# Prologis Wyboston Site Employment Land Technical Paper

Prologis UK Limited

July 2022

# LICHFIELDS

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| 1.0 | # Introduction |
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1.1 This Employment Land Technical Note [ELTN] has been prepared by Lichfields on behalf of Prologis UK Ltd [Prologis] to examine the quantitative need for employment land in Bedford Borough. We also provide specific qualitative evidence on the need for, and opportunities for, life sciences in the Borough. It accompanies representations to the Submission Draft Bedford Local Plan 2040 (April 2022), which was published for consultation by Bedford Borough Council [BBC] for 6 weeks until 29th July 2022. These representations are made in the context of Prologis's development interests on land to the west of the A1, Wyboston [the Site]. The site is currently unallocated 'white land' and is being promoted by Prologis for a sustainable mixed-use employment-led development with a particular focus on additional in-combination development of life science manufacturing and modern logistics development.
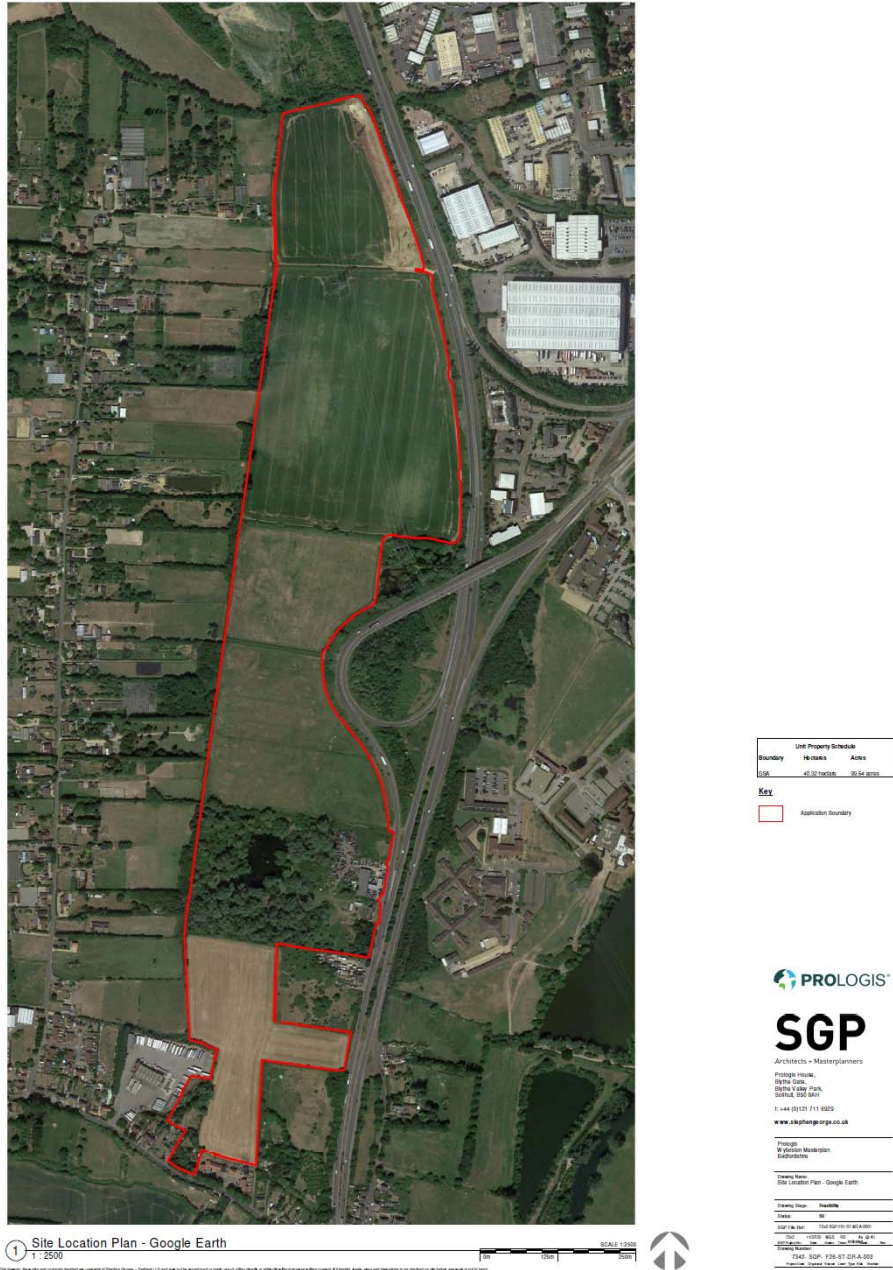
## The Site

1.2 The Site is located immediately adjacent to the A1, in close proximity to the A421 and A428 and the links they offer to London, Cambridge, the A14 and north, as well as Eaton Socon and St Neots. Prologis has undertaken extensive assessment work to appreciate the development potential of this location, acknowledging that it provides significant opportunities to deliver a sustainable mixed-used development. This work has facilitated the progress of masterplanning exercises that demonstrate the site's potential to accommodate a range of new employment-focussed development, featuring:

- 26,500 sqm [GIA] Life Sciences Manufacturing (B2/Eg(iii)) across five zones;

- 58,300 sqm [GIA] of B2/B8/E(g) industrial floorspace across three zones;

- 5,000 sqm [GIA] Electric Vehicle Trunk Road Service Area [EV TRSA] featuring an electrical hub charging station, parking area, amenity / training hub, retail outlet, security facilities and washroom block. This would have room for expansion as demand requires and associated commercial, business and service use that could provide, refreshments, meeting space, leisure and play area for customer use whilst vehicles charge. It would reflect similar design principles to those found at the recently opened Braintree 'Electric Highway' charging station operated by GridServe;

- 700 sqm community uses;

- Enhanced existing wetland and proposed parkland areas;

- Landscape buffer to sensitive receptors;

- Vehicular access from a new roundabout on the A1 Northbound Off-Slip to Great North Road at the A1/A428 interchange and from The Lane to the south; and

- The stopping up of all other existing access points within the site onto the A1 within the site.

1.3 The Site extends 40.32 hectares [ha] gross (18.46 ha net) and is currently designated as 'white' land. However, the Site itself is well-contained and adjoins industrial areas and commercial / leisure uses to the east. The proposed new settlement at Little Barford, which is identified in the SDBLP 2040 as having the potential to provide at least 4,000 new

homes overall plus 4 hectares of employment land, is also located in close proximity to the Wyboston site to the east. As can be seen in Figure 1.1, the Huntingdonshire administrative boundary runs immediately to the north east of the site, with the town of St Neots beyond:

Figure 1.1 Land west of the A1, Wyboston: Site Location Plan



1.4    Although designed to cater for a mix of uses, the site is likely to be predominantly employment-led, with a significant proportion of the site currently earmarked for a Life Sciences facility (Use Class E(g)(iii). This site is also ideally located to provide EV public charging facilities to serve the strategic trunk road network (both the A1 and A428) and the large area of housing and commercial development within 5km of the site to the east. It is also conveniently sited close to (within 800m) National Power's electrical sub-station at Eaton Socon located just north of the site.

## Study Approach

1.5    The approach to this ELTN follows national guidance on planning for business needs and economic development as set out in the National Planning Policy Framework [NPPF] and the accompanying Planning Practice Guidance [PPG].  It is intended to critique the work undertaken by BBC in ensuring that the Submission Draft Bedford Local Plan 2040's [SDBLP] employment evidence is robust and justified and meets the test of soundness.

1.6    In this regard it provides a high-level overview of employment land need and supply in Bedford Borough given that this is the area assessed in the Council's Bedford Employment Land Study [BELS] (2022), and which has underpinned the relevant employment land policies in the Submission Draft Local Plan.  Given the strategic location of the site it is likely to attract in-commuters from further afield including nearby Huntingdonshire.

1.7    Bedford is located at the very heart of the Oxford-Cambridge Arc, which has tremendous growth potential, whilst the wider SEMLEP sub-region also has strategic logistics requirements that could potentially be located in Bedford Borough.  Whilst this latter issue is a matter for a separate study currently being undertaken on behalf of the LEP, it is nevertheless important to acknowledge at the outset that Bedford Borough has considerable growth opportunities to take on wider strategic needs given its excellent access to the strategic highways network and the East West Rail infrastructure improvements.

1.8    In preparing the ELTN, Lichfields has undertaken the following actions:

1    reviewed key planning policy documents and economic growth studies produced for BBC as well as other published Bedfordshire sub-regional studies including the scope for the SEMLEP Strategic Employment Land Requirements Study and information that relate to economic strategies, property markets, and relevant business and economic statistics; and,

2    interrogated latest available economic data and forecasts produced by BBC to underpin the emerging SDBLP 2040, run our own scenarios to come to an adjusted employment land requirement figure, and reviewed other available and relevant commercial property market data including CoStar.

## Study Limitations

1.9    Given the narrow timeframe for responding to this consultation on the SDBLP 2040, this note does not in itself provide detailed econometric modelling of the need for employment land; it does not assess the quantitative needs of 'big box' logistics developments; nor does it consider in detail the supply side factors.  The report therefore does not provide a comparison against the alternative sites that are either being promoted, or proposed to be allocated.  For the purposes of this Technical Note, we have sought to replicate and critique what BBC has modelled, and have undertaken an assessment of the modelling results to provide coherent and transparent output to assist the Plan preparation process.

## Report Structure

1.10    The report is structured as follows:

- Section 2.0 reviews relevant planning documents and economic growth studies produced for Bedford as well as other published sub-regional studies and information that relate to economic strategies, property markets, and relevant business and economic statistics;

- Section 3.0 outlines the baseline economic and labour market conditions for Bedford's economy relative to comparator benchmarks, including an overview of the current stock of employment floorspace within this part of the South East Midlands;

- Section 4.0 critiques the Council's existing economic evidence base, specifically that underpinning the SDBLP 2040;

- Section 5.0 sets out an analysis of Office/Industrial/Warehousing floorspace requirements across the study area and compares this with the current forward supply of employment land in the Borough; and,

- Section 6.0 draws together the overall conclusions and implications, considering the industrial land demand / supply balance in the study area.

# 2.0    Policy Context

## Introduction

2.1    This section provides a summary of the relevant policy documents and evidence base relating to employment land and economic development within Bedford Borough.

2.2    The National Planning Policy Framework [NPPF] places a particular emphasis on sustainable development through a process of:

1.    Reviewing employment land allocations to ensure the supply meets identified needs;

2.    Proactively supporting sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs; and,

3.    Encouraging the effective use of land by re-using land that has been previously developed (brownfield land), with a view to promoting regeneration.

## National Planning Policy Framework

2.3    The revised July 2021 NPPF sets out the Government's economic, environmental and social planning policies for England. It states that the purpose of the planning system is to contribute to the achievement of sustainable development [§7]. It notes in paragraph 8 that achieving sustainable development means that the planning system has three over-arching objectives, which are interdependent and need to be pursued in mutually supportive ways: economic, social and environmental. The economic objective is to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure.

2.4    The NPPF [§20] states that strategic policies should set out an overall strategy for the pattern, scale and quality of development and make sufficient provision for a range of uses, including employment and other commercial development.

2.5    Paragraph 31 requires that all policies should be underpinned by relevant and up-to-date evidence. *"This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals."*

2.6    The NPPF also sets out the 'tests of soundness', whereby Local Plans and spatial development strategies are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound as a consequence. Plans are 'sound' if they are:

a. **Positively prepared** – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;

b. **Justified** – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;

c. **Effective** – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and

d  **Consistent with national policy** – enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant [§35].

2.7  Section 6 of the NPPF summarises how the planning system should help build a strong competitive economy:

*"Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt.* ***Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development.*** *The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.* ***This is particularly important where Britain can be a global leader in driving innovation,*** *and in areas with high levels of productivity, which should be able to capitalise on their performance and potential."* [§81] (Lichfields' emphasis)

2.8  The NPPF [§82] indicates that local planning authorities [LPAs] are required to ensure that Local Plan policies set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies [LIS] and other local policies for economic development and regeneration. They should set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period, and seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment. The NPPF also requires planning policies to be sufficiently flexible 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.

2.9  Furthermore, planning policies and decisions should recognise and address the specific locational requirements of different sectors:

*"This includes making provision for clusters or* ***networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations*** *at a variety of scales and in suitably accessible locations."* [§83] (Lichfields' emphasis).

2.10  The NPPF states that LPAs should ensure an integrated approach to considering the location of housing, economic uses and community facilities and services [§93 €].

## Planning Practice Guidance Note

2.11  The Planning Practice Guidance [PPG] includes guidance on the assessment of housing and economic development. The PPG[1] states that plan makers should liaise closely with the business community to understand their current and potential future requirements[2].

2.12  It also advises that Plan-makers should assess:

- the best fit functional economic market area [FEMA];

- the existing stock of land for employment uses within the area;

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[1] 2a-025-20190220
[2] 2a-026-20190220

- the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);

- evidence of market demand (including the locational and premises requirements of particular types of business) - sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;

- wider market signals relating to economic growth, diversification and innovation; and,

- any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.

2.13    In terms of using market signals to help forecast future needs, the PPG[3] advises that a range of data which is current and robust should be used, such as:

- sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);

- demographically derived assessments of current and future local labour supply (labour supply techniques);

- analysis based on the past take-up of employment land and property and/or future property market requirements; and,

- consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.

2.14    In terms of how market demand can be analysed, the PPG[4] advises that plan makers should note that:

*"The available stock of land can be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified.*

*It is important to consider recent employment land take up and projections (based on past trends) and forecasts (based on future scenarios), and to identify instances where sites have been developed or sought for specialist economic uses. This will help to provide an understanding of the underlying requirements for office, general business and distribution space, and (when compared with the overall stock of employment sites) can form the context for appraising individual sites.*

*Analysing supply and demand will allow policy makers to identify whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This will enable an understanding of which market segments are over-supplied to be derived and those which are undersupplied."*

2.15    In order to derive employment land requirements, the PPG[5] states that when translating employment and output forecasts into land requirements there are four key relationships which need to be quantified:

- Standard Industrial Classification sectors to use classes;

- Standard Industrial Classification sectors to type of property;

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[3] 2a-027-20190220
[4] 2a-029-20190220
[5] 2a-030-20190220

- Employment to floorspace (employment density); and,
- Floorspace to site area (plot ratio based on industry proxies).

2.16    The PPG has also added in two new sections on how authorities can assess need and allocate space for logistics[6] and how specific locational requirements of specialist or new sectors be addressed[7].

2.17    Regarding the former, the PPG recognises that the logistics industry plays a critical role in enabling an efficient, sustainable and effective supply of goods for consumers and businesses, as well as contributing to local employment opportunities, and has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land).  To address this, the PPG states that:

*"Strategic facilities serving national or regional markets are likely to require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour. Where a need for such facilities may exist, strategic policy-making authorities should collaborate with other authorities, infrastructure providers and other interests to identify the scale of need across the relevant market areas.  This can be informed by:*

- *engagement with logistics developers and occupiers to understand the changing nature of requirements in terms of the type, size and location of facilities, including the impact of new and emerging technologies;*
- *analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies;*
- *analysis of economic forecasts to identify potential changes in demand and anticipated growth in sectors likely to occupy logistics facilities, or which require support from the sector; and*
- *engagement with Local Enterprise Partnerships and review of their plans and strategies, including economic priorities within Local Industrial Strategies.*

*Strategic policy-making authorities will then need to consider the most appropriate locations for meeting these identified needs (whether through the expansion of existing sites or development of new ones)."*

2.18    Regarding the former, the PPG states that when assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed. It states that:

*"Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate.  Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies.  For example, this might include the need for greater studio capacity, co-working spaces or research facilities.*

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[6] 2a-031-20190722
[7] 2a-032-20190722

*These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors."*

## Future of Freight: A Long Term Plan

2.19    The Department for Transport published its *Future of Freight: A Long Term Plan* in June 2022.  This plan sets out a starting point for Government-industry collaboration going forward and states its shared vision for the sector.  The plan establishes Government's ambition and commitment to a long-term, cross-government and cross-modal approach to delivering its vision of a freight and logistics sector that is cost-efficient, reliable resilient, environmentally sustainable and valued by society.

2.20    The document recognises that freight and logistics has a key role to play in the delivery of a number of public policy outcomes.  *"The sector can make a significant contribution to levelling up and strengthening the union as a geographically distributed employer supporting economic activity across the UK.  And the sector is the gateway for UK plc to imports, exports and global markets, making it is central to strengthening the UK's global impact."* [page 6]

2.21    Chapter 5 relates to planning and logistics.  A key challenge is that a disconnect exists between industry, which is not equipped to properly engage with planning processes, and local planning authorities, that are unable to understand the needs of a changing an innovative freight and logistics sector.  This leads to increased complexity, cost and time for promoters bringing forward schemes that are in the national interest.

2.22    Its goal is to create a planning system which fully recognises the needs of the freight and logistics sector now and in the future and empowers the relevant planning authority to plan for those needs.

2.23    There are a number of relevant recommendations which very clearly articulates the Government's recognition that LPAs should directly make provision for strategic freight and logistics sites:

    *"Planning policies should also provide for large scale transport facilities, located in areas of need, which include interchanges for rail freight."* [paragraph 5.10]

2.24    It also states that Government will ensure that planning policy keeps pace with technological advancements such as for electric vehicles, low carbon fuels across transport modes and autonomous vehicles.

2.25    It concludes that the Government will take forward work to review and where appropriate amend the PPG to better support freight and logistics.

## The Adopted Bedford Local Plan 2030

2.26    The Bedford Borough Local Plan 2030 was adopted by Full Council on 15th January 2020.

2.27    At the outset (Policy 1), the Local Plan accepted the need to have an early review by the Council in relation to changes to the NPPF and potentially an increase in housing numbers and the provision of significant infrastructure projects: *"The plan review will secure levels of growth that accord with government policy and any growth deals that have been agreed. The planning and delivery of strategic growth will be aligned with the delivery of*

*planned infrastructure schemes including the A421 expressway, Black Cat junction, East West Rail link and potentially the A1 realignment."* [Policy 1]

2.28    As a result, it is possible that many of the Polices referred to below (particularly those relating to the scale of employment land requirements will be replaced by updated Policies in the SDBLP 2040.

2.29    In terms of these key policies, *Policy 4S – Amount and distribution of housing development*, sets a minimum requirement of 3,169 new dwellings, in order to ensure that the objectively assessed need for housing of 14,550 homes in the period 2015-30 will be met.

2.30    Wyboston (excluding the Land Settlement Association Area) is defined as a 'Small Settlement' in the Local Plan 2030.  *Policy 6 – Development in Small Settlements*, states that

*"Within the built form of Small Settlements development will be supported where the proposal contributes positively to the character of the settlement and is appropriate to the structure, form, character and size of the settlement as a whole".*

2.31    The supporting text to this Policy notes that places with a scattered development form, comprising no reasonably substantial definable core are considered to form part of the countryside:

*"Nevertheless, it is important that overly restrictive policies do not prevent the borough's rural businesses and smaller communities from thriving.  A balance therefore needs to be struck between supporting a thriving rural economy and providing opportunities for communities to achieve local development aspirations, whilst protecting and where appropriate enhancing the natural and historic environment, the character and appearance of existing settlements and the surrounding countryside."* [paragraph 6.21]

2.32    Policy 7S – Development in the countryside is a restrictive Policy, although it does state that exceptionally, development proposals will be supported on sites that are well-related to a defined Settlement Policy Area, Small Settlements or the built form of other settlements where it can be demonstrated that (inter alia):

*vi. It responds to an identified community need; and*

*vii. There is identifiable community support and it is made or supported by the parish council or, where there is no parish council, another properly constituted body which fully represents the local community; and*

*viii. Its scale is appropriate to serve local needs or to support local facilities; and*

*ix. The development contributes positively to the character of the settlement and the scheme is appropriate to the structure, form, character and size of the settlement.*

2.33    Section 11 address Bedford's Economy.  Policy 69S – Amount and distribution of employment development sets out the following:

*i. A minimum of 6,900 net additional jobs will be provided to 2030.*

*ii. The main focus for jobs growth will be the urban area of Bedford and Kempston and on the employment sites that are already allocated in the development plan.*

*iii. Applications for 'B' use class employment on sites that are not allocated will be determined in accordance with Policy 72S. Proposals for non B use employment on key employment sites will be determined in accordance with Policy 70.*

2.34    Importantly, Policy 72S – Additional strategic employment development, states that proposals for new "B" use class development on sites of 5 ha and above, not previously allocated for such a use will be supported subject to meeting all of the following criteria:

*i. It has been demonstrated that there is no availability of land to meet the requirements of the business/industrial sector within existing or allocated employment sites, and*

*ii. There is a demonstrable demand and need at the proposed location, and*

*iii. It has been demonstrated that the proposal provides a high quality development that would bring significant economic benefits to the borough by widening the employment offer in terms of job opportunities and/or skills involved, and*

*iv. The proposal is adjacent to the strategic transportation network by road or rail; and is well located for borough residents i.e. in accessible locations by a range of transport modes, and*

*v. Delivery of additional strategic warehousing and logistics facilities will not result in an over concentration in the market or the proposed location, and*

*vi. Appropriate mitigation of any landscape biodiversity (species or habitats) or heritage impact can be achieved in order to provide a development which respects its surroundings, provides sufficient landscaping/green infrastructure and accords with Policy 41S.*

2.35    Policy 73 relates to the Wyboston Lakes site, which is a large mixed-use development further to the east of Prologis's site on the other side of the A1.  The supporting text notes that

2.36    In policy terms, Wyboston Lakes is in the countryside but it is in close proximity to the A428 and A1 transport corridors as well as the urban area of St Neots:

*"The site's location provides an important opportunity for both London, Peterborough north/south connections as well Cambridge, Milton Keynes east/west connections. The site is partly developed for various recreation, leisure and hotel, conference and training uses providing a wide range of predominantly non "B" use class employment within a low density landscaped setting. Planning permission has been granted for larger scale "B1" use business class development close to the A428. This is yet to be delivered."* [paragraph 11.30]

2.37    Whilst the Council recognises the role of the Wyboston Lakes Complex as a regional centre for leisure, training and conferencing-based facilities, there is opportunity for the development of small scale research and development 'B1' use class employment.  In respect of B1 office uses it must be demonstrated that the proposed development cannot be accommodated within St Neots town centre, in accordance with national policy [paragraph 11.31].

2.38    *Policy 74 - Employment skills* requires that development over 200 dwellings or 5ha of 'B' class uses must be accompanied by an Employment and Skills Plan to identify and

implement opportunities for the employment and up-skilling of local people, unless the applicant can demonstrate that they already have an effective skills policy that achieves the same outcome.

2.39   Finally, *Policy 75 - New employment development in the countryside* states that new employment development ("B" use class and sui-generis business uses such as builder's yards) will be supported in the countryside in the following circumstances:

*i. Where it is within a defined employment area; or*

*ii. For the reuse of land last used for employment purposes within the 'B' use classes, sui generis or for the reuse of existing buildings; or*

*iii. For the expansion of an established business within its existing operational site; or*

*iv. For the diversification of agricultural and provision for other land based rural businesses.*

*In all instances applicants will be required to demonstrate all of the following:*

*v. If a new building is proposed, there are no existing buildings that could be used for the proposed use;*

*vi. The proposed use needs to be in the rural area and cannot be located within a Settlement Policy Area or within a designated Small Settlement;*

*vii. Open storage is ancillary to employment buildings and is located in well contained and screened areas of the site with an appropriate height restriction;*

*viii. The proposal would not generate traffic movement and volume that would lead to unacceptable environmental impacts or detriment to highway safety objectives;*

*ix. The proposal would not have a significant and demonstrable harm to the established character of the area and the local amenities and adjoining land uses and accords with Policy 41S;*

*x. There would be no adverse impact on biodiversity including Natura 2000 sites in accordance with Policy 42S.*

2.40   The Emerging SDBLP 2040 (see below) lists the existing development plan policies and identifies their status once the Local Plan 2040 has been adopted.  Of the policies summarised above, Policy 1(S) will be deleted.  Policies 6, 7S, 72S, 73 and 74 will be saved. The following Policies will be replaced: 45 (by DS3(S)); 69S (by DS4(S) and DS5(S)); and 75 (by DM8).

# The Emerging Bedford Local Plan 2040

2.41   Bedford Borough Council is preparing Local Plan 2040 which has now reached Regulation 19 stage.  Local Plan 2040 builds on the Local Plan 2030 strategy and rolls forward the planning of the Borough a further 10 years to 2040.  The strategy explains where homes and jobs will be delivered through new allocations alongside the allocations already adopted in the Local Plan 2030.  The time period for the Plan is 2020-2040.

2.42    The Plan states that a review of business space has informed the allocation of new employment land in order to support the expansion of existing businesses and to attract inward investment. Where housing growth is concerned, as a result of existing commitments and new allocations made in this plan, the Council intends to make provision for significantly more homes as described in the Arc joint declaration.

2.43    Alongside aligning its vision with that of the arc, the SDBLP 2040 also accepts the need to plan for East West Rail [EWR], a new railway connection between Oxford, Bedford and Cambridge. This is a major infrastructure project to deliver much needed connections between these communities and places further afield, linking people with job opportunities, new homes and economic hubs both locally and across the UK.

*"Another significant infrastructure project is the upgrade of the road route between the Black Cat Roundabout (A421 / A1 junction) and the Caxton Gibbet roundabout on the A428. This will involve the building of a new 10 mile dual carriageway and a number of junction improvements, including the Black Cat on the A1."* [paragraph 1.29]

2.44    The SDBLP 2040 identifies a Vision and a series of accompanying themes, of which Theme 3 'More Prosperous' is particularly relevant to Prologis' proposed development given that it aims to support new innovative businesses, educational and employment opportunities. Its objectives include:

- *"**Support a stronger local economy** by building on the strengths of the emerging higher value clusters, to become a location for innovative businesses, with a strategically important employment site as a local innovation hub.*

- *Allocate land to provide locations for the **delivery of high value jobs**."*

2.45    Policy DS(2) Spatial Strategy states that to deliver sustainable development and work towards making Bedford a net zero carbon emissions borough at the heart of the Oxford – Cambridge Arc, development will be focussed within the urban area, at specified strategic locations adjacent to the urban area and at growth locations within the A421 / East West Rail corridor.

2.46    All new development will be required to contribute towards achieving the stated objectives and policies of this plan, in line with the Infrastructure Development Plan, through (inter alia):

*"Other employment sites:*

*xi: Locations well related to the strategic road and rail network that will deliver employment growth, making Bedford an attractive place to do business".*

2.47    The supporting text to this Policy relating to housing growth states that as a result of the Government's recent revisions to the standard method, the figure for Bedford Borough currently is 1,355 dwellings per annum [dpa], giving a total of 27,100 dwellings for the 20-year period from 2020 to 2040. Taking account of existing commitments, completions and an allowance for windfall, which amounts in total to 14,824 dwellings, this leaves 12,276 dwellings to be allocated in this plan [paragraph 4.7].

2.48    Regarding employment issues, in determining the number of jobs to be planned for the Council has taken account of two key forecasts; one produced by the East of England

Economic Forecasting Model [EEFM] and one based on the figures for economic activity taken from the dwelling led forecast derived from the standard method.  There is a substantial difference between these two forecasts, indicative of the fact that the EEFM work does not reflect the substantial change in labour supply inherent in the standard method projection.

*"The predicted number of jobs in the standard method forecast is included as a target reflective of the Council's commitment to providing a balance of homes and jobs in the borough and in the context of the plan vision and strategy creating a high-value, highly skilled, economy, expanding its current strengths, and developing into a location where innovative businesses can thrive."* [paragraph 4.29]

2.49    The Plan goes on to state that its focus is on creating the right kind of jobs which will strengthen the local economy and create a prosperous future for the Borough and its residents.  The jobs created will span a range of sectors and the jobs related to office, industrial and warehousing development (about 39% of the new jobs likely to be needed) will require the allocation of additional land:

*"The Employment Land Study topic paper sets out that it is appropriate for the plan to identify between 118 and 142 ha of employment land.  Policies HOU 12, HOU 19 and EMP 1 - EMP8, identify sufficient land to meet the upper end of this forecast.  The number of hectares of land allocated is sensitive to the employment types being planned for as different land uses have different space requirements."* [paragraph 4.29]

2.50    Policy DS4(S) goes on to state that regarding the amount of employment growth, the Provision of up to 26,700 additional jobs to Council's ambition to create a high-value, highly skilled, economy, expanding its current strengths, and developing into a location where innovative businesses can thrive.

Table 2.1 Distribution of Growth in Bedford to 2040

| Location | Dwellings | Employment Land |
|---|---|---|
| Within the urban area | 1,200 | 5* |
| Strategic locations adjacent to the urban area which contribute to delivering the Forest of Marston Vale incorporating the Bedford Milton Keynes Waterway Park and the Bedford River Valley Park | 1,500 | 7 |
| Growth locations on the A421 transport corridor and with the potential for rail based growth | | |
| •     South of Bedford including new settlement | •   7,050 | •   70 |
| •     Little Barford new settlement | •   3,800 | •   4 |
| •     Other employment sites | •   - | •   50 |
| Some development will take place beyond the plan period | 400 | - |
| Remaining rural area / villages | Completion of sites previously allocated in local plans and neighbourhood plans | |

Source: SDBLP (2022): Policy DS5(S)
*Does not include Pear Tree Farm which is land allocated in ADLP Policy AD11 and counted as a commitment.

2.51    Policy DS5(S) sets out where the growth will be located, taking into account existing commitments.  The Table below indicates that there is a total of 136 ha allocated for employment land for the period 2020-2040.  We understand that this is in addition to the

24 ha of existing employment land commitments which includes 20.4 ha at Pear Tree Farm (hence the Council's forward supply of employment land is in the order of 160 ha).

2.52    The SDBLP goes on to state that Policy 75 of Local Plan 2030 encouraged new employment development that needs to be in the countryside in order to support the rural economy. Although the policy has only recently been adopted, the opportunity has been taken to review the policy to provide greater clarity around the intentions of the policy and make it more effective in its implementation. The replacement *Policy DM8 – New employment in the countryside*, states the following:

*"New office, industrial, warehousing and sui-generis business uses such as builders' yards will be supported in the countryside in the following circumstances:*

*i. Where it is within an existing employment area; or*

*ii. Where it reuses land last used for office, industrial, warehousing or sui generis uses or reuses existing buildings; or*

*iii. Where it enables the expansion of an established business within its existing operational site; or*

*iv. Where it enables the development and diversification of agricultural and other land-based rural businesses; or*

*v. Where it enables the limited enlargement of an existing employment area.*

*In all instances applicants will be required to demonstrate all of the following:*

*vi. If a new building is proposed, there are no existing buildings that could be used for the proposed use;*

*vii. Open storage is ancillary to employment buildings and is located in well-contained and screened areas of the site with an appropriate height restriction;*

*viii. The proposal would not generate traffic movement and volume that would lead to unacceptable environmental impacts or detriment to highway safety objectives;*

*ix. The proposal would not have a significant adverse effect on the established character of the area and the local amenities and adjoining land uses and accords with Policy 41S;*

*x. There would be no adverse impact on biodiversity including national site network (formerly Natura 2000) sites in accordance with Policy 42S."*

2.53    Prologis's proposed development site on land to the west of the A1, Wyboston is effectively 'white land' in both the BLP 2030 and emerging SDBLP 2040; it is not located within or adjacent to any landscape designations and is not a Green Belt location.

## Bedford Economic Growth Ambitions Topic Paper (April 2022)

2.54    BBC's *Economic Growth Ambitions Topic Paper* (April 2022) sets out the economic ambitions of Bedford Borough, based on a SWOT analysis of the local economy. The paper discusses how to exploit the opportunities and address the threats that have been identified, reviews the trend-based approach to understanding future employment needs based on the

EEFM, and explains why an alternative approach to the provision of employment land is now necessary for the period covered by the Local Plan 2040.

2.55    The ambition for Bedford's economy is to create a high-value, highly skilled, economy, expanding its current strengths, and developing into a location where innovative businesses can thrive.  The SWOT analysis recognises that the Oxford to Cambridge Arc creates chance to develop a higher value economy, and that the East West Rail route via Bedford positions the town as a pivot for commercialisation of Oxbridge tech.

2.56    The Growth Ambitions Topic Paper suggests that there is a need to look beyond the picture painted by the EEFM which, because it is trend based, would provide for yet more of the large footprint warehousing development which has dominated new employment provision in the Borough in recent years.  The Local Plan 2040 presents an opportunity to bring forward new policies that seek to deliver the Council's priorities.

*__"Land allocations need to be made in locations where they will deliver a wider range of jobs, including a much greater proportion of those that are higher value and related to non-B8 sectors, (for example, manufacturing, life sciences and green economy)__. The allocation of employment land, and the attraction of non-B8 jobs as a result of policy intervention, would provide the opportunity for Bedford to develop a more balanced, productive and therefore higher value economy. Pivotal to this is the planning of a strategically located employment site at Kempston Hardwick which is ideally placed on the EWR line to deliver a local innovation hub."* [page 4, Lichfields' emphasis]

2.57    Moving on to set out the substantial growth benefits of the OxCam arc, the Topic Paper notes that SEMLEP's ambition is to be the 'connected core' of the Oxford to Cambridge Arc2 and Bedford is at the heart of this – the core of the core - allowing local and new business to take advantage of this positioning.

2.58    However, it notes a number of challenges, not least the fact that existing logistics businesses are already struggling with recruitment as there are not enough employees in the area, with staff being bussed in from as far afield as Luton.  In order to maximise the opportunities, the Paper suggests that Bedford Borough needs to prioritise sectors that yield a higher income, for the benefit of both the economy and individuals.  This therefore requires prioritisation of certain sectors; none of which are focused on B8 use class premises.

*"Bedford Borough's proximity to Cambridge, as the main and largest urban settlement along the Arc infrastructure investment route with the forthcoming East West Rail and A421 / A428 Black Cat to Caxton Gibbet improvements, make it a natural location to respond to pent up growth in the life sciences, tech and advanced manufacturing that are unfulfilled in Cambridge."* [pages 13-14]

2.59    The paper goes on to set out why Bedford is ideally placed to accommodate higher value industrial clusters: on

*"Bedford Borough has the industrial clusters, assets and attractions to make it an ideal location to develop at scale the modern offices, labs and small to medium light industrial premises for businesses that are needed, and the opportunity to align them with sister plants and customer bases in the immediate Cambridge eco-system.  These include:*

- *ARA Transonic Wind Tunnel,*

- *Cranfield University,*

- *Millbrook,*

- *Competitive commercial property values compared to neighbouring industrial centres and*

- *Track record of enabling commercial property development with quality of life facets.*

*Bedford's premier business location, Priory Park, has always had limited voids and demonstrates a need within the next local plan to deliver comparable schemes to take advantage of the Cambridge overspill.*

*High-value businesses are already in Bedford and there is opportunity for those centred on Cambridge to expand alongside them. Marshalls Aerospace's decision to relocate to Cranfield is the first of what should be a slew of companies relocating or expanding west to exploit the land supply, competitive commercial costs and affordable quality of life for current and future employees of high-value sector businesses in and around Bedford"* [page 14].

2.60 The Topic Paper notes that the life science sector is rapidly growing and has a large potential to expand. Institutional investors are assessing this sector and the affiliated property uses as long-term rewarding investment options. There is a dearth of lab and sector-specific (clean room etc.) manufacturing space across the region and Bedford is positioned well to fill this gap and meet demand.

2.61 To address BBC's aim for Bedford Borough to accommodate high value growth, the Paper sets out a number of key opportunity sectors including:

- Food & Drink Manufacturing;

- Medical Diagnostics;

- Creative Industries;

- The Green Economy; and,

- Aerospace Supply Chain Opportunities.

2.62 In respect of this changing landscape, the Paper concludes that there needs to be *"a refocus towards increasing B2 / E(g) allocations will provide the foundation to enable the Council's objectives to be realised, and create a more balanced, higher value-added, local economy"* [page 22].

2.63 It is important to note that SEMLEP commissioned a Strategic Logistics Study in summer 2022 which may well identify a substantial growth in B8 logistics requirements over the period to 2050. BBC will need to reflect on the outcomes of this study and what it means for Bedford Borough's overall employment land requirement.

## Summary

2.64 The SDBLP 2040 acknowledges the need to boost the delivery of housing and economic growth in order to align with the updated NPPF and specifically the opportunities arising from the Oxford-Cambridge arc and East West Rail. There is a specific recognition of the

need to deliver high value jobs that span a range of sectors. The evidence base to the plan identifies an unmet need of between 118 and 142 ha of employment land over the 20-year plan period to 2040, and in this regard the Plan allocates a number of sites capable of delivering up to 136 ha.

2.65    The Bedford Economic Growth Ambitions Topic Paper supports this focus on higher value jobs and makes the case for moving away from what it perceives to be lower value B8 logistics employment, which it considers to be at near saturation point in the wider area from a labour supply perspective, and build on the Oxford-Cambridge Arc opportunities by target opportunity sectors including Food & Drink Manufacturing; Medical Diagnostics; Creative Industries; The Green Economy; and Aerospace Supply Chain Opportunities. This will require additional B2/E(g) allocations.

2.66    Prologis's proposed development site on land to the west of the A1, Wyboston is on 'white land' in both the BLP 2030 and emerging SDBLP 2040; it is not located within or adjacent to any landscape designations and is not a Green Belt location. Whilst the site has historically been categorised as countryside, the locality is about to go through transformational change, with a new road linking the Black Cat roundabout (2km south of the south of the Site) with the Cambridge Road at Caxton Gibbet (14km northeast of the site) and a new rail station nearby, on the East West Rail line. The Prologis site is also in close proximity to the proposed new settlement at Little Barford (Policy HOU19) which is earmarked by the Council to deliver 4,000 new homes and just 4 ha of employment land.

# 3.0 Baseline Position

## Introduction

3.1 This section sets out the economic, labour market and industrial context for Bedford Borough by reviewing recent economic conditions and trends relative to regional and national benchmarks. It also includes analysis of the latest CoStar data for July 2022 including the amount of warehousing and distribution floorspace across the Borough.

## Socio-Economic Indicators

### Demographics

3.2 The 2020 mid-year estimates from the Office for National Statistics [ONS] indicates that the population of Bedford has grown by 18,152 (11.6%), from 156,535 to 174,687. This rate of growth is above both the regional (8.1%) and national (7.4%) growth rates[8].

3.3 Between the two Censuses of 2011 and 2021, the number of 0–19-year-olds living in Bedford increased by 5,230 to 45,200 (13.3%), a rate almost three-times the rate observed across the East of England (+4.7%). The growth in the number of 20–64-year-olds followed a similar pattern, growing by 16,369 (17.7%) to 109,100 (again, well above the regional rate of growth, which stood at 6.1% for this key age cohort). However, the number of residents of retirement age living in Bedford Borough experienced the greatest rate of change at 25.5%, growing by 6,332.

3.4 Looking forward, data from the ONS 2018 Subnational Population Projections [SNPP] indicates that the total population of Bedford could increase by 17,766 (10.0%), from 177,639 in 2022 to 195,405 by 2042. This rate of increase is greater than the comparable rate of increase across the East of England (+7.4%). Bedford Borough is also projected to grow at a faster rate than England a whole (+7.5%)[9].

3.5 By 2042, the number of 0–15-year-olds is projected to decline by 824 (-2.2%) across Bedford. Although there is likely to be a decline in this demographic, it is a lower fall than is expected across the East of England (with a decrease of 3.9%, falling by 47,489 from 1,225,932 to 1,178,443).

3.6 The projected increase of Bedford's working-age population (16-64) is also expected to grow at a rate more than twice the regional average, at 4.2%. This compares to a projected regional increase of just 1.9% by 2042. However, the 2018 SNPP data projects a stark increase in the number of retirees across Bedford Borough, from 32,610 in 2022 to 46,738 (43.3%). This compares to an increase of 'just' 34.2% across the East of England.

### Job Growth

3.7 BBC's Employment Land Study (Part 1) (May 2022) reports the findings of the 'base' East of England Forecasting Model [EEFM] which identifies a growth of 14,400 jobs over the period 2020 to 2040. This contrasts with the ORS employment growth forecast, derived from its population forecast that is aligned with the Borough's housing need. This suggested that the level of job growth is more likely to be of a higher level, at 26,700 net growth over the same time period.

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[8] ONS (2021): Annual mid-year estimates for the UK, 2001-2020
[9] ONS (2020): Subnational population projections for England: 2018-based

3.8 Lichfields obtained the latest job growth forecasts for Bedford Borough from Experian, with a base date of March 2022. The baseline Experian model forecasts identical levels of employment growth between 2020 and 2040 for Bedford Borough as the EEFM, indicating a net workforce jobs growth of 14,400 between 2020 and 2040. Over this period, the sectors driving job growth are the Health, Professional Services (which includes scientific R&D) and Land Transport, Storage & Post sectors with an increase of 3,100, 1,900, and 1,500 jobs respectively. Wholesale is also forecast to increase by 400 jobs. Only the Finance (-100) and Manufacturing (-200) sectors are forecast to experience a net decrease in jobs by 2040.

Figure 3.1      Changes in Total Workforce Jobs by Sector in Bedford Borough, 2020-2040
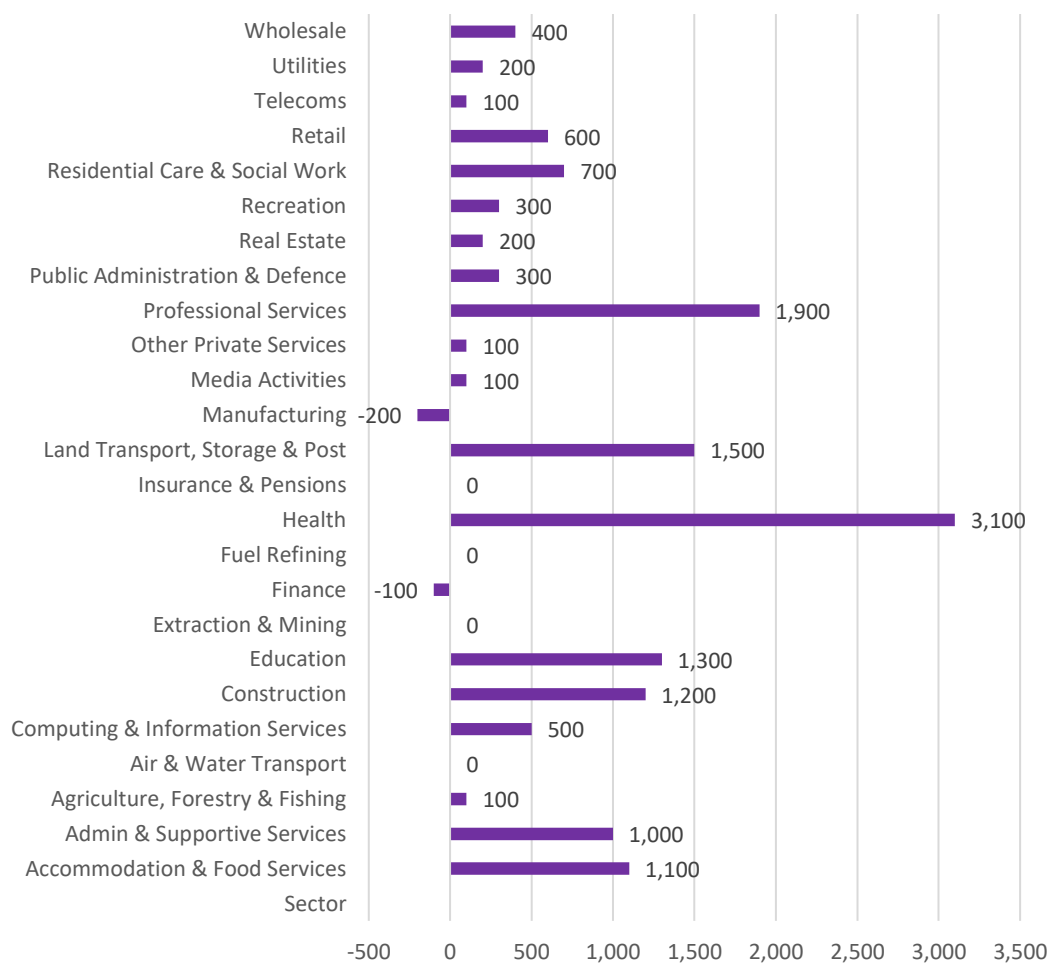


Source:      Experian Baseline Forecast, March 2022 / Lichfields' analysis

## Productivity Levels

3.9 Productivity (measured by GVA per filled job) across Bedford, was £50,462 as of 2020, up 21.2% from 2010 (£41,642). The rate of increase is above the regional average but slightly below the national average with increases of 19.9% (£44,691 to £53,601) and 21.5% (£44,246 to £53,762) respectively[10].

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[10] ONS (2020): Subregional productivity in the UK: February 2020

3.10    EEFM forecasts indicate GVA is expected to rise by 28.3% over the next 15 years, from £5,275 million in 2021 to £6,767 million by 2036.  Meanwhile, the forecasted change in labour productivity, whilst positive, is weaker at just 15.5% from 58.9 to 68.0.

## Labour Market

3.11    The economic inactivity rate (defined as the percentage of those of working age not in nor actively seeking employment) across Bedford Borough has increased slightly from 20% in 2010 to 24% in 2020.  This trend opposes the patterns observed across both the East of England and Great Britain, both of which fell, from 21% to 19% and from 24% to 22% respectively.  This may partially be explained by a sharp increase in the number of students living in the Borough between January to December 2021 from 7,700 to 10,000.

3.12    Between April 2020 and March 2021, levels of unemployment (based on Labour Force Survey data) across Bedford averaged 4.1%, a considerable reduction from the peak of 7.1% between April 2010 to March 2011.  Over the past decade, Bedford Borough's unemployment fell from 5,900 to 4,100.  With the exception of 2017 and 2021, Bedford enjoyed year-on-year reductions in unemployment.  Similar trends are observed across the East of England with unemployment falling from 6.6% in 2011 to 4.3% in 2021.  Across Great Britain, unemployment also fell from 7.6% to 4.9%.

3.13    The number of self-employed workers based in Bedford Borough decreased slightly, from 10,700 (9.9%) to 10,100 (8.3%) contrasting with increases across both the East of England and Great Britain[11].

3.14    The Claimant Count (defined as the percentage of claimants as a proportion of working-age residents) across Bedford increased from 3.8% in March 2011 to 7% in March 2021 and Similar trends are observed both regionally, from 3.0% to 5.5% and nationally from 3.7% to 6.4%. it is relevant to caveat the impact of the COVID pandemic caused a demonstrable increase in the claimant count and up until 2019, the claimant count across Bedford fell to 3.3%. Similarly, across the East of England and Great Britain claimant counts fell to 2.4% and 6.4% respectively[12].

3.15    Figure 3,2 demonstrates the considerable improvement in educational attainment across Bedford Borough over the period 2011 to 2021, which has outperformed both the East of England region and Great Britain.  The percentage of working-age (16-64) people qualified to NVQ4 and above living in Bedford Borough has increased from 32.5% in 2011 to 49.5% in 2021 – an increase of 19,500 people to 51,700.  This compares to the East of England experiencing an increase from 29.0% to 39.5%, and for Great Britain, an increase from 32.8% to 43.5%[13].

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[11] Nomis (2021): Bedford Local Authority Profile: Economic Inactivity
[12] ONS (2021): claimant count by sex and age
[13] NOMIS (2021): Bedford Local Authority Profile: Labour Market Profile - Qualifications

Figure 3.2      NVQ qualification attainment in Bedford, East of England and Great Britain, 2011-2021
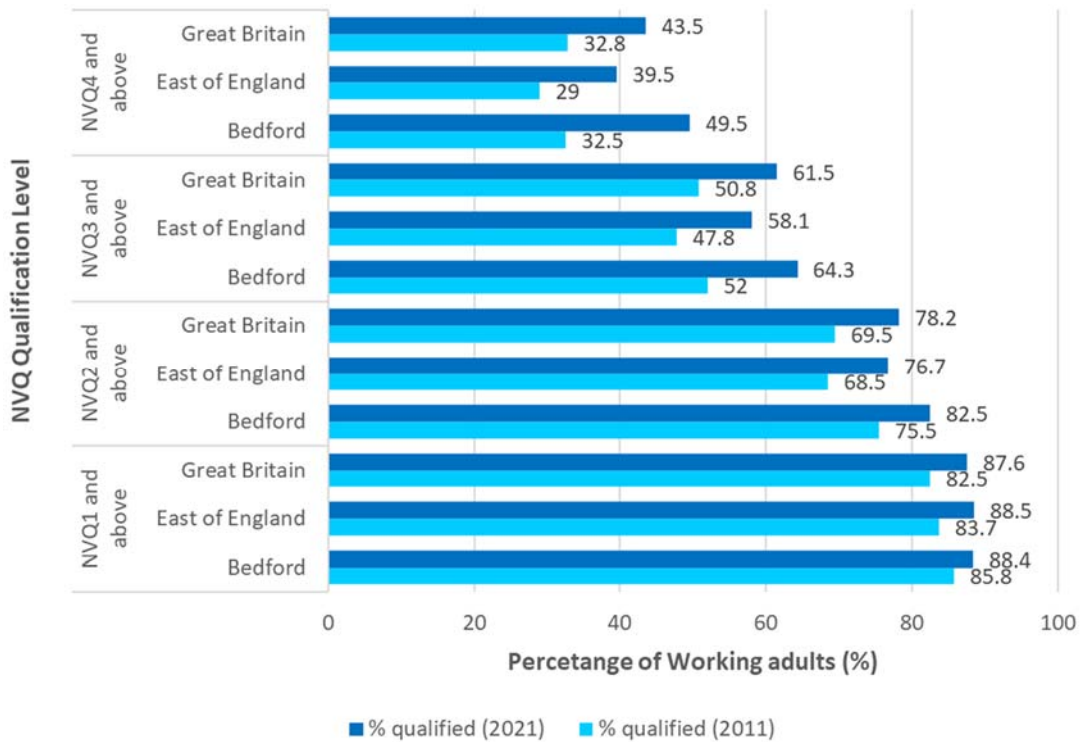


Source:          ONS (2012): Annual Population Survey 2020/ Lichfields analysis

## Income

3.16    The increase in Gross Disposable Household Income [GDHI] per head across Bedford Borough is closely aligned to that observed across the East of England.  In 2010 Bedford's GDHI was £16,814 per head compared to £22,321 in 2019, an increase of 32.8%.  The East of England saw an increase in GDHI of 31.2% from £17,289 to £22,211 over the period. Although the rate of increase in GDHI across Bedford was greater than across England, there is a greater degree of fluctuation over time as can be seen in Figure 3.5.  In 2011 Bedford Borough's GDHI was virtually identical to the national GDHI level, before falling to a low of 97.6% in 2014.  It subsequently rose again to a peak of 102.1% in 2018.  Conversely, at no point over the period does gross disposable household income in Bedford surpass that of the wider region, peaking at only 98.5% in 2018.

Figure 3.3    Bedford GDHI as a percentage of East of England GDHI and England GDHI 2010-2019
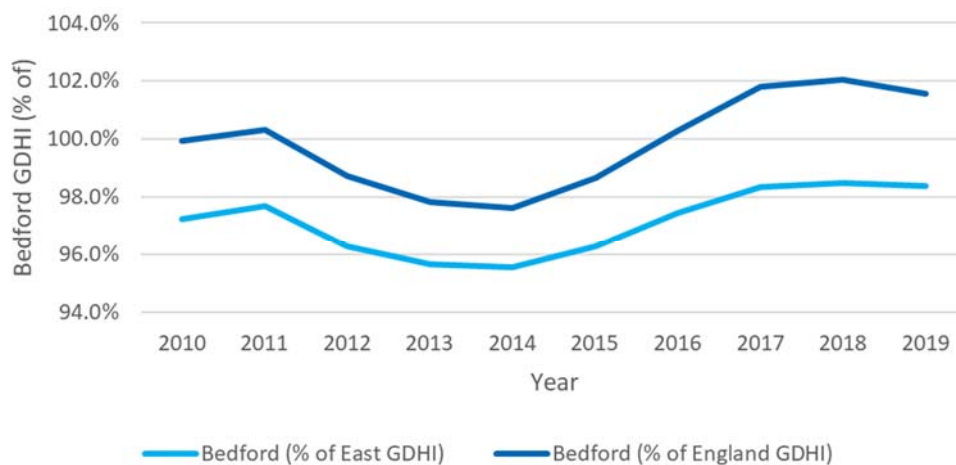


Source:    ONS (2021): Regional gross disposable household income, UK
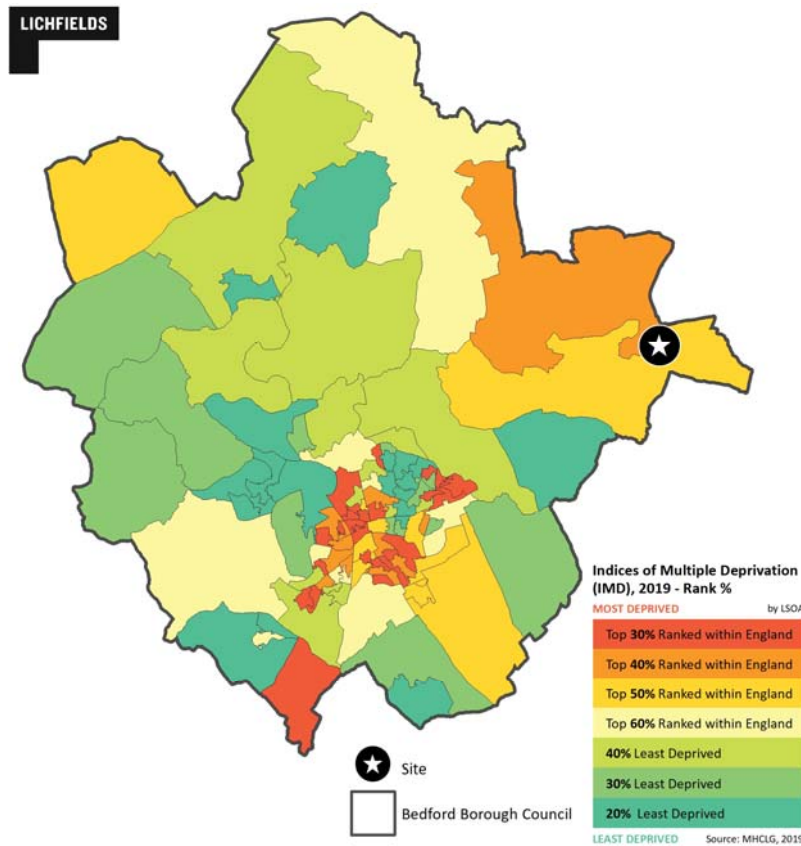
## Deprivation

3.17    Deprivation at a local level is measured by the Indices of Multiple Deprivation [IMD], which uses a number of datasets to rank areas across seven sub-domains of deprivation that range from access to health services to income levels[14].  These categories are combined to produce an overall deprivation rank for each local authority in England.  The IMD 2019 identifies that out of all 317 local authorities in England, Bedford Borough is ranked as being the 156th most deprived (based on 'rank of average rank'), ranking among the 50% most deprived authorities nationally; nearby Huntingdonshire is ranked as the 247th most deprived and is amongst the 25% least deprived authorities nationally.

3.18    Clearly, there is a significant difference in the level of general deprivation across Bedford Borough, as evident in Figure 3.4.  The town of Bedford itself has much larger concentrations of deprivation within its built-up area, with 4 of its 101 LSOAs falling within the 10% most deprived areas nationally, and a further 10 in the top 10-20% most deprived nationally, some of which are less than 7 miles away from Prologis's proposed development site.  The Wyboston site itself falls along the boundary of two LSOAs that are within the top 40%/50% most deprived LSOAs nationally. **This means that employment opportunities at Wyboston are easily accessible to residents of these deprived areas.**

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[14] Ministry of Housing, Communities and Local Government (MHCLG), Indices of Multiple Deprivation (2019)

Figure 3.4    Indices of Deprivation: Bedford Borough



Source:    MHCLG (2020): Indices of Deprivation 2019

# Commercial Market Indicators

## Employment Space

3.19    In 2019/20, Bedford Borough's economy featured around 1.37 million sqm of office/industrial/warehousing floorspace space. The vast majority of this space was industrial in nature, with 86.7% of the total stock within the area in industrial use and the remaining 13.3% in office use. The total stock of employment space in the Borough increased by 154,000 sqm or 12.7% between 2000/01 and 2019/20, with 140,000 of this growth being in industrial space, which grew by 13.4% compared to growth of 14,000 sqm or 8.4% in office space.

3.20    This overall growth rate is much higher than the rate of growth recorded within the East of England region (6.0%%) and nationally (-0.4%%) during this period. In particular, Bedford's industrial floorspace growth has been strong at 13.4% compared to 3.8% regionally and a decline of 3.1% nationally. This is illustrated in Figure 3.5.

Figure 3.5    Changes in Office and Industrial Floorspace in Bedford Borough, 2000/01 – 2019/20
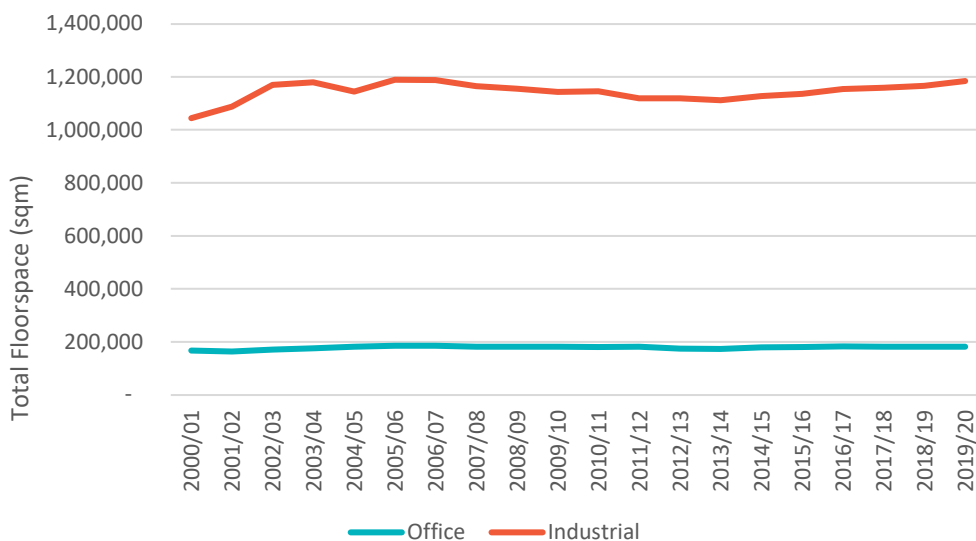


Source:    VOA Business Floorspace 2021 / Lichfields' analysis

3.21    Further insight into this industrial floorspace has been obtained from CoStar data[15].  Table 3.1 beaks down the number of properties and floorspace in Bedford Borough by type and CoStar quality rating and reveals a number of key findings.  Bedford Borough currently has no office properties or space classed as being 5-star quality, compared to 13.4% of floorspace in the East of England being given the highest rating.  Bedford also has only two of 4- or 5- star rated general and light industrial properties, accounting for 2.8% of floorspace compared to a regional average of 5.0%.  **This indicates that the Borough has a lower share of high-quality office and light industrial floorspace than the wider region.**

3.22    The Borough performs well in terms of storage and distribution space, with 6.8% of properties and almost a quarter (24.5%) of floorspace rated as 4- or 5-star quality compared to 3.8% and 17.6% regionally.

Table 3.1 Current floorspace provision in Bedford Borough

|  | Number of Properties | | | Floorspace | | |
|---|---|---|---|---|---|---|
|  | Bedford # | Bedford % of Total | East of England % | Bedford Sqm | Bedford % of Total | East of England % |
| **Office** | | | | | | |
| 1-2 Stars | 126 | 46.7% | 56.7% | 93,978 | 31.4% | 28.1% |
| 3 Stars | 144 | 53.3% | 43.3% | 205,136 | 68.6% | 71.9% |
| 4-5 Stars | 0 | 0.0% | 2.4% | - | 0.0% | 13.4% |
| Total | 270 | 100.0% | 100.0% | 299,114 | 100.0% | 100.0% |
| **General & Light Industrial** | | | | | | |
| 1-2 Stars | 128 | 57.9% | 59.7% | 74,477 | 31.7% | 29.6% |
| 3 Stars | 91 | 41.2% | 40.3% | 153,862 | 65.5% | 70.4% |
| 4-5 Stars | 2 | 0.9% | 0.5% | 6,635 | 2.8% | 5.0% |

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[15] As CoStar is based upon market research and agent insight, CoStar figures are not 100% consistent with the VOA data. However, CoStar is generally considered to be accurate for properties above 1,000 sqm, whilst it may under-report floorspace for smaller properties.  CoStar data also counts vacant floorspace as opposed to the VOA.

|  | Number of Properties | | | Floorspace | | |
|---|---|---|---|---|---|---|
| Total | 221 | 100.0% | 100.0% | 234,973 | 100.0% | 100.0% |
| **Storage & Distribution** | | | | | | |
| 1-2 Stars | 48 | 27.1% | 34.2% | 113,809 | 11.7% | 23.1% |
| 3 Stars | 117 | 66.1% | 65.8% | 621,862 | 63.8% | 76.9% |
| 4-5 Stars | 12 | 6.8% | 3.8% | 239,247 | 24.5% | 17.6% |
| Total | 177 | 100.0% | 100.0% | 974,918 | 100.0% | 100.0% |
| *Grand Total* | *668* | | | *1,509,004* | | |

Source: CoStar (extracted September 2021) / Lichfields' analysis

3.23    Figure 3.6 shows industrial floorspace availability and vacancy in Bedford, both of which are at their lowest level for many years.  Availability (which includes vacant and currently occupied space that is available on the market and is therefore usually higher than the vacancy indicator) rose quickly in 2020 before falling just as quickly in 2021.  This indicates an element of latent demand and a swift take up of a large amount of newly available space following the end of Covid-19 restrictions.  In July 2022, just 3.2% of industrial floorspace in Bedford was vacant. **A vacancy rate of 3.2% can be considered relatively tight and implies an undersupply of industrial space overall in Bedford.**

Figure 3.6 Industrial floorspace availability and vacancy rates in Bedford Borough
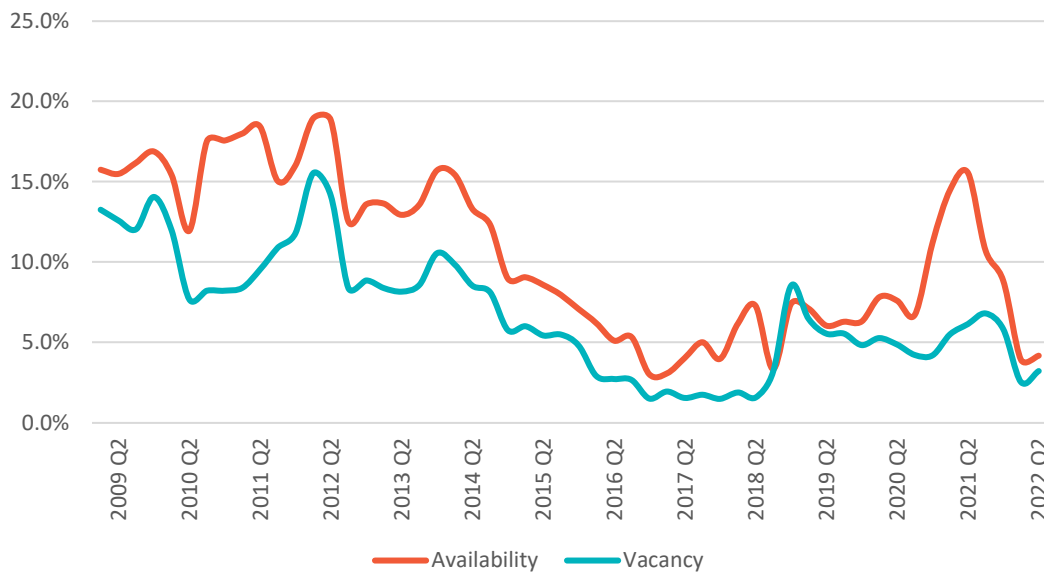


Source: CoStar (extracted July 2022) / Lichfields analysis

3.24    Table 3.2 shows the availability of employment floorspace in Bedford as of July 2022. Across office, general and light industrial, and storage and distribution space, the current levels of floorspace availability are below the average levels of availability over the past decade.

Table 3.2 Floorspace availability in Bedford Borough, 2022

|  | Total Floorspace (sqm) | Available Floorspace (sqm) | % Available | Average Availability 2011 - 2021 |
|---|---|---|---|---|
| Office | 299,114 | 6,190 | 2.1% | 6.6% |
| General & Light Industrial | 234,973 | 13,283 | 5.7% | 7.3% |
| Storage & distribution | 974,918 | 31,645 | 3.2% | 10.9% |

Source: CoStar (extracted July 2022) / Lichfields analysis

3.25     Table 3.3 sets current floorspace availability against average annual take-up of floorspace over the past decade.  It shows that there is currently only 2.66 years' supply of general and light industrial floorspace currently available in Bedford, and only 0.92 and 0.71 years supply of office and storage and distribution space respectively.

Table 3.3 Average annual take up and availability in Bedford Borough

|  | Average Annual Take-Up 2011 - 21 | Available Floorspace (sqm) | # Years Supply |
|---|---|---|---|
| Office | 6,737 | 6,190 | 0.92 |
| General & Light Industrial | 5,001 | 13,283 | 2.66 |
| Storage & distribution | 44,514 | 31,645 | 0.71 |

Source: CoStar (extracted July 2022) / Lichfields analysis

3.26     Figure 3.7 illustrates market rents over time for industrial units in Bedford Borough and the East of England region.  In 2022 Q2 (the last complete quarter at the time of writing), market rents in Bedford stood at £8.49 per sq ft compared to £9.31 across the East of England.  Over this period, rental levels in Bedford Borough have risen by 65.8% compared to 73.4% across the region.

Figure 3.7 Industrial rental levels in Bedford Borough and the East of England
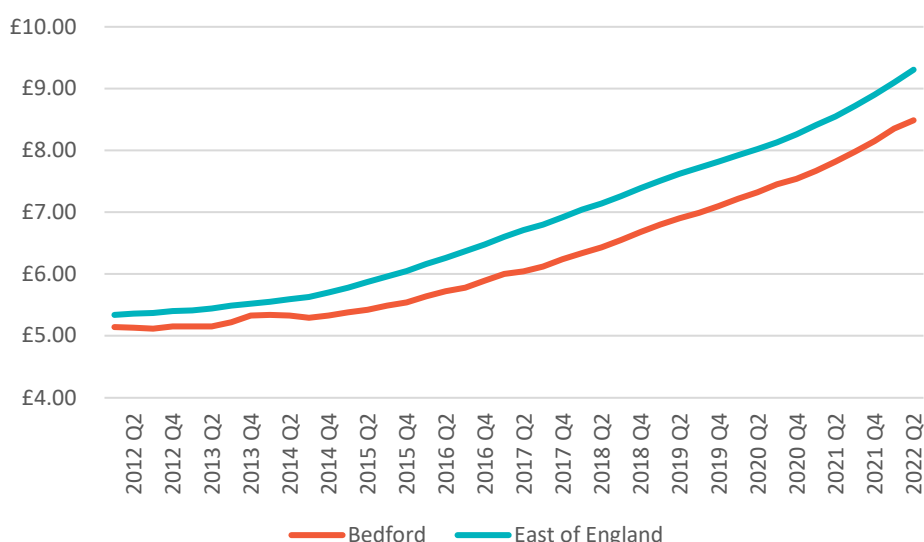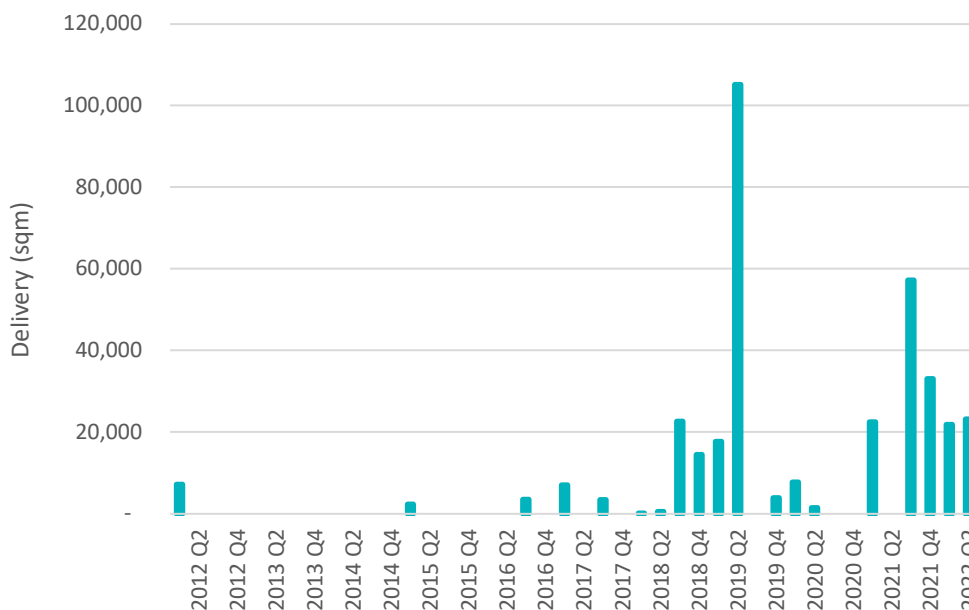


Source: CoStar (extracted July 2022) / Lichfields analysis

## Recent Delivery & Future Pipeline

3.27     Figure 3.8 shows delivery of industrial floorspace since 2009/10.  Over this time period, Bedford Borough has delivered an average of around 33,800 sqm of industrial floorspace

per year.  2019 saw the highest delivery of industrial floorspace at around 127,000 sqm, although 2021 is second with around 113,000 sqm being delivered.

Figure 3.8 Industrial deliveries in Bedford Borough



Source: CoStar (extracted July 2022) / Lichfields analysis

3.28    Table 3.4 shows the current development pipeline in Bedford.  In total the Borough has just over 127,000 sqm of industrial floorspace in the pipeline across 15 units, of which almost 86% comprising storage and distribution space.  Around 23,000 sqm of B2/B8 floorspace is under construction, with around 104,000 sqm currently in the pipeline.  The vast majority of this is accounted for by the proposed 800,000 sq ft (74,320 sqm) Aldi distribution centre off the A421 at Hardwick, south of Bedford.

Table 3.4 Commercial and Industrial property pipeline

|  | Under Construction | Proposed | Total |
|---|---|---|---|
| Office | 6,122 | - | 6,122 |
| General & Light Industrial | 7,490 | 5,377 | 12,867 |
| Storage & distribution | 15,315 | 99,035 | 114,350 |
| **Total** | **28,927** | **104,412** | **133,339** |

Source: CoStar (extracted September 2021) / Lichfields' analysis

3.29    Figure 3.9 illustrates the CoStar forecasts for industrial vacancy levels and market rent per sq ft in Bedford Borough, incorporating the current development pipeline.  It suggests that vacancy levels are forecast to remain around the 2.0% to 3.0% mark for the foreseeable future, whilst rents are set to continue to rise towards £10 per sq ft.  **Both are indicators of an increasingly tight market due to inadequate supply.**

Figure 3.9 Industrial vacancy and market rent forecasts for Bedford Borough
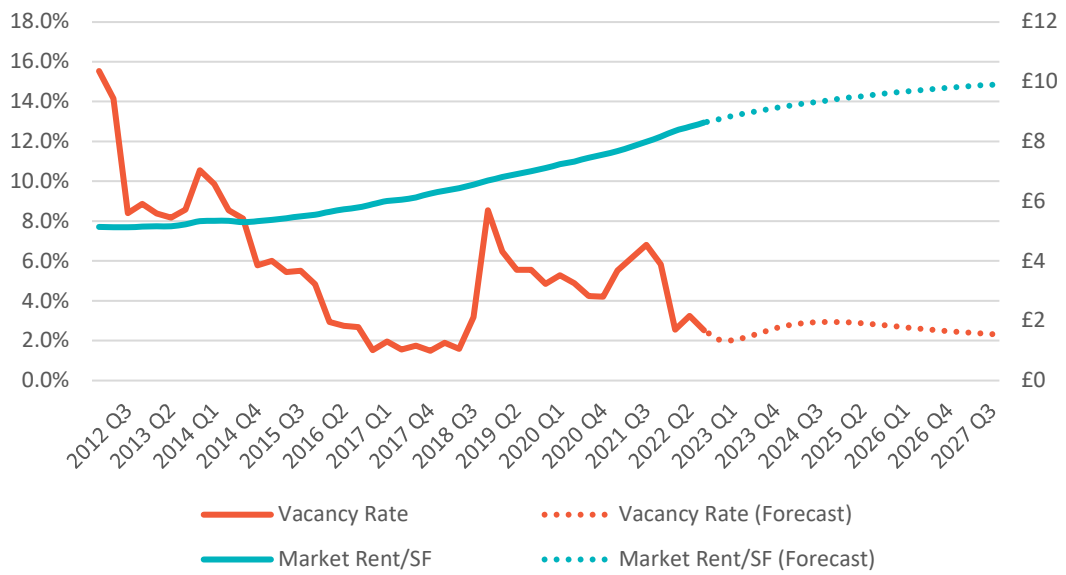


Source: CoStar (extracted July 2022) / Lichfields analysis

## Summary

3.30    The economic and labour market analysis of Bedford paints a picture of an economy that has performed well in the previous decade and is equipped with a growing, qualified working-age population capable of meeting local needs.  Despite relatively low levels of unemployment, claimant data and unemployment forecasts indicate there is still opportunity to create long-term, high-value jobs in the area and to ensure that the strong economic growth of recent years continues into the future.  Furthermore, the Borough is forecast to experience continued strong growth in employment likely to be based in B8 distribution and logistics facilities, with the latest Experian projections indicating net growth of +1,500 in Land Transport, Storage & Post and a further +400 net gain in Wholesaling over the period to 2040.  This will need a policy response in terms of the provision of suitable logistics units across the Borough to address this expected jobs requirement.

4.0 # Critique of the Economic Evidence Base

## Introduction

4.1 Bedford Borough Council's Employment Land Study [BELS] was published in May 2022 and comprised the evidence base for the emerging SDBLP 2040. It sets out a requirement for the emerging Local Plan to identify between 118 and 142 ha of employment land. Policies HOU 12, HOU 19 and EMP 1 - EMP8 identify sufficient land to meet the upper end of this forecast. The number of hectares of land allocated is sensitive to the employment types being planned for as different land uses have different space requirements.

4.2 The Employment Land Study is split into two Parts – Part 1 analyses the need for employment land, whilst Part 2 assess the quality of the Borough's supply. The focus of this chapter is on the assessment of need in Part 1.

## Bedford Employment Land Study Part 1 - Overview

4.3 The survey and analysis work contained in this employment land study was undertaken in 2020. The Bedford Employment Land Study [BELS] was updated in 2021 to reflect the re-measurement of some existing employment site areas, the availability of new information and comments received following consultation.

4.4 The report provides an analysis of socio-economic indicators, before analysing the commercial property market and identifying quantitative employment land requirements over the Plan period 2020 to 2040.

4.5 Whilst Bedford is said to be performing well, the challenge is for it to continue to compete with strong economic centres such as Milton Keynes and Cambridge. Whilst there is potential to cement Bedford's position as an economic location, aided by a relatively young and highly skilled workforce, retaining this sector of the population is dependent on the provision of skilled employment in the Borough.

4.6 As such, the BELS found that Bedford had a localised office and industrial market that is relatively healthy in terms of serving the local area.

"*However, the availability and quality of stock restricts its ability to serve a wider area. Much of the recent growth can be attributed to the construction of a number of large warehousing units, with good access to strategic roads which do not primarily serve the local Bedford market but a wider area, taking advantage of the good transport links in the borough. Although recent national trends may indicate a greater need for warehouse and distribution space, local experience is for a strong demand for high value business space*" [paragraph 4.29].

4.7 Section 4.0 of the BELS Part 1 summarises property professional / business community opinions. These point to an area with strong demand for a range of employment property types, but one that is constrained by a general lack of supply:

- There is a trend in the industrial property market for strong demand and occupation of 'big box' warehouse premises, whether new build or second hand, with consistently short void periods;

- In the last few years the Borough has had a number of high value business inward investments into larger industrial space for uses other than warehousing and which

would more suitably fit within a light industrial permission profile. Examples include the move of US owned Leidos onto Bedford Link Logistics Park in 2019/2020.

- Leidos had been in the market for a number of years, looking for suitable premises. Considering the nature of the company's business, the aspiration was to locate into modern premises on a business park. However, due to the lack of supply, locating on a logistics park at Bedford Link was considered. Bedford Link, while a premium logistics park, did not meet the original business park profile desired by Leidos management, who ideally wanted an environment with ambient features to create a feeling of wellness, such as green space, water features and similar buildings with high office content for businesses from high value sectors clustered together. As a result it had to significantly adapt the speculatively developed unit to install greater office content.

- Infarm took occupation of 105,000 sqft of industrial space on Elms Farm Estate in 2021 and selected Bedford to be the company's national 'growing centre' and one of Europe's largest vertical farming facilities. The company is leading the way in hydroponic technology and its location in Bedford aligns with the area's sector strength in food and drink R&D and manufacturing.

- This recent investment and occupation by high value businesses is not confined to larger industrial premises either, Stewartby Business Park is a recently developed scheme of 5,000 sqft -18,000 sqft which has seen occupation by innovative businesses from the construction industry, renewable energy, automotive and healthcare sector. Bedford i-Worx is a Council-run scheme of industrial units of 1,200 sqft -1,700 sqft and is fully let. There was considerable demand for the high-specification units.

- Bedford Borough has a number of high-value businesses continuing to invest locally, including Hybrid Air Vehicles from the aviation sector and Aircraft Research Association, generating foreign direct investment with utilisation of its transonic wind-tunnel, the only facility of its kind in the UK. Likewise companies such as Mologic and Global Access Diagnostics at the Enclave on Thurleigh Business Park are investing in new office and lab space for the innovative work they are doing on health diagnostics related to COVID.

- Bedford has a rich and diverse local economy with long established, high value sectors which are growing, as well as new and complementary industries undertaking innovative and high value work. When new, quality and varied commercial premises are developed in the borough, local occupiers as well as companies from outside the borough have and will invest when options are available.

- Bedford's good infrastructure links make it an attractive location. Employers need their workforce to be able to access their place of work within an acceptable travel time. They also need to take advantage of the supply-chains from established businesses and the opportunity to access and exploit high value local assets such as Cranfield University, Millbrook Proving Ground, Colworth Science Park and ARA transonic wind tunnel.

4.8    The BELS moves on to analyse the Functional Economic Market Area [FEMA]. The report finds that the situation is not straightforward, with the commercial market for logistics development being very large, stretching from the edge of London to Daventry and from Milton Keynes to Cambridge. However, the reach and influence of the office market is very localised because of the proximity of a number of larger centres [paragraph 5.18].

*"The data that has been considered here suggests that it is possible to identify a core functional economic area where the strongest relationships exist across the majority of economic factors. High levels of labour market containment and a centralised office market (focussed on the Bedford urban area) suggest that the strongest economic focus currently lies within the borough boundaries, with some weaker relationships in the parts of Milton Keynes and Central Bedfordshire closest to the borough boundary.*

*The scale of the Milton Keynes economy suggests that the balance of office growth is unlikely to tip back towards Bedford, whilst a focus for logistics and advanced manufacturing in Central Bedfordshire could increase competition. It is therefore important for Bedford to focus on its strengths to ensure that it doesn't lose its position within the regional economy. Furthermore, Bedford should take advantage of its good and improving accessibility to a wider market area to expand its attractiveness and influence. Growth should seek to maximise the strengths of the local economy and define a unique role that builds on local skills and expertise to minimise future loss of labour and to continue to attract businesses in key sectors."* [paragraphs 5.20-5.21]

4.9     The BELS then summarises the supply of existing employment sites in Bedford Borough. The area contains 74 employment sites, excluding town centre office sites and those lower than 0.25 ha in size. Many of the most recently developed employment sites have been primarily focussed on large scale distribution activity.

4.10    Section 7.0 of the BELS Part 1 presents the results of the demand forecasting scenarios.

4.11    To provide a comparison between 'economic led' and 'population led' growth, two base forecasts were prepared, upon which a number of sensitivities and scenarios are tested. One baseline forecast draws on the 'base' East of England Forecasting Model [EEFM] with no adjustments made to reflect population growth; the other is based on the ORS employment growth forecast, derived from its population forecast. The 'business as usual' EEFM indicates a net job growth of 14,400 between 2020 and 2040 (+15%), which is significantly lower than the ORS dwelling-led population growth scenario, which shows a growth in employment from 87,800 in 2020 to 114,500 in 2040, an increase of about 26,700 or 30%.

4.12    The EEFM job forecasts are then translated into Use Classes, and then floorspace through the application of a range of employment densities.

4.13    The BELS then makes an allowance for the replacement of losses of employment land over the course of the Plan period. *"With the extension of permitted development rights and the creation of the new E class making the conversion of office and other employment premises to other uses more straightforward, there is the potential for an increase in the unexpected loss of employment floorspace"* [paragraph 7.14].

4.14    The BELS states that there have been considerable losses of employment space to other uses, with 115,284 sqm of space lost between 2009 and 2019. *"This equates to an annual average loss of 11,527 sqm. Projecting this average rate forward suggests that an allowance for windfall should be made of about 230,540 sqm floorspace from 2020 to 2040."* [paragraph 7.16]

4.15    This is added on top of the net floorspace requirement generated by the job growth projections. A contingency allowance (or churn) is also added on top of the floorspace

requirement to reflect the fact that a proportion of designated employment land will not be entirely used by B Class employment.  This is estimated to equal 14,441 sqm per annum, multiplied by 2 years (28,882 sqm) as it typically takes 2 years to achieve a planning consent, site preparation and construction after a site has changed hands.  A plot ratio of 40% is then applied to translate floorspace to land.

4.16    As well as these two main scenarios, the BELS also models a range of base scenarios exploring the plot ratios of development and the mix of jobs.  The alternative forecasts are as follows:

Table 4.1 Alternative Scenario Assumptions

|  | Plot ratio | | | Proportion of job growth | | |
| --- | --- | --- | --- | --- | --- | --- |
|  | Office | Industrial | Ware-housing | Office | Industrial | Ware-housing |
| Baseline | 40 | 40 | 40 | 54 | 26 | 20 |
| 1 Lower Plot ratio | 30 | 30 | 30 | 54 | 26 | 20 |
| 2 Mixed plot ratio | 30 | 30 | 40 | 54 | 26 | 20 |
| 3 Lower plot ratio and revised proportion growth | 30 | 30 | 30 | 60 | 25 | 15 |
| 4 Mixed plot ratio and revised proportion growth | 30 | 30 | 40 | 60 | 25 | 15 |

Source: BELS Part 1 (May 2022) page 56

4.17    The results of this modelling exercise (with the churn and loss replacement kept constant for all 5 scenarios) are summarised in Table 4.2 below:

Table 4.2 Forecast Land Requirements 2020-2040

|  | Office (ha) | Industrial (ha) | Warehouse (ha) | Total (ha) |
| --- | --- | --- | --- | --- |
| Economic Base land requirement (CE) | 43 | 12 | 21 | **76** |
| Population Base land requirement (ORS) | 53 | 43 | 46 | **142** |
| 1 Lower Plot ratio | 70 | 58 | 61 | **189** |
| 2 Mixed plot ratio | 70 | 58 | 45 | **173** |
| 3 Lower plot ratio and revised proportion growth | 73 | 57 | 48 | **178** |
| 4 Mixed plot ratio and revised proportion growth | 73 | 57 | 36 | **166** |

Source: BELS Part 1 (May 2022)

4.18    The economic base land requirement is disregarded on the basis that without policy intervention in the Local Plan, the local economy might begin to stagnate and decline in importance relative to its neighbours with that level of employment growth.

4.19    According to the BELS, the population baseline forecast represents a starting point that reflects the balance of homes and jobs in the borough that might be expected using the trend-based forecast of the EEFM.

*"Alternative forecast 4, mixed plot ratio development and revised proportion of employment growth, is most closely aligned to the Council's vision as set out in the Economic Growth Ambitions topic paper. This is because it looks beyond the trend based forecast of the EEFM and considers a future where the borough can develop a more balanced, productive and therefore higher value economy.  It moves the economy away from the previous trends of predominantly logistics development, towards one that takes*

*advantage of emerging opportunities. The local plan presents an opportunity to bring forward new policies to deliver such priorities and therefore the provision of land up to the total illustrated in alternative forecast 4 represents an upper range of the amount of land that may be needed to ensure that the Council's economic ambition is achieved."* [paragraph 7.44]

4.20    The report rightly recognises that there is a need for flexibility in policy allocations as it is not possible to be precise in forecasting:

*"The forecasts therefore should not be viewed as a target but as a range of the amount of land that may be required over the plan period to support the expected growth in the size of the workforce. **This is likely to be between 142 and 166 ha of office, industrial and warehousing employment land that is required to support the local economy**. The upper end of the range reflects the assumptions of the Economic Growth Ambitions topic paper: if the workforce grows more slowly than anticipated then there is sufficient land to meet needs beyond 2040."*

4.21    The BELS notes that the total 'truly available' supply comprises the following:

- A6 near Souldrop (existing site): 1ha;

- Land at Medbury Farm (new vacant land): 20 ha;

- Land west of B530 (new vacant land): 3 ha.

- **TOTAL: 24 ha.**

4.22    Based on the analysis of existing employment sites and delivery of new sites, the identified supply components could provide around 24 ha of B class employment land primarily as a mix of B1, B2 and B8 uses.

4.23    Set against a need to make provision for between 142 and 166 ha of B class employment land over this period (and excluding the more opportunistic potential sector specific opportunities that could be attracted to Thurleigh Airfield and Twinwoods), the Council states that there is a **quantitative requirement of between 118 and 142 ha of B class employment land to be allocated**.

4.24    Set against this quantitative shortfall, the BELS goes on to set out a number of qualitative requirements that should inform the Council's decision making for employment land:

- Bedford is well located to take advantage of a policy shift towards providing opportunities for high-value, high-skilled industries that will increase productivity.

- The Council's ambitions support an approach in the local plan that moves away from a trend-based forecast towards a focus on office and industrial allocations that create a more balanced, higher value-added, local economy.

- Whilst land for warehousing is still required, the local plan should emphasise the need for a number of well-located sites that are close to transport networks. These sites will have to be able to provide a landscaped campus style park environment, potentially in waterside locations that provide high quality working places with an emphasis on the health and wellbeing of staff. They will be suitable for high technology firms requiring easy access to research and development hubs across the Oxford – Cambridge Arc. They will primarily be for businesses that fall in the B1a (office), B1b (R & D) and B1c (light

industrial) use classes, with elements of B2 (manufacturing) and B8 (storage & distribution). They may additionally need an element of non-B class uses nearby to enable them to satisfy occupiers' daily needs.

- Bedford is centrally placed within the Oxford – Cambridge Arc and well located in relation to the principal transport routes along the corridor: the A421 and East-West Rail which both pass through or close to Bedford. In addition, East-West Rail will connect Bedford with both Oxford and Cambridge with trains expected to run to Oxford and Cambridge by the late 2020s.

- As a result of Bedford's excellent and improving connectivity, it is realistic to plan for employment growth that is of a type and quality that can help serve the market currently met by Cambridge's world-renowned science parks. Bedford will be an attractive complementary location because of the availability of lower cost land yet with easy access to established knowledge hubs. Bedford's experience to date is that an ideal size for a high-quality employment park is about 30 ha.

- Bedford's enhanced east-west connectivity with Oxford and Cambridge presents an opportunity for an educational spin-out centre linked to a science / innovation business park. The central location on the Arc would serve as a meeting point for academics to share knowledge and research. In addition to the educational element, there would be space for a cluster of spin-out businesses that would benefit from close association to the educational element. This will prime collaboration by entrepreneurs to utilise educational establishment knowledge, expertise and equipment to innovate and commercialise. These would enable academic expertise to be developed into innovative companies and businesses. Suitable sites must be well-related to an East-West Rail station and ideally include a site in central Bedford where it could act as a catalyst for town centre regeneration.

- In identifying future additional sites within the Borough, a range of factors should be taken into account including constraints to development, access to strategic transport routes (road and rail), planning flexibility, hybrid buildings, technology and communications infrastructure, broadband connectivity, visibility, quantum and proximity to existing employment clusters.

4.25 The primary qualitative requirement is for campus-style space for high technology research and development uses, innovation hubs and science park development. The BELS notes that this should be located with good access to the A421 and existing or planned rail stations. The report suggests that any requirements for regional or national distribution centre warehousing in the foreseeable future are likely to be catered for by the extensive allocations for large-scale strategic warehousing that have been made in nearby local authorities [paragraphs 9.12-9.13].

4.26 The report concludes that whilst Bedford's economy benefits from a number of strategic assets that should support future economic growth, it lacks sufficient sites that are able to provide a landscaped business park environment that is suitable for high technology firms requiring easy access to research and development hubs across the Oxford – Cambridge Arc. The ability to occupy modern, well located and fit for purpose stock will be vital if opportunities are not to be lost to other locations.

*"The borough therefore needs to ensure it retains a portfolio of land and premises that can accommodate requirements both now and deliver new space in the future to meet changing and sector specific requirements. This portfolio will require a mix of existing, redeveloped and new locations across the borough to provide the necessary range and choice to ensure balanced and sustainable growth is achieved that maximises all land assets."* [paragraph 10.3]

4.27    Key growth sectors will include computer related activity, research and development, and professional and business services. This will drive specific land requirements and necessitate a range of scales and types of stock to be delivered.  The BELS suggests that sites at Broadmead and Kempston Hardwick offer an opportunity to provide a location with particular potential for an innovation hub and business / science campus primarily focussed on innovation, research, development and education in conjunction with significant residential growth centred on a proposed new station as part of East-West Rail in the Stewartby / Kempston Hardwick area:

*"When considering the selection of new sites, a particular focus should be on taking up the opportunities presented by Bedford's enhanced east-west connectivity with Oxford and Cambridge to provide land for quality campus-style space for high technology research and development uses, innovation hubs and science park development. Land should also be made available for the development of a number of other business parks with good links to the A421 corridor and existing or planned rail stations."* [paragraph 10.25]

## Critique

4.28    Appropriately, the focus of the BELS has been to understand the amount of employment required to keep in alignment the jobs/homes balance as the overall population grows over the plan period.  This approach is supported given that the Council should adopt a positive strategy, encouraging economic growth along the lines of identified high tech growth sectors whilst disregarding scenarios that would likely result in a stagnating economy.

4.29    **However, whilst adopting aspirational growth levels and seeking to build upon the excellent opportunities afforded by the Oxford-Cambridge Arc and East West Rail amongst many growth opportunities is welcomed; unfortunately, in practice, the mechanisms by which it has identified the scale of employment land needed are flawed.  As a result, the Council risks planning for a significantly lower level of employment land growth than is actually justified.**

4.30    We set out below our key areas of concern with the BELS Part 1 (May 2022).

### Failure to plan adequately for the new Use Classes

4.31    As the BELS Part 1 notes, in September 2020 the Government revised the Use Classes Order, creating a new class E (commercial, business and service uses) which combines class B1 (business) with classes A1-A3 (shops, financial and professional services, and restaurants and cafés), part of class D1 (non-residential institutions) and part of class D2 (assembly and leisure).  As a result, planning permission is no longer required to change from one of these uses to another as they all now fall within the same use class.

4.32   However, despite acknowledging this issue, the BELS then proceeds to ignore it by referring to B1, B2 and B8 throughout.  Paragraph 1.4 sets out the Council's justification for doing this:

*"Apart from the loss of planning control of changes of use, **the creation of new class E complicates the assessment of employment need**. To avoid such difficulties and to enable comparison with previous work, this study continues to refer to the old B class use rather than class E."*

4.33   Just because the Council considers that this "*complicates the assessment of employment need*" and is difficult, this does not mean it should not be done.  Quite the opposite in fact.  Critically, the Council's approach inappropriately combines light industrial with general industrial in its modelling of employment land needs.  We know this to be the case because in paragraph 7.9, bullet 2, it states the following:

- *"B1c/B2 – 36 sqm per employee."*

4.34   Thereafter, all references to 'industrial' needs relate to these two use classes combined. However, Employment Land Studies should clearly separate out the need for light industrial and general industrial, as the permitted permanent changes within and between the Use Classes are very different.

4.35   Furthermore, in practical terms, the Council's approach under-estimates the need for employment land by assuming that a standard employment density of 36 sqm per employee is equally appropriate for both light industrial and general industrial uses.  This is not the case.

4.36   Cambridge Econometrics confirms[16] that the employment densities used within the EEFM are based on the HCA's Employment Densities Guide (2015)[17] which provides guidelines on employment densities by use class.  This is entirely appropriate.  However, the HCA guide states that whilst an employment density of 36 sqm per FTE job is suitable for B2 industrial and manufacturing uses [GIA], a higher figure of 47 sqm [NIA] per FTE job is appropriate for light industrial uses.

4.37   As such, the Council should have undertaken a new modelling exercise that strips out light industrial from general industrial needs and applied the appropriate employment density figures to the former target.  This would have increased the floorspace requirement accordingly.

4.38   For example, Lichfields has obtained the latest Experian job growth forecasts for March 2022.  They indicate that over the Plan period 2020-2040, Bedford is expected to see an increase in workforce job growth of 14,400, a figure which is identical to the EEFM net job growth despite the passage of time.  This suggests that despite the pandemic and ongoing Brexit uncertainties, Bedford Borough's economy is still expected to grow strongly over the coming years.

4.39   Our analysis, set out in Section 6.0, indicates that by 2040, 19.3% of the Borough's workforce are likely to be based in office/R&D units Eg(i/ii); 5.2% in light industrial (EG(iii); 5.4% in B2 general industrial; 10.1% in B8 warehousing; and the remaining 60% are likely to be employed in other workspaces (i.e. healthcare, education, retail etc).  This is broadly comparable with the assumptions used in BBC's modelling (office: 21%, industrial: 10%; warehousing: 8%; and non B Use: 61%) but does suggest there will be slightly less office and more warehousing than BBC assumes.  Furthermore, the fact that just under half

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[16] East of England Forecasting Model Technical report: Model description and data sources (August 2020), page 27
[17] Employment Densities Guide, Homes & Communities Agency (2015)

of the industrial floorspace is likely to be Eg(iii) rather than B2 demonstrates the extent to which BBC should have planned for these needs separately.

## Underplaying the need for Strategic Logistic sites

4.40    The Council's employment land evidence base does not properly address the needs of strategic logistics and as such there is a risk that it is underplaying the need for Industrial and warehousing sites significantly. There is a wealth of evidence demonstrating that there has been a step change in demand for 'big box' logistics, and one that has been exacerbated by the recent pandemic. However, the needs of strategic B8 are not adequately allowed for in the modelling work. The BBC approach focuses solely on non-strategic B8.

4.41    Logistics is a fast-moving sector and one that has seen an unprecedented level of change and growth over the past 12 months or so. Anecdotal evidence from commercial agents suggests that in terms of trends, the industry is set to have progressed 5 years within the past 12 months. Whilst this has essentially been an expedited continuation of past trends, it has been accelerated by essential requirements of the pandemic and associated national lockdowns, Brexit and the rapid acceleration of the trend for e-commerce.

4.42    A significant trend that has been driving change in the logistics industry and one that has been accelerated due to the Covid-19 Pandemic and associated lockdowns, is the rising role of e-commerce and the associated consumer expectations for flexibility. As well as increasing the number of deliveries, consumers also increasingly expect flexible delivery options, 'click and collect' services, and specific delivery times. This generates more demand for the logistics industry and it will continue to grow as consumer behaviour increasingly moves online, with 72.5% of the UK's population eShoppers – the highest proportion of any comparable country in Europe[18].

4.43    As set out above, the Council's employment land evidence states that although warehousing sites will be required in the borough to meet local needs and 'final mile' distribution, "*any requirements for regional or national distribution centre warehousing in the foreseeable future are likely to be catered for by the extensive allocations for large-scale strategic warehousing that have been made in nearby local authorities*"[19].

4.44    This premise is founded on an out-of-date evidence base that would have wide-ranging consequences if uncorrected. For example, the BELS also notes that the Borough has seen strong growth and demand for logistics due to its central location and excellent strategic road connections:

*"Much of the recent growth can be attributed to the construction of a number of large warehousing units, with good access to strategic roads which do not primarily serve the local Bedford market but a wider area, taking advantage of the good transport links in the borough."* [paragraph 4.29]

4.45    The document also reports the Council's understanding of the trend in the industrial property market for strong demand and occupation of 'big box' warehouse permitted premises, whether new build or second hand, with consistently short void periods [paragraph 4.22].

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[18] Centre for Retail Research Total Online Retail Sales 2018-2019 https://www.retailresearch.org/online-retail.html
[19] BBC (May 2022): BELS Part 1, paragraph 9.13

4.46    Prologis agrees with this point and considers that there is a clear need for sites to be brought forward in the short term to meet the demand generated by changing consumer demands and a rise in e-commerce, whilst also helping the local and regional economy adjust to and recover from the Covid-19-driven recession.

4.47    Recent research suggests that logistics and manufacturing businesses are increasingly seeking larger sites which can accommodate larger warehouse units.  The trend for larger warehouse units has seen the average sized unit increase from 217,000 sq. ft in 2015 to 340,000 sq. ft in 2020, with a rise of 242% for units of 1m+ sq. ft.  In the corresponding period, the average eaves height of warehouses has increased from 11m to 14m[20].

4.48    Given the area's proximity to the 'Golden Logistics Triangle' a pessimistic approach to future strategic B8 distribution allocations should not be adopted.  The Covid-19 pandemic shone a new light on the logistics industry's position as a critical driver of the UK economy, with the industry as a whole being forced to adapt to rapidly changing economic circumstances and increased levels of demand.  Many logistics operators saw huge demand for their services following the easing of lockdown restrictions, forcing supply chains to rapidly evolve and recruitment efforts to increase to respond to a changing market.

4.49    Savill's latest 'Big Sheds Briefing' (January 2022) states that overall, the logistics property market has proved able to rise to the challenge that Covid-19 has presented over the last two years, "*but with a backdrop of the lowest vacancy rate ever recorded and rising construction costs, it remains to be seen how the expected demand of 2022 can be satisfied*"[21].

4.50    According to Savills, take up of strategic logistics space exceeded all records nationally in 2021, reaching a new annual record of 55.1m sq. ft, surpassing 2020's total of 51.6m sq ft, and shattering the long-term annual average by 86%:

*"Given the strong levels of take-up, supply has fallen at its fastest pace ever and now stands at 17.35m sq ft, reflecting a vacancy rate of 2.91%, the lowest levels ever recorded. Grade A supply has fallen to 7.15m sq ft, down from 19.7m sq ft prior to the onset of Covid-19 in Q1 2020."*[22]

4.51    These national trends have been replicated across the East Midlands market.  Savills reports that take-up in 2021 for the East Midlands was also the best on record, reaching 12.39m sq. ft in 2021 which is 113% above the long-term average annual figure.  There is now just 2.03m sq. ft available, most of which is good quality.

*"There are just eight units over 100,000 sq ft in the East Midlands totalling 2.03m sq ft which equates to a vacancy rate of just 1.69% or 0.19 years' worth of supply. Savills is aware at least two of the eight units are currently under offer which is set to reduce the available supply even further. The largest unit on the market is Panattoni Park Northampton comprising 430,000 sq ft of Grade A speculatively developed space."*[23]

4.52    The demand for logistics in the area is therefore significant, and the Council must ensure that an adequate supply of suitable sites for strategic distribution is identified through

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[20] The size and make up of the UK warehousing sector (UKWA) – 2021
[21] https://www.savills.co.uk/research_articles/229130/323880-0
[22] Ibid
[23] https://www.savills.co.uk/research_articles/229130/323892-0

preparation of the Local Plan, in order to capitalise on market conditions and maintain strong levels of economic growth throughout the plan period.

4.53    The final, but nonetheless important point, is that the Council is consulting on a Local Plan that is based on an incomplete evidence base.  At present, Iceni is undertaking the *SEMLEP Strategic Employment Land Requirements Study*.  This study is examining scenarios for future need, demand and growth in the strategic logistics sector in the South East Midlands, to 2030, 2040 and 2050.  It will also identify if/how the role of the area for the sector might change (including a SWOT analysis which picks up any competitive advantages the area either has now or is expected to have in future).

4.54    We understand that Iceni's brief includes setting the strategic B8 forecasts against projections for land supply to understand the likely extent of any surplus/shortfall. Locational factors that drive demand, and resulting areas of particular pressure, should be identified.  The study will be required to recommend a sound approach to sustainably plan for and manage logistics growth to 2050 (specific sites for warehousing should not be identified, but optimal conditions for sites should be).  This will include the identification of any likely required changes in quantum and/or design of supporting infrastructure.

4.55    **As such, it is likely that the study will identify a substantial level of unmet need for strategic B8 logistics over the coming years, and for Bedford Borough to state that it does not see the need to plan for any strategic B8 before that study has even been undertaken is premature.**

4.56    **As a result, we consider that the SDBLP 2040, which identifies a strategy of economic growth and employment land allocations based on the BELS 2022, fails the soundness test as it is neither justified or effective, and does not comply with national planning policy.**

4.57    This is particularly unfortunate, given that the status of strategic logistics is becoming ever more important in national planning policy following the Pandemic.  The status of logistics as a sector is recognised within the NPPF, where paragraph 83 specially identifies the sector (as one of only three such sectors) where authorities are required to make provision for such development at suitably accessible locations.  This Central Government support was reiterated in the recent *Future of Freight* document published by the Department of Transport (June 2022), which clearly establishes the Government's positive attitude towards the role of logistics in the UK economy.

4.58    The Future of Freight Plan identifies as a key goal the need for a planning system which fully recognises the needs of the freight and logistics sector now and in the future and empowers the relevant planning authority to plan for those needs:

*"To achieve this, the planning system needs to ensure that sufficient land is being made available in the right places for freight operations and that it is able to respond to the changing needs of the freight and logistics sector such as how to plan for the adoption of future vehicle technologies."* [paragraph 5.1]

4.59    With this comes a requirement for Local Planning Authorities to ensure the sector is appropriately accommodated with policy documents; the Local Plan should, as a consequence, cater for this need.

### Errors in the Monitoring Data

4.60    A key element of the BBC modelling in BELS Part 1 relates to the inclusion of an allowance for loss replacement and churn.  We are fully supportive of the principle of including these

upwards adjustments to the net floorspace figures (based on job growth alone) as otherwise there is a real risk that the economy would decline as losses are not replaced, whilst it is entirely appropriate and in line with the NPPF that the land requirement factors in an element for flexibility and unforeseen future events.

4.61 On pages 50 and 51 of the BELS Part 1, the Council sets out the scale of windfall losses and take up over the period 2009/10 to 2018/19 for office, industrial and warehousing floorspace, and states that these have been taken from its Employment Monitoring Reports. It reports that windfall losses have totalled 115,284 sqm over the period 2009 to 2019, equating to an annual loss of 11,527 sqm. *"Projecting this average rate forward suggests an allowance for windfall should be made of about 230,540 sqm floorspace from 2020 to 2040"* [paragraph 7.16].

4.62 Similarly, *"an allowance for 'churn' is calculated from the average annual construction rate of space within the Borough as recorded within the Council's Employment Monitoring Report"* [paragraph 7.18], which reports that there has been a net gain of 144,403 sqm over the ten-year period, or 14,441 sqm per annum. The Council then multiplies this annual figure by two to come to an allowance for churn, of 28,882 sqm.

4.63 In total, these two adjustments equate to an additional 259,422 sqm which are added on to all of the modelling scenarios which, at a plot ratio of 40%, would see a requirement for an extra 64.86 ha.

4.64 Again, we agree with the principle of this uplift. However, for reasons that are not entirely clear, the Council does not appear to have used the correct figures from its own Employment Land Monitoring data. Furthermore, it has not used the 'net' take up when allowing for churn; it has used the gross figure.

Table 4.3 Council's reported annual losses/take up (sqm)

| | Allowance for Churn | | | | Allowance for Windfall Losses | | | | NET |
|---|---|---|---|---|---|---|---|---|---|
| | Office | Industrial | Ware-housing | TOTAL | Office | Industrial | Ware-housing | TOTAL | |
| 2009/10 | 7,064 | 2,446 | 1,014 | 10,524 | 0 | 0 | 0 | 0 | +10,524 |
| 2010/11 | 6,697 | 0 | 974 | 7,671 | 0 | 25,051 | 0 | 25,051 | -17,380 |
| 2011/12 | 2,368 | 1,229 | 0 | 3,597 | 0 | 0 | 2,711 | 2,711 | +886 |
| 2012/13 | 0 | 2,754 | 11,269 | 14,023 | 9,819 | 0 | 0 | 9,819 | +4,204 |
| 2013/14 | 0 | 547 | 5,022 | 5,569 | 13,117 | 0 | 0 | 13,117 | -7,548 |
| 2014/15 | 0 | 0 | 11,825 | 11,825 | 10,264 | 7,217 | 0 | 17,481 | -5,656 |
| 2015/16 | 0 | 10,596 | 0 | 10,596 | 18,175 | 0 | 8,861 | 27,036 | -16,440 |
| 2016/17 | 2,713 | 2,020 | 7,705 | 12,438 | 0 | 0 | 0 | 0 | +12,438 |
| 2017/18 | 0 | 0 | 4,805 | 4,805 | 17,032 | 3,037 | 0 | 20,069 | -15,264 |
| 2018/19 | 13,749 | 14,744 | 34,862 | 63,355 | 0 | 0 | 0 | 0 | +63,355 |
| TOTAL | 32,591 | 34,336 | 77,476 | 144,403 | 68,407 | 35,305 | 11,572 | 115,284 | +29,119 |
| Annual Average | 3,259 | 3,434 | 7,748 | 14,440 | 6,840 | 3,530 | 1,157 | 11,528 | +2,912 |

Source: BELS Part 1 (May 2022) pages 50 and 51

4.65 As we can see in Table 4.3, the 14,440 sqm take up figure is a gross figure, not net. The net figure is only 2,912 sqm once losses are deducted. It is reasonable to use the gross take up as a proxy for churn in instances where the net figure is low or even negative, otherwise the adjustment would be ineffective and potentially counter-productive.

4.66 However, this minor error seems to have caused a more fundamental problem in the Council's modelling. As can be seen from Table 4.4, the net level of growth reported in the

BELS over the ten years to 2018/19, of +29,119 (or 2,912 per annum), is very similar to the net growth reported in the Council's own Employment Monitoring Report (28,893 sqm, or 2,889 per annum). The problem comes when one examines the level of <u>gross</u> completions / losses.

4.67    The Table below indicates that instead of delivering just 144,403 sqm gross over the 10-year period (as per the BELS), the Council's own monitoring data shows that 227,386 sqm was delivered (gross) – a figure 57% higher. Similarly, instead of just 115,284 sqm lost, 198,493 sqm is recorded as having been converted to alternative uses - 72% higher.

Table 4.4 Actual losses/take up as reported in BBC's Employment land Monitoring Reports

|  | Gross Completions (sqm) | Losses (sqm) | Net (sqm) | Comparison with BELS Part 1 Net Figure (sqm) |
|---|---|---|---|---|
| 2009/10 | 16,268 | 5,743 | **+10,525** | **+10,524** |
| 2010/11 | 21,408 | 38,788 | **-17,380** | **-17,380** |
| 2011/12 | 7,443 | 6,549 | **+894** | **+886** |
| 2012/13 | 20,505 | 16,302 | **+4,203** | **+4,204** |
| 2013/14 | 8,586 | 16,134 | **-7,548** | **-7,548** |
| 2014/15 | 22,729 | 28,386 | **-5,657** | **-5,656** |
| 2015/16 | 24,225 | 40,897 | **-16,672** | **-16,440** |
| 2016/17 | 25,355 | 12,917 | **+12,438** | **+12,438** |
| 2017/18 | 14,049 | 29,314 | **-15,265** | **-15,264** |
| 2018/19 | 66,818 | 3,463 | **+63,355** | **+63,355** |
| **TOTAL** | **227,386** | **198,493** | **+28,893** | **+29,119** |
| **Annual Average** | **22,739** | **19,849** | **+2,889** | **+2,912** |

Source: BBC (2021): Bedford Employment Monitoring Report 2019-2020, Table 1 / BELS Part 1

4.68    This unexplained error, whereby the Council appears to have suppressed both completions and losses to come to the same net figure, means that its approach significantly under-estimates the level of employment land needed.

4.69    The Council's figures as reported in the BELS Tables do not stand up to scrutiny. For example, on page 49 of the BELS Part 1, the Allowance for Windfall Losses Table suggests that there were no losses of employment floorspace at all in 2018/19 or 2016/17. However, reference to the relevant Employment Monitoring Reports for these two years indicates that there was actually a total of 3,463 sqm lost in 2018/19, and 12,917 sqm in 2016/17 including:

**2018/19:**

- 560 sqm lost due to Change of Use [C/U] from B1 to C3 at Harpur House, 62 Harpur Street;
- 160 sqm lost due to C/U from B1 to C3 at 24 St Cuthberts Street;
- 450 sqm lost due to C/U from B2 to fitness Centre D2 Use 1 Shuttleworth Road Bedford;
- 790 sqm lost due to Demolition of Autoglass industry unit and old office building at 69 Cardington Road Bedford;
- 312 sqm lost due to C/U from B1 to D2 to allow continued use of building as gym at 80 College Street Kempston Bedford;
- 898 sqm lost due to C/U from B8 to C3 at Hollow Farm Rushden Road;
- 160 sqm lost due to C/U from B1 to C3 at Park Farm, Park Road, Stevington;
- 133 sqm lost due to C/U from B1 to Annex at College Farm, Chawston Lane, Chawston.

**Total = 3,463 of employment floorspace lost across 8 sites.**

**2016/17:**

- 146 sqm lost due to C/U from B1a to D1 at Unit D, Bed Bus Park, Mile Road;
- 7,072 sqm lost due to mixed use at Ampthill Road, Bedford;
- 181 sqm lost due to C/U from B1a to C3 at 39 The Grove;
- 113 sqm lost due to C/U from A2 to B1a, D1 and D2 at 98 High Street;
- 1,021 sqm lost due to C/U from B1 to C3 at Pilgrims House, 4 Horne Lane;
- 1,032 sqm lost due to C/U from B1 to C3 at Dixon House, 77-97 Harpur St;
- 31 sqm lost due to C/U from B1a to C3 at G/floor 45 Harpur Street, Bedford;
- 462 sqm lost due to C/U from B1a to C3 at 48-50 Harpur St, Bedford;
- 350 sqm lost due to C/U from B1a to C3 at 1 Trevor Street;
- 750 sqm lost due to C/U from B1a to C3 at 73-75 Harpur Street;
- 119 sqm lost due to C/U from B1 to B2 at Unit 11 44 - 46 Bunyan Rd;
- 115 sqm lost due to C/U from B1a to D1 at Units 8-10, 44-46 Bunyan Road;
- 380 sqm lost due to C/U from B1 to D1 at 80 College Street, Kempston;
- 100 sqm lost due to C/U from B8 to Sui Generis at 1 Park Road;
- 523 sqm lost due to C/U from B1c to C3 at The Warehouse, 104d Green End Road;
- 224 sqm lost due to Demolition of B1/B2 and erection of 9 B1(a) units & 5 B8 units;
- 64 sqm lost due to C/U from B1 to C3 at 59B High Street, Harrold;
- 234 sqm lost due to C/U from B1 to C3 at Cross Weir Farm, Chapel Lane;

**Total = 12,917 of employment floorspace lost across 18 sites.**

4.70 As set out above, the Council's figures in Table 4.3 would result in an adjustment for losses equal to 230,540 sqm from 2020 to 2040, and a churn allowance of 28,882 sqm, or 259,422 sqm / 64.86 ha in total. If the actual figures from the Council's Employment Land Monitoring reports were used, the adjustment for windfall losses would increase to 396,986 sqm over 20 years (19,849 sqm x 20) and 45,477 sqm for churn (22,739 sqm x 2).

4.71 **This comes to 442,463 sqm in total, or 110.61 ha – some 45.75 ha higher than the Council's adjustment.**

4.72 Even so, we consider that these adjustments are towards the bottom end of what should be allowed for. For example, paragraph 7.14 of the BELS Part 1 states that "*with the extension of permitted development rights and the creation of the new E class making the conversion of office and other employment premises to other uses more straightforward, there is the potential for an increase in the unexpected loss of employment floorspace*". However, there is no sensitivity testing of losses and past trends have been (albeit erroneously) projected forward unadjusted.

## Absence of Past Take Up Scenario

4.73 The BELS models a range of scenarios, all of which are econometric, or labour-supply, driven. None simply project forward past levels of completions. However, past take up assessments have long been a core element of any Employment Land Study and are explicitly referenced in the PPG [paragraph 027] as one of the key methodological approaches for forecasting need:

*"Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as* (inter alia):

- *analysis based on the past take-up of employment land and property and/or future*

    *property market requirements[24].*

4.74    Gross take up rates between 2009/10 and 2019/20 (based on data within BBC's most recent Employment Land Monitoring report for 2019/20) indicate that gross take up levels have totalled 356,743 sqm over the past 11 years (2009/10 to 2019/20) at an average rate of 32,431 sqm per annum.  Projecting this forward over the 20-year plan period and adding on a 2-year margin of choice, this would equate to a need for **713,486 sqm, or 178.4 ha** (based on a plot ratio of 40%).

## Summary

4.75    In summary:

- Bedford Borough Council's Employment Land Study [BELS] was published in May 2022 and comprised the evidence base for the emerging SDBLP 2040.  It sets out that there is a need for between 142 ha and 166 ha of employment land.  The current supply is 24 ha, hence the Local Plan needed to allocate between 118 ha and 142 ha of additional employment land.  Emerging Local Plan Policies HOU 12, HOU 19 and EMP 1 - EMP8, identify sufficient land to meet the upper end of this forecast.

- BELS notes that whilst Bedford's economy benefits from a number of strategic assets that should support future economic growth, it lacks sufficient sites that are able to provide a landscaped business park environment that is suitable for high technology firms requiring easy access to research and development hubs across the Oxford - Cambridge Arc.

- BELS states that it continues to refer to the old B Use Classes, rather than the correct E(g)/B2/B8 use classes, on the grounds that it is too complicated and would prevent comparisons with previous work.  This is clearly a flawed approach.  It also results in light industrial needs being conflated with general industrial requirements, with issues concerning employment densities and under-estimating requirements as a result.

- The Council's employment land evidence base does not address the needs of strategic logistics.  The Local Plan is premature in this regard, as it has been put forward ahead of a SEMLEP study that will seek to identify the needs of 'big box' logistics across the entire South East Midlands.  This failure is particularly unhelpful given that demand for logistics space is rising for a wide range of reasons including Brexit and the accelerated trends arising from the Pandemic including the continued rise of e-commerce, the requirement to increase on-shoring to improve resilience of supply chains etc.  This is of course combined with the clear attractiveness of Bedford to logistics businesses due to its excellent strategic location nationally.  This should all be seen within the context of the Government calling for LPAs to step up their plans for providing logistics sites as set out in the Future of Freight Plan (2022), and the existing NPPF requirement that calls for the needs of this sector (one of only three identified) to be satisfied (NPPF paragraph 83).

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[24] PPG 027 Reference ID: 2a-027-20190220

- The Council appears to have made some errors in its calculations of past losses and take up. As a result, these two key components of its employment land calculation significantly underplay the actual requirement by around 183,040 sqm or 46 ha.

- No past take-up modelling has been undertaken despite its requirement in the PPG. If undertaken, and based on the Council's own figures, this would suggest a need for at least 178 ha of employment land in isolation.

- The Council has failed to take a balanced approach to jobs provision over the plan period. Whilst the recognition of a need to deliver high quality jobs across a series of high-quality campus and science parks is to be welcomed, there is no coherent strategy for meeting the Borough's ongoing significant need for B8 logistics. Relying on other districts to meet your B8 needs with no formal agreement in place is not a robust strategy and is unsound. Bedford Borough is not constrained by Green Belt or environmental designations and should plan positively to meet all of its employment land needs, including B8 distribution, in full.

## 5.0    Employment Land Requirements

### Introduction

5.1    This section considers the future economic growth requirements across Bedford Borough. For the purposes of this Employment Land Technical Paper, we have appraised the needs of office (Eg(i) and Eg(ii)), light industrial Eg(iii), general industrial (B2) and warehousing and distribution (B8). This analysis will help inform the study of the potential economic growth drivers at the local level, and the floorspace requirements that will likely flow from these growth needs over the period 2020-2040 to be consistent with BBC's emerging Local Plan timeframe.

5.2    To briefly recap the discussion in Sections 2.0 and 4.0 of this Technical Note, the supporting text to Policy DS4(S) (Amount of employment growth) of the emerging Bedford Local Plan 2040 states that based on the Employment Land Study topic paper sets out that there is a need for between 142 and 166 ha of employment land over the 20 years to 2040. Set against an existing supply of 24 ha of existing / vacant land, the Council states that it is appropriate for the plan to identify between 118 and 142 ha of employment land. Policies HOU 12, HOU 19 and EMP 1 - EMP8, identify 136 ha to meet the upper end of this forecast.

5.3    This section of the Technical Note therefore provides our own analysis of employment land needs that involves an objective assessment of the future demand for commercial and industrial floorspace across Bedford Borough between 2020 and 2040. As per the PPG, these scenarios would ordinarily draw upon past take up, econometric (demand-side) job forecasting; and labour supply modelling. Where appropriate, we have attempted to mirror the Council's approach to flag up correctable errors in the methodology. We reserve the right, however, to undertake detailed econometric modelling in due course when such data becomes available.

### Past Developments Rates

5.4    This section considers past trends of completions of industrial (i.e. manufacturing and warehousing) floorspace based on monitoring data collected by BBC and reported in the Council's latest Employment Land Monitoring report for 2019/20.

5.5    As they reflect actual development patterns on the ground, in many cases completion rates of employment floorspace can provide a reasonable basis for informing future land requirements. Whereas job projections show growth in net terms, past trend-based assessments take into account development that offsets the redevelopment of employment sites, and from the recycling of sites. Completions over the longer term should even out demand fluctuations over a business cycle and normally provide a reasonable basis for estimating future needs, on the assumption that land supply has not been unduly constrained or influenced by other policy factors.

5.6    As set out in Section 4.0, the Council has made some errors in its recording of both employment land take up and losses in recent years, which has resulted in a suppression of growth when projected forward. It has not undertaken any pure past take up scenario however, using the data as a component of its econometric and labour supply scenarios which does not appear to align fully with the PPG.

5.7    As can be seen in Figure 5.1, there was a recent sharp increase in completions in recent years, with completions peaking at 129,357 sqm in 2019/20 compared to 13,033 sqm of losses, resulting in a record net change of 116,324 sqm. In general, gross take up has

averaged 32,4312 sqm over these 11 years compared to annual average losses of 19,230 sqm. This results in a net increase of +13,202 sqm per annum.

Figure 5.1    Amount of Employment Floorspace developed in Bedford Borough between 2009/10 to 2019/20
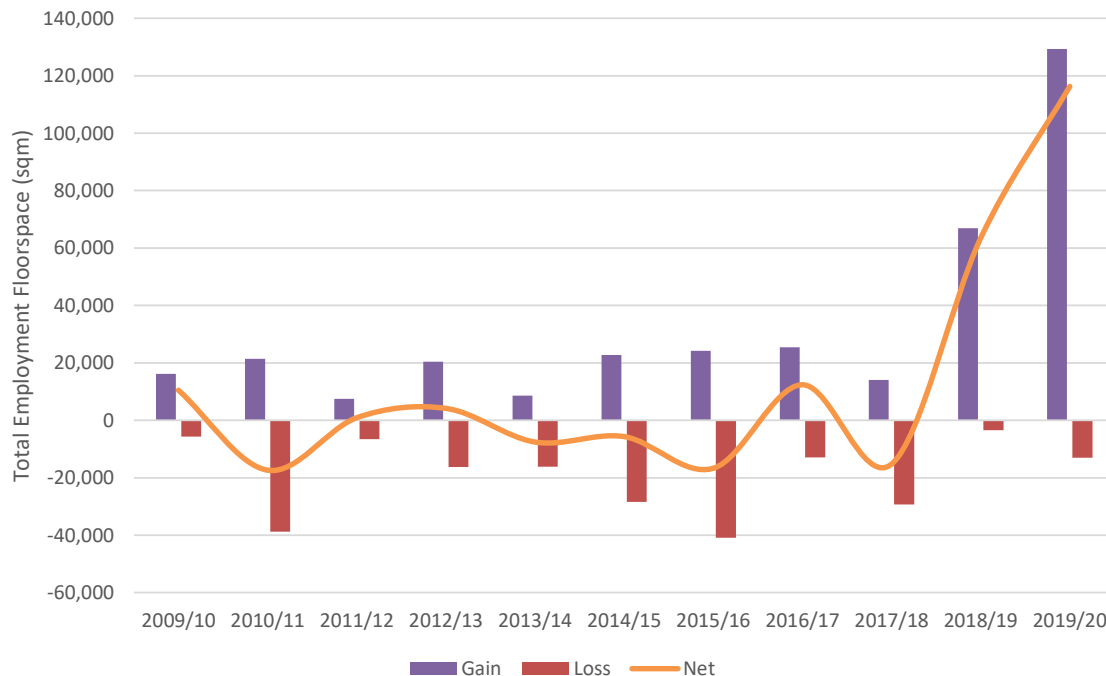


Source:    Floorspace figures taken from Table 1 of BBC's 2019/20 Employment Monitoring Report

5.8    Trended forward, and including a 2-year margin of choice, this would suggest a need for around 713,500 sqm or 178.4 ha of employment land over the 20-year Plan period.

Table 5.1    Lichfields Past Take Up scenario for Bedford Borough 2020-2040

| | Net Take Up | Losses | 2-year churn allowance | Total |
|---|---|---|---|---|
| Annual Requirement | 13,202 sqm | 19,230 sqm | n/a | **32,431 sqm** |
| 20-year need (floorspace, in sqm) | 264,031 | 384,593 | 64,862 | 713,486 |
| 20-year need (land, in ha 40% plot ratio) | **66.01** | **96.15** | **16.22** | **178.37** |

Source:    BBC (2021) 2019/20 Employment Monitoring Report / Lichfields' analysis

## Adjustments to BELS' Employment Land Scenarios

5.9    As set out in Section 4.0, the Council's key employment land policies within its emerging Local Plan are founded on the evidence presented in its BELS Part 1, dated May 2022. This document identified a need for between 142 ha and 166 ha, with the lower end of the range based on ORS's Population base land requirement, and the upper end equating to Sensitivity test number 4: mixed plot ratio development and revised employment type.

5.10    Lichfields has revisited this assessment, factoring in the accurate BBC Employment Monitoring data on take up and losses, as well as the most recent monitoring data for 2019/20 which was not included in the BELS (despite its publication in May 2022).

5.11    The key changes to the data are as follows:

- The **net base floorspace figures** associated with ORS's population-based requirement are unchanged for the purposes of this exercise. This equates to net jobs growth of 10,406 and associated net floorspace of 305,242 sqm for the main base requirement scenario as well as sensitivity tests 1 and 2. For Sensitivity tests 3 and 4, we have also kept the floorspace assumptions associated with the 10,406 jobs growth in line with BELS, at 273,151 sqm.

- BELS made allowance for 230,540 sqm of **windfall losses**, based on losses between 2009/10 and 2018/19 averaging 11,527 sqm per annum. As we set out above, this is incorrect, and should equate to 19,849 sqm per annum. We are also able to incorporate the latest data from the 2019/20, which indicates that a further 13,033 sqm was lost in 2019/20. This reduces the overall average slightly, to 19,229.6 sqm per annum. Projected forward over the 20-year Plan period this equates to 384,593 sqm, which has been included in all of the re-modelled scenarios.

- BELS made allowance for 28,882 sqm of **churn**, based on gross take up of employment floorspace between 2009/10 and 2018/19 averaging 14,441 sqm per annum, and multiplied by two. Again, as we set out above, this is incorrect, and should equate to 22,739 sqm per annum. Incorporating the latest data from the 2019/20 indicates that a further 129,357 sqm was developed in 2019/20. This increases the overall average to 32,431.2 sqm per annum. Projected forward two years this equates to 64,862 sqm, which has been included in all of the re-modelled scenarios.

- To convert the resultant floorspace figures into **land**, BELS applied 40% plot ratios across the board for the Baseline Forecast; reduced this to 30% for the Lower Plot ratio scenario (1) and the Lower plot ratio and revised proportion growth sensitivity (3); and used a mixed plot ratio for sensitivity tests 2 and 4. This involved a plot ratio of 30% for office and industrial, and 40% for warehousing. We have sought to mirror this approach in our analysis. It should be noted that as the take up data provided in Table 1 of the Employment Monitoring data does not provide a detailed breakdown of take up and losses by Use Class (preferring to give an overall figure), we have retained the proportional split by Use Class as reported in the BELS 2022. Furthermore, the detailed information that is provided by BBC in its Monitoring data often does not distinguish between B1/B8, B2/B8 or B1/B2/B8, making a detailed breakdown on the basis of the Monitoring data available impractical (whilst the 2015/16 Monitoring Report is unavailable).

5.12    The results of this modelling exercise are summarised in Table 5.2:

Table 5.2 Forecast Land Requirements 2020-2040

| | Net Jobs Growth 2020-40 | Net Floorspace (sqm) | Allowance for losses (sqm) | Churn | Total gross Floorspace requirement | Total Gross Land requirement | *Comparison with BELS 2022 figures* |
|---|---|---|---|---|---|---|---|
| Population Base land requirement (ORS) | 10,406 | 306,262 | 384,593 | 64,862 | **755,717 sqm** | **188.93 ha** | *142 ha* |
| 1 Lower Plot ratio (30%) | 10,406 | 306,262 | 384,593 | 64,862 | **755,717 sqm** | **251.91 ha** | *189 ha* |
| 2 Mixed plot ratio* | 10,406 | 306,262 | 384,593 | 64,862 | **755,717 sqm** | **233.87 ha** | *173 ha* |
| 3 Lower plot ratio and revised proportion growth | 10,406 | 273,151 | 384,593 | 64,862 | **722,606 sqm** | **240.87 ha** | *178 ha* |
| 4 Mixed plot ratio development and revised employment type proportions* | 10,406 | 273,151 | 384,593 | 64,862 | **722,606 sqm** | **226.04 ha** | *166 ha* |

Source: BELS Part 1 (May 2022) / Lichfields analysis / BBC (2021) 2019/20 Employment Monitoring Report

5.13    As set out above, the resultant requirements range from 189 ha under the Population base land requirement (ORS) up to 252 ha if a 30% lower plot ratio is applied.

5.14    **If a similar approach is taken to the BELS 2022 report, then the requirement range based on the Baseline at the lower end and Sensitivity Test 4 at the upper end (mixed plot ratios and jobs) equates to between 189 ha and 226 ha. This is around 47 ha - 60 ha higher than the range that has informed the emerging Local Plan, at 142 ha – 166 ha.**

5.15    The results of this modelling exercise by Use Class are summarised in Table 5.3.  This still indicates a very substantial requirement for industrial and warehousing land across all of the scenarios, and between 111 ha and 120 ha for the two key scenarios referred to above.

Table 5.3 Gross Employment Land Requirements by Use Class 2020-2040 (in hectares)

| | Office | Industrial | Warehouse | **TOTAL** |
|---|---|---|---|---|
| Population Base land requirement (ORS) | 77.52 | 57.31 | 54.10 | **188.93** |
| 1 Lower Plot ratio (30%) | 103.36 | 76.42 | 72.13 | **251.91** |
| 2 Mixed plot ratio* | 103.36 | 76.42 | 54.10 | **233.87** |
| 3 Lower plot ratio and revised proportion growth | 105.93 | 75.61 | 59.33 | **240.87** |
| 4 Mixed plot ratio development and revised employment type proportions* | 105.93 | 75.61 | 44.50 | **226.04** |

Source: BELS Part 1 (May 2022) / Lichfields analysis / BBC (2021) 2019/20 Employment Monitoring Report

5.16    We would note that the modelling above has not explored the implications of other amendments to the methodology as referred to in Section 4.0.  This includes, for example, the need to separate out light industrial (Eg(iii)) from B2 general industrial and the use of lower employment densities for the former as required by the HCA Employment Densities guidance.  This is likely to increase the amount of land required under all of the scenarios set out above.

5.17    As such, we reserve the right to undertake further detailed analysis to understand the likely implications of these and other robust amendments to the BBC methodology in due course.

# Supply/Demand Balance

5.18   This Section summarises the key changes and potential implications on the need for additional employment sites in Bedford Borough in relation to the employment land supply.

## Existing Supply

5.19   A total of 74 employment sites, providing 1,052 ha of land, were identified in Bedford Borough in the BELS (2022), excluding the office stock in Bedford town centre and sites smaller than 0.25 ha.  The BELS notes that of this total, 69 sites (total 979.5 ha) are active employment sites, while 4 sites (total 72.4 ha) are potential employment sites (undeveloped sites and sites allocated in development plans that have not commenced).

5.20   The report notes that the majority of Bedford's employment land supply is used relatively intensively, which leaves little scope for enhancing the levels of employment contained within each site.  Where there are areas of weaker stock their replacement is, therefore, unlikely to make greater use of land resources and thereby add additional capacity to the employment land portfolio in order to accommodate future employment growth [BELS Part 1, paragraph 8.3].

5.21   The BELS notes that a small number continue to have undeveloped land that can be brought forward to accommodate B class employment activity.  *"These sites are already designated as B class employment sites or have previously accommodated B class employment activities, however they are now either not currently used or are subject to a planning permission that has not been fully completed and the resultant development occupied. Given that at the time of the employment sites survey they contained underused or inactive land, they could theoretically be considered to be available to accommodate future employment growth and floorspace requirements."* [paragraph 8.4]

5.22   There is the theoretical potential to deliver additional capacity within the existing employment sites in the region of 46 ha; however, in reality, all of these sites (apart from Souldrop) are now under construction or have detailed planning consents.  As a result, the BELS considers that only 1 ha can now be considered truly available on existing sites.

5.23   There is also some potential to deliver additional capacity on new employment sites, of up to 47 ha.  However, given that these are yet to be developed and are yet to receive any form of planning permission, the Council accepts that there is a risk that these sites will not wholly come forward for B class development.  As a result, only 23 ha can be considered to be available on existing allocated sites.

*"As noted in the employment forecasting section, non-B class employment growth will be a vital component of the future economic growth of the borough. Some of this may take place on land designated for B class employment as well as on other undesignated sites. This should be recognised and some additional land may be needed to ensure that there is sufficient land for future non-B class employment growth."* [paragraph 8.12]

5.24   The BELS concludes that based on the analysis of existing employment sites and delivery of new sites, the identified supply components could provide about **24 ha of B class employment land primarily as a mix of B1, B2 and B8 uses**.

5.25   Emerging Local Plan Policy DS5(S) **allocates a total of 136 ha** for employment land for the period 2020-2040.  This is in addition to the 24 ha of existing employment land

commitments reference in the BELS which includes 20.4 ha at Pear Tree Farm.  As such, the Council's forward supply of employment land is in the order of **160 ha**.

## Balance

5.26    Whilst the 160 ha that the Council is currently planning for in its emerging SDBLP is a reasonable fit with the BELS' requirement range of between 142 ha and 166 ha, it is significantly lower than the requirement we have identified in this study.

5.27    As can be seen in Figure 5.2, **there is a gap of 29 ha between the total supply (160 ha) and the lower end of the amended range (189 ha), and a gap of 66 ha to the upper end of the range (226 ha)**.

Figure 5.2 Comparison of Requirements for Employment Land in Bedford 2020 to 2040
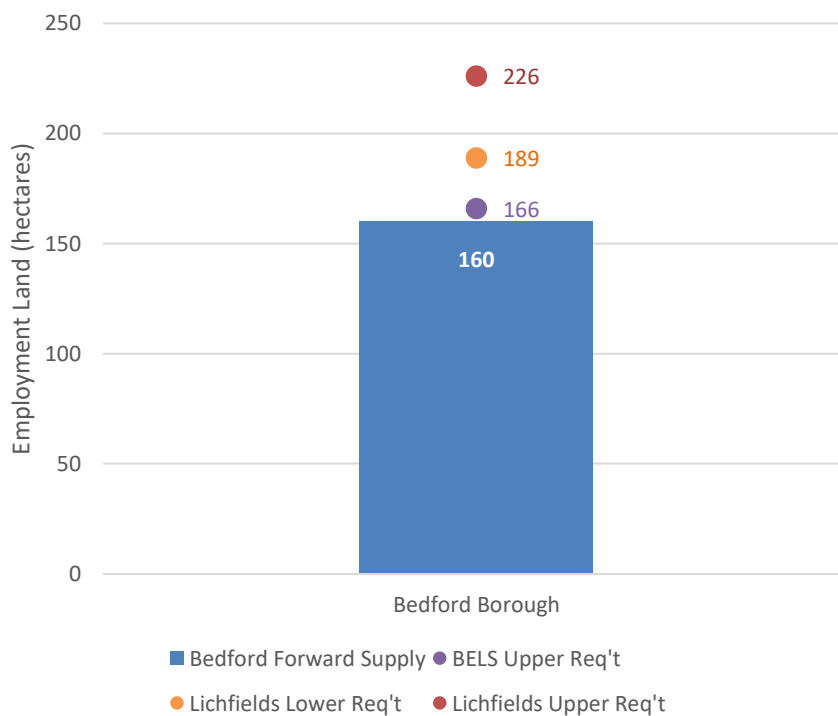


Source: Lichfields' Analysis

5.28    Quite aside from the point that the supply is likely to be substantially reduced once non-industrial uses are allowed for, as we have discussed in detail above, the need **does not allow for strategic B8 distribution**.  This would increase the level of need very substantially.  Other adjustments referred to above such as the need to plan properly for Eg(iii) light industrial uses would also increase the overall level of need.

## Role of Prologis' Site in addressing this shortfall

5.29    If allocated, Prologis would deliver a high-quality, flagship, mixed-use employment development with an emphasis on life science manufacturing and modern logistics development on land to the West of the A1, Wyboston.

5.30    This has the potential to include:

- 58,300 sq.m [GIA] of B2/B8/E(g) industrial floorspace across three zones;

- 5,000 sq.m [GIA] Electric Vehicle Trunk Road Service Area [EV TRSA] featuring an electrical hub charging station, parking area, amenity / training hub, retail outlet, security facilities and washroom block;

- 26,500 sq.m [GIA] Life Sciences Manufacturing (B2/Eg(iii)) across five zones, has the potential to make a significant contribution to meeting the current need for high quality industrial floorspace.

5.31     **Overall, this could contribute 18.46 ha net (40.32 ha gross), or 84,800 sqm of Eg/B2/B8 floorspace in an area of high demand.**

5.32     **This has the potential to meet 64% of the unmet need at the lower end of Lichfields' range, and 28% of the unmet need at the upper end of the range.**

# Summary

5.33     Lichfields has considered the future economic growth requirements across Bedford Borough in light of the data errors in the BELS Part 1 (May 2022). In summary, the demand-led range of total gross land requirements for the period 2020 to 2040 results in the following conclusions:

- Having revisited the past take up data, it is considered that Bedford Borough would have a minimum need for 178.4 ha of employment land over the period 2020-2040.

- These figures do not include any meaningful allowance for strategic, big box logistics which have been a common contributor to Bedford's portfolio in recent years. The logistics market has increased exponentially in recent years, with underlying trends accelerated by the Pandemic and Brexit. As such, any I&W requirement that has not attempted to factor in the needs of big box logistics will under play this need. We await the findings of the SEMLEP Strategic Distribution Study with interest in this regard, which could generate a requirement for additional B8 land in Bedford that goes above and beyond the current Local Plan target.

- Lichfields has revisited the BBC employment land requirements and factored in the latest data on take up and losses, and corrected some clear errors in the evidence base. In so doing, the resultant requirements now range from 189 ha under the Population base land requirement (ORS) up to 252 ha if a 30% lower plot ratio is applied. If a similar approach is taken to the BELS 2022 report, then the requirement range based on the Baseline at the lower end and Sensitivity Test 4 at the upper end (mixed plot ratios and jobs) equates to between 189 ha and 226 ha. Of this, there would be a substantial requirement for industrial and warehousing land of between 111 ha and 120 ha for the two key scenarios.

- Emerging Local Plan Policy DS5(S) allocates a total of 136 ha for employment land for the period 2020-2040. This is in addition to the 24 ha of existing employment land commitments reference in the BELS which includes 20.4 ha at Pear Tree Farm. As such, the Council's forward supply of employment land is in the order of 160 ha;

- There is therefore a shortfall of between 29 ha between the total supply (160 ha) and the lower end of the amended range (189 ha), and a gap of 66 ha to the upper end of the range (226 ha).

- There is therefore a clear shortfall and Prologis's site at Wyboston should be allocated to help meet this need. Prologis would deliver a high-quality, flagship, mixed-use employment development with an emphasis on life science manufacturing and modern logistics development in this location. Although it is slightly larger than BBC's

supposed 'ideal size' for a high-quality employment park of around 30 ha, the Wyboston site could deliver a balance of employment types on a site that would see transformational change.  It would be easily accessible from, and attractive to residents of, the proposed new settlement at Little Barford to the east of the A1.  Overall, the site on land to the west of the A1, Wyboston could contribute 18.46 ha net (40.32 ha gross), or 84,800 sqm of Eg/B2/B8 floorspace.  This has the potential to meet 64% of the unmet need at the lower end of Lichfields' range, and 28% of the unmet need at the upper end of the range.

# 6.0     Conclusion

## Overview

6.1     This Employment Land Technical Note has been prepared in the context of the proposals for strategic employment development at the to the west of the A1, Wyboston. The site is currently unallocated 'white land' and is being promoted by Prologis for a sustainable mixed use development with a particular focus on Life Sciences Manufacturing.

6.2     This development site has the potential to help support a range of economic aspirations at the local and sub-regional level, particularly in terms of meeting Bedford Borough's future growth needs.

**The Council's Evidence base identifies a strong need for additional employment land, and particularly high technology research and development uses.**

6.3     The evidence base underpinning the SDBLP 2040 (BELS Parts 1 and 2, 2022) uses a range of modelling techniques based on both the EEFM and, in preference, ORS's population-based land requirement scenario.

6.4     The 'business as usual' EEFM indicates a net job growth of 14,400 between 2020 and 2040, which is significantly lower than the ORS dwelling-led population growth scenario, which shows a growth in employment from 87,800 in 2020 to 114,500 in 2040, an increase of about 26,700. The EEFM job forecasts are then translated into Use Classes, and then floorspace through the application of a range of employment densities. As well as these two main scenarios, the BELS also models a range of base scenarios exploring the plot ratios of development and the mix of jobs. The net floorspace is then translated into gross land requirements by applying an allowance for losses and churn. The scenarios indicate a need for between 76 ha and 189 ha of employment land.

6.5     However, the BELS concludes that the forecasts should not be viewed as a target but as a range of the amount of land that may be required over the plan period to support the expected growth in the size of the workforce. **This is identified as being between 142 ha and 166 ha of office, industrial and warehousing employment land that is required to support the local economy**. The upper end of the range reflects the assumptions of the Economic Growth Ambitions Topic Paper.

6.6     Based on the analysis of existing employment sites and delivery of new sites, the identified supply components could provide around 24 ha of B class employment land primarily as a mix of B1, B2 and B8 uses.

6.7     Set against a need to make provision for between 142 and 166 ha of B class employment land over this period, both the BELS and the emerging Local Plan note that there is a quantitative requirement of between 118 and 142 ha of B class employment land to be allocated to address the shortfall.

6.8     In response to this evidence, the emerging Local Plan Policy DS5(S) sets out where the growth should be located, taking into account existing commitments. It indicates that there is a total of 136 ha allocated for employment land for the period 2020-2040 in addition to the 24 ha of existing employment land commitments which includes 20.4 ha at Pear Tree Farm. Therefore, the Council's forward supply of employment land is in the order of 160 ha, which broadly aligns with the upper end of the range identified in its evidence base.

6.9 This is the quantitative side of the case. The BELS also provides ample evidence that there is a substantial qualitative demand for employment land across all types and sizes, with property professional / business community views pointing to an area with strong demand for a range of employment property types, but one that is constrained by a general lack of supply. There is a trend in the industrial property market for strong demand and occupation of 'big box' warehouse permitted premises, whether new build or second hand, with consistently short void periods. The report concludes that Bedford should take advantage of its good and improving accessibility to a wider market area to expand its attractiveness and influence. Growth should seek to maximise the strengths of the local economy and define a unique role that builds on local skills and expertise to minimise future loss of labour and to continue to attract businesses in key sectors.

6.10 The BELS concludes that whilst land for warehousing is still required, the Local Plan should emphasise the need for a number of well-located sites that are close to transport networks. These sites will have to be able to provide a landscaped campus style park environment, potentially in waterside locations that provide high quality working places with an emphasis on the health and wellbeing of staff. They will be suitable for high technology firms requiring easy access to research and development hubs across the Oxford – Cambridge Arc. They will primarily be for businesses that fall in the B1a (office), B1b (R & D) and B1c (light industrial) use classes, with elements of B2 (manufacturing) and B8 (storage & distribution). They may additionally need an element of non-B class uses nearby to enable them to satisfy occupiers' daily needs.

6.11 Importantly, it notes that Bedford's enhanced east-west connectivity with Oxford and Cambridge presents an opportunity for an educational spin-out centre linked to a science / innovation business park. The central location on the Arc would serve as a meeting point for academics to share knowledge and research. In addition to the educational element, there would be space for a cluster of spin-out businesses that would benefit from close association to the educational element.

6.12 The primary qualitative requirement is for campus-style space for high technology research and development uses, innovation hubs and science park development. The BELS notes that they should be located with good access to the A421 and existing or planned rail stations. The report suggests that any requirements for regional or national distribution centre warehousing in the foreseeable future are likely to be catered for by the extensive allocations for large-scale strategic warehousing that have been made in nearby local authorities.

### However, BBC's Needs case is flawed and significantly under-estimates the likely true scale of employment land required by 2040

6.13 Whilst many elements of the Council's BELS are welcomed, including the general principles underpinning the methodology, unfortunately there are some serious flaws in the detail of the approach which means that the range of 142-166 ha is unsound.

6.14 These flaws include, but are not limited to:

- The reference throughout to the old B Use Classes, rather than the correct E(g)/B2/B8 use classes, on the grounds that it is too complicated and would prevent comparisons with previous work. This results in light industrial needs being conflated with general industrial requirements, with issues concerning employment densities and under-estimating requirements as a result.

- The Council's employment land evidence base does not address the needs of strategic logistics. The Local Plan is premature in this regard, as it has been put forward ahead of a SEMLEP study that will seek to identify the needs of 'big box' logistics across the entire South East Midlands.

- The Council has made some clear errors in its calculations of past losses and take up, resulting in its employment land calculation significantly underplaying the actual requirement by around 183,040 sqm or 46 ha.

- No past take up modelling has been undertaken despite its requirement in the PPG. If undertaken, and based on the Council's own figures, this would suggest a need for at least 178 ha of employment land in isolation.

## Our own assessment indicates that there is a need for at least 189 ha – 226 ha of employment land and potentially significantly more

6.15    We undertook our own analysis of employment land needs that involved an objective assessment of the future demand for commercial and industrial floorspace across Bedford Borough between 2020 and 2040, using the Council's own evidence, corrected and updated where appropriate.

6.16    Initially, we modelled a past trends scenario that was absent from the Council's evidence. Trended forward, and including a 2-year margin of choice, this would suggest a need for around 713,500 sqm or 178.4 ha of employment land over the 20-year Plan period – well above the upper end of the Council's 142-166 ha requirement.

6.17    We then revisited the Council's land forecasts, making reasonable adjustments to the losses and churn data to reflect the more accurate data from the Council's Employment Monitoring reports, and using the latest data for 2019/20. This increases the overall annual take up to 32,431 sqm and increases losses to 19,230 sqm per annum. The resultant requirements range from 189 ha under the Population base land requirement (ORS) up to 252 ha if a 30% lower plot ratio is applied.

6.18    If a similar approach is taken to the BELS 2022 report, then the requirement range based on the Baseline at the lower end and Sensitivity Test 4 at the upper end (mixed plot ratios and jobs) **equates to between 189 ha and 226 ha. This is around 47-60 ha higher than the range that has informed the emerging Local Plan**, at 142 ha – 166 ha. It also indicates a very substantial requirement for industrial and warehousing land across all of the scenarios, and between 111 ha and 120 ha for the two key scenarios.

6.19    Our modelling has not explored the implications of other amendments to the methodology as referred to in Section 4.0. This includes, for example, the need to separate out light industrial (Eg(iii)) from B2 general industrial and the use of lower employment densities for the former as required by the HCA Employment Densities guidance. This would certainly increase the amount of land required under all of the scenarios set out above.

6.20    Therefore the 189-226 ha range should very much be seen as the bottom end of any land requirements and it is highly likely that the actual need is substantially higher than this over the next 20 years. These figures do not include any meaningful allowance for strategic, big box logistics which have been a common contributor to Bedford's portfolio in recent years.

6.21 As such, we reserve the right to undertake further detailed analysis to understand the likely implications of these and other robust amendments to the BBC methodology in due course, and in particular once the SEMLEP Strategic Employment Land Requirements study is issued, which could generate a requirement for additional B8 land in Bedford that goes above and beyond the current Local Plan target.

## This means that Bedford Borough has an insufficient supply of employment land to meet its requirements in full and will need to identify new sites such as Prologis' site West of the A1 at Wyboston for it to be found sound

6.22 Emerging Local Plan Policy DS5(S) allocates a total of 136 ha for employment land for the period 2020-2040. This is in addition to the 24 ha of existing employment land commitments which includes 20.4 ha at Pear Tree Farm. As such, the Council's forward supply of employment land is in the order of 160 ha.

6.23 Whilst this is a reasonable fit with the BELS' requirement range of between 142 ha and 166 ha, it is significantly lower than the range we have identified in this study. There is therefore a gap of 29 ha between the total supply (160 ha) and the lower end of the amended range (189 ha), and a gap of 66 ha to the upper end of the range (226 ha).

6.24 Quite aside from the point that the supply is likely to be substantially reduced once non-industrial uses are allowed for, as we have discussed in detail above, the need does not allow for strategic B8 distribution. This would increase the level of need very substantially. Other adjustments referred to above such as the need to plan properly for Eg(iii) light industrial uses would also increase the overall level of need.

6.25 **If allocated, Prologis would deliver a high-quality, flagship, mixed-use employment development with an emphasis on life science manufacturing and modern logistics development on land to the West of the A1, Wyboston. Overall, this could contribute 18.46 ha net (40.32 ha gross), or 84,800 sqm of Eg/B2/B8 floorspace. This has the potential to meet 64% of the unmet need at the lower end of Lichfields' range, and 28% of the unmet need at the upper end of the range.**

6.26 The Council's own evidence demonstrates that property market signals across Bedford, and across the South East Midlands more generally, suggest high levels of latent demand and competition for industrial and warehousing space with supply running at unsustainably low levels.

6.27 As a result of Bedford's excellent and improving connectivity, the BELS recognises that it is realistic to plan for employment growth that is of a type and quality that can help serve the market currently met by Cambridge's world-renowned science parks. This is supported by the evidence contained within the Council's Growth Ambitions Topic Paper, which suggests that land allocations need to be made in locations where they will deliver a wider range of jobs, including a much greater proportion of those that are higher value and related to non-B8 sectors, (for example, manufacturing, life sciences and green economy.

6.28 The Wyboston site would be predominantly employment-led, with a significant proportion of the site currently earmarked for a Life Sciences facility (E(g)(iii). **Due to a distinct shortage of Grade A accommodation, the proposed development site represents a perfect opportunity to provide prime light industrial units to satisfy this occupier demand.**

6.29    Wyboston may have historically been a rural settlement, but the wider area is being transformed due to considerable levels of transport infrastructure investment, as well as the Council's intention to deliver a new settlement further east.  This will require BBC to deliver a balanced portfolio of deliverable employment sites of all scales.  A site which has the backing of Prologis, a global real estate developer with a market-leading track record in the sub-region, should be given full and proper consideration in the SDBLP 2040.

6.30    As such, we respectfully request that the site is allocated for employment-led mixed use in the Plan, or at the very least, identified as a reserve candidate site, of which the merits could be debated at the forthcoming Local Plan EiP.

Celebrating

**60**
years