local employment opportunities, this option could be identified as the best performing of the three; however, WCC would have little control as to the location of exported growth and there may be increased potential for adverse effects on some receptors.

6. Conclusions

- 6.1 This topic paper provides a summary of the evidence base used to inform the WLP policies covering employment land issues. The Paper has shown how the primary evidence base, in the form of the EDNA 2017 and subsequent updates to it, shaped the overall approach to employment land set out in the WLP, informed by the Employment Land Supply Technical Paper and Black Country Employment Areas Review.
- 6.2 The EDNA identified the Black Country FEMA as the appropriate geography upon which to calculate the objectively assessed need for employment land over the WLP period up to 2042. The FEMA also provided the starting point for duty to cooperate engagement, given the forecast shortfall of employment land throughout preparation of the withdrawn Black Country Plan and the WLP, and the need to work with neighbouring areas to address this shortfall. This objectively assessed need was first calculated in the 2017 EDNA and subsequently updated, with the level of need set out in the 2024 update reflected in WLP Policy EMP1. The approach towards existing employment areas set out in Policies EMP2, EMP3 and EMP4 also reflects

recommendations set out in the EDNA, based on a review of the well-established approach set out in the existing Black Country Core Strategy and subsequent Local Plans produced by the BCLAs.

- 6.3 The Council accepts that the employment land shortfall for both Wolverhampton and the wider Black Country FEMA is very significant, but major headway has been made through the duty to cooperate to address it, and further progress is anticipated through the preparation of neighbouring Local Plans and Spatial Development Strategies. The WMSESS provides a key evidential basis for Local Plans to test opportunities to identify strategic employment sites which may have the potential to address needs arising in the Black Country.
- 6.4 The impact of not meeting needs in full has been assessed through the WLP Sustainability Appraisal process.