

## Review of Employment Evidence

March 2017



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# 1 Introduction

**1.1** This paper provides an overview of the latest employment data relating to Fradley to inform the development of the Fradley Neighbourhood Plan. It is based on a review of the Staffordshire, Lichfield District and local data and evidence.

**1.2** This note is divided into seven sections:

- **Section 2 Planning Policy.** This section sets out an overview of Lichfield District's current employment planning policy.
- **Section 3 District Wide Employment Demand and Supply.** This section provides a review of the district wide employment land supply and demand up until 2029.
- **Section 4 Future Demand: Growing Economic Sectors.** This section gives a brief overview of the growing business types relevant to the district.
- **Section 5 Future Supply: What are Managed Workspaces.** This section provides examples of managed workspaces.
- **Section 6 Managed Workspaces in Lichfield.** This section provides a brief overview of the performance of Lichfield's managed workspaces.
- **Section 7 Fradley Employment Park.** This section provides an overview of the present conditions at Fradley Park as an employment location of regional significance from both interviews with local agents and desk-top research.
- **Section 8 Conclusions.** The conclusions, recommendations and next steps to inform the Fradley Neighbourhood Plan are outlined in this section.



## 2 Planning Policy

### The Local Plan

- 2.1 Lichfield District Council Local Plan Strategy, (2015) is the statutory development plan for the district. There is a Strategic Development Allocation in Fradley for approximately 1,250 new homes north of the employment park. The benefits of small scale incubator units for small and medium sized enterprises are noted and the need for better supporting transport infrastructure.
- 2.2 The key employment planning policies relating to the Fradley area are set out below:
- **Fradley Policy 1.** Up to 1,250 dwellings are to be located around Fradley.
  - **Fradley Policy 2.** Improvements will also be made to the frequency of bus service which shall be routed in such a way to be a short walking distance from all parts of an expanded Fradley.
  - **Fradley Policy 3.** Fradley will remain as a major focus for employment through the implementation of existing commitments and redevelopment. Smaller units and 'incubator' employment units will also be encouraged within Fradley, particularly on current brownfield land south of the Coventry Canal and east of Gorse Lane, within the Strategic Development Allocation. Support will be given to proposals for a Lorry Park within or close to Fradley Park.
  - **Fradley Policy SC1.** Fradley will remain a focus for employment, and that it will also play a major role in meeting housing need with an expansion of the existing settlements. This will be supported by community, education and health facilities, as well as public transport measures and green infrastructure, to assist in the creation of a cohesive and sustainable community.



## 3 District-Wide Employment Demand and Supply

### Employment floorspace need

- 3.1 The Lichfield District Employment Land Review, (2014) (ELR) identifies an increase in employment growth ranging from around 48,250 to 52,320 jobs up until 2029.
- 3.2 In floorspace terms the ELR identifies that there is a need for Lichfield District Council (LDC) to safeguard its existing employment land and designate new employment areas to meet future needs. There is an additional projected future employment need of between 70, 000 – 136, 5000 sqm up until 2029.

### Key employment growth sectors

- 3.3 Within the employment growth estimated the largest district increase in demand is for:
- Office (**B1a**) of between 56,813 - 74,353 sqm.
  - Financial and professional services (**A2**) of between 32,440 - 60,350 sqm.
  - Restaurants and cafes (**A3**) of between 10,159 - 24,734 sqm.
  - Research and development (**B1b**) of between 5,606 sqm - 6,367 sqm.
- 3.4 Despite predicted employment growth the ELR identifies a decline in demand for:
- Industrial (**B2**) of between -20,646 and -37,206 sqm.
  - Warehousing (**B8**) of between -2,683 and -9,786 sqm.





## 4 Future Demand: Growing Economic Sectors

### Digital Industries

- 4.1 The Stoke-on-Trent and Staffordshire Sector Profile Creative and Digital Industries Report, (2015) (Sector Profile Report) identified that in the county there are over 4,500 people employed in the digital industries making it one of the largest growing markets in recent years. Computer programming was identified as a particularly strong employment sector in Staffordshire, representing 1.6% of all employees.

### Business Administration and Support

- 4.2 The Sector Profile Report also sets out that the county has over 32,000 people employed in business administration and support services, representing 7.7% of all employees. It outlines that it is a strong growing sector. This ranges from back-office administration, customer service and IT support.

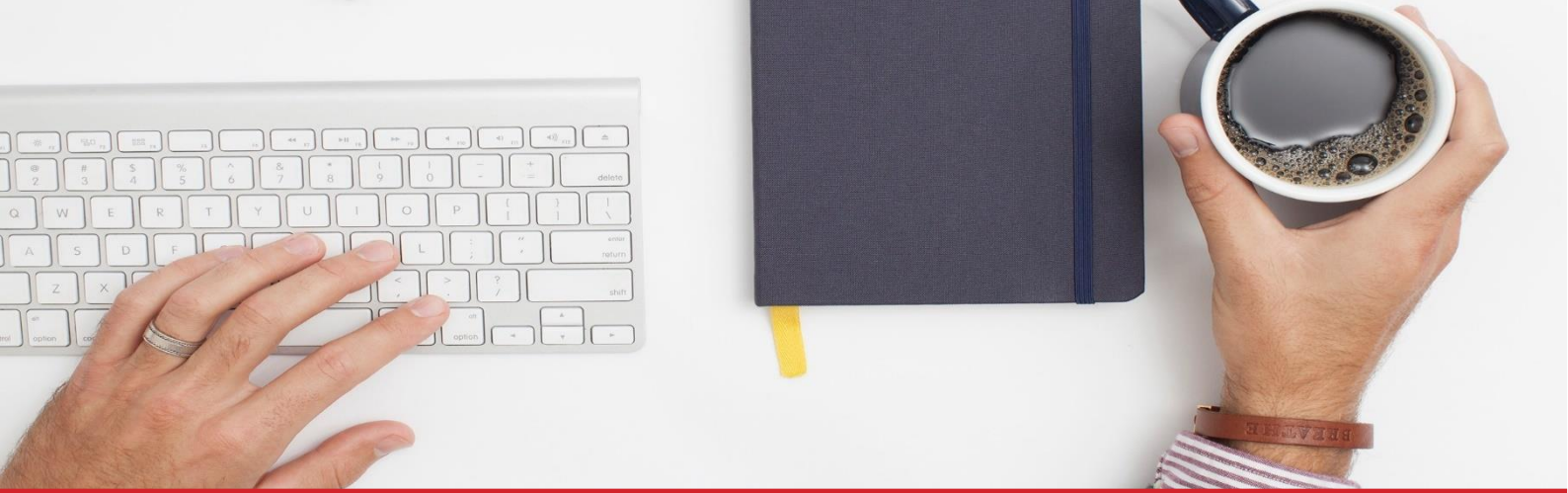
## Creative Industries

- 4.3 Creative industries were also identified as gaining international recognition in the Public Sector Report through the number of festivals being held in the area. The 'Stoke Your Fires' festival is week-long celebration and showcase of film making. Other major festivals include the international British Ceramics Biennial. Stoke-on-Trent is an international centre of ceramics tableware design and manufacturing. It is home to well-known brands such as Wedgwood, Portmeirion, Spode, Minton and Moorcroft.

## Relationship to Future Floorspace Needs

- 4.4 Digital industries, business administration and support and creative industries require managed workspaces to operate, grow and expand. The Sector Profile Report sets out that there is an increase in demand for flexible B1a (office) workspaces as a result of the above growing markets.





## 5 Future Supply: What are Managed Workspaces?

5.1 Managed workspaces cater for new, young and small enterprises by providing an appropriate size of unit in a suitable environment, with support services on a flexible basis. They range from business to light industrial units and are attractive to companies that do not yet, or may never require a conventional office or studio. Examples of managed workspace providers include **Bizspace**<sup>1</sup>, **Workspace**<sup>2</sup>, **Instant Offices**<sup>3</sup> and **WeWork**<sup>4</sup>.

5.2 Managed workspaces offer affordable spaces for digital industries, business administration and cultural industries who can produce their work with less overheads. Managed workspaces can become hubs where new ideas are exchanged and where innovation occurs. Examples of specialist creative workspace providers include The Association for Cultural Advancement through Visual Art (ACAVA)<sup>5</sup>.



Source: Workspace Group. 2016 [www.workspace.co.uk](http://www.workspace.co.uk)

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<sup>1</sup> <http://www.bizspace.co.uk/about-us/ultimate-flexibility>

<sup>2</sup> <http://www.workspace.co.uk>

<sup>3</sup> <http://www.instantoffices.com>

<sup>4</sup> <https://www.wework.com>

<sup>5</sup> <http://www.acava.org/>



## 6 Managed Workspace in the Lichfield District

**6.1** Kingston Commercial Property Consultants were commissioned to carry out a managed workspace study (MWS) for Staffordshire County Council in 2012 covering the Burntwood, Lichfield and Tamworth corridor. The MWS looked at the provision of serviced offices, studios and workshops. There was a total of 107 individual managed workspace units for a combined population of approximately 131,000 in the Burntwood-Lichfield-Tamworth area at the time of the study.

**6.2** Below is an overview of the occupancy rating in 2012 at the time of the managed workspace study:

- **92% occupied:** The Business Village, Friary, Lichfield
- **88% occupied:** Trent Business Park 1, Eastern Avenue, Lichfield
- **25% occupied:** Viking Park, Claymore, Tamworth.
- **61% occupied:** Leonard House, 12 – 14 Silver Street, Tamworth.
- **82% occupied:** Swan Park Business Park, Kettlebrook Road, Tamworth.
- **100% occupied.** Mercury Business Centre, Amber Close 3 Mercury Park, Tamworth.
- **100% occupied:** Amber Business Centre, Amber Close, 3 Mercury Park. Tamworth.
- **100% occupied:** Pebble Business Centre, 17 Pebble Close, Tamworth.

**6.3** The MWS identified that the condition of the managed workspaces was good. It also set out that as a whole, the managed workspace was in strong demand, with 82 – 92% average occupancy. The business spaces in Lichfield were very highly occupied.

**6.4**

A telephone interview was held with Instant Offices who are the agents for the Business Village and the Trent Business Park in October 2016. They identified that the offices are currently extremely well used with low vacancy and that there is a consistent and projected increase in demand especially for SME's (see **Appendix 4**).





## 7 Fradley Employment Park

### Location

- 7.1 Fradley Park is the largest rural employment site in Lichfield District. It is of regional significance in scale comprising of approximately 4 million sqft of employment floorspace. It is located approximately 3 miles from Lichfield city centre and 1.5 miles from Fradley Village. The site is 23 miles from Birmingham.

### Access

- 7.2 The site has direct road access to the A38, A50, M6, M1, M42 and M40. Public transport access has been identified as being required from the ELR both at the district and sub-regional level. A38 junction improvements including Hilliards Cross are necessary to provide safe access/egress to both Fradley Park and the growing population of Fradley.
- 7.3 There are bus services directly from Lichfield City train station in Lichfield town centre to Fradley Park which take approximately 30 minutes. Lichfield Trent Valley train station is three stops from east of Lichfield City.

### Current Use Classes

- 7.4 Fradley Park contains predominately large, purpose-built warehouses (B8) and industrial premises (B2). There is also some (B1a) office buildings located on-site. The business park provides most of the district's (B2) and (B8) employment floorspace.
- 7.5 Fradley Business Park is approximately 4million sqft of (B1) (B2) and (B8) employment floorspace. Approximately 2.8million sqft has been constructed.

- 7.6 The companies that operate at Fradley Park include the DHL Supply Chain, Hellmann Worldwide Logistics, The Bridgford Group, Irwin Industrial Tool Co. Ltd, Holgran, Babcock, George Koch Sons Europe Ltd, Vitality 4 Life UK Ltd, Swish UK, Technical Concepts International Ltd, Newell Rubbermaid Ltd, CNC Speedwell Ltd and NTN Bearings (U.K) Ltd.
- 7.7 The Sterling Centre marked out below contains town centre uses including co-op, hairdressers, café, restaurant, pharmacy, take away and gym. It serves Fradley Park and the surrounding residential properties.



## Occupancy

- 7.8 Desk based searches have been undertaken to identify what business units are currently being advertised at present. Telephone interviews were also carried out with Kingston Commercial Property Consultants and GVA on Fradley Business Park in October 2016. The majority of the units are occupied by business tenants who have rented the units for many years and who wish to remain in the long term. There is a small degree change in the tenancy of some units across the site (See **Appendix 1 and 2**).



## Market Research

- 7.9 Interviews with GVA and Kingston Commercial Property Consultants both set out that the employment park is performing well. Additional infrastructure improvements however were deemed required to support any future development at the site. If the HS2 rail line does go ahead it could have an adverse impact on the road network. This was expressed as a significant concern potentially having a negative effect on the operations of the site which, is reliant on a degree of freight traffic.
- 7.10 Interviews were held with Managed Workspace Providers (see **Appendix 3**). Creative Workspace Provider ACAVA opened a managed workspace in Stoke-on-Trent early this year and recognises the large potential for affordable flexible workspace in this part of the UK. The attractiveness of the Fradley location will rely a lot on the competitive rates of the units. Other managed workspace providers such as WeWork noted that there are high, medium and low end spaces each with their own market. They have recently opened a space in East London at London Fields, designed for creatives. This was based on detailed local market research which showed a national increase in demand for this type of workspace.
- 7.11 The telephone interview with the Instant Offices agent for the Lichfield Area in October 2016 identified that there is a strong continued demand for B1a offices in this locality especially for small to medium sized businesses (see **Appendix 4**).
- 7.12 Tamworth Borough and Lichfield District Business Place Strategy (BPS) was carried out in 2013. BPS undertook a telephone survey with 40 businesses in Tamworth and Lichfield. For Fradley Park the feedback was:
- Great access and assets supporting high tech businesses.
  - The quality and diversity of provision of premises needs to improve or there may be a risk of losing some companies.
  - Some firms would be happy to look along the A38/M42 belt (from Burton to Walsall) for new locations when considering expansion.
  - The provision of affordable flexible 'soft landing' (hot-desking with easy in/easy out) space is needed to support entrepreneurial activity.
  - Infrastructure improvements to improve and increase business opportunities including in Fradley.



- 7.13 The trends identified in 2013 survey remain relevant today. Since this time as noted in **Section 4** above there is an increase in digital, administration and creative industry sectors creating further demand for managed workspaces for small and medium sized businesses.



## 8 Conclusion

- 8.1 Whilst at present, Fradley Park is performing well, to remain competitive an increase in the variety and diversity of units is recommended.
- 8.2 Any future development at the site may require careful phasing and associated infrastructure improvements. Furthermore, public transport connections to Lichfield City could be improved.
- 8.3 Demand for such spaces may arise from the increase in housing near the site. Providing a greater choice in space available may assist Fradley Park in retaining its status as a centre of economic growth in the context of a wider national and regional sectoral shift from industrial/warehouse to digital/tech/administration, office based sectors. Creative and artistic activity can be a way to harness innovation and creativity. There is no critical mass of small to medium sized businesses at Fradley Park however affordable creative workspaces and studios may attract young start-ups to this out of centre location. Both small scale 'exploratory' workspace and meeting room provision, as part of a wider community building could be an option to break into the new projected market demand.
- 8.4 Additional local centre uses and services should be considered at the Sterling Centre where future employment growth is planned to meet the needs of the employees that would be located there.
- 8.5 The future planned growth at Fradley coupled with new planned community infrastructure will create a new critical mass to assist in making this location more desirable to new growing employment sectors in the District.

## Appendix 1. Desk based searches on vacancy rates in Fradley Park

CURRENT ADVERTISED VACANT UNITS AT FRADLEY PARK, OCTOBER 2015			
Unit	Floorspace	Agent	Link
Warehouse to let in Fp144, Fradley Park, Unit 3, Lichfield	144,809 sqft	GVA 0121 659 7848	<a href="http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99">http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99</a> Accessed. October. 2016
Trent House, Zone 2, Wellington Crescent, Fradley Park, Lichfield	3,604 -16,250 sqft	Kingston Commercial Agents 01543 526812	<a href="http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99">http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99</a> Accessed. October. 2016
Unit Fp210, Fradley Park, Wood End Lane, Fradley, Lichfield	10,000 - 210,000 sqft	GVA 0121 659 7848	<a href="http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99">http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99</a> Accessed. October. 2016
Unit Fp126, Fradley Park, Dove Close, Fradley, Lichfield	126,993 sqft	GVA 0121 659 7848	<a href="http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99">http://www.primelocation.com/to-rent/commercial/details/39707112#gjf6zi8Y160qrYvW.99</a> Accessed. October. 2016
Industrial to let in Nucleus, Fradley Park, Halifax Avenue, Fradley, Lichfield	50,000 - 500,000 sqft	GVA 0121 659 7848	<a href="http://www.primelocation.com/to-rent/commercial/details/37019722#QfLRT2HuqGLvyc6.99">www.primelocation.com/to-rent/commercial/details/37019722#QfLRT2HuqGLvyc6.99</a> Accessed. October. 2016
<b>Total Floorspace Vacant:</b>	<b>998052 sqft or 92722.0649 sqm</b>		
Source: Online Searches, 2016			



## Appendix 2. Interviews with local agents

<b>GVA</b>	<b>Date: 09/10/16</b>
What type of businesses are looking for premises in Fradley Park now?	Storage and manufacturing businesses.
What type of employment space is in demand? Have you seen a shift in the demand from warehouse/industrial sectors in favour of office?	Industrial and warehouse type businesses. There is no demand for B1a/B2/B8 style uses.
What size of units are in demand in this location?	GVA deal with larger scale employment unit sizes which are approximately 126, 000 – 450, 000 sqft units. It is not considered that the site is constrained by unit size at present.
What floorspace is occupied in Fradley Park vacant now? What measures could reduce these levels of vacancy?	The vacancy is low now. It is no higher than usual. There is no identified downward trend in business occupancy at Fradley Park. It is performing very well.
What are the development opportunities in Fradley?	The nature of the business park is industrial therefore there is a demand for additional lorry parking. Furthermore, a petrol station and additional service facilities would assist in encouraging more business such as catering facilities.
What are the key constraints in meeting the demand of the commercial sector in Fradley?	Lorry parking facilities constrain the current business need. The site is not attractive to B1a office as it does not have good access to the Lichfield Town Centre and supporting services and facilities.

<b>Kingston Commercial Property Consultants</b> 30 Bore Street, Lichfield, Lichfield, WS13 6PQ	<b>09/10/16</b>
<b>What type of businesses are looking for premises in Fradley Park now?</b>	It is large scale industrial and commercial companies.
<b>What type of employment space is in demand? Have you seen a shift in the demand from warehouse/industrial sectors in favour of office?</b>	There are companies who own their own premises and they are long standing. Other businesses are reliant on winning contracts. This business model creates some churn the letting of units in and out of the business park. There are other businesses which own the units they occupy and are long term residents in this employment area. There are 2.8 million built out units from the permission for 4 million sqft.
<b>What size of units are in demand in this location?</b>	<p>There is a specific division between the appropriate amount of (B1), (B2) and (B8) uses allowed at the park. The permission sets out clear perimeters. When you reach the certain upward limits more infrastructure needs to be built and no further permission for that use will be allowed. Part of the planning application has been implemented.</p> <p>No more permission for more B2 as the infrastructure was refused. The dual carriageway is full. No more required.</p> <p>A very large firm got permission for 800, 000 sqft but they had to also provided supporting infrastructure. A smaller company would not find it viable to do so.</p> <p>This means units' sizes are quite fixed.</p>
<b>What floorspace is occupied in Fradley Park vacant now? What measures could reduce these levels of vacancy?</b>	Modern well equipped performing well. Well occupied.
<b>What are the development opportunities in Fradley?</b>	In respect to additional amenities i.e. shops, cafés and so on these are not in demand. They are not something staff are looking for. However, if there is an increase in housing in the area then there may be an additional market for them.
<b>What are the key constraints in meeting the demand of the commercial sector in Fradley?</b>	<p>Public transport is reasonably good. However, this could be improved. HS2 is going to cross the A38. It runs south, south west of the park. The disruption this work will cause in the construction phases is significant as the A38 is a congested road already. There is a need to confirm information from HS2 on what the implications are going to be.</p> <p>There is a perceived congestion issue with the freight traffic and the planning consent focuses on the perceived</p>

	<p>congestion/ accidents. 9 – 5 pm. However, the peak hrs for many lorries is 10 pm and 4am.</p> <p>Lorry park may increase congestion as it will be used by freight traffic not connected to Fradley park so this is a risk.</p>
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## Appendix 3. Interviews with managed workspace providers in the UK

<b>WeWork</b> <b>3 Waterhouse Square</b> <b>138 Holborn, London, EC1N</b>	<b>11/10/16</b>
<b>Do you have any spaces in the county now?</b>	No.
<b>Would WeWork be interested in managing studios in a place like Fradley Park?</b>	<p>WeWork has been focused on the high end global city market. We have flagship offices in New York and so on. We are investing in more start up creative sectors we have just opened new spaces in London Fields. However, an area like Fradley is more of a local market. Our preference is locations within main centres rather than out of centre locations.</p>
<b>What size of units are in demand in this location?</b>	N/A.
<b>What would be the main constraints for a location like Fradley Park?</b>	<p>Access to the district centre, shops, services and facilities.  Access to public transport and the critical mass of other like-minded companies.</p>
<b>How can these constraints be overcome?</b>	<p>The area would need to become better connected and more established with start-up companies and creatives before a higher end managed workspace provider would be interested.</p>

<b>ACAVA</b> <b>54 Blechynden Street, London</b> <b>W10 6RJ</b>	<b>12/10/16</b>
<b>Do you have any spaces in the county now?</b>	<p>Yes, ACAVA has acquired a lease on premises in the former Spode Works in Stoke-on-Trent, and in a collaboration with Stoke-on-Trent City Council and Arts Council England, will over the next 6 months convert them to provide 41 artists' studios.</p>
<b>Would AVAVA be interested in managing studios in a place like Fradley Park?</b>	<p>It is something ACAVA's Director Duncan would be interested in discussing if this became an opportunity. ACAVA are always interested in acquiring new space. There is a certain risk about obtaining new buildings as the charity needs to ensure it can fill the studios. However, central locations are expensive so if the prices can be competitive than this can attract people. Public transport access is likely to need to be improved.</p>
<b>What size of units are in demand in this location?</b>	<p>Flexible. A large room can be rented to many artists by desk so this depends of the layout of the building.</p>
<b>What would be the main constraints for a location like Fradley Park?</b>	<p>ACAVA would want to do more research on local market demands. Public transport access may also be a constraint.</p>
<b>How can these constraints be overcome?</b>	<p>Improving the connectivity to the city. More information on the site would be needed to give further information.</p>

## Appendix 4. Interviews with managed workspace providers in Lichfield District

Instant Offices – Lichfield	Regional Agent Lichfield 17/10/16
<b>Do you have any spaces in the county now?</b>	The Business Village, Friary, Lichfield is full most of the time. The Trent Business Park may have some churn. There is a strong demand for the units especially for SME's. There have been views expressed by people that they want to avoid the expensive centre of town locations. There is a demand for affordable business space out of centre locations. For example, in the centre of Birmingham the cost of rent is £250 per person per month. However, it is approximately £179 per person per month out of the centre in Staffordshire. The out of main city rates are competitive and our increasing in rising demand.
<b>Would Instant Offices be interested in managing studios in a place like Fradley Park?</b>	Yes, in principle we would. There is a strong demand for affordable office space for SME's offices
<b>What size of units are in demand in this location?</b>	I deal specifically in sevens –spaces that accommodate up to eight people so. The SME market is an important part of that.
<b>What would be the main constraints for a location like Fradley Park?</b>	More information on the location would be needed but it does have good public transport access and if the units were affordable I could see this an attractive location.
<b>How can these constraints be overcome?</b>	No comments at this stage. Please contact me if you have any specific information on the site you would like me to look at. I am happy to help in the future.

