

COVENTRY & WARWICKSHIRE STRATEGIC EMPLOYMENT LAND STUDY HOUSING IMPLICATIONS

- 1 The Strategic Employment Land Study, produced by Atkins for the Coventry and Warwickshire Local Economic Partnership (CWLEP), was published in October 2014 as supporting evidence to help inform both the CWLEP's Strategic Economic Plan and the Local Plans of the area's local authorities.
- 2 To assess future employment growth and the resulting demand for employment (B-class) space in 2011-31, the study creates four future scenarios.
 - Scenario 1 - Cambridge Econometrics (CE) base scenario, based on CE's local economic forecasts issued in August 2013. It shows 94,500 additional jobs in the CWLEP area over the period
 - Scenario 2 – Baseline + growth scenario: a higher-growth scenario developed by Atkins, which starts from the CE forecast but adds more jobs in advanced manufacturing and engineering, based on the CWLEP's prediction that the City Deal will stimulate growth in those sectors. It shows 107,250 additional jobs for the CWLEP area.
 - Scenario 3 – Housing-led scenario: based on the labour supply growth shown in the SHMA's demographic projection (PROJ 1A). For Warwick that scenario shows 14,400 net new dwellings over the plan period (720 dpa), slightly more than the 12,860 dwellings (643 dpa) proposed in the emerging plan. For Coventry and Warwickshire as a whole it shows 76,000 net dwellings (3,800 dpa) and 48,484 additional residents in employment; the number of additional workplace jobs is not provided, but is likely to be of the same order.
 - Scenario 3 – Past completions simply projects forward past B-class development and does not show numbers of jobs.
- 3 The employment land study does not provide full details of its calculations, nor does it break the results down by local authority area. But it does show the total employment land demand (2011-31) derived from each scenario, as follows:
 - Scenario 1 - Cambridge Econometrics (CE) base scenario: 201 ha
 - Scenario 2 – Baseline + growth scenario: 326 ha
 - Scenario 3 – Housing-led scenario: 115 ha
 - Scenario 4 – Past completions: 659 ha.
- 4 So the housing-led scenario, assuming population growth in line with the SHMA's demographic projections, shows by far the lowest employment land demand of the four alternatives, and by direct implication by far the lowest number of new jobs.
- 5 Having discussed the merits of these four alternatives, the employment land review recommends Scenario 2 as a minimum employment land target:

This scenario reflects relatively conservative economic performance boosted by targeted investment in new advanced manufacturing and engineering activity. Under this scenario, future demand for additional land is estimated to be around 326 ha in the period up to 2031.

4.36. However, as evidenced by past rates of take-up, actual demand could turn out to be significantly greater. A simple linear projection of past levels of B use class completions across the subregion, results in up to 660 ha of additional land over the period 2011 to 2031. While there are limitations in the use of historic figures to predict future trends (e.g. a small number of major developments in past years could skew future projections), there is merit in taking them into consideration.

- 6 The report also recommends against the housing-led scenario as a basis for employment land policy:

'These figures represent housing needs rather than housing targets as they do not take account of land availability and development and infrastructure constraints in different areas. They also do not take account of any potential shortfall in housing provision in other local authorities, within or beyond the housing market area (HMA). For the above reasons, the findings of this scenario are presented as part of the scenario testing exercise undertaken for this study but should be given limited weight in the assessment of the sub-region's future employment land requirements.'

- 7 It may be that Scenario 3 is not relevant to employment land targets, but it is highly relevant to housing targets. In effect, the employment land review says that, if the area's local authorities accept its recommended employment scenario:
- Either their collective housing targets should be considerably above the SHMA's demographic scenarios;
 - Or the subregion – and, more important, its neighbours- should accept that Coventry and Warwickshire will require large-scale in-commuting if it to deliver its economic strategy.
- 8 In the second of these alternatives, Coventry and Warwickshire's economic growth would rely on other areas building the necessary housing. This is unlikely to be an acceptable or sustainable strategy. Therefore, if the subregion's authorities accept the employment land study's recommendations and build them into their employment land policies, they should set housing provision targets that are considerably above the SHMA's demographic projections.

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