



BPF Industrial Committee

Freight, Logistics and the Planning System: Call for Evidence Response

October 2023

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the BPF Industrial Committee

1.0 EXECUTIVE SUMMARY

- 1.1 The British Property Federation (BPF) Industrial Committee welcomes the opportunity to make representations to the Department for Transport (DfT) and Department for Levelling Up, Housing and Communities' (DLUHC) 'Freight, Logistics and the Planning System: Call for Evidence'.
- 1.2 Formed in 2014, the BPF Industrial Committee promotes a better understanding of the sector as it works to support UK economic growth. Through its Membership, that comprises of owners, developers, funders, agents and advisors, it communicates the challenges the sector faces and the role that land and property plays in supporting the sector's continued success. To that end, it has been responsible for a number of key publications including 'Delivering The Goods'¹, 'What Warehousing Where?'², 'Delivering The Goods in 2020'³, 'The Employment Land Manifesto'⁴ and 'Levelling Up: The Logic of Logistics'⁵. For ease of reference, a summary of the recommendations of each of these reports, alongside other key publications relating to the sector, is contained in Appendix 1.
- 1.3 As the voice of the real estate industry, the BPF has previously responded to various Government consultations, including those relating to changes to the National Planning Policy Framework (NPPF), as well as the planning system more broadly, through its detailed representations to the Planning for the Future White Paper consultation in October 2020. We must stress that our headline ask would be a radical improvement of the planning system to include a return to strategic planning. However, we accept this is outside the scope of this Call for Evidence, which is clearly proposing less radical changes aimed at amending current national planning policy documents.
- 1.4 Whilst there have been some positive amendments to national policy⁶ to reflect recent significant market shifts (principally around the huge growth in e-commerce), this does not go far enough in our view. There is currently an over-riding emphasis on housing within the rhetoric around changes to national policy and, whilst we recognise the need to tackle the nation's housing crisis, this should not be at the expense of a sustainable

¹ BPF (December 2015) 'Delivering The Goods'.

² BPF (March 2019) 'What Warehousing Where?'.

³ BPF (February 2020) 'Delivering The Goods in 2020'.

⁴ BPF (July 2021) 'Employment Land Manifesto'.

⁵ BPF (January 2022) 'Levelling Up: The Logic of Logistics'.

⁶ The addition of Paragraph 82 into the July 2018 version of the NPPF (now Paragraph 83 of the September 2023 version) and the insertion of 'How Can Authorities Assess Need and Allocate Space for Logistics?' section into the PPG (Paragraph: 031 Reference ID: 2a-031-20190722).

balance of land and supporting infrastructure: a point reinforced in the National Infrastructure Commission's (NIC's) Freight Study⁷.

- 1.5 In light of the above, we were buoyed up by the promise of forthcoming amendments to modernise national policy in both the DfT's Report 'Future of Freight: A Long Term Plan'⁸ and, more recently, the DLUHC's Levelling-up and Regeneration Bill: Reforms to National Planning Policy' Consultation. This is clearly welcomed and we call for firm action to ensure the foundations are put in place to support a resilient future economy.
- 1.6 Utilising the vast breadth and depth of the BPF Industrial Committee's project experience, this response is structured to highlight some of the significant day-to-day challenges we face as a sector under the consultation questions posed. It compiles evidence of best practice examples, as well as aspects that currently don't work well to formulate the below 10 'Key Asks'; many of which echo the recommendations of the previous reports summarised in Appendix 1. The table below suggests how these Key Asks can be easily transposed into national planning policy (see also Appendix 2).

BPF INDUSTRIAL COMMITTEE'S KEY ASKS	PROPOSED AMENDMENT TO PLANNING POLICY (SEE APPENDIX 2 FOR SUGGESTED WORDING)
<p>Our Key Ask 1</p> <p>Through consultation with local authorities, the development industry and other key stakeholders, the Government is to prepare a National Supply Chain Infrastructure Framework (NSCIF)*</p> <p><i>(*this is effectively a Framework for the Government's proposed National Freight Network and is expanded to include consideration of the constituent elements of the wider supply chain e.g. land, highway/port/rail infrastructure, lorry parking (including EV provision)).</i></p>	<ol style="list-style-type: none">1) Proposed new Footnote to NPPF Paragraph 23 in the Plan-making' section (Section 3) supplemented by a new definition of 'National Supply Chain Infrastructure Framework' in Annex 2 Glossary.2) Amendment to NPPF Paragraph 31 under 'Preparing and Reviewing Plans' in the Plan-making' section (Section 3).3) Insertion of a new paragraph (Paragraph 84) in the 'Building a Strong, Competitive Economy' section (Section 6).

⁷ National Infrastructure Commission (December 2018) 'Future of Freight Interim Report', Pg 21.

⁸ DfT (June 2022) 'Future of Freight: A Long Term Plan', Pg. 70.

	4) Amendment to 'How can authorities assess need and allocate space for logistics? (Paragraph: 031 Reference ID: 2a-031-20190722) of the PPG's 'Housing and Economic Needs Assessment' section.
Our Key Ask 2 Statutory requirement for (1) plan-making authorities to assess economic need at the appropriate market geography identified within the National Supply Chain Infrastructure Framework (NSCIF); and (2) constituent authorities within that geography to meet the identified need <u>in full</u> through a Statement of Common Ground and/or Memorandum of Understanding.	5) Proposed change to NPPF Paragraph 20(b) under 'Strategic Policies' in the Plan-making' section (Section 3). 6) Reference in Footnote to NPPF Paragraph 31 under 'Preparing and Reviewing Plans' in the Plan-making' section (Section 3)
Our Key Ask 3 Ensure a consistent approach to the calculation of economic need to include both market demand and supply. This should include 'supressed demand' where there has been historic undersupply.	7) Amendment to NPPF Paragraph 31 under 'Preparing and Reviewing Plans' in the Plan-making' section (Section 3). 8) Footnote included in new Paragraph 84 in the 'Building a Strong, Competitive Economy' section (Section 6). 9) Amendment to 'How can authorities assess need and allocate space for logistics? (Paragraph: 031 Reference ID: 2a-031-20190722) of the PPG's 'Housing and Economic Needs Assessment' section.
Our Key Ask 4	10) Amendment to NPPF Paragraph 31 under 'Preparing and Reviewing

Modernise/digitalise employment land evidence so that it is more agile and kept up-to-date through the utilisation of 'real-time' market information.	Plans' in the Plan-making' section (Section 3).
Our Key Ask 5 'Significant weight' in decision making to be attributed to logistics/supply chains (especially in key corridors shown on the NSCIF) as critical societal infrastructure.	11) Proposed new Footnote to NPPF Paragraph 31 under 'Preparing and Reviewing Plans' in the Plan-making' section (Section 3).
Our Key Ask 6 Local planning authorities traversed by the strategic transport network to take a two-tiered approach to employment allocations; identifying strategic 'larger-than-local' employment sites alongside sites to meet local needs.	12) Proposed new Footnote to NPPF Paragraph 23 in the Plan-making' section (Section 3) supplemented by a new definition of 'strategic employment sites' in Annex 2 Glossary.
Our Key Ask 7 Local Plans to include more flexible/agile mechanisms (criteria-based policies/ reserve or safeguarded sites / supplementary plans) to enable additional employment sites, over and above those already allocated, to come forward outside of local plan cycles. Importantly, this mitigates for changes in demand not envisaged at the time the council's evidence base was gathered that becomes quickly outdated.	13) Insertion of a new paragraph (Paragraph 84) in the 'Building a Strong, Competitive Economy' section (Section 6).
Our Key Ask 8 At local plan examination, a statutory obligation for local authorities to: <ol style="list-style-type: none"> 1) Provide evidence of engagement with developers and occupiers; 	14) Proposed new Footnote to NPPF Paragraph 31 under 'Preparing and Reviewing Plans' in the Plan-making' section (Section 3).

<p>2) Evidence how the findings of this engagement has been responded to within the evidence base;</p> <p>3) Demonstration of where unmet need within the relevant market area will be met through cross-boundary co-operation/collaboration.</p>	<p>15) Insertion of a new paragraph (Paragraph 84) in the 'Building a Strong, Competitive Economy' section (Section 6).</p>
<p>Our Key Ask 9</p> <p>Standardised guidance & approach to enable positive pre-application engagement and Planning Performance Agreements (PPAs)</p>	<p>16) Amendment to 'How can authorities assess need and allocate space for logistics? (Paragraph: 031 Reference ID: 2a-031-20190722) of the PPG's 'Housing and Economic Needs Assessment' section</p>
<p>Our Key Ask 10</p> <p>Improved training for Officers, Members, Design Review Panels and Local Plan/Appeal Inspectors on the benefits and needs of the freight and logistics sector.</p>	<p>17) Amendment to 'How can authorities assess need and allocate space for logistics? (Paragraph: 031 Reference ID: 2a-031-20190722) of the PPG's 'Housing and Economic Needs Assessment' section.</p>

- 1.7 In line with the objectives of the Levelling Up White Paper, it is imperative that a we take *'a more positive approach to employment land in national policy to support the provision of jobs; and increase engagement with infrastructure providers in plan-making to bolster productivity'*.⁹ By responding to the BPF Industrial Committee's '10 Key Asks', and incorporating its suggested changes to national planning policy in Appendix 2, the Government can bolster the sector's critical role that it acknowledges is underpinning the UK's prosperity, health, wellbeing and security by maintaining the flow of goods into, out of and across the country.

⁹ DLUHC (February 2022) 'Levelling Up the United Kingdom', pg 228.

2.0 QUESTION 1: IN YOUR VIEW, HOW EFFECTIVE ARE LOCAL PLANS AT IDENTIFYING DEVELOPMENT NEEDS, AND THEN ALLOCATING SITES, FOR FREIGHT AND LOGISTICS AND HOW COULD THIS BE IMPROVED?

- 2.1 We consider the plan-making system has been largely ineffective at identifying needs and providing for the logistics sector. This is particularly the case for 'larger than local' or 'strategic' needs¹⁰ following the abolition of regional spatial planning and its replacement with 'Localism'. This is qualified by the significant supply/demand gaps experienced in important logistics hotspots across the country, with record take-up, rising rents and record low vacancy rates serving as key market indicators.
- 2.2 The plan-led system is therefore failing to keep pace with the fast-changing nature of market demand. Existing structures are simply not agile or responsive enough: with planning decisions reliant upon historic evidence collected at a fixed point in time that is not reflective of current market conditions – if a Local Authority with no track record in delivery of modern efficient logistics space projects this trend forward, you end up with no planned future supply; equally reallocating historic 'employment' allocations shows a failure to recognise and understand why they have not come forward for employment development previously and why they are unsuitable. This has been accentuated by recent macro-economic shocks (e.g. COVID-19 and Brexit) that have accelerated demand and could not have been envisaged/predicted in any evidence base gathered prior. Whilst this makes the evidence less representative and credible, local planning authorities are still using it as a qualitative and quantitative basis for plan-making.
- 2.3 The NIC referred to 'Freight Blindness', where there are knowledge gaps in plan-making authorities on how to plan for freight. Piecemeal and fragmented approaches to plan-making can result in insufficient or sub-optimally located space and have environmental consequences through increasing vehicles trips/distances. The NIC warn that '*a lack of freight aware decisions risks perpetuating harmful by-products and compromising the efficiency of the UK's freight system. If it becomes less efficient, or its productivity is dampened, these could be manifest in lost export income, reduced employment, higher import prices and consumer impacts such as less efficient deliveries and a higher cost of goods*'.¹¹

¹⁰ Strategic Employment sites are those that can bring net additional activity and jobs to a Region by attracting nationally and internationally mobile economic activity. They provide accommodation that would not otherwise come forward through the local planning system, principally because they are large sites of 25 hectares and above.

¹¹ National Infrastructure Commission (December 2018) Future of Freight Interim Report, Pages 21-22 & 32. & National Infrastructure Commission (April 2019) 'Better Delivery: The Challenge for Freight', Page 54.

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- 2.4 The above has ramifications in terms of bringing greater uncertainty, cost and risk into the planning process that, in turn, stymies economic growth and productivity. Newlands Developments recently commissioned research to confirm what the planning status of sites upon which the largest units¹² currently being built out was at the time planning permission was granted. It found that 58% of these were permitted on land that was not allocated for employment in their respective Development Plans¹³. Moreover, between 2019 and 2022, Savills calculated that over 660 hectares of employment land was allowed at appeal¹⁴ including a number of recent call-in (Secretary of State) decisions¹⁵. This highlights that the plan-led system fails to adequately plan for the needs of the storage and distribution sector and urgent change is required.

OUR KEY ASK 1: THROUGH CONSULTATION WITH LOCAL AUTHORITIES, THE DEVELOPMENT INDUSTRY AND OTHER KEY STAKEHOLDERS, THE GOVERNMENT IS TO PREPARE A NATIONAL SUPPLY CHAIN INFRASTRUCTURE FRAMEWORK (NSCIF)*

**(this is elaborated upon later on in the response under Question 10 that provides suggestions over content).*

- 2.5 The NSCIF would assist in alleviating some of the main issues relating to identifying development needs and allocating sites which are:
- 1) Local Plan-making is too slow, cumbersome and inefficient.
 - 2) inconsistencies in the geographic scale at which Economic Development Needs Assessments are undertaken and how strategic ('larger-than-local) need is apportioned at the local level;
 - 3) no consistent approach is used to calculate need leading to vastly differing outcomes and lack of alignment; and
 - 4) the nature and age of employment land evidence that underpins Local Plans.
- 2.6 Each of these issues is considered below supplemented by relevant case study examples.

¹² These are sites containing units of over 500,000ft² of floorspace have been built between October 2018 and October 2021 (86 in total).

¹³ Ibid, Pg 34.

¹⁴ Savills (February 2023) 'The Employment Land Conundrum: Why the Draft NPPF is a missed opportunity'.

¹⁵ APP/V4250/V/20/3253242, APP/N4205/V/20/3253244, APP/H4315/V/20/3265899 & APP/H4315/V/20/3253194.

Local Plan-making is too slow, cumbersome and inefficient.

- 2.7 The slow, cumbersome and inefficient nature of local plan-making is the principal driver behind the planning reforms that are currently proposed. This underlying issue was referenced within the Planning For The White Paper which stated “*It takes too long to adopt a Local Plan: although it is a statutory obligation to have an up-to-date Local Plan in place, only 50 per cent of local authorities (as of June 2020) do, and Local Plan preparation takes an average of seven years (meaning many policies are effectively out of date as soon as they are adopted)*”.¹⁶ Furthermore, the Building the Future Commission recently confirmed ‘*Local Plans are the bedrock of the English planning system, but just 35% of planning authorities have an up-to-date local plan in place. This figure will fall further to just 22% by 2025, due to a plan-making hiatus in the wake of the 2020 reforms and now deepened by last December’s proposals to reform national planning policy. The policy uncertainty has been jumped on by local politicians ... with nearly 60 plans put on hold.*’¹⁷
- 2.8 It can, therefore, take an inordinate amount of time to bring forward a large strategic employment site highlighting that the planning system is not responsive enough to identified needs. This harms overall productivity and competitiveness. Delays in the delivery of strategic sites is highlighted in the below West Midlands Interchange case study as well as the difficulties faced in bringing forward large sites via the current planned system.

CASE STUDY 1: WEST MIDLANDS INTERCHANGE

West Midlands Interchange (WMI) is a Strategic Rail Freight Interchange (SRFI) coming forward in the West Midlands following the granting of a Development Consent Order (DCO) in 2020, which was implemented in July 2023, some 18 years after the need was first identified.

The National Networks National Policy Statement (NNNPS), introduced in 2014, has provided a pathway and the policy framework for SRFIs to come forward in areas of demonstrable need, following strong representations from Kilbride Rail and Quod to the NNNPS 2014 consultation in 2014 that resulted in it being the only national policy that acknowledges that Green Belt release may be the only “viable” option (paragraph 5.172)

¹⁶ MHCLG (August 2020) ‘Planning for the Future White Paper’, pg 12.

¹⁷ Building the Future Commission (2023) Report into the English Planning System.

– a very forward thinking policy that has enabled the consenting of SRFIs that will have a positive influence in the UK’s net zero ambitions.

While the path is now much clearer, WMI is an example of how long this process can take. The need for a SRFI in the WMI location (South Staffordshire) was identified as far back as 2005, with formal due diligence and promotion work instructed and undertaken by various parties in 2006. The first formal promotion of the site was in 2008, with representations made to the West Midlands Regional Spatial Strategy (WMRSS). Network Rail expressed their support for the scheme in 2008, however RSS were abolished in 2010, stalling progress on the project.

The promoters continued to promote the site through discussions with the LPA, however limited progress was made until the introduction of the National Networks National Policy Statement (NNNPS). The promoters submitted representations to the local plan process, which resulted in a cross boundary, council-led review of demand for employment land in the Black Country. The demand for the site was clearly endorsed by the study, but the representations to the local plan was met with little positive progress.

While the introduction of the NNNPS was a positive step for SRFIs, it shows the incredible difficulty in the delivery of strategic level infrastructure (of which logistics must be considered) via the local plan process, or indeed without government intervention (i.e. the NNNPS). Understandably, given public concern, LPAs are reluctant to be the authority to take on strategic infrastructure – and with local plans only planning for local needs (i.e. no regional / strategic consideration necessary), the strategic infrastructure this country needs (that falls outside of the NSIP regime) is often left behind and requires private intervention, at seriously high commercial and programme risk.

- 2.9 Frustrations also arise where developers have expended significant time, cost and resource in engaging in the plan-making process only to find that this is not progressed due to reasons totally un-related to employment land as the below Basildon case study illustrates.

CASE STUDY 2: BASILDON LOCAL PLAN

In 2014, Basildon Borough Council started work on a new Local Plan. The Council undertook evidence gathering work and published draft local plans for consultation, with a Regulation 19 Local Plan consulted on in 2018. The Council submitted the ‘Basildon Borough Local Plan (2014-2034) Revised Publication Version’ for Examination in March 2019.

St Modwen are promoting 47 hectares of land for industrial and logistics uses to the east of the Burnt Mills Employment Area in Basildon. It is a Green Belt site, however Policy E6 of the emerging Local Plan proposed the removal of the site from the Green Belt and its allocation for 48 hectares of B-Class employment development, including the provision of smaller starter industrial units and a storage facility for travelling showpeople.

During the Local Plan Examination, new evidence was prepared by the Council relating to the town centre strategy and housing needs. Subsequently the Council resolved to adjourn the debate on the Local Plan modifications to a meeting on the 10th February 2022 to allow for additional time to consider potential options. Immediately ahead of the Full Council meeting on the 10th February 2022, an emergency motion was raised and Members resolved to withdraw the Local Plan. The reasons given for the withdrawal included reference to placing a greater emphasis on protecting the Green Belt for current and future generations. It is also worth noting that these decisions were taken in the run up to local elections that were held in Basildon District in May 2022.

At a meeting held on Thursday 3rd March 2022, the Council resolved to withdraw the Basildon Borough Local Plan from Examination. Eight years after starting the review of their Local Plan, the Council withdrew their Plan for reasons completely unrelated to employment development and, as a consequence, the adopted development plan still comprises policies that were saved in 2007 from the 1998 Basildon District Local Plan. No land has been allocated for employment development in Basildon District since the 1998 Local Plan. As a Green Belt authority, no new sites of any significance have come forward for employment since this was adopted in 1998. This is a local authority with areas of deprivation that would benefit from such development coming forward.

The Geographical Scale of Economic Needs Assessment

- 2.10 The National Planning Practice Guidance (PPG) provides clear guidance on the assessment of economic need as part of the plan-making process; including the appropriate geographical scale at which this should be undertaken¹⁸. It calls for plan-making authorities to identify a 'best fit Functional Economic Market Area' (FEMA), as an essential prerequisite for the calculation of such need¹⁹, and 'to identify need across the relevant market areas'²⁰. Calculation of need, therefore, requires cross boundary co-operation/collaboration in order to be effective, robust and comprehensive.

¹⁸ See Housing and Economic Needs Assessment Section - Paragraphs 25-32.

¹⁹ Paragraph: 026 Reference ID: 2a-026-20190220

²⁰ Paragraph: 031 Reference ID: 2a-031-20190722

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- 2.11 The calculation of need for the storage and distribution sector is particularly sensitive to scale as it spans across wider geographies encompassing several administrative areas. We consider that strategic employment sites need to be planned for at a strategic level: a view substantiated by the scale at which numerous strategic employment studies²¹ from around the UK have been undertaken. Despite this, there is no consistent approach that local planning authorities adopt to frame their respective employment land evidence base assessments. There are many examples of how this has been ignored, leading to acute land supply issues across strategically important geographies upon adoption of the corresponding Local Plan(s).
- 2.12 Consequently, the NIC labelled freight as 'the forgotten element of spatial planning' and noted that '*Current planning policy encourages neighbouring local planning authorities to agree and cooperate on 'strategic policies' and cross border issues, which can include housing, transport infrastructure and water supply, but there is limited precedent for freight being considered as a strategic issue in this context, and therefore limited evidence of locally led efforts to work together and join up their respective planning geographies in response to freight issues and opportunities*²². Moreover, the geographical scale at which employment need is assessed and/or the methodology used can be open to political manipulation with the aim of arriving at the lowest need figure, thereby resulting in less land being allocated.

CASE STUDY 3: BASINGSTOKE & DEANE COUNCIL ECONOMIC NEEDS ASSESSMENT

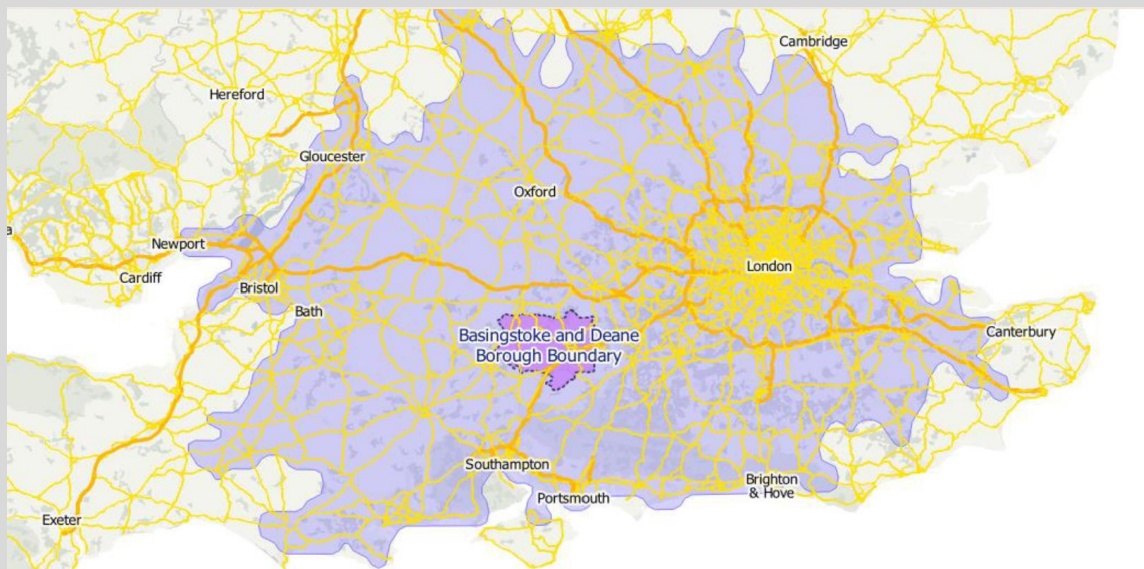
Basingstoke and Deane Council defined its administrative area as its own market area, not as part of a wider sub-region or FEMA. The Basingstoke and Deane Economic Needs Assessment (ENA) notes this as not being realistic, but it doesn't attempt to address its own limitations.

In reality, Industrial & Logistics occupiers typically have distribution networks linking their customers and suppliers of between 1 to 4 hours travel time, sometimes longer, depending on their size. The map below shows how a 2-hour drive-time catchment is much larger than the Basingstoke & Deane local authority boundary. By not considering a wider sub-regional profile, the ENA grossly underestimates need over 20 years. This level of need can easily be met through one to two

²¹ See MDS Transmodal (November 2006) 'East Midlands Strategic Distribution Study', MDS Transmodal (November 2014) 'Leicester and Leicestershire Strategic Distribution Study', Atkins (October 2014) Coventry and Warwickshire Strategic Employment Land Study, West Midlands Local Authority Chief Executives (2015) West Midlands Strategic Employment Sites Study, GL Hearn (April 2021) 'Warehousing and Logistics in Leicester and Leicestershire: Managing Growth & Change', Icen (July 2022) 'Nottingham Core & Outer HMA Logistics Study' & Icen (September 2022) 'Warehousing and Logistics in the South East Midlands'.

²² National Infrastructure Commission (December 2018) Future of Freight Interim Report, Pages 22-23.

applications for Industrial & Logistics (I&L) given the District's prominent position on the M3, linking London to the ports of Southampton and Portsmouth.



Source: Savills (October 2022)

- 2.13 Whilst there are a number of good examples of assessing 'strategic' need (see West Midlands²³, Leicestershire and Leicester²⁴, Greater Nottingham²⁵ and South East Midlands²⁶), in the absence of a regional tier of governance (following the abolition of Regional Spatial Strategies (RSSs)), a recurring challenge has been how this assessed 'larger-than-local' need percolates down to the constituent local authorities' local plans. The current system places the onus on local authorities to dictate whether they wish to accommodate 'larger than local' need (often in the face of objections for local residents). There is a tendency for them to be reluctant to do so querying 'why here?' as they tend to be sizeable sites capable of accommodating the largest requirements. This is demonstrated by the North Warwickshire, Bedford and Leicestershire examples below.

CASE STUDY 4: NORTH WARWICKSHIRE LOCAL PLAN EXAMINATION

Policy LP6 of North Warwickshire's draft Local Plan was proposing the allocation of 100 hectares of employment land to meet locally assessed needs. However, the Council failed to acknowledge the role that North Warwickshire should play in accommodating a recognised sub-regional need for additional employment land (as reported in the West Midlands' Strategic Employment Sites Study

²³ See Peter Brett Associates & JLL (September 2015) 'West Midlands Strategic Employments Sites Study' and Avison Young & Arcadis (May 2021) 'West Midlands Strategic Employment Sites Study – Final Report'.

²⁴ MDS Transmodal Ltd & Savills (November 2014) 'Leicester and Leicestershire Strategic Distribution Study' & MDS Transmodal Ltd & GL Hearn (April 2021) 'Warehousing and Logistics in Leicester and Leicestershire: Managing Growth & Change'.

²⁵ Icen (July 2022) 'Nottingham Core & Outer HMA Logistics Study'.

²⁶ Icen (September 2022) 'Warehousing and Logistics in the South East Midlands'.

(WMSESS) (September 2015)) and respond positively through the identification of Regional Logistics Sites (RLSs).

The Council's dismissal of the issue followed advice from the Inspector examining the previous version of the Plan that the issue of regional need should be considered when the evidence becomes available:

"I am requested by some representors to increase the allocation of employment land to accommodate the demand for RLS. The Council is right to seek to encourage a diverse economy in the Borough but I see no reason why taking a more positive approach to RLS in addition to the aims of Policy NW7 would conflict with this. However, a regional perspective is required and I do not consider there to be sufficient evidence before me to set a requirement for North Warwickshire".²⁷

Given the failure to allocate sufficient land through the local plan, St Modwen made a speculative planning application in respect of their Tamworth site at M42 Junction 10. This was refused and successfully appealed in 2016²⁸.

CASE STUDY 5: BEDFORD BOROUGH LOCAL PLAN 2040 EXAMINATION

As part of the Bedford Borough Local Plan 2040 Examination, the Council responded to the Inspector's queries around how it had arrived at the quantum of land proposed for strategic B8 warehousing. It is clear from the below response that the Council and the consultants responsible for producing its economic evidence (AECOM) reject the conclusions of Icen's 'Warehousing and Logistics in the South East Midlands' ('the SEMLEP Logistics Study') that was undertaken at the strategic level:

"As explained in the response to query 1, the intention in assessing what demand identified in the SEMLEP Logistics Study (Document C8) could be apportioned to Bedford was based on the study's not doing this and it being relevant to attempt this to provide evidence to inform the Council's Economic Prosperity Plan. This assessment does not relate to the 51 ha of B8 land that AECOM recommended should be allocated in its conclusion to Document ED13. As summarised in paragraph 2.2.48, AECOM states that it is not in agreement with the findings of the Study or aspects of its methodology in calculating needs. It is not an Economic Needs Assessment and therefore any findings taken from it should in a local context be treated with appropriate caution. The AECOM

²⁷ The Planning Inspectorate (24th September 2014) 'Report to North Warwickshire Council', para. 47.

²⁸ APP/R3705/W/15/3136495

*recommendation that 51 ha of B8 land should be allocated is justified on the basis of the PPG compliant methodology applied to assess economic needs as set out in Document ED13”.*²⁹

CASE STUDY 6: LEICESTER & LEICESTERSHIRE

The major issue in Leicester and Leicestershire is a disconnect between local and strategic employment studies. GL Hearn’s ‘Warehousing and Logistics in Leicester and Leicestershire: Managing Growth & Change’ Report focusses on strategic B8 demand (units above 100,000 sq ft) using a methodology not commonly used. Its overall future needs estimate for the region is not distributed to the constituent local authorities meaning its recommendations, for the most part, are not being taken forward across the various local plans.

Each local authority in the region has commissioned its own employment study looking at smaller, more localised demand. These studies do not correspond with the wider regional study, use different demand methodologies, cover different time periods and different segments of the I&L markets (e.g. for B8, some only estimate demand for small-scale, some for all B8 need and take different approaches to B2) – see table below.

Area	Period	Segment	Method Used
Leicester + Leicestershire	2020-2041	Large B8 (>9,000 sqm)	Replacement + Traffic Growth
Blaby	2011-2031	B1c, B2, small B8 (<9,000 sqm)	Past completions (excluding B8 >9,000 sqm)
Charnwood	2011-2036	B1c, B2, B8	Past completions (non-strategic only)
Harborough	2011-2031	B1c, B2, small B8 (<9,000 sqm)	Past completions (excluding B8 >9,000 sqm)
Hinckley & Bosworth	2019-2036	B1c, B2, B8	Past completions
Leicester	2019-2036	B1c, B2, B8	Past completions
Melton	2011-2036	B1c, B2, B8	Past completions
North West Leicestershire	2017-2039	B1c, B2, small B8 (<9,000 sqm)	GVA outputs
Oadby & Wigston	2011-2031	B1c, B2, B8	Past completions

Source: Savills (October 2022)

So, taken in combination, these various studies result in a patch work of various need estimations that underestimate market demand, for what is the growth engine of the I&L sector in England.

- 2.14 To remedy this issue we would call for more ‘teeth’ in national planning policy guidance, such that it obligates local authorities within the same FEMA/Market Area (as defined through the proposed NSCIF – see Key Ask 1 and Question 10), to work collaboratively

²⁹ [OpenDocument.aspx \(bedford.gov.uk\)](#)

to ensure identified needs are met in full. Mechanisms exist, such as a Memorandum of Understanding (MoU) and/or Statement of Common Ground (SoCG), to achieve this in a co-ordinated and transparent manner. Below are good examples of how strategic or larger-than-local needs have been dealt with at the local level in Coventry & Warwickshire and Bassetlaw.

CASE STUDY 7: COVENTRY & WARWICKSHIRE EMPLOYMENT LAND MEMORANDUM OF UNDERSTANDING (MoU)

Following involvement of the six constituent authorities, an Employment Land MoU was produced to ensure that the needs of Coventry and Warwickshire were met in full, including addressing an identified shortfall of employment land arising in Coventry. The below figures were informed by updated evidence of economic growth forecasts and land requirements at a range of geographies across the sub region. The MoU contains points of agreement that relate to the quantum of employment land that should be distributed across the sub-region. This distribution supports both demographic and workforce growth, market signals and demand, as well as considering commuting flows between the six authorities and opportunities to combat deprivation.

	Employment Land Requirement (gross hectares)	Redistribution from Coventry (gross hectares)	Minimum Local Plan Employment Provision (gross hectares)
Coventry	369	-	128
North Warwickshire	58	0	58
Nuneaton & Bedworth	87	26	113
Rugby	99	98	197
Stratford-on-Avon	35	0	35
Warwick	66	117	183
Total	714	241	714

Source: Coventry & Warwickshire Employment Land Memorandum of Understanding (2016)

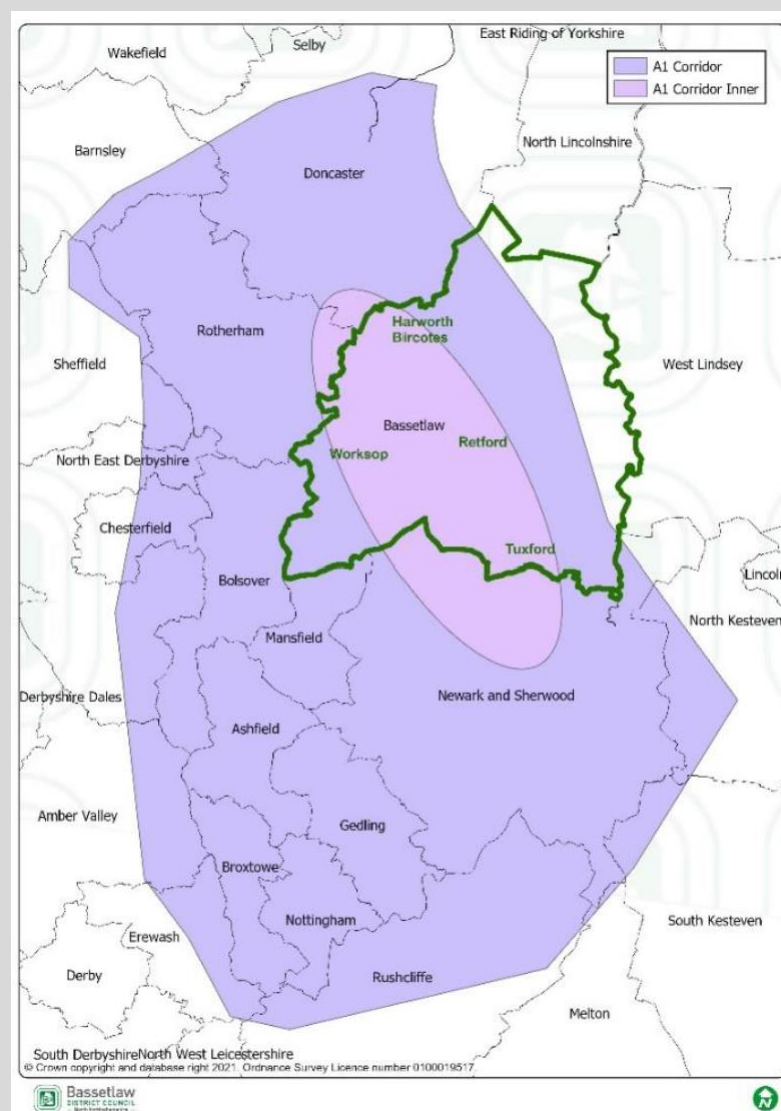
CASE STUDY 8: BASSETLAW DISTRICT COUNCIL

Bassetlaw District Council, during the formulation of their Local Plan evidence base and recognising their strategic location, instructed an independent consultancy to lead the collation of employment information to support the "A1 Corridor Logistics Assessment" ('A1LA').

Instead of focussing solely on the needs within the LPA, which logistics does not do, the A1LA looked at the Property Market Area ('PMA') which allowed a more robust assessment of the needs of the market; seeking to allocate a proportionate amount of the PMA need to Bassetlaw. The draft Policy, at Appendix 3, states:

"Bassetlaw's general functional economic market area is broadly self-contained, with the District having strong links to Sheffield City Region and further links to Nottinghamshire authorities to the south. The Sheffield City Region Strategic Employment Land Appraisal 20208 recognised the potential of the A1 corridor in Bassetlaw, and that further assessment should follow to enable a better understanding of the logistics needs in the City Region area.

But the Bassetlaw A1 Logistics Assessment Update 2022 recognises that occupiers considering large scale units cover wider areas of search than typical travel to work areas or general or potentially strategic functional economic market area boundaries. National planning practice guidance supports this; recognising that the logistics industry has distinct locational requirements that need to be considered separately from those relating to general employment land. In this case, the evidence states that the property market area for large scale logistics is considered a more appropriate area of search (identified by Figure 12A below). The A1 (Doncaster to Newark with Bassetlaw at the core) is identified within a larger demand area."



The above highlights the vast difference between the local authority's administrative boundary (outlined in green) and the A1 Corridor (purple) that formed the basis of Bassetlaw's assessment. Clearly, the findings of any assessment will be very different depending on what geographical scale is used.

OUR KEY ASK 2: STATUTORY REQUIREMENT FOR (1) PLAN-MAKING AUTHORITIES TO ASSESS ECONOMIC NEED AT THE APPROPRIATE MARKET GEOGRAPHY IDENTIFIED WITHIN THE NATIONAL SUPPLY CHAIN INFRASTRUCTURE PLAN (NSCIF); AND (2) CONSTITUENT AUTHORITIES WITHIN THAT GEOGRAPHY TO MEET THE IDENTIFIED NEED IN FULL THROUGH A STATEMENT OF COMMON GROUND AND/OR MEMORANDUM OF UNDERSTANDING.

No Consistent Approach to assessing Economic Development Needs

- 2.15 LPAs are under increasing pressure to allocate land for housing, which is unfortunately having unintended consequences on the delivery of other important infrastructure that underpins our economy – including industrial and logistics floorspace. This is demonstrated by the Spelthorne example described below.

CASE STUDY 9: SPELTHORNE BOROUGH COUNCIL

Spelthorne Borough Council (SBC) is currently in the middle of a (paused) Local Plan Examination. SBC have allocated no employment sites in their submitted Local Plan, principally due to a "policy off" approach, which provides a forecast need of 12,005 sq m (or 129,000 sq ft) of industrial space, despite SBC's proximity to London, Heathrow and the M25. The SBC Employment Land Needs Assessment ('ELNA') methodology is based on past trends, known as a 'policy off' approach. It acknowledges it does "*not take account of specific factors at the local level that might influence job growth, for example the Local Plan or any future changes at Heathrow.*"³⁰. This means SBC is constraining their economic growth potential.

There is also the BPF research 'What Warehousing Where?' on the relationship between housing and warehousing floorspace – which found a need for 69 sq ft of warehouse floorspace for every new home³¹. SBC are proposing 9,720 new homes across the plan period, which would generate a requirement of c. 670,000 sq ft of warehousing floorspace

³⁰ Spelthorne Borough Council (2022) 'Spelthorne Employment Land Needs Assessment', Para 2.5.

³¹ BPF (March 2019) 'What Warehousing Where?'.

based on this ratio (crudely showing a shortfall of some 540,000 sq ft in the local plan period, not accounting for already suppressed demand).

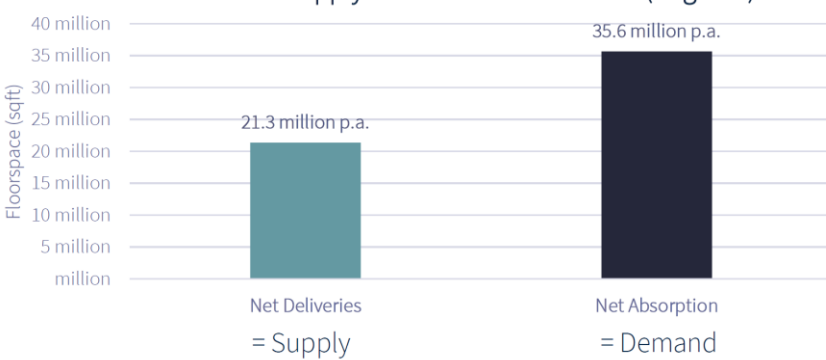
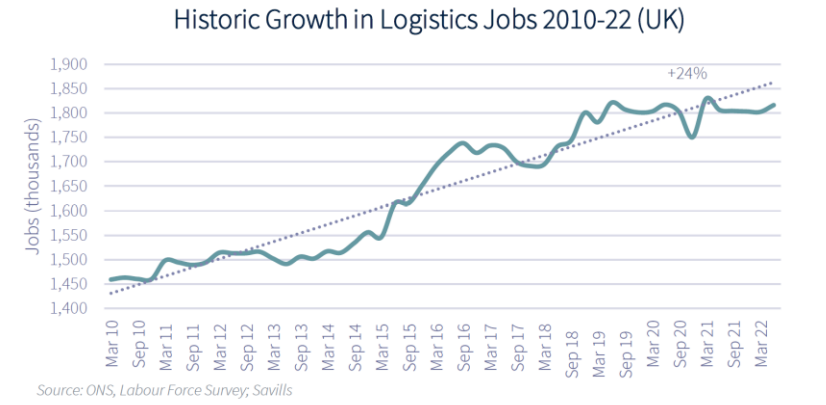
It appears this has arisen due to pressure to meet housing targets, with various examples of sites identified for employment allocations in earlier versions of their Local Plan being changed from employment to residential allocations (without the agreement / support of landowners / promoters) – e.g. SN1/005, identified for warehousing / cargo use in the Preferred Options consultation (2019) and submitted as a residential allocation to the Examination (2022).

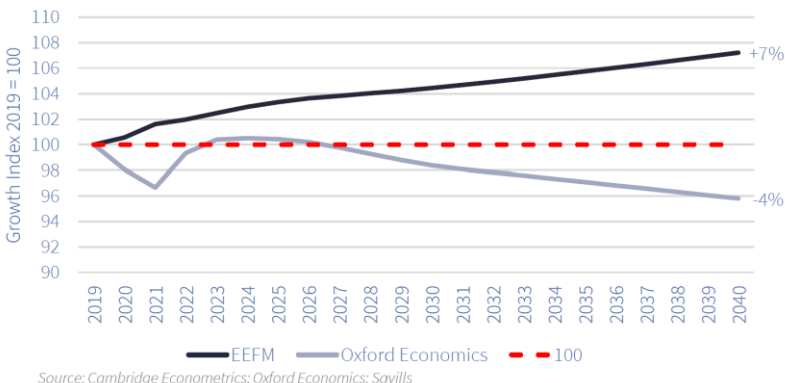

- 2.16 Accordingly, the BPF's 'Levelling Up: The Logic of Logistics' Report (Appendix 4) states that the UK Planning system is restricting growth in the Industrial and Logistics Sector by not allocating enough land. It notes that the historic lack of supply has constrained ('suppressed') demand by 29% nationally (equating to 10 million sq ft per annum)³².
- 2.17 Whilst the PPG describes past take-up, labour demand, labour supply and consultations as suggested approaches to forecasting³³, there is no universally agreed methodology for assessing economic needs (unlike housing). The weaknesses associated with these methods of calculating economic needs are contained in the table below.

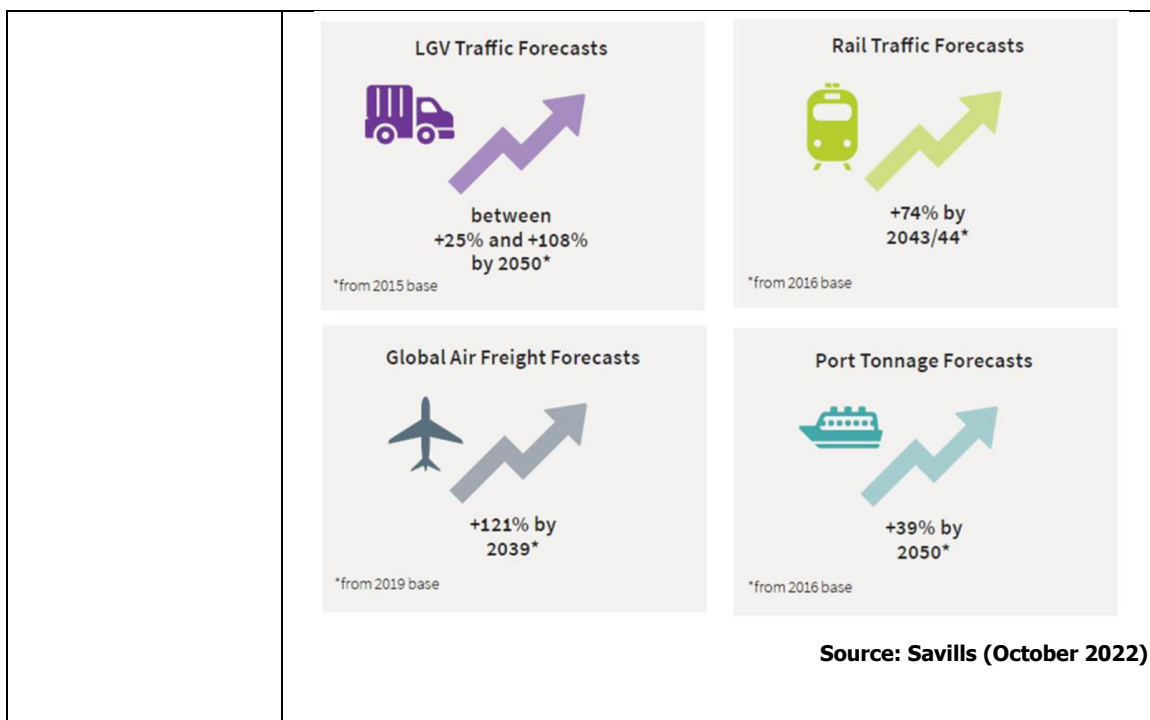
Approach	Comments on Methodological Weaknesses
Past Take-Up Method - Project forward future demand based on either historic completions or historic net absorption (take- up).	<p>Past completions are a <u>supply metric (as opposed to demand metric)</u> which measures new floorspace delivered. New floorspace is highly dependent on (1) the efficiency of the planning system, and (2) the Council's ability/willingness to allocate employment land (new supply).</p> <p>In the ten year period between 2011-2021, demand for floorspace was higher than the amount of floorspace that has been delivered.</p>

³² BPF (January 2022) 'Levelling Up: The Logic of Logistics', pg. 4.

³³ Paragraph: 027 Reference ID: 2a-027-20190220

	<p style="text-align: center;">Annual Net Supply vs Net Demand 2011-21 (England)</p>  <table border="1"> <thead> <tr> <th>Category</th> <th>Value (million p.a.)</th> </tr> </thead> <tbody> <tr> <td>Net Deliveries = Supply</td> <td>21.3</td> </tr> <tr> <td>Net Absorption = Demand</td> <td>35.6</td> </tr> </tbody> </table>	Category	Value (million p.a.)	Net Deliveries = Supply	21.3	Net Absorption = Demand	35.6
Category	Value (million p.a.)						
Net Deliveries = Supply	21.3						
Net Absorption = Demand	35.6						
<p>Labour Demand - Use 3rd party job projections such as Oxford Economics, Experian, etc. and translate jobs into floorspace requirement.</p>	<p><u>The Labour Demand method is out of kilter with property market signals.</u> It relies on employment forecasts (job numbers) by sectors. The number of jobs are related to a floorspace requirement using standard employment densities.</p> <p>Employment forecasts often reflect the continued restructuring of the economy away from industry standards towards services and tends to underestimate the Logistics sector's performance in floorspace demand terms.</p> <p>Logistics companies are increasingly co-locating offices, R&D and administrative functions within their operations that are not captured by Labour Demand models as these assume activities are wholly accommodated within a narrow set of Standard Industrial Classification (SIC) Codes.</p> <p style="text-align: center;">Historic Growth in Logistics Jobs 2010-22 (UK)</p>  <p>Source: ONS, Labour Force Survey; Savills</p>						

	<p style="text-align: center;">Projected Growth in Logistics Jobs 2019-40 (UK)</p>  <p style="text-align: center;">Source: Cambridge Econometrics; Oxford Economics; Savills</p>
<p>Labour Supply Method - rely on the estimation of the forecast growth in resident population to determine how many jobs, and hence employment floorspace/land will be needed. They are typically linked to a Local Plan's housing delivery targets.</p>	<p><u>Housing growth at the local level has no relationship to logistics markets which have a more regional demand profile</u>, which leads to an underestimation of future demand.</p> <p>This method is effectively saying that logistics demand is solely linked to the new incoming residents, which is not the case.</p> <p>Logistics demand is also linked to the growth in freight movements, business to business relationships, companies reshoring back to the UK to avoid supply chain shocks, increasing stock piling requirements and the fact existing households are increasingly spending more online.</p> <p style="text-align: center;">Internet Sales as a % of Retail Sales (2006-2025)</p>  <p style="text-align: center;">— Historic — Forecast</p>



- 2.18 In practice, the above means there is potential for wide disparities in the calculation of need between authorities as the below St Helens and East Cambridgeshire case studies, and comparative analysis undertaken by Savills, demonstrate.

CASE STUDY 10: ST HELENS LOCAL PLAN

Policy LPA04 of the emerging St Helens Local Plan set the employment land requirement for the Borough, confirming the Council's aim of delivering a minimum of 215.4 hectares of land for employment development between 1 April 2018 and 31 March 2035. Turley highlighted that the employment land requirement was lower than that proposed in the Local Plan Preferred Options document, which, at the time it was consulted upon, sought to plan positively to deliver 306 hectares of employment land to meet identified needs and respond to the growing levels of market demand anticipated at a sub-regional level. Using the Council's own evidence (represented by an Employment Land Study produced by BE Group) and available sub-regional evidence, Turley presented a case for a higher requirement, highlighting the implications for Policy LPA04.

CASE STUDY 11: EAST CAMBRIDGESHIRE LOCAL PLAN

The Draft Local Plan was planning for the provision of 154 hectares of employment land. However, this was not justified by their Employment Land Report, which concluded a need for only 66 hectares based exclusively on an economic forecast-based approach. The Employment Land Report was not PPG compliant and the gaps in the approach made it very difficult to determine whether the land being planned for, to meet the needs of

different sectors in different parts of the district, was sufficient in terms of overall quantum, location and deliverability.

CASE STUDY 12: SAVILLS' COMPARATIVE ASSESSMENT

A comparative exercise, undertaken by Savills, shows how three similar locations (Warrington, Halton & Crawley), all of which used similar estimation methods, harbours vastly differing results as set out below.

Warrington

Average Net Absorption I&L (11-21): 460,900 sqft
Local Plan Period: 2017-2037
Estimated Need: 362 ha
Location: between Liverpool and Manchester, crossed north/south by the M6 and east-west by the M56 and M62

- 2019 EDNA
- Uses labour demand projections and past deliveries
- Chooses past deliveries method (1996-2018)
- Combines historic take-up, 5-year buffer, displacement allowance
- Overall land requirement is **362 ha**

Halton

Average Net Absorption I&L (11-21): 340,760 sqft
Local Plan Period: 2014-2037
Estimated Need: 180 ha
Location: between Liverpool and Manchester, crossed by a number of A roads and the M56

- SHELMA
- Uses labour demand projections and past deliveries
- Study performed at Liverpool City Region level, then land needs are disaggregated at local authority level
- Study does not disaggregate demand for large B8, so Halton DC has to apply an adjustment factor
- Estimates an overall land requirement of **180 ha**

Crawley

Average Net Absorption I&L (11-21): 57,240 sqft
Local Plan Period: 2019-2036
Estimated Need: 38.7 ha
Location: home to the UK second busiest airport, serving London and Brighton via the M23

- 2020 Economic Growth Assessment
- Uses labour demand projections, past completions, and labour supply projections based on housing delivery trajectory
- Needs estimates ranging between 21.7 ha and 56.9 ha
- Council chooses the Experian labour demand forecasts estimating a need of **38.7 ha**

Source: Savills (October 2022)

- 2.19 The suppression in demand for employment floorspace risks / results in speculative applications and the unplanned release of sites via appeals and call-ins, as developers are able to pull together strong needs cases where the evidence has been ignored in the local plan process. This is far from ideal and is not only leading to a delay in the delivery of floorspace, but is resulting in increased cost and risk to the market. This places a strain on LPA resources versus what would have been more straightforward via a plan-led

approach (again, we reiterate, between 2019 and 2022 over 660 hectares of employment land was allowed at appeal³⁴).

- 2.20 In response to the challenges described above, the case study below describes a new methodology that has been developed to address supply/demand imbalances.

CASE STUDY 13: SAVILLS' 'SUPPRESSED DEMAND' METHODOLOGY

A new methodology to address supply/demand imbalances has been developed by Savills and St Modwen and is described on Pages 19-22 of the BPF's 'Levelling Up: The Logic of Logistics' Report (Appendix 4)³⁵. This is built upon the principle of 'suppressed demand' that accounts for demand that has been lost due to supply shortages. The calculation of suppressed demand can then be added to historic demand projections to give a more accurate picture of likely demand into the future. This is based around four steps:

- (1) Find a market's equilibrium availability rate³⁶;
- (2) Identify those years when available floorspace was below the equilibrium rate;
- (3) Calculate suppressed demand
- (4) Add suppressed demand to historic trend.

Future demand estimates should also consider housing, e-commerce and freight growth and this methodology when run at the England level estimates future demand will be at least 29% higher than historic level, equating to a minimum of 44 million sq ft per annum (net).

- 2.21 The above methodology is being used with increased frequency within a number of logistics studies, including Icen's recent 'Warehousing in the South East Midlands' Study and will be used in the forthcoming West Midlands Strategic Employment Sites Study.

KEY ASK 3: ENSURE A CONSISTENT APPROACH TO THE CALCULATION OF ECONOMIC NEED TO INCLUDE BOTH MARKET DEMAND AND SUPPLY. THIS SHOULD INCLUDE 'SUPPRESSED DEMAND' WHERE THERE HAS BEEN HISTORIC UNDERSUPPLY.

³⁴ Savills (February 2023) 'The Employment Land Conundrum: Why the Draft NPPF is a missed opportunity'.

³⁵ BPF (January 2022) 'Levelling Up: The Logic of Logistics', pg. 19-22.

³⁶ This is around 8% at the national level but can alter slightly from market to market. A market's equilibrium rate is either when rents are broadly stable or when rental growth transitions from being negative or stable to growing strongly year on year.

Quickly Outdated Employment Land Evidence

- 2.22 Employment Land Reviews are the bedrock of planning for employment use. Often a Council's employment evidence base, that is typically prepared early on in the local plan process, is out of date at the time of adoption. This is due to the protracted nature of the local plan making process, with the Planning for the Future White Paper confirming that it takes on average 7 years to adopt a Local Plan³⁷. If a local plan was to be adopted today, the market and need for logistics is very different compared to what it was 7 years ago. The Planner reported that online retail take-up nationally increased from 8 million sq ft in 2015 to 60 million sq ft in 2021; representing a 614% increase³⁸.

CASE STUDY 14: HUNTINGDONSHIRE EMPLOYMENT LAND SUPPLY

Huntingdonshire District Council are preparing a new Local Plan. The Local Plan Issues Engagement Paper³⁹ notes that the current Huntingdonshire Local Plan to 2036 (adopted 2019) has no provision for large warehousing or distribution sites 4 years into the plan period in a location that is attractive to the market. This is the result of the dated employment evidence with the Employment Land Study published in 2014 (with evidence gathered earlier) when the demand for storage and distribution uses was very different to what it is today.

CASE STUDY 15: DONCASTER EMPLOYMENT LAND NEEDS ASSESSMENT (ELNA)

Doncaster have used a labour demand method in their employment land calculation. It appears, however, that the ELNA itself does not trust the accuracy of the labour demand method in estimating future demand, given it found it necessary to uplift the baseline job forecasts by 30%-60% (depending on whether B2, non-strategic or strategic warehousing) to account for market churn and choice factors. This demonstrates how low and out of kilter job forecasts are as a measure of future land demand.

Doncaster's available land supply is being built out at a faster rate than it anticipated. Already 45% (203 hectares) of Doncaster's employment land is built out with a further 44% (200 hectares) either under construction or benefiting from a planning permission, meaning these sites will likely be built out soon. This leaves just 11% of its allocated land capacity left with 13 years of the Local Plan period still remaining. Consequently, future need is underestimated while allocated supply is being built out quickly.

Source: Savills (October 2022)

³⁷ MHCLG (August 2020) 'Planning for the Future White Paper', pg 12

³⁸ The Planner (January 2022) 'The Race for Space', Pg 28.

³⁹ Huntingdonshire District Council (April 2023) 'Local Plan Issues Engagement Paper', para. 7.41.

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- 2.23 Employment Land Reviews are effectively a snapshot in time that do not capture rapid shifts in the market (e.g. COVID-19 impacts). To overcome the issues around their static nature, we would request that 'Real time' information is required so that Employment Land Reviews can be kept up to date and responsive to changes in local market conditions. There is also a need for Employment Land Reviews (as part of feeding into the wider local plan adoption process) to be more detailed in terms of providing a view on what specific employment uses are needed locally.

OUR KEY ASK 4: MODERNISE/DIGITALISE EMPLOYMENT LAND EVIDENCE SO THAT IT IS MORE AGILE AND KEPT UP-TO-DATE THROUGH THE UTILISATION OF 'REAL-TIME' MARKET INFORMATION.

3.0 QUESTION 2: HOW EFFECTIVELY ARE THE POLICIES IN NATIONAL PLANNING POLICY (CHAPTER 6) AND ASSOCIATED PRACTICE GUIDANCE APPLIED BY PLAN MAKERS IN SUPPORTING THE NEEDS OF FREIGHT AND HOW COULD THIS BE IMPROVED?

- 3.1 Our view is that national planning policy is not applied effectively by plan-makers in respect of the freight sector. Whilst there have been some positive changes to national planning policy guidance over the last five years, to support the storage and distribution sector, this does not go far enough and further changes are required. Similar conclusions were reached in the DfT's Report 'Future of Freight: A Long Term Plan'⁴⁰ and, more recently, the DLUHC's 'Levelling-up and Regeneration Bill: Reforms to National Planning Policy' Consultation.
- 3.2 Through the use of case studies, we set out below how the paragraphs contained in the NPPF's 'Building A Strong Competitive Economy' section (Section 6) have not been applied effectively, misapplied or even ignored. Consequently, we call for this section to be amended so it has more 'teeth' in plan-making and decision-taking.
- 3.3 NPPF Paragraph 81 is clear that '*significant weight should be placed on the need to support economic growth and productivity*'. Accordingly, the BPF's 'Levelling Up: The Logic of Logistics' (Appendix 4) highlighted the importance of the I&L sector to the UK economy (see infographic below)⁴¹: something that is echoed in the 'Future of Freight: A Long Term Plan'. Moreover, a report by Frontier Economics highlights how high logistics density is linked to 1.3 percentage points additional GDP per capita growth at Local Authority level.⁴²

Key stats: I&L sector



Source: ONS, Oxford Economics, Savills²

- 3.4 The COVID-19 Pandemic also demonstrated the resilience of the logistics sector to macro-economic shocks. Unemployment increased significantly across the country in the wake of

⁴⁰ DfT (June 2022) 'Future of Freight: A Long Term Plan', Pg. 70.

⁴¹ BPF (January 2022) 'Levelling Up: The Logic of Logistics', pg. 10.

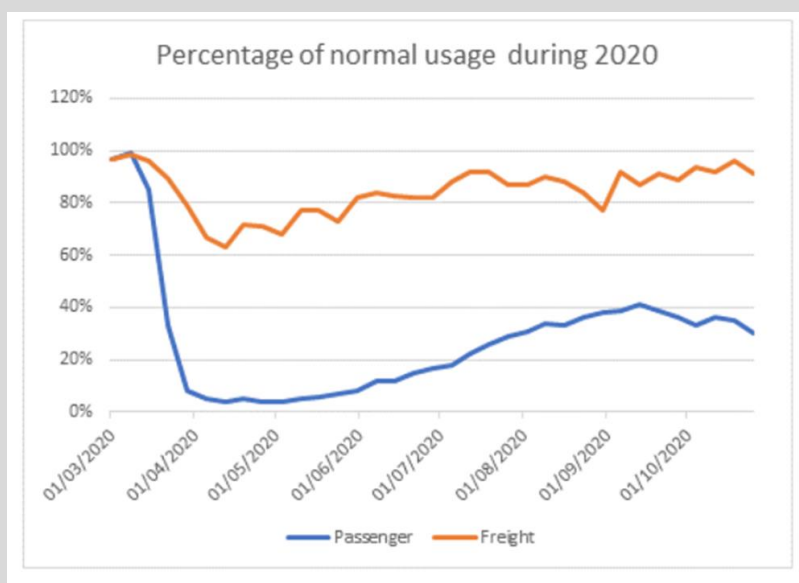
⁴² Frontier Economics (July 2022) 'The Impact of Logistics Sites in the UK', pg 5.

the pandemic, with the number of people claiming out-of-work benefits being 121% higher in October 2020 compared to October 2019. Over Q1-Q3 2020, the retail sector lost 125,000 jobs. In contrast, the take up of logistics space was of a scale that would support approximately 54,000 on-site jobs.⁴³ The below case study highlights the value of the sector during this difficult period.

CASE STUDY 16: THE 'ESSENTIAL' NATURE OF LOGISTICS DURING COVID-19

During the COVID-19 pandemic, the Government recognised the essential work of the logistics sector and issued letters on 30th March 2020⁴⁴ and 5th January 2021⁴⁵ confirming that the work of the logistics sector should continue to the greatest possible extent through the crisis, with the latter confirming its employees are 'critical workers'.

The below graph shows how during COVID passenger rail usage dropped significantly leading to a large reduction in the number of trains timetabled to run. During the first lockdown through to July, passenger rail use was less than 20% of normal use. Freight use on the railway also dropped during this period, but only to just over 60% of normal use demonstrating an ongoing requirement and demand for freight. Since that time rail freight has recovered to almost 100% of normal use with passenger services showing much less of a recovery.⁴⁶



As such, Zoe McLernon (Multimodal Policy Manager at the Freight Transport Association (FTA) stated:

⁴³ Turley & Tritax Symmetry (December 2020) 'The Increased Importance of Logistics During Covid-19 and Beyond'.

⁴⁴ Department for Transport (30/03/2020) Coronavirus (COVID-19) Essential Work of the Logistics Sector.

⁴⁵ Department for Transport (05/01/2021) Coronavirus (COVID-19) Essential Work of the Logistics Sector

⁴⁶ Network Rail & Highways England (June 2021) 'Solent to Midlands Multimodal Freight Strategy', pg 91.

*"I am impressed by the determination of the rail freight sector to keep goods moving across the UK during the COVID-19 outbreak; the industry is truly delivering for the nation. From launching express services dedicated to delivering essential medical supplies, food and hygiene products to running extended length trains to stock supermarkets, businesses within the rail transport sector have shown their flexibility, resilience and efficiency in the face of the pandemic."*⁴⁷

- 3.5 Despite the above, we feel that the economic benefits of logistics is not always reflected in the planning balance sections of planning decisions. There is a tendency for this to be down played or watered-down which may be linked to longstanding myths around the sector that the BPF Industrial Committee has been working hard to dispel (i.e. that it comprises part-time, low skilled, low paid employment - this simply isn't true). We were, however, encouraged to see that positive weight was attributed to a number of factors in the Secretary of State Call-in Decisions granted in the North West over the last three years.

CASE STUDY 17: NORTH WEST SECRETARY OF STATE CALL-IN DECISIONS

Set out below are some extracts taken from recent Secretary of State Call-In Decisions around the positive weight attributed to strategic logistics developments.

Symmetry Park M6 J25, Wigan⁴⁸

"Weighing in favour of the proposal are the delivery of logistics floorspace which he accords very substantial weight. The locational benefits carry further significant weight. The socio-economic benefits also carry substantial weight. The biodiversity net gain and highway benefits collectively attract moderate weight".

Wingates Industrial Estate Bolton⁴⁹

"The Secretary of State considers that the evident need for development of the type proposed carries substantial weight, and the economic benefits of the proposal carry very substantial weight in favour of the scheme".

Former Parkside Colliery, Newton Le Willows⁵⁰

"Weighing in favour of the proposal are the supply of employment land, which carries very substantial weight. The regeneration benefits also carry further substantial weight

⁴⁷ <https://rfq.org.uk/rail-freight-steps-deliver-nation/>

⁴⁸ APP/V4250/V/20/3253242

⁴⁹ APP/N4205/V/20/3253244

⁵⁰ APP/H4315/V/20/3253194

and the locational benefits of the site carry significant weight. The lack of an alternative site carries significant weight”.

Omega Zone 8, St Helens⁵¹

"Weighing in favour of the proposals are the supply of employment land which carries significant weight, the socioeconomic benefits which also attract very significant weight and the construction jobs which carry moderate weight”.

- 3.6 In light of the above, we would call for a more consistent approach to the attribution of ‘planning weight’ within decisions for logistics developments. This would be in recognition of the significant contribution logistics makes in supporting economic growth and productivity as critical societal infrastructure. It employs a large number of people and offers an increasingly diverse range of careers to local people with disproportionate indirect GVA impacts compared to other sectors.

OUR KEY ASK 5: ‘SIGNIFICANT WEIGHT’ IN DECISION MAKING TO BE ATTRIBUTED TO LOGISTICS/SUPPLY CHAINS AS CRITICAL SOCIETAL INFRASTRUCTURE.

- 3.7 NPPF Paragraph 82 states that “*Planning policies should...(a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration*”.
- 3.8 The BPF Industrial Committee welcomes Local Industrial Strategies (LISs) but, more often than not, these were/are not aligned with a local authority’s spatial strategy/Infrastructure Delivery Plan (IDP). In addition, little weight is given to them in plan-making or decision-taking and there is/was a tendency for LISs to be focussed heavily on other key sectors, such as life sciences, R&D and advanced manufacturing with little reference to the direct or indirect value of the logistics sector as critical supply chain infrastructure. Notwithstanding this, the South East Midlands Local Industrial Strategy does recognise the importance of the logistics sector in creating a comparative advantage for its geographical area and seeks to harness the benefits through its objectives.

⁵¹ APP/H4315/V/20/3265899

CASE STUDY 18: SOUTH EAST MIDLANDS LOCAL INDUSTRIAL STRATEGY

The South East Midlands Local Industrial Strategy (July 2019) takes a positive approach to the logistics sector and states:

"As evidenced through the area's high popularity with logistics firms and Future of Mobility innovators, the SEMLEP area is extremely well located in order to connect with key markets in the UK and abroad..."

This unrivalled location has also led to the area building up an extensive portfolio of logistics assets, including the Daventry International Rail Freight Terminal (DIRFT), the Magna Park distribution centre in Milton Keynes, Midlands Logistics Park in Corby, with links to the east coast ports, the A421 logistics cluster in Bedford and Prologis Logistics Park at Marston Gate in Central Bedfordshire".⁵²

In response to a lack of commercial premises being the third most commonly reported constraint on business growth within its geography, the LIS states:

"However, many local businesses cite a lack of suitable employment premises as a constraint upon their growth, and business scale-up in the area is also weak. Future priorities thus include: improving the quantity, quality and balance of commercial premises; working through the SEMLEP Growth Hub, local universities and other partners to support business scale-up; and working with the government and Arc partners to further trade and inward investment." ⁵³

As such, the LIS aims to create a suitable business environment for investors and developers and states it will:

"increase promotion of the SEMLEP area to prospective investors, including through the preparation of relevant materials to encourage inward investment, and by working in partnership with local authorities, developers and commercial agents to help match prospective businesses with appropriate employment land." ⁵⁴

The South East Midlands Local Enterprise Partnership (SEMLEP) has been proactive in engaging with the market and has a Logistics Sector Group who meet regularly to discuss

⁵² HM Government (July 2019) 'South East Midlands Local Industrial Strategy', pg. 4 & 29.

⁵³ Ibid, pg. 74.

⁵⁴ Ibid, pg. 10

the challenges faced by businesses of all sizes in the sector and the interventions needed to overcome them, with a particular focus on promoting higher skills.

3.9 NPPF Paragraph 82 states that '*Planning policies should...(b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period*'. Similarly, Paragraph 83 states that '*Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for...storage and distribution operations at a variety of scales and in suitably accessible locations*'.

3.10 The recognition of the need to plan for storage and distribution operations at a variety of scales is welcomed as there is a need for planning to consider the huge diversity in product within the logistics sector, as shown in the graphic below.⁵⁵

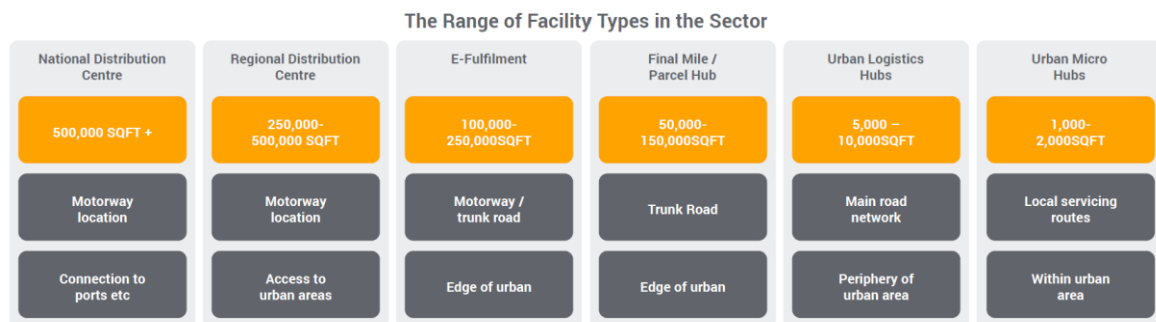
Typical Typology of E-Commerce Logistics Units

National Distribution Centres	500,000 – 1 million + sqft on up to 100 acres
Regional Distribution Centres	200,000 – 500,000 sqft over 5 acres Some occupiers such as Amazon operate larger units
Last mile Fulfilment	Up to 100,000 sqft on a minimum 5 acre site (though can be less on constrained urban sites e.g. 3-5 acres) PurePlay may occupy smaller units of up to 10,000 sqft (such as AO.com outbases, Ocado spokes) Last mile includes parcel hubs
Pick up points	A location to which the consumer travels to collect a parcel such as: <ul style="list-style-type: none">• Click and Collect space within an existing retail store• Parcel locker facility such as Amazon Locker in central urban locations (such as hotel, store or train station)• Specific pick up store in a town centre of train station such as Doddle. Pick up locations can drive additional in-store spend

3.11 Typically, these have different locational requirements as summarised below⁵⁶.

⁵⁵ BPF (March 2019) 'What Warehousing Where?', pg 21.

⁵⁶ Newlands & Avison Young (February 2022) 'The Value of Logistics'.



- 3.12 The above demonstrates that plan-making is not purely a quantitative exercise, but also a qualitative one, that must be considered as part of a Council’s spatial strategy. A failure to do so can create imbalances in the portfolio of commercial/industrial premises and exclude some types of development from coming forward, This is demonstrated by the case studies below from South Staffordshire and South Cambridgeshire.

CASE STUDY 19: SOUTH STAFFORDSHIRE ECONOMIC DEVELOPMENT NEEDS ASSESSMENT (EDNA)

Almost half of the total B8 estimate of demand for South Staffordshire is expected to be accommodated by the West Midlands Interchange (WMI) (Strategic Rail Freight Interchange). However, the WMI will only provide a partial solution, being limited in terms of use (B8 only), focused on rail-based requirements and composed of extremely large units (up to 1 million sq ft)). Therefore, the WMI will meet a wider sub-regional and national demand profile given its characteristics. Only a small proportion (up to 10%) of the WMI will meet local demand from South Staffordshire resulting in a significant shortfall of local-level I&L supply.

CASE STUDY 20: SOUTH CAMBRIDGESHIRE LOCAL PLAN POLICY E/11

South Cambridgeshire Local Plan Policy E/11 (Large Scale Warehousing and Distribution Centres) (Appendix 5) takes a hostile approach to strategic logistics stating:

"Large scale warehousing and distribution centres will not be permitted in the district."

The corresponding subtext to the policy states:

"This element of the 'Selective Management of Employment' policies for the Cambridge area warrants retention. These uses require a large land area, but generate relatively low numbers of

jobs. They could quickly reduce the available land supply, and increase pressure on transport networks, which could harm the continued prosperity of the high technology clusters. Whilst proposals for warehousing supporting other employment uses or meeting local needs will be supported subject to other policy requirements, large scale proposals serving a wider regional or national function will not be supported."

In our view this is out of kilter with current national policy and, in particular, Paragraph 83 of the NPPF. It fails to recognise the inextricable links to housing growth, the indirect benefits logistics provide to other key sectors that are being promoted in Cambridgeshire (e.g. advanced manufacturing, R&D and life sciences logistics) and adopts a very narrow view of the types of employment the storage and distribution sector supports. This has the potential to result in adverse environmental impacts (congestion and air quality) due to elongated commuter distances or increased mileage caused by a less sustainable pattern of development.

- 3.13 Conversely, Waltham Forest's Employment Land Audit described below represents a good example of a local authority acknowledging this diversity of need.

CASE STUDY 21: LONDON BOROUGH OF WALTHAM FOREST

London Borough of Waltham Forest's Employment Land Audit (April 2021)⁵⁷ represents a best practice example of a local authority assessing the baseline of employment land; understanding industrial/servicing/logistics clusters; and assessing the potential for intensification and likely uplift in floorspace to assist with the delivery of 52,000m² of new employment floorspace. This considers the various typologies and acknowledges that these differing uses have different locational requirements that need to be reflected in the spatial strategy.

- 3.14 The above, however, is the exception rather than the norm. To remedy this, we would welcome a two-tiered approach to employment allocations that provides an important distinction between 'strategic' and 'local' employment sites.
- 3.15 There is still a significant vacuum in strategic planning following the abolition of Regional Spatial Strategies (RSSs). As set out above, this is particularly problematic for logistics as it involves complex supply chains that span across geographies with little regard for administrative boundaries. Strategic 'larger than local' employment sites attract nationally and internationally mobile business activity, as well as specific growth sectors. Because of the large site sizes required to accommodate them, many local authorities avoid

⁵⁷ [Employment Land Audit - London](#)

addressing 'larger than local' needs in local plans: commonly citing the absence of a strategic evidence base as the reason for this alongside views that these are better served in locations outside of their area (see North Warwickshire Case Study 4).

- 3.16 Where all or most authorities in a region/sub-region adopt this stance, it results in significant shortages in strategic sites and a resultant lack of opportunities for investors. As such, obligating local authorities to allocate strategic sites in appropriate locations avoids double counting, encourages Duty to Cooperate discussions and ensures sites are allocated for the largest requirements in the market. The latter is important given there has been a trend towards larger warehouses with a dramatic increase in units over 1 million sq ft. In 2015, units over 1 million sq ft accounted for just 14 million sq ft of the total stock; in 2021 this had risen by 242% to 48 million sq ft and accounted for 9% of the total stock, up from 3% in 2015⁵⁸.
- 3.17 A two-tiered approach to employment allocations is taken in The London Plan⁵⁹ with the dichotomy reflecting the differing functions and position within the supply chain.

CASE STUDY 22: THE LONDON PLAN'S STRATEGIC INDUSTRIAL LOCATIONS (SIL) & LOCALLY SIGNIFICANT INDUSTRIAL SITES (LSIS)

The London Plan has two types of industrial land allocations, as described below with detailed policies relating to each.

Strategic Industrial Locations (SIL) (Policy E5)

SILs are given strategic protection because they are critical to the effective functioning of London's economy. They can accommodate activities which - by virtue of their scale, noise, odours, dust, emissions, hours of operation and/or vehicular movements - can raise tensions with other land uses, particularly residential development. They are important in supporting strategic logistics operations serving the capital and are located close to the strategic road network with many are also well-located with respect to rail, river, canals and safeguarded wharves.

Locally Significant Industrial Sites (LSIS) (Policy E6)

LSISs have particular local importance for industrial and related functions. These designations should complement the provision in SILs and further details is contained in Policy E6.

⁵⁸ UKWA & Savills (2021) 'The size and Make Up of the Warehousing Sector'.

⁵⁹ Mayor of London (March 2021) 'The London Plan'.

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- 3.18 The below case studies from Harborough, Bassetlaw and Warwick provide examples of local authorities including strategic scale allocations within their local plans:

CASE STUDY 23: HARBOROUGH LOCAL PLAN POLICY BE1

Policy BE1 (Provision of New Business Development) from Harborough's adopted Local Plan sets a 9,000sqm limit for strategic distribution units (full policy and explanatory text is contained in Appendix 6). This reflects the recommendation set out in the 'Warehousing & Logistics in Leicester & Leicestershire' Report:

*"One of the functions of strategic logistics sites will be the ability to offer larger plot sizes to be able to accommodate the large footprint buildings increasingly required by the market. It would therefore conflict with their wider objectives if smaller units were developed which compromised the size of available plots. It is therefore recommended that a minimum unit size of 9,000 square metres be imposed to address this."*⁶⁰

We are supportive of this approach, but it does need to be supported and complemented with additional employment land provision that meets the need of local businesses and smaller occupiers that may not have the same operating requirements as those that require regional and national distribution centres.

CASE STUDY 24: BASSETLAW'S REGIONAL/SUB-REGIONAL EMPLOYMENT ALLOCATION (APLEYHEAD JUNCTION – DRAFT POLICY ST5).

Draft Policy ST5 of the Main Modifications Version of the emerging Bassetlaw Local Plan (2020-2038) allocates Apleyhead Junction as a strategic employment site to meet an evidenced need for regional/sub-regional logistics (Appendix 3). This is in addition to the District's general employment provision.

The Site comprises 189 hectares of land with a developable area of 118 hectares, thereby enabling it to accommodate the largest requirements in the market. Indeed, its ability to do so is reflected in the draft wording of the policy that seeks to ensure any development coming forward at Apleyhead Junction does not compromise its regional/sub-regional function.

This policy and general approach represents an excellent best practice example of a Council recognising how its geography and relationship with/role within the wider logistics network requires

⁶⁰ GL Hearn (April 2021) 'Warehousing and Logistics in Leicester and Leicestershire: Managing Growth & Change', pg. 142.

an appropriate response through its spatial strategy. Accordingly, the subtext in the draft Plan states:

"The National Planning Policy Framework requires policies to address specific locational requirements of different sectors, including provision for storage and distribution operations (logistics) at a variety of scales and in suitably accessible locations. In this case, the logistics market is large scale units and operations (100,000 sqft to 1,000,000 sqft or more) rather than final mile distribution.

...

Policy ST7 aims to capitalise on this evidenced need, by allocating Apleyhead Junction. The 118ha site is capable of accommodating a sub-regional/regional need for large scale logistics only within the property market area over the plan period. The site is considered to be sub-regionally unique; capable of delivering up to 440,175 sqm of employment space, and the widest range of logistics occupier needs including the largest floorspace and site requirements in the market, as well as meeting the distinct locational requirements of the logistics industry - namely accessibility to the strategic road network and a local labour market. It is also able to support the role of the Main Towns and bring significant economic benefits to the District by widening the employment offer in terms of job opportunities and/or skills involved, thereby supporting the Council Plan's economic priorities."

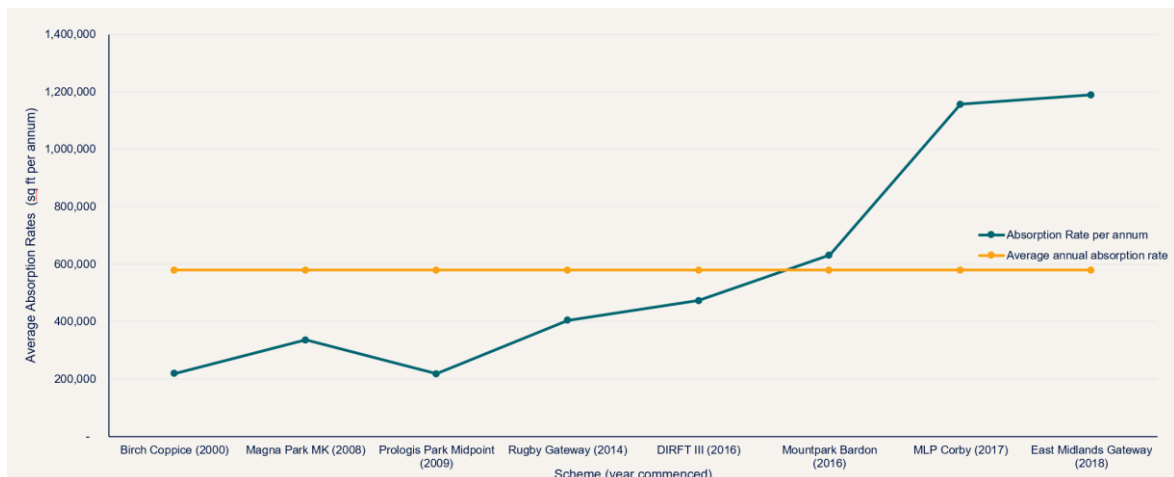
CASE STUDY 25: WARWICK DISTRICT COUNCIL'S SUB-REGIONAL EMPLOYMENT ALLOCATION (COVENTRY AIRPORT – POLICY DS16)

Land in the vicinity of Coventry Airport, totalling 235 hectares was allocated by Warwick District Council for B1/B2 & B8 uses of sub-regional significance under Policy DS16 (Appendix 7). This was a direct response to the findings of Coventry & Warwickshire Local Enterprise Partnership's (CWLEP's) Strategic Economic Plan (SEP) that set out a vision for economic growth across the sub-region. The SEP concluded that the sub-region would benefit from at least one major new employment site and that land in the vicinity of the Airport was best suited to this role. Importantly, the SEP considered that without the development of this site, the CWLEP would be unable to meet its overall growth targets.

Again, this is an excellent example of how the economic and spatial strategies are aligned and how the allocation of a site of significant scale can have far reaching benefits for key sectors that offer Coventry and Warwickshire a competitive advantage (e.g. advanced manufacturing and engineering, research and development and logistics, and to support the growth plans of the sub-region's universities).

OUR KEY ASK 6: LOCAL PLANNING AUTHORITIES TRAVERSED BY THE STRATEGIC TRANSPORT NETWORK TO TAKE A TWO-TIERED APPROACH TO EMPLOYMENT ALLOCATIONS; IDENTIFYING STRATEGIC 'LARGER-THAN-LOCAL' EMPLOYMENT SITES ALONGSIDE SITES TO MEET LOCAL NEEDS.

- 3.19 NPPF Paragraph 82 calls for policies to '*(d) be flexible enough to accommodate needs not anticipated in the plan...and enable a rapid response to changes in economic circumstances*'. We consider the plan-led system does not do this effectively and is too rigid/not agile enough to respond to rapid changes in market demand; especially where local plans have not allocated enough land through the plan-making process due to an underestimation of need (as described above). For example, the COVID-19 lock-downs resulted in a decade's worth of growth in 10 months that was not accounted for in Local Plan evidence bases⁶¹.
- 3.20 This issue is accentuated by large strategic sites being built out more quickly over time. Indeed, research undertaken by Savills found that average absorption rates on large schemes are increasing.



- 3.21 The upshot of the above is that all allocated employment land in some local authority areas is fully developed out in the early stages of the plan period (see Case Studies 14 & 15). This means there is no capacity available for businesses either looking to expand their premises or land to accommodate inward investment. As such, outside of local plan cycles, developers are left with no other option but to make speculative applications based on a strong 'needs case'. Clearly, this introduces greater uncertainty, risk, cost and delay into the process. Fundamentally, local plans need to ensure enough land is allocated in the

⁶¹ Newlands Developments & Avison Young (February 2022) 'The Value of Logistics' Pg. 8.

right locations upon adoption and we set out below three mechanism that could be introduced into the planning system to provide greater flexibility and agility to enable additional employment land to come forward.

Criteria-Based Policies

3.22 The BPF's 'Employment Land Manifesto' (July 2021) proposes that, when a precise set of logistics criteria are met, a presumption in favour of logistics development should apply⁶². Criteria-based policies can enable unallocated employment land to come forward outside of local plan cycles in accordance with a Development Plan. It is important that such criteria are not too onerous such that they cannot realistically be satisfied and we would expect them to include:

- Demonstration of need/demand;
- Easy access and proximity to the strategic highway network;
- Ability to provide effective access by non-private car to suit shift working patterns;
- Located away from residential development where there is no unacceptable impact on residential amenity to allow for uninterrupted 24 hour working;
- Capable of accommodating large scale buildings in terms of both footprint and height; and
- Sites which suit the future occupier's needs.

3.23 Good existing examples of criteria-based policies are North West Leicestershire Local Plan Policy EC2 (New Employment Sites), Bedford Borough Plan 2030 Policy 72S (Additional Strategic Employment Development), Cherwell District Council's Policy SLE 1 (Employment Development) and North Northamptonshire Joint Core Strategy Policy 24 (Logistics) that are described below.

CASE STUDY 26: NORTH WEST LEICESTERSHIRE POLICY EC2

North West Leicestershire's Local Plan takes a positive approach to employment land with Part (2) of Policy EC2 (New Employment Sites) (Appendix 8) allowing applications for employment development proposed on unallocated land to be justified if certain specified criteria are satisfied. Policy EC2(2) states:

"Where evidence indicates an immediate need or demand for additional employment land (B1, B2 and B8) in North West Leicestershire that cannot be met from land allocated in

⁶² See Recommendation 1.

this plan, the Council will consider favourably proposals that meet the identified need in appropriate locations subject to the proposal:

- (a) Being accessible or will be made accessible by a choice of means of transport, including sustainable transport modes, as a consequence of planning permission being granted for the development; and*
- (b) Having good access to the strategic highway network (M1, M42/A42 and A50) and an acceptable impact on the capacity of that network, including any junctions; and*
- (c) Not being detrimental to the amenities of any nearby residential properties or the wider environment."*

BPF Industrial Committee Members (IM Properties, Newlands Developments and St. Modwen) have all secured planning permissions⁶³ by successfully satisfying the above criteria, which has cumulatively secured significant benefits for the area (a total of 5.3 million ft² of floorspace; an 4,500 operational jobs; £286 million GVA per annum and £12.5 million in business rates). These benefits may not have come to fruition if this mechanism had not been included within the Local Plan.

However, as St Modwen's scheme demonstrates an enabling, criteria-based policy such as Policy EC2 doesn't necessarily overcome local and/or political objection. Their application was refused solely on landscape and visual grounds and was successfully appealed. They submitted the planning application in 2019 and the appeal decision landed in 2023, which also highlights the failings of the plan-led system in meeting the considerable current demand for logistics development.

CASE STUDY 27: BEDFORD BOROUGH LOCAL PLAN 2030 POLICY 72S

Bedford Borough Council's Local Plan 2030 includes Policy 72S (Additional Strategic Employment Development) (Appendix 9) which states the following:

"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*

⁶³ See 18/01443/FULM, 20/00316/OUTM & APP/G2435/W/22/3292404.

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- 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”.*

CASE STUDY 28: CHERWELL DISTRICT LOCAL PLAN POLICY SLE1

Cherwell District Council’s Local Plan 2011-2031 includes Policy SLE1 (Employment Development) (Appendix 10) which states the following:

“New employment proposals within rural areas on non-allocated sites will be supported if they meet the following criteria:

- *They will be outside of the Green Belt, unless very special circumstances can be demonstrated.*
- *Sufficient justification is provided to demonstrate why the development should be located in the rural area on a non-allocated site.*
- *They will be designed to very high standards using sustainable construction, and be of an appropriate scale and respect the character of villages and the surroundings.*
- *They will be small scale unless it can be demonstrated that there will be no significant adverse impacts on the character of a village or surrounding environment.*
- *The proposal and any associated employment activities can be carried out without undue detriment to residential amenity, the highway network, village character and its setting, the appearance and character of the landscape and the environment generally including on any designated buildings or features (or on any non-designated buildings or features of local importance).*
- *The proposal will not give rise to excessive or inappropriate traffic and will wherever possible contribute to the general aim of reducing the need to travel by private car.*
- *There are no suitable available plots or premises within existing nearby employment sites in the rural areas.*

CASE STUDY 29: NORTH NORTHAMPTONSHIRE JOINT CORE STRATEGY (NNJCS) POLICY 24

The North Northamptonshire Joint Core strategy (NNJCS) includes Policy 24 (Logistics) (Appendix 11) that is supportive of large-scale logistics proposals that comply with the Local Plan on the proviso that they satisfy all of the criteria listed within it in order to minimise environmental impacts. This is achieved, inter alia, through sensitive design and achieving the highest standards of environmental performance.

Reserve or Safeguarded Sites

- 3.24 Reserve or Safeguarded sites could be allocated in response to the slow pace of local plan reviews, lower amounts of land being allocated and the greater local opposition sites seem to face when they come forward via a criteria-based policy. Their release could be linked to the 'real time' information on supply and demand and the ability of remaining capacity within the 'principal' allocations to accommodate requirements. This is an approach that has been adopted in the St Helens Local Plan.

Supplementary Plans

- 3.25 Chapter 11 of the 'Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms' relates to 'Supplementary Plans'. Supplementary Plans are described as "*These plans are intended to be produced at pace to enable planning authorities to react and respond positively to unanticipated changes in their area separate from the local plan or minerals and waste plan preparation process. This could include allocating and shaping an unexpected regeneration opportunity or introducing new site-specific policies including in relation to design, infrastructure or affordable housing. Supplementary Plans are not intended to be used routinely; planning authorities should prioritise including all policies in their local plan or minerals and waste plan, leaving supplementary plans only for exceptional or unforeseen circumstances that need resolving between plans*".⁶⁴
- 3.26 Whilst the consultation does state that Supplementary Plans will allow local authorities to 'address site-specific needs or opportunities which require a new planning framework to be prepared quickly'⁶⁵, we note that it also advises that they 'must be in general conformity with a relevant operative Spatial Development Strategy'⁶⁶ and 'cannot allocate sites'⁶⁷. This

⁶⁴ DLUHC (July 2023) 'Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms'. para. 175.

⁶⁵ Ibid, para. 180

⁶⁶ Ibid, para. 179

⁶⁷ Ibid, para. 181

is 'so that they do not subvert the role of the local plan as the principal planning policy framework for the local planning authority's area'⁶⁸. Therefore, in order to provide a solution to the issue highlighted above around not allocating enough employment land, there would need to be a relaxation of this to enable sites to come forward on unallocated land.

OUR KEY ASK 7: LOCAL PLANS TO INCLUDE MORE FLEXIBLE/AGILE MECHANISMS (CRITERIA-BASED POLICIES / RESERVE OR SAFEGUARDED SITES / SUPPLEMENTARY PLANS) TO ENABLE ADDITIONAL EMPLOYMENT SITES, OVER AND ABOVE THOSE ALREADY ALLOCATED, TO COME FORWARD OUTSIDE OF LOCAL PLAN CYCLES. IMPORTANTLY, THIS MITIGATES FOR CHANGES IN DEMAND NOT ENVISAGED AT THE TIME THE COUNCIL'S EVIDENCE BASE WAS GATHERED THAT BECOMES QUICKLY OUTDATED.

- 3.27 Our suggested amendments to NPPF Section 6 and associated PPG are captured in Appendix 2.

⁶⁸ Ibid, para. 180

4.0 QUESTION 3: HOW EFFECTIVE IS ENGAGEMENT BETWEEN INDUSTRY AND LOCAL AUTHORITIES IN THE COURSE OF LOCAL PLAN MAKING? HOW CAN THIS BE IMPROVED?

- 4.1 We consider that more effective engagement between industry and local authorities is required as an essential part of the plan-making process.
- 4.2 The PPG is clear that determining the scale of need across the relevant market area should involve *'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'*. However, the majority of the time, this tends to be a desk-based exercise with employment evidence base documents published without a more detailed understanding of market signals and current/future operational requirements.
- 4.3 Members of the BPF Industrial Committee see real value in industry workshops being undertaken in the early stages of the plan-making process. These sessions should inform the employment evidence base, rather than being an afterthought, and are generally more productive when a consultancy is engaged to do the research.

CASE STUDY 30: LONDON PROACTIVE AUTHORITIES

SEGRO (alongside other developers, agents and others with commercial interests in the area) were invited by London Boroughs of Newham and Enfield to participate in a market conditions evidence gathering exercise as part of their local plan preparations.

The GLA also helps to set up and run the Industry and Logistics Sounding Board (ILSB). The ILSB was established by the Greater London Authority (GLA) in partnership with BusinessLDN in 2017. It is an independent, cross-sector sounding board to promote the sector and campaign on the key issues affecting it, with a particular focus on London (and therefore the London Plan, its evidence base, annual monitoring and London Plan Guidance). The ILSB is led by a core group comprising representatives from BusinessLDN, the GLA, SEGRO and CBRE. Other board members include representatives from central Government, the London boroughs, Transport for London, developers, landlords, occupiers, professional advisers and trade bodies.

- 4.4 These workshops enable any misunderstandings or misconceptions to be addressed and also provide officers with an opportunity to voice any concerns they have or ask questions of developers that may helpfully inform future policy formulation. Accessibility to officers

at this early stage is important as, without the workshops, there is generally a reluctance to meet to discuss developer interests; whether that be for political, procedural or resourcing reasons.

- 4.5 Linked to the above, we believe it is essential that officers have a good understanding of the freight sector. BPF Industrial Committee Members regularly come across planning, economic development, highways, urban design and landscape officers who do not understand the needs of the sector. This makes officer training an important part of the process as a poor understanding can create significant policy hurdles and/or poor decisions around allocations that hamper effective plan-making and, ultimately, delivery (see below).

CASE STUDY 31: EREWASH, STANTON IRONWORKS

Saved Policy E4 (Stanton Ironworks Regeneration) from the Erewash Borough Local Plan 2008 first identified the site for regeneration, stating that 105-135 hectares of B1, B2 and B8 uses would be permitted. This was carried forward in the Core Strategy adopted in March 2014.

Erewash Borough Council are in the process of preparing a new Local Plan and within this, are continuing to favour the Stanton Ironworks site to deliver jobs and employment development for the Borough. This is the only proposed site allocation for employment development over the next plan period.

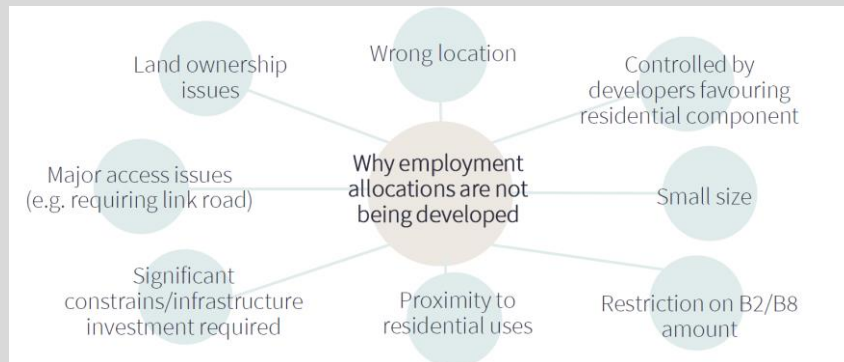
Outline planning permission for the Stanton Ironworks site was granted in August 2022 for up to 261,471sqm of employment floorspace (c. 2.8m sq ft). The site is not located with immediate access to a main motorway and is more likely to attract interest from smaller scale occupiers rather than catering for strategic employment need. This view is supported by the recent reserved matters approval (0423/0018) granted for Plot 1 (8th June 2023) for a single unit of 20,397 sq ft with a haunch height of 6m.

The Council are therefore placing an over reliance on this single site and maintaining their position that no other employment sites are needed over and above Stanton Ironworks, despite this not catering for strategic employment need.

This position is contrary to the recent evidence published; particularly the Greater Nottinghamshire Logistics Study which identifies a need for additional employment development in the region. Rather than meaningfully engaging with this study and assessing other alternative sites, the Council is maintaining the position that 40 hectares at Stanton Ironworks will be sufficient to "meet a realistic share of the assessed needs".

CASE STUDY 32: CHARNWOOD CORE STRATEGY

A total of 75 hectares of employment land is allocated by Policy CS1 of the Charnwood Core strategy (2011-2028). Only 16 Hectares (21%) of these sites, in terms of area, have come forward with just 6 years of the Local Plan period left. The reason why these sites have not come forward in a booming market is because of significant delivery issues shown below.



Despite this, the emerging Local Plan is proposing to reallocate these sites with no new supply for I&L uses. As a result, not only does Charnwood not have enough supply overall, but it also doesn't have enough sites that can deliver in the short-term against record breaking demand.

Source: Savills (October 2022)

CASE STUDY 33: WILTSHIRE LOCAL PLAN

GLP are promoting a site at Junction 16 of the M4 (Spittleborough Farm) through the Wiltshire emerging Local Plan. Representations were submitted at Reg 18 consultation stage which included an Employment Land Study and a Landscape and Visual Assessment, which concluded that the site has capacity to support employment development without significant landscape and visual harm to the surrounding context.

Despite this, Wiltshire BC has excluded the site from further consideration for an allocation in the Local Plan on landscape grounds. There is limited information available from the Council to ascertain how they came to the position that the site should be ruled out on landscape grounds, apart from stating there is a risk of coalescence between Swindon and Royal Wootton Bassett. This is despite the comprehensive Landscape and Visual Assessment submitted with the representations concluding the following:

"There is no visual and physical connectivity between the Site and the main settlements of Swindon and Royal Wootton Bassett and on consideration of the findings, no issues of coalescence would arise if the Site were to be developed. The combination of existing wooded vegetation and landform flanking the M4 and Lydiards Park, the physical divide created by the M4 motorway and the proposed landscape buffers along the site boundaries would create a strong physical and visual green wedge which would help mitigate the perception of coalescence."

Furthermore, the Council also appointed HJA to prepare an updated Employment Land Review to support the emerging Local Plan. This concludes that the quantification of need for the national and regional logistics sector was impossible and therefore this ruled out making land allocations in suitable locations. Therefore, instead of proposing site allocations for logistics development, Wiltshire are adopting alternative policy measures where such development would be supported at Junction 17 subject to meeting a number of criteria.

CASE STUDY 34: LONDON'S AFFORDABLE WORKSPACE POLICIES

LPAs in London are applying the same affordable workspace policies to logistics as they are to more traditional commercial uses (i.e. office schemes). They are looking for a percentage reduction on rent over a specified floor area but this doesn't suit a big box model with a single occupier.

- 4.6 Set out below is a good examples of a document that was the product of positive officer and industry engagement from Barnsley. This document guided development on an allocated site and provided a framework for design and mitigating environmental impacts.

CASE STUDY 35: BARNSELY COUNCIL'S HOYLAND WEST MASTERPLAN FRAMEWORK

The Hoyland West Masterplan Framework (September 2020)⁶⁹ establishes the guiding principles for potential future delivery of sustainable development at Hoyland West, Barnsley in support of land allocated by Policy ES13 of the Barnsley Local Plan (adopted January 2019).

As part of a partnership approach, Newlands Developments engaged positively with Barnsley Council officers, local residents and other key stakeholders to provide feedback on the draft plans and key issues that were not already resolved through the local plan process.

This collaborative approach to bringing forward employment allocations facilitated the delivery of Phases 1 & 2 of the Hoyland West Masterplan.

⁶⁹ <https://www.barnsley.gov.uk/media/16712/hoyland-west-masterplan-framework-reportrev-eaccessibfinal.pdf>

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- 4.7 Our Key Ask below is based around the Local Plan Examination providing a checkpoint to ensure that adequate engagement has taken place with the industry/developers. Evidence needs to be provided to demonstrate how this engagement has informed policy decisions rather than being perceived as simply a tick box exercise.

KEY ASK 8: AT LOCAL PLAN EXAMINATION, A STATUTORY OBLIGATION FOR LOCAL AUTHORITIES TO:

**(1) PROVIDE EVIDENCE OF ENGAGEMENT WITH DEVELOPERS AND OCCUPIERS;
(2) HOW THE FINDINGS OF THIS ENGAGEMENT HAS BEEN RESPONDED TO WITHIN THE EVIDENCE BASE; AND
(3) DEMONSTRATION OF WHERE UNMET NEED WITHIN THE RELEVANT MARKET AREA WILL BE MET FOLLOWING CROSS-BOUNDARY CO-OPERATION/COLLABORATION.**

5.0 QUESTION 4: HOW EFFECTIVELY DOES PLANNING CURRENTLY SUPPORT EFFICIENT USE OF ESTABLISHED FREIGHT AND LOGISTICS INFRASTRUCTURE? HOW COULD IT BETTER SUPPORT EXISTING INFRASTRUCTURE?

- 5.1 Whilst storage and distribution developments seek to maximise the use of land for operational efficiency, this is under increasing pressure from competing demands stemming from recent legislative/planning policy requirements. Under the Environment Bill, developments will soon be required to achieve a mandatory 10% Biodiversity Net Gain (BNG) that can require a significant amount of land. Alongside this, developments need to incorporate adequate landscape mitigation/screening (that rather unhelpfully doesn't translate into the highest scoring BNG units), SuDS and often onerous parking requirements. As such, it is rare that there are large brownfield sites capable of accommodating all of these requirements and smaller urban sites are likely to result in conflicts between these policy objectives without compromising operational efficiency.
- 5.2 In urban locations, the gradual loss of employment land to other uses has resulted in significant supply-side pressures. No where is this more pronounced than in London as documented in a number of evidence base documents that underpin the London Plan⁷⁰. This has forced the sector to adapt to find innovative solutions vis-a-vis pressures to meet stringent housing targets and mitigate any adverse amenity impacts arising from being sited adjacent to sensitive neighbouring uses.

CASE STUDY 36: INDUSTRIAL INTENSIFICATION, CO-LOCATION & SUBSTITUTION.

Policy E7 (Industrial Intensification, Co-location and Substitution) of the London Plan calls for development plans and proposals to encourage the intensification of business uses in B1(c), B2 and B8 through:

- Introduction of smaller units
- Development of multi-storey schemes
- Addition of basements
- more efficient use of land through higher plot ratios having regard to operational yard space requirements (including servicing) and mitigating impacts on the transport network where necessary.

⁷⁰ AECOM (2015) 'London Industrial Land Supply and Economy Study, SEGRO (2017) 'Keep London Working' & CAG Consulting (2017) 'London Industrial Land Demand'.

Co-Location” is a relatively new concept, and refers to the careful knitting together of residential developments and more “neighbourly” industrial activities to form mixed-use developments. The concept has emerged in response to pressure to build more homes (522,870 homes over 10 years) and the faster-than-planned release of, and steadily increasing demand for, industrial land in London. The issue is exacerbated by a reluctance to undertake a strategic review of the Green Belt (see Case Study 47).

Turley carried out extensive research⁷¹ into all strategic co-location schemes submitted for approval to the Mayor over a three year period. The research identified that the assessed Co-Location schemes, if all granted planning permission, have the potential to deliver approximately 325,000 sq m of employment floorspace, which would achieve an overall uplift of approximately 100,000 sq m compared to the existing provision of those sites. However, critical for many industrial developers and occupiers, they found a consistent trend leading towards a reduction in more traditional industrial uses (i.e. Use Classes B2/B8) where new homes are introduced, with Co-Location schemes often focusing on light industrial/workspace (i.e. Class E(g)(iii)). This has likely been driven to date by the greater compatibility of such uses with neighbouring residential occupiers.

The loss of employment land, and more specifically B8 uses within the capital, has potentially significant consequences for providing goods and services to its growing population.

- 5.3 There needs to be a clearer definition of ‘intensification’. Many local authorities purely measure intensification in floorspace (existing vs proposed) which can be flawed if sites have a high plot ratio but may be low in height, with an inefficient layout and serviced from the street rather than yards, etc. This is because modern occupiers require operational yard space, suitable building heights and parking (which in areas outside good public transport accessibility, even in parts of London, is essential to ensure sites can operate smoothly). As such, design codes for Intensification require strong input from the developer, occupier and agency market. Preparing design codes in isolation will not solve any problems as new units/developments need to be feasible and deliverable; and meet the needs of the market.
- 5.4 Pure multi-storey industrial schemes provide a solution to address need and result in more space-efficient sites, but do not work in all locations and markets. Multi-storey warehouse typologies can play a role in increasing the capacity of land used for the movement of goods. Whilst a number of proposed multistorey schemes have been proposed in London, these have encountered difficulties in terms of deliverability. Indeed, data shows that

⁷¹ Turley (February 2023) ‘Co-Location in London: Is It Still Stacking Up?’.

determination periods for high density development are notably longer than traditional developments.

5.5 One of the main challenges at the planning stage relates to viability. Multi-storey schemes are complex and more costly to deliver, but also, the delivery of such schemes remains relatively untested in the market. Where scheme viability is marginal, it is important that the planning system does not unnecessarily overburden the requirements of a multi-storey scheme through, for example, onerous design guidance, or heavily burdened affordable workspace requirements which may not naturally align with the type of building/future occupier. The sector requires space and time for innovation and testing and the planning system should align to offer this support as densification remains a means of addressing the acute shortage of prime logistics space in London. Such buildings are potentially feasible and viable where:

- 1) the strength of the occupational market in a given location is extremely high, such that no more traditional premises are available;
- 2) the quality of the building is exceptional, with added features offsetting some of the perceived disbenefits of being located on upper floors;
- 3) the site is regular in shape and large in size (1.5/2 acres or more for a goods lift based facility and 5+ acres for a ramped facility, the latter being comparably more suited to logistics);
- 4) environment of build cost certainty / low inflation; and possibly also
- 5) protected financial viability through public subsidy or abnormally low existing land use values (as a result of planning policy designations like green belt for example).

5.6 A supportive planning policy context for intensified industrial and logistics buildings, such as the London Plan, can facilitate and encourage the delivery of multi-level buildings, however most or all of the conditions listed above will need to be present too for investment to occur. Supportive planning policy for these buildings will be especially critical in dense urban areas where the size and scale of these facilities (typically reaching 30-35m in height) are such that some design, townscape, amenity and transport impacts – which are significant considerations for local stakeholders and decision makers – will be inevitable.

5.7 Whilst there are difficulties in bringing forward multistorey logistics schemes, British Land have secured planning approvals for multi-storey proposals including Heritage House, Enfield and Mandela Way, Southwark.

CASE STUDY 37: BRITISH LAND – HERITAGE HOUSE

In 2023, British Land secured planning consent for a c.450,000 sq.ft multi-level logistics hub at Heritage House, Enfield. The site, located near Junction 25 of the M25 has excellent connectivity and will cater for the growing demand for rapid distribution across Greater London.

The main building will be split into two levels, allowing access to HGVs to both the ground and first floor service yards. The plans provide flexibility of layout, including potential for sub-division, to meet the requirements of a wide range of occupiers and ensuring the building can meet both current and future market demand. The scheme also provides c.20,000 sq.ft of space to cater for smaller occupiers.

The scheme is targeting BREEAM Excellent and an EPC A rating. All available roof space will be used for solar photovoltaics which, combined with air source heat pumps, will offset 80% of the site's carbon emissions.



- 5.8 We are also seeing the emergence of stacked, flexible industrial schemes, such as SEGRO's V-Park Grand Union scheme.

CASE STUDY 38: SEGRO V-PARK GRAND UNION

SEGRO V-Park Grand Union is an ultra-modern, light industrial development with space ranging from c.1,500 to 30,500 sq ft over multiple levels, for multiple uses. Available Q1 2024. SEGRO V-Park Grand Union is a new benchmark in modern industrial space for innovative businesses. Groundbreaking in its quality, sustainability and support for collaboration, it's a unique building split across multiple floors, with contemporary amenities.



- 5.9 SEGRO, alongside Barratt London, have also successfully combined employment and residential uses at their SEGRO Park Hayes scheme.

CASE STUDY 39: SEGRO PARK HAYES

SEGRO and Barratt London are delivering London's first neighbourhood that blends homes with much-needed industrial employment space. The scheme will deliver over 1,400 homes (600 affordable) and 240,000 sq ft of sustainable warehouse space on the site of a former Nestle factory, retaining the site's heritage and art deco facades. It offers an examples of how to address the competing needs for housing and employment.

- 5.10 The Town and Country Planning (Use Classes) Order 1987 (as amended) defines the sector as B2, B8 and often E(g)(ii)/(iii). However, at a Plan level, there is a need for local authorities to better understand the variation in product and operator within these uses – and more importantly, the assessment criteria (e.g. transport modelling and assessments) required through the planning application process. The sector is more than the traditional large scale 'big box' and distribution uses; and now regularly accommodates uses such as last mile logistic hubs and stacked commercial facilities – often of a smaller scale.
- 5.11 Permitted Development ('PD') Rights can be an incredibly effective tool to reduce planning "red tape" and enable occupiers of warehouses to respond promptly to changing market requirements without the risk and cost associated with planning applications – while also taking the burden off already over worked local authorities.
- 5.12 Historically, PD Rights have allowed various changes (such as the installation of mezzanine levels or new loading doors), however, it is becoming increasingly common for local authorities to seek to impose conditions that restrict the use of permitted development rights to ensure control is retained over new development.

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- 5.13 It is vitally important that local authorities understand the purpose of PD Rights, and the rigour under which they are tested before they are put in place under the General Permitted Development Order.
- 5.14 The NPPF helpfully makes clear at Paragraph 56 that planning conditions *"kept to a minimum and only imposed where they are necessary, relevant to planning and to the development to be permitted, enforceable, precise and reasonable in all other respects"* and it would be beneficial to have a footnote and/or planning guidance that clarified such a provision should also apply to protecting the use of PD Rights unless otherwise justified.

6.0 QUESTION 5: HOW SHOULD FREIGHT AND LOGISTICS BE FACTORED INTO STATUTORY LOCAL TRANSPORT PLANS AND SUB-NATIONAL TRANSPORT STRATEGIES?

- 6.1 The Strategic Road Network (SRN) is hugely important to the freight sector and supply chains. 68% of the sector is reliant on the SRN that supports over £400 billion of economic value. Road Investment Strategies (RIS) improve service and efficiencies that benefit the freight sector and, with demand for travel likely to increase over the long term, it is essential that there is better strategic planning, above local authority level, to marry land use decisions with infrastructure investment and funding horizons.
- 6.2 The BPF Industrial Committee welcome the growing recognition of logistics within National Highway's policy documentation and we are aware that they are focussed on ensuring future investment in the road network ties in more closely to wider growth aspirations. We welcome their agreement with us that freight and logistics should be viewed as critical national infrastructure, with their Freight Demand Scoping Study stating "*When considering the needs of the logistics sector, positioning logistics precincts effectively should be as important as planning for electricity plants and water stations; they are all essential to the demands of the society. While many people outside of the industry think about freight as a lorry on the road, they should perhaps consider it as their food, their clothes and what their homes are made out of.*" ⁷²
- 6.3 More recently, the publication of their Circular 01/2022 provided much-needed recognition of the freight and logistics sector that we hope will percolate down into Local Transport Plans and Sub-National Transport Strategies.

CASE STUDY 40: NATIONAL HIGHWAYS CIRCULAR 01/2022 'STRATEGIC ROAD NETWORK & THE DELIVERY OF SUSTAINABLE DEVELOPMENT'.

National Highways Circular 01/2022 specifically references the need to support the needs of the freight and logistics sector and this positive approach is welcomed in informing plan-making. Paragraph 28 states:

"The policies and allocations that result from plan-making must not compromise the SRN's prime function to enable the long-distance movement of people and goods. When the company assists local authorities in the development of their plans and strategies, the local authority should ensure

⁷² AECOM, ARUP & Highways England (July 2018) 'Freight Demand Scoping Study'.

that the SRN is not being relied upon for the transport accessibility of site allocations except where this relates to roadside facilities or SRN-dependent sectors (such as logistics and manufacturing)."

Paragraph 30 continues...

"The NPPF is clear that planning policies should recognise the specific locational requirements of different economic sectors, including for storage and distribution operations at a variety of scales and in suitably accessible locations. To operate efficiently, the freight and logistics sector requires land for distribution and consolidation centres at multiple stages within supply chains including the need for welfare facilities for the drivers of commercial vehicles. For instance, some hubs serve regions and tend to be located out-of-town near the SRN, while others are 'last-mile' facilities that will support more sustainable freight alternatives in urban areas. The Future of Freight Plan sets out that a joined-up approach between the planning system, local authorities and industry can safeguard and prioritise the land needed for these uses, such that all parties should work together to identify the specific requirements in their area."

- 6.4 Mindful of the specific locational requirements of logistics development (i.e. the need to operate 24 hours a day and be located away from more sensitive uses as a result of this), and the fact that Active Travel England (ATE) are now a statutory consultee in the decision-making process, it is important that a pragmatic approach is taken to logistics developments and how sites can be accessed sustainably. There is clearly a tension between these competing considerations that counteract one another. Therefore, we would call for a review of the walking and cycling isochrones that are applied to determine whether sites are located sustainably from a transport perspective to recognise the unique locational requirements of the logistics sector.
- 6.5 Another issue faced during the determination of applications relates to assessing trip rates for certain types of logistics developments. In particular, last mile operators and, in particular, those operating a low carbon model (i.e. outward deliveries via small electric vehicles or cargo bikes/foot). There are challenges faced around the granular assessment of these uses; particularly transport modelling where the type of facility and associated movements are not comfortably considered under existing assessment models.

7.0 QUESTION 6: WHAT ASPECTS OF THE APPLICATIONS AND DECISION TAKING PROCESS WORK WELL AND WHAT ASPECTS DO NOT WORK WELL?

- 7.1 The Industrial Committee Members recognise the significant value that can be generated from well-resourced pre-application meetings. This provides more certainty, minimises risk and enables an improved understanding of the key planning issues early on in the process.
- 7.2 The format, cost, timescales and eventual reporting associated with pre-application meetings varies considerably from council to council and some key issues we experience are set out below:

Timescales/Programme	Due to resourcing issues we are finding that there are longer lead-in times between lodging the pre-application meeting request and it taking place.
Resourcing	Only certain officers are in attendance with those who aren't providing written feedback that doesn't enable a dialogue to be created.
Meeting Format	Post-COVID there has been a tendency for these to be more disjointed where either fully virtual or in a hybrid format. This presents issues in terms of information sharing; especially where only a short amount of time is allocated for the meeting.
Reporting	Feedback is often provided in a piecemeal format and can take a number of weeks post-meeting.
Follow-up Meetings	Sometimes these are not offered up and require additional payment resulting in further delay.
Split/Multiple Pre-Apps	Some local authorities are not providing highway advice comments as part of their pre-application process meaning that a separate highways pre-app process is required that sits alongside the planning pre-app. There is potential for these to be disjointed/unaligned.

- 7.3 We welcome pre-application meetings that can be tailored to the applicant's/developer's needs with allowances for follow-up meetings, if required.

CASE STUDY 41: PROLOGIS PARK LUTON.

Turley were involved in the above scheme that involved a streamlined, well-resourced pre-application process with pro-active officers arranging site visits for Members (including to other nearby developments of the Applicant), input from the Economic Development team and other Council departments.

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- 7.4 Similarly, Planning Performance Agreements (PPAs) are also hugely helpful in securing a broad programme with local planning authorities, including regular review meetings and expectations in terms of response times. Again, the process, costs and format of PPAs varies considerably across the country.

CASE STUDY 42: PLANNING PERFORMANCE AGREEMENTS (PPAs) & PRE-APPLICATION ADVICE GOOD PRACTICE.

British Land received a resolution to grant planning permission from the London Borough of Enfield in July 2023 for a 455,000 sq ft multi-level logistics hub; secured via the intensification of Strategic Industrial Land. Two PPAs were agreed between the Applicant and LPA:

- 1) Pre-application engagement to submission; and
- 2) Determination period through to issuing of the Decision Notice.

The PPAs clearly set out the target programme, outputs, procedural arrangements and associated costs. In drafting, the LPA made provision for the engagement of senior Officers, workshops with relevant internal consultees and the necessary councillor briefings. It also allowed for the planning application documentation to be scoped in full at an early stage.

The PPAs set at positive framework for dialogue between the Applicant and LPA and allowed for the planning application to be considered and determined at Planning Committee within 4 months following submission. This is an example of where the PPA framework allowed for timely decision making whilst building a positive working relationship between Applicant and LPA.

- 7.5 There can however be a real reluctance from some LPAs to use PPAs as they see it as prejudicial to the consideration of the application. In these instances, they completely forgo any financial support to assist them in the process of dealing with increasingly complex applications and, a smoother process all round is undermined (irrespective of the outcome).
- 7.6 Another significant challenge we face as an industry is where a developer/applicant has signed a PPA with the local authority, but delays occur as a result of third party consultees (e.g. National Highways, the Environment Agency, Natural England) all of whom are facing significant resourcing issues and workload backlogs. Local authorities have no control over these consultee's response times meaning that overall determination periods are commonly dictated by obtaining responses from them rendering the PPA process ineffective. As such, we welcome confirmation that National Highways are

looking at a charging schedule for the provision of paid for advice that has the potential to result in a more streamlined, expeditious process.

- 7.7 Another enormously helpful lever is the ability to have Members' Briefings early on in the planning process. This gives developers the opportunity to describe their proposals, articulate the scheme benefits and answer any queries Members may have well in advance of Planning Committee. However, this rarely forms part of the pre-application process and we would welcome stronger guidance in that respect to ensure Members are better educated about the needs and benefits of the sector. This could avoid decisions predicated on misconceptions being made against officer recommendations for approval that, in turn, puts a significant strain on local authority resources.

KEY ASK 9: STANDARDISED GUIDANCE & APPROACH TO ENABLE POSITIVE PRE-APPLICATION ENGAGEMENT AND PLANNING PERFORMANCE AGREEMENTS (PPAs)

8.0 QUESTION 7: HOW EFFECTIVE IS THE PLANNING SYSTEM AT ADDRESSING THE OPERATIONAL NEEDS OF THE FREIGHT AND LOGISTICS SECTOR AND HOW COULD THIS BE IMPROVED? HOW COULD A NATIONAL FREIGHT NETWORK BE RECOGNISED IN NATIONAL PLANNING POLICY?

- 8.1 We believe that the planning system is not currently effective at addressing the operational needs of the freight and logistics sector. We believe it could be improved through a better understanding of the sector's needs and how it operates; particularly with respect to site location and design-related decisions, as described below.

Site Location

- 8.2 The PPG states that the logistics sector '*has distinct locational requirements that need to be considered in formulating planning policies (separately from those relating to general industrial land)*'.⁷³ As such, historic employment allocations tend not to be suitable for the needs of the logistics sector that '*require significant amounts of land, good access to strategic transport networks, sufficient power capacity and access to appropriately skilled local labour*'.⁷⁴
- 8.3 The Stanton Ironworks Case Study (Case Study 31) provides an example of how the Council has carried over a previous allocation that hasn't been built out because it is in the wrong location. This is despite a clear need identified through the corresponding evidence base. This again, highlights that in considering operational needs, some Council's take a purely quantitative view on the provision of employment land rather than considering the suitability of that land for satisfying identified needs that will drive growth in the forthcoming plan period.
- 8.4 Green Belt is a principal constraint and limiting factor that precludes a considerable amount of optimally located sites from being allocated for employment uses through local plans. Much of the SRN is located on the periphery of major urban areas and engulfed by Green Belt. This compromises the ability to achieve good planning outcomes – for example, the ability to release sub-optimally located existing industrial land from a supply chain perspective for housing, and replace this capacity with modern facilities in highly efficient urban logistics locations. This directly conflicts with the operational needs of regional and

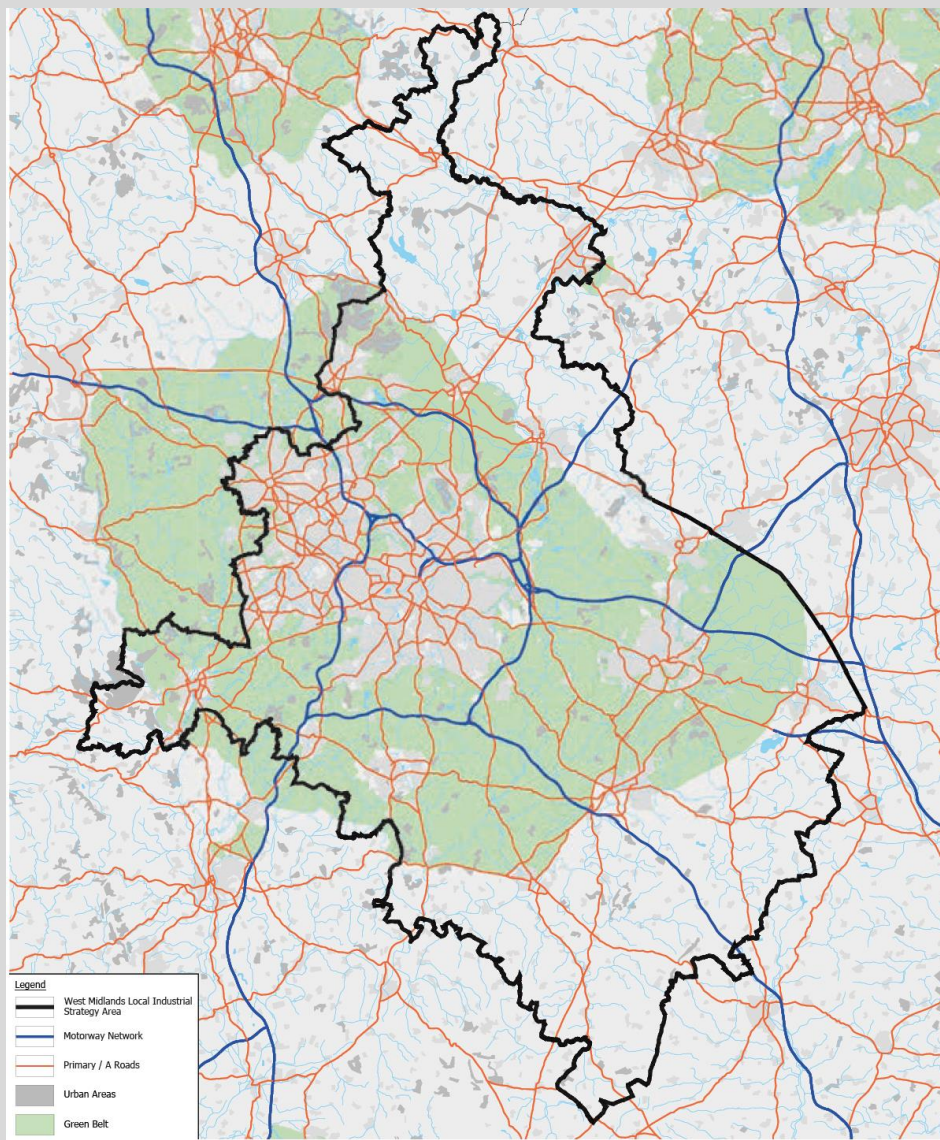
⁷³ PPG 'How Can Authorities Assess Need and Allocate Space for Logistics?' (Paragraph: 031 Reference ID: 2a-031-20190722).

⁷⁴ Ibid.

sub-regional consolidation centres that need to be in these locations to serve large populations in a sustainable manner. Not locating development in the most accessible locations for the workforce and supply chain will compromise economic performance and sustainability (i.e. resulting in more trips, congestion and emissions).

CASE STUDY 43: WEST MIDLANDS GREEN BELT HAMPERING THE DELIVERY OF STRATEGIC EMPLOYMENT SITES

Over the last 8 years there have been repeated calls through various independent studies for the Green Belt around the West Midlands (see below) to be reviewed to allow much-needed strategic employment sites to be allocated around the periphery of the conurbation.



Source: Barton Willmore (now Stantec)

The West Midlands Strategic Employment Sites Study (2015) concluded that *'the evidence suggests that to provide the quality and size required of strategic employment sites requires greenfield*

*releases, which may include Green Belt review.*⁷⁵ Following this, the West Midlands Land Commission's Final Report⁷⁶ highlighted a 'logistics crisis' (identified as being at least as pressing as the housing crisis and possibly more so) and called for immediate remedial action that included a strategic review of the Green Belt. More recently, the West Midlands Strategic Employment Sites Study (May 2021) concluded that:

*"Given that the 'Key Locations' for meeting strategic employment needs that have been considered through the approach taken are substantially affected by green belt, one next step would be for due consideration to be given to treating the need for strategic employment land across the sub-region and Study Area (as quantified by a future econometric demand assessment) as circumstances that could support the release of land from the green belt".*⁷⁷

The need for strategic employment sites was acknowledged in the West Midlands Local Industrial Strategy (May 2019) which states:

*"Work is underway to scope the need for employment land through the West Midlands Strategic Employment Site Study 2019. This will consider £10bn worth of existing opportunities in identified investor ready sites, and the West Midlands will implement a strategic programme of employment land development. This will be based on up-to-date locally led evidence of requirements in different parts of the region".*⁷⁸

Despite all of the above, the significant need for large scale employment sites has been disregarded at the local level, which demonstrates the disconnect between strategic planning and local plans. We understand that a further West Midland Strategic Employment Sites Study is being commissioned and will inevitably need to make further recommendations around Green Belt release.

- 8.5 Consideration needs to be given to the locational requirements of logistics developments in the application of Green Belt policy ('exceptional circumstances' and 'very special circumstances') in the absence of other alternatives in key locations (see London and West Midlands examples),

⁷⁵ Peter Brett Associates & JLL (September 2015) 'the economy' 'West Midlands Strategic Employments Sites Study', para, 2.27.

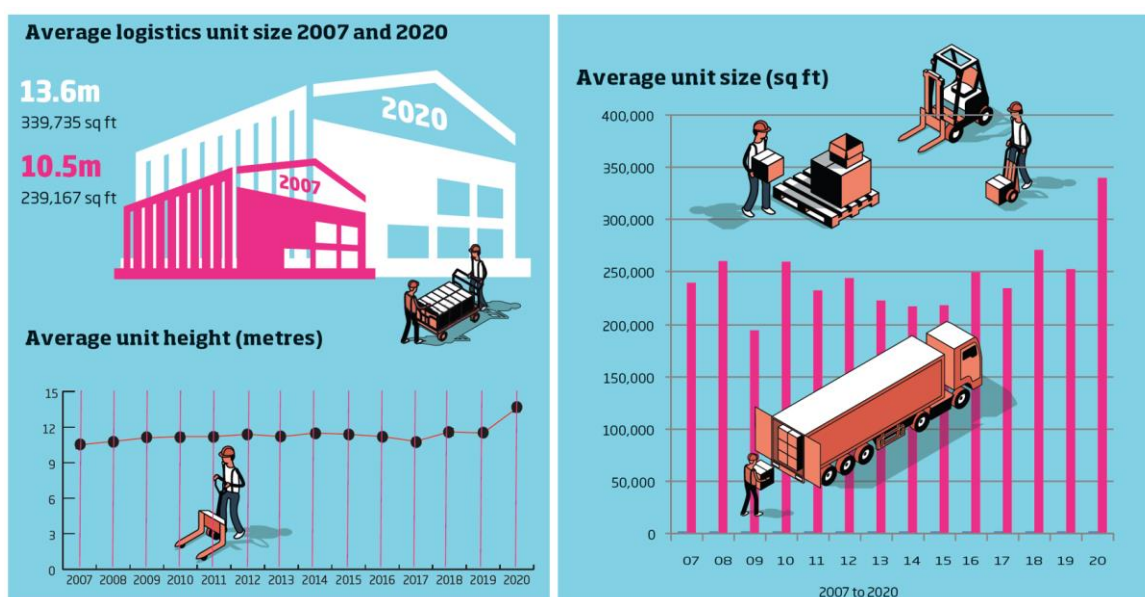
⁷⁶ West Midlands Land Commission (2017) 'Final Report to the West Midlands Combined Authority Board'.

⁷⁷ Avison Young & Arcadis (May 2021) 'West Midlands Strategic Employment Sites Study – Final Report', para. 8.9.

⁷⁸ HM Government (May 2021) 'West Midlands Local Industrial Strategy' Page 65

Design

- 8.6 The 'Levelling Up and Regeneration Bill: consultation on implementation of plan-making reforms' proposes authority-wide Design Codes that may be implemented via Supplementary Plans⁷⁹. The BPF Industrial Committee has significant concerns that local planning authorities and communities do not have the requisite knowledge around the needs of the sector to inform future design codes. Indeed, the great diversity of occupiers and building typologies (see Paragraphs 3.10-3.11) adds significant complexity as well as market requirements changing over time.
- 8.7 The sector's needs/requirements are not static but are constantly changing as a result of demand drivers that include occupier requirements (technological advancements, such as robotisation and automation, ESG and the provision of improved on-site amenities); the wider net zero agenda; land supply constraints and planning policy requirements (e.g. landscape mitigation, BNG, SuDS, and parking standards/charging infrastructure). For example, there has been a trend towards increasingly larger buildings over time to utilise the full cubic capacity of the building. That is driven by land supply constraints; the need to cope with demand volatility and quick changing trends in e-commerce (Black Friday, free returns and next day delivery); changing internal requirements (mezzanines, internal stacking and vertical storage systems and upper level automation) and allowing for vehicle entry clearance.



Source: Property Week⁸⁰

⁷⁹ DLUHC (July 2023) 'Levelling-up and Regeneration Bill: consultation on implementation of plan-making reforms'. para. 176.

⁸⁰ Property Week (18th September 2020) 'The big shed shift from box to cube'.



Source: Turley 'Playing to Our Industrial Strengths'⁸¹

The fast changing pace of market requirements is highlighted in the GLP's Magna Park Lutterworth case study below:

CASE STUDY 44: MAGNA PARK, LUTTERWORTH

GLP had an issue at Magna Park Lutterworth, whereby as part of their hybrid planning application in June 2015, they included a Parameters Plan to inform building heights. However, by the time the permission was granted at appeal in April 2019, occupier operational requirements had moved on. Occupiers now require taller buildings to facilitate more sophisticated racking systems and automation. As a consequence, GLP had to reduce the ground levels for each building plot so that increased building heights (+3m) could be achieved in order to respond to market requirements. Four of the seven plots have been completed and are occupied.

It was considered at the time, that to vary the approved Parameters Plan would have been too risky and time-consuming despite being a significantly more cost-effective and more sustainable solution than reducing ground levels.

- 8.8 It is important, therefore, that policies and planning decisions reflect the needs of the market to avoid superfluous determination periods to arrive at market facing outcomes, as Tritax's Symmetry Park example below highlights.

CASE STUDY 45: SYMMETRY PARK, RUGBY – INCREASED HEIGHTS

Tritax Symmetry secured a 35 hectare allocation of employment land as part of the wider South West Rugby urban extension in Rugby Borough Council's Local Plan in June 2019.

An outline planning application, accompanied by an Environmental Statement and Landscape and Visual Assessment, was submitted in November 2017 to support the site's allocation in the Local Plan. The outline application sought planning permission for market-facing modern and efficient buildings of up to 18m to ridge (15m clear internal) at the front of the site based on accepted institutional parameters for the scale of units proposed and occupier requirements.

⁸¹ Turley (May 2021) 'Playing to Our Industrial Strengths', Page 6.

Rugby Borough Council were concerned that this height exceeded that previously approved on other earlier nearby logistics developments. Based on their historic understanding of market requirements for modern logistics buildings, and in the absence of an occupier at the time, they requested a reduction in height. To avoid a refusal of planning permission, amended parameter plans were duly submitted, reducing the height to a maximum of 15m to ridge, with planning permission subsequently granted in November 2020.

In the intervening period, discussions had progressed with an occupier, Iron Mountain, who were seeking two buildings at the original height sought. Due to Rugby Borough's historic view on what constituted an institutionally-acceptable building height, and the fast-moving evolving nature and requirements of the logistics sector, Tritax Symmetry had to submit a new detailed application for these two units.

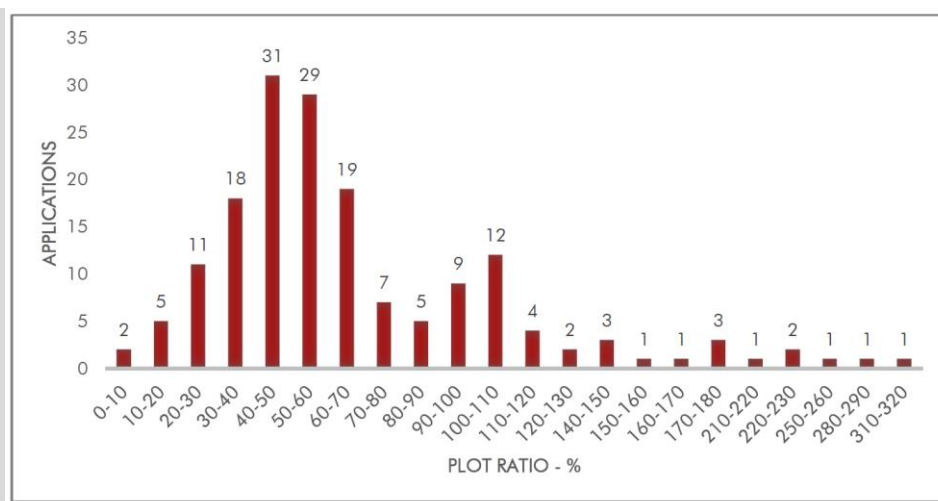
The scheme originally assessed had not changed, but further costs, risk and delays had to be incurred in the planning process in submitting a new detailed application for these two units in December 2020, with the investment ultimately secured and planning permission granted in May 2021.

- 8.9 Some local authorities are relying heavily on intensification/densification to satisfy their storage and distribution needs. In light of the above, this strategy doesn't always achieve increases in efficiency, because of the important role of yards and other infrastructure. The below London Plan case study demonstrates that over-prescriptive policy can have an adverse effect on operational efficiency: something that needs to be considered carefully in the preparation of future design codes.

CASE STUDY 46: THE DRAFT LONDON PLAN'S PROPOSED 65% PLOT RATIO

SEGRO, and others within the sector, provided detailed evidence to challenge the proposed minimum 65% plot ratio that was included in earlier draft versions of The London Plan before it was adopted.

Analysis undertaken by CBRE looked at the spread of plot ratios across relevant planning applications and found that, if the proposed policy was in place, fewer than half of applications in recent years would be approved under the policy as they would fall short of the 65% plot ratio.



Based on the findings, the mean average plot ratio was found to be 45% and confirmed developers' concerns that the proposed plot ratio requirement would threaten the delivery of much needed new space in the urban logistics sector. This was accepted by the Inspector who recommended that it was removed from the plan.

"The Plan assumes an average plot ratio of 65% building footprint to 35% outside space based on analysis of a wide range of industrial sites¹⁸². However, there is a significant amount of evidence from boroughs and industrial site developers and occupiers of much lower plot ratios in some areas and for some uses, including storage and distribution. Whilst this does not mean that the average of 65% could not be achieved in the future, it does suggest that it may be challenging in some locations and for some types of development."⁸²

- 8.10 We also regularly come across local planning authorities insisting upon developers including green roofs in their developments without considering the practicalities of their requests. Whilst green roofs can be delivered on ancillary buildings, such as gatehouses, cycle stores and offices, generally there are issues associated with delivering these on the larger warehouse elements. This relates to guarantees; the need for further foundation and frame reinforcement due to additional weight (increasing embodied carbon); fire risk if left to dry out meaning irrigation needed (resulting in increased cost and maintenance); and limiting roof space for PV and rooflights.
- 8.11 The above demonstrates that it is the development industry and occupiers who have the best understanding of how logistics developments will operate now and into the future. Accordingly, they are best placed to formulate design codes. Developers will also want to reinforce their corporate

⁸² The Planning Inspectorate (8th October 2019) 'Report to the Mayor of London', para. 415.

identity through the recognisable branding of units that needs to be built into this process. As such, there may be a requirement to treat on-plot and off-plot (i.e. strategic landscaping) separately.

- 8.12 We believe the establishment of a centralised National Industrial Design Service could lend support to local authorities, as and when required. This could comprise of a panel of leading industrial experts (to include commercial architects) mandated to disseminate design advice. They would meet regularly to discuss best practice examples, likely future market trends and how these should be transposed into design codes/planning policy. The BPF Industrial Committee would be happy to develop this idea alongside Government and make recommendations, where helpful.

KEY ASK 10: IMPROVED TRAINING FOR OFFICERS, MEMBERS, DESIGN REVIEW PANELS AND LOCAL PLAN/APPEAL INSPECTORS ON THE BENEFITS AND NEEDS OF THE FREIGHT AND LOGISTICS SECTOR.

- 8.13 Our response to how the planning system can effectively plan for a National Freight Network is covered by Key Ask 1 and the production of the NSCIF that is elaborated upon further under Question 10.

9.0 QUESTION 8: HOW CAN THE PLANNING SYSTEM SUPPORT OUR NET ZERO AMBITION FOR FREIGHT AND LOGISTICS?

- 9.1 The BPF is proud of its role in leading a collective push towards a more sustainable future. In June 2022, it launched the Net Zero Pledge⁸³, which calls on its Members to be net zero carbon by 2050 at the very latest. The Members who sign up to the Pledge commit to three actions:
- 1) Members must sign up to net zero targets and plans;
 - 2) commit to sharing research, knowledge and insight on an open-source basis; and
 - 3) commit to supporting each other and the wider industry to speed up the transition to net zero.
- 9.2 The Net Zero Pledge currently covers 46 million ft² of industrial floorspace and the BPF continues to complement its ambitions through published research, such as 'Towards Net Zero: Challenges opportunities and policy recommendations'.⁸⁴

Sustainably Located Sites

- 9.3 Ensuring the planning system directs development to the most sustainable locations is a fundamental starting point in reducing carbon emissions. Using London as case in point, the NIC's 'Future of Freight: Interim report' states "*The limited supply of affordable, suitable premises in central locations means that logistics providers need to look further afield for the right solution. Some commentators have referred to this trend as 'logistics sprawl' – logistics providers can no longer find affordable premises in central London and so 'sprawl' further and further from the centre, and then out of the city altogether. This increases a providers' stem mileage (the distance from the distribution point to the first delivery address) – wasting a larger proportion of the journey distance, with knock-on effects for emissions, congestion, and operational efficiency.*"⁸⁵ It is evident from the London Plan case study below that strategic planning in the capital is not responding appropriately to alleviate this issue.

CASE STUDY 47: LONDON'S GREEN BELT

The London Plan Inspector's Report noted the following:

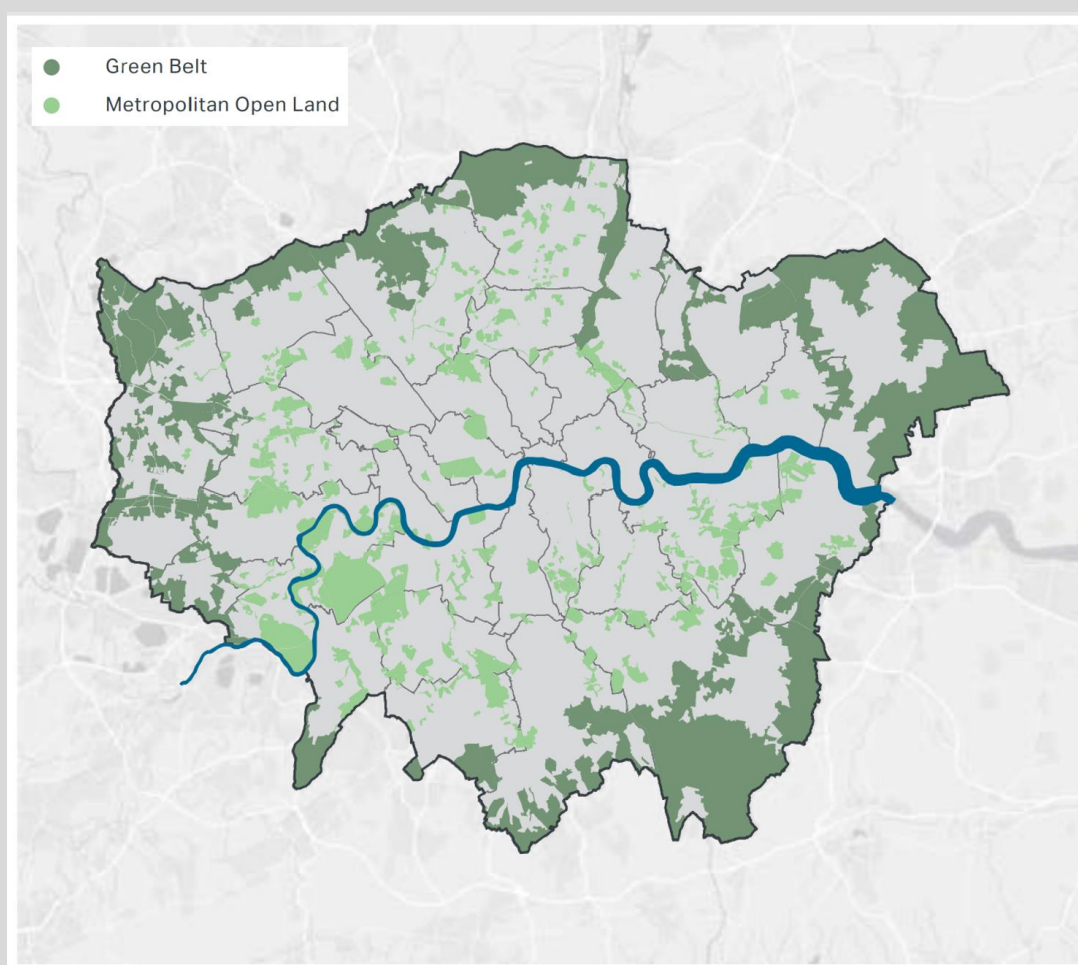
⁸³ <https://bpf.org.uk/net-zero-pledge/>

⁸⁴ https://bpf.org.uk/media/5945/towards_net_zero.pdf

⁸⁵ NIC (December 2018) 'Future of Freight: Interim Report', pg. 23.

"Storage and distribution uses are expected to require more land amounting to between 280 and 400 hectares...However, there have been significant changes in storage and distribution operations in recent years, including related to online shopping, and these trends are expected to continue. This, and significant population growth, could mean that more land, or sites in new locations, will be needed for B8 uses than is assumed in the Plan..."

*...All of the above indicates that there is likely to be a need, in quantitative terms, for more industrial land to meet future demand over the plan period to 2041 than assumed in the Plan. Whilst we cannot precisely quantify the requirement, it could be many hundreds of hectares..."*⁸⁶



Given London is densely developed, there are significant land supply constraints that mean the only way to allocate suitable sites for storage and distribution uses would be release Green Belt land. Accordingly, the London Plan Inspector's Report stated:

⁸⁶ The Planning Inspectorate (8th October 2019) 'Report to the Mayor of London', paras. 414 & 418,

*"We conclude elsewhere that the Plan be modified to include reference to a future strategic, London-wide Green Belt review. This should ensure that medium to longer term industrial needs can be met in sustainable locations if monitoring of this Plan indicates that policies E4 to E7 are not likely to be effective in achieving that aim."*⁸⁷

Despite the above sensible recommendation, the reference to a future strategic London-wide Green Belt Review was not included in the adopted version of The London Plan. This effectively means that logistics facilities serving the capital are pushed out further away from it, increasing travel distances and resulting in a less sustainable pattern of development.

On Site Sustainability Measures

- 9.4 Reducing carbon emissions is at the very heart of decisions made day-to-day around the construction and operational phases of logistics developments. Indeed, this is becoming a differentiator: providing a competitive advantage for both developers and occupiers alike as they push the boundaries of their sustainability credentials. Often this involves exceeding policy expectations as the below case study demonstrates.

CASE STUDY 48: BRACKMILLS GATEWAY

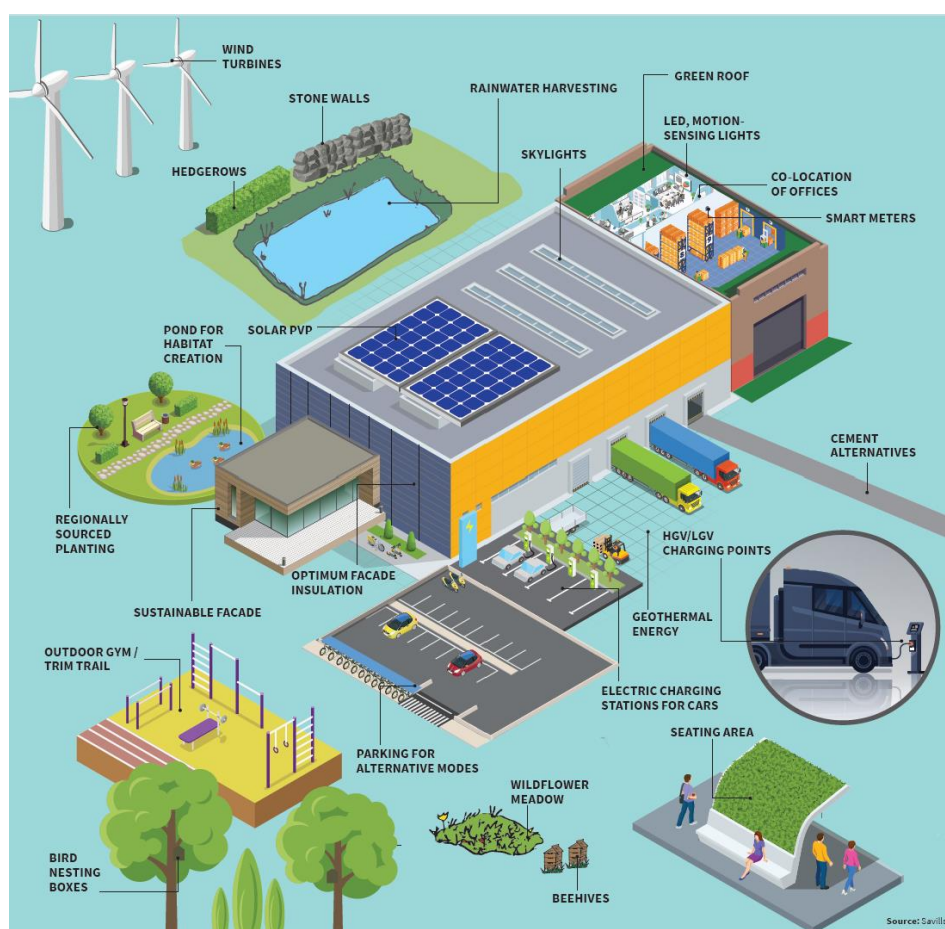
Newlands Developments and M&G have recently re-developed the former Howdens site at Brackmills Industrial Estate in Northampton. Whilst West Northamptonshire's policy position required a BREEAM 'Very Good' score, Newlands secured planning for BREEAM 'Excellent' at the planning stage, which was further enhanced to BREEAM 'Outstanding' at the delivery stage.

- 9.5 Therefore, by supporting the development of more environmentally-friendly and energy efficient buildings (with operators moving away from less environmentally-friendly, inefficient buildings that can be re-developed for other uses), local authorities are contributing to the net zero agenda.
- 9.6 There are plenty of on-site sustainability measures that developers are incorporating into their schemes to satisfy the objectives of their corporate ESG strategies and there is a significant and growing body of literature pertaining to how the sector continues to push the boundaries of sustainability. This includes Avison Young's 'Building Zero: The Road to

⁸⁷ Ibid. para. 425

Zero Carbon Logistics⁸⁸, Burges Salmon's 'Getting To Net Zero: Ensuing Energy Resilience For Industrial & Logistics'⁸⁹ and Turley's 'Accelerating Logistics Towards Net Zero'⁹⁰.

- 9.7 Turley's report contains a number of case studies (see Amazon and Electric River⁹¹; East Midlands⁹²; Smithfields and GLP Magna Park⁹³; Barking, Amazon and TfL/GLA⁹⁴) that demonstrate the sector's growing commitment to net zero. Similarly, additional case studies are contained in Section 4 of the BPF's Levelling Up: The Logic of Logistics Report (Appendix 4)(GLP Magnitude 314⁹⁵, DPD, Symmetry Park⁹⁶, St Modwen Sustainability Commitments⁹⁷ and SEGRO's beehives⁹⁸).



⁸⁸ <https://avison-young.foleon.com/marketing-uk/building-zero/>

⁸⁹ <https://www.burges-salmon.com/ensuring-energy-resilience-for-industrial-and-logistics#:~:text=industrial%20and%20logistics-,%20to%20Net%20Zero%3A%20Ensuring%20energy%20resilience%20for%20industrial%20and,%20logistics%20buildings%20underpin%20the%20economy.>

⁹⁰ <https://www.turley.co.uk/news/new-report-demands-government-policy-action-allow-logistics-sector-decarbonise>

⁹¹ Ibid, pg 7.

⁹² Ibid, pg 9.

⁹³ Ibid pg 11

⁹⁴ Ibid pg 13.

⁹⁵ BPF (January 2022) 'Levelling Up: The Logic of Logistics', pg. 32

⁹⁶ Ibid pg 35

⁹⁷ Ibid pg 38

⁹⁸ Ibid pg 39.

De-carbonising Deliveries

- 9.8 Consolidation is one way operators can reduce the number of vehicles movements linked to their operations, which reduces emissions. This is something that may become increasingly prevalent in supply chains as the sector seeks to reduce the amount of HGV's/LGVs travelling into urban areas – please see case studies below.

CASE STUDY 49: CONSOLIDATION 22 BISHOPSGATE

When Brookfield Multiplex's 62-floor skyscraper at 22 Bishopsgate received planning permission in 2016, the City of London Corporation gave that permission only on the proviso that the development used a consolidation centre for its deliveries secured via the corresponding Section 106 agreement.

Consolidation of deliveries is key to facilitating change at these city-based sites as it puts direct control into the supply chain. This means vehicles can be requested to make deliveries from the consolidation centre at specific times and in small delivery windows that aligned with the Mayor's proposal for a 10% reduction in peak freight traffic deliveries in Central London.⁹⁹

CASE STUDY 50: SEGRO SMARTPARC, DERBY

SmartParc partnered with SEGRO to deliver a 2m sq ft high-tech food manufacturing and distribution campus on a 155-acre site in Derby. The flagship site will be home to the first low-carbon food manufacturing community offering a shared distribution hub and services whilst working together to improve sustainability and reduce costs.

From design and material selection, to support for eventual occupiers, SmartParc and SEGRO seek to ensure excellent environmental performance and bold efficiency gains at the ground-breaking site.

Third party logistics companies (3PLs) and urban logistics/last mile operators are making significant changes to their operations to assist with the push to more sustainable deliveries as the below case studies demonstrate (see also Page 36 of the BPF Levelling Up: The Logic of Logistics).

⁹⁹ Property Week (21st February 2020) 'Delivering Change', pgs. 24-26.

CASE STUDY 51: DPD WESTMINSTER

DPD's 5,000 sq ft facility in Westminster acts as a satellite for their existing 63,000 sq ft London City depot (in Southwark). Previously it operated 15 x 3.5t diesel vehicles in Central London every day, averaging 614 miles to deliver 3,024 parcels. Of these 614 miles, 180 involved unproductive STEM mileage driving, from DPD London City to the final mile delivery area. It averaged 0.203 miles per parcel using 3.5t diesel vehicles. The whole operation produced 45 tonnes of CO₂ per annum (113.94 grams of CO₂ per parcel).

The diesel vehicles have been now been replaced by two electric 7.5t Mitsubishi Fuso eCanter running daily trunk routes between London City and Westminster where the parcels are then sorted on to final mile electric vehicles. The 'miles per parcel' figure has reduced by a massive 49.2% to 0.103 miles per parcel. This more efficient operation now produces zero tonnes of CO₂ per month versus 45 tonnes of CO₂ per annum before the site opened.

CASE STUDY 52: PADDINGTON CENTRAL

British Land recently secured planning permission for a 120,000 sq.ft ultra-low carbon logistics hub at Paddington Central, servicing Central London with low carbon deliveries. The ultra-low carbon hub will provide inbound access to HGVs and outbound deliveries via smaller electric vehicles and electric cargo bikes. With its excellent road and cycle connectivity, the former Crossrail works site will serve the whole of Westminster and will remove around 100 large vans from the Borough's roads every day, reducing annual carbon emissions by up to 90%¹⁰⁰. The 90% figure was informed by recent research published by Centre for London and University College London (commissioned by British Land) which identifies carbon savings on the last mile journey of up to 90% vs. using traditional (internal combustion engine) vans. Delivery by cargo bike is also considered to be 1.6 times faster on average than delivery by van and can enable a reduction in total distance travelled of up to 20%¹⁰¹.

¹⁰⁰ [UCL research](#) & [Centre for London](#)

¹⁰¹ According to data from [PedalMe](#)

10.0 QUESTION 9: WHAT MORE COULD LOCAL PLANS AND DECISIONS DO TO FACILITATE THE SUPPLY OF HIGH-QUALITY HGV PARKING AND DRIVER FACILITIES?

- 10.1 The BPF Industrial Committee support the reference to providing adequate overnight lorry parking facilities in the first part of NPPF Paragraph 109. However, the co-location of strategic logistics sites with lorry parking can lead to greater concentrations of HGVs as it attracts those not connected to the site so each proposal must be considered on its own merits.

11.0 QUESTION 10: HOW CAN PLANNING POLICY IN ENGLAND HELP TO SUPPORT THE FREIGHT AND LOGISTICS SECTOR ACROSS THE WHOLE OF THE UK?

- 11.1 The BPF Industrial Committee would be supportive of the Government preparing a National Supply Chain Infrastructure Framework (NSCIF) that would sit alongside the NPPF and PPG to help deliver key objectives relating to the freight and logistics sector and importantly reinforce its role as significant national infrastructure.
- 11.2 It is our assertion that the NSCIF would be prepared following detailed consultation with inputs from the local authorities, the development industry and other key stakeholders. Whilst the content would need to be agreed this could comprise the following elements to guide strategic decisions made around the sector:

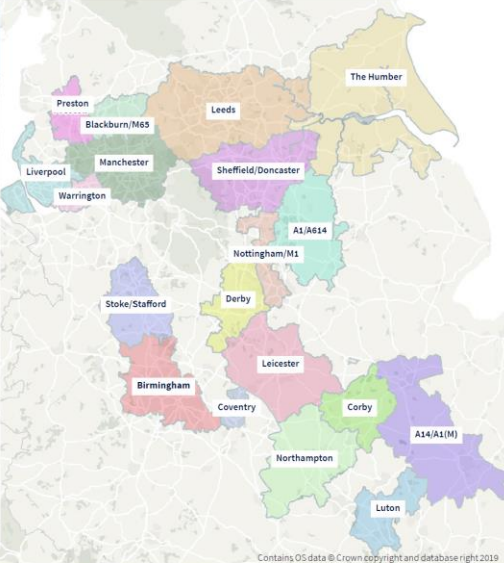
Suggested NSCIF Content	Comments
Highlighting key infrastructure assets	The document would identify key infrastructure assets deemed as essential to national supply chains (the SRN, rail, ports (including airports) and SRFIs).
Reinforcing Clustering/Agglomeration Benefits	Current national planning policy guidance ¹⁰² encourages the clustering of activity that can generate substantial catalytic impacts and benefits for the economy. The PPG ¹⁰³ notes that the clustering of logistics can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as driving the economic prospects of the areas in which they locate. Indeed, high logistics density was linked to an additional 1.3% GDP per capita growth at local authority level over the 2012/2019 period ¹⁰⁴ . Moreover, the NIC ¹⁰⁵ supports the clustering of related activities within a supply chain. Minimising the distance from the distribution point to the first delivery address, allows for the more intensive, optimised use of vehicles and is the most effective way of managing freight's impacts on congestion and air quality, while allowing efficient operations. This would also reinforce the importance of SRFIs as a focus for growth and the prioritisation given to rail linked sites through the NSIP process that is fully supported by the BPF Industrial Committee.
Corridor Analysis	Building on the above, and mindful of National Highways and Network Rail's 'Solent to the Midlands Multi-modal

¹⁰² DLUHC (September 2023) 'National Planning Policy Framework', para 83 & PPG (Paragraph: 032 Reference ID: 2a-032-20190722).

¹⁰³ Paragraph: 032 Reference ID: 2a-032-20190722

¹⁰⁴ Frontier Economics (June 2022) The Impact of Logistics Sites in the UK.

¹⁰⁵ National Infrastructure Commission (April 2019) Better Delivery: The Challenge for Freight.

	<p>Freight Strategy'¹⁰⁶, the NSCIF could identify key corridors where strategic employment sites should be focussed and where further analysis should be undertaken. This would require multi-agency inputs from a number of stakeholders including National Highways and Network Rail, as well as other freight operators to consider alongside investment programmes and capacity assessments.</p>																																						
Defining FEMAs/Market Areas	<p>To avoid an inconsistent, piecemeal approach to the calculation of employment needs, the NSCIF could look to define a mosaic of best fit FEMAs/Market areas used for the calculation of employment need in Key Ask 2.</p> <p>This would require a detailed evidence-based analytical underpinning and would be subject to regular review. Indeed, the below taken from the BPF's Levelling Up: The Logic of Logistics (Appendix 4) looked at the calculation of 'supressed demand' within certain defined market areas that could be extended as part of the NSCIF:</p> <p>Markets Tested for Supressed Demand in England</p> <table> <tr> <th>Market</th><th>Supressed demand uplift %</th></tr> <tr><td>A1/A614</td><td>38%</td></tr> <tr><td>A14/A1(M)</td><td>9%</td></tr> <tr><td>Birmingham/M65</td><td>29%</td></tr> <tr><td>Blackburn/M65</td><td>30%</td></tr> <tr><td>Corby</td><td>70%</td></tr> <tr><td>Coventry</td><td>21%</td></tr> <tr><td>Derby</td><td>30%</td></tr> <tr><td>Leeds</td><td>42%</td></tr> <tr><td>Liverpool</td><td>7%</td></tr> <tr><td>Luton</td><td>72%</td></tr> <tr><td>Manchester</td><td>35%</td></tr> <tr><td>Northampton</td><td>20%</td></tr> <tr><td>Nottingham/M1</td><td>28%</td></tr> <tr><td>Preston</td><td>32%</td></tr> <tr><td>Sheffield/Doncaster</td><td>27%</td></tr> <tr><td>Stoke/Stafford</td><td>29%</td></tr> <tr><td>The Humber</td><td>24%</td></tr> <tr><td>Warrington</td><td>6%</td></tr> </table>  <p>The above would form the basis of MoUs/SoCG that are required under Key Ask 2 and frame areas where the identified need has to be met in full.</p>	Market	Supressed demand uplift %	A1/A614	38%	A14/A1(M)	9%	Birmingham/M65	29%	Blackburn/M65	30%	Corby	70%	Coventry	21%	Derby	30%	Leeds	42%	Liverpool	7%	Luton	72%	Manchester	35%	Northampton	20%	Nottingham/M1	28%	Preston	32%	Sheffield/Doncaster	27%	Stoke/Stafford	29%	The Humber	24%	Warrington	6%
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¹⁰⁶ National Highways & Network Rail (June 2021) "Solent to the Midlands Multi-modal Freight Strategy'.

Appendix

Appendix 1 BPF Logistics Reports Recommendations Summary

<https://bpf.org.uk/media/6726/appendix-1-logistics-report-recommendations-summary.pdf>

Appendix 2 BPF's proposed Changes to National Planning Policy Guidance

<https://bpf.org.uk/media/6727/appendix-2-proposed-changes-to-national-planning-policy-guidance.pdf>

Appendix 3 Draft Bassetlaw Policy ST5

<https://bpf.org.uk/media/6728/appendix-3-draft-bassetlaw-policy-st5.pdf>

Appendix 4 BPF Levelling Up-Logic of Logistics Report (January 2022)

<https://bpf.org.uk/media/6729/appendix-4-bpf-levelling-up-logic-of-logistics-report-january-2022.pdf>

Appendix 5 South Cambridgeshire Local Plan Policy E11

<https://bpf.org.uk/media/6730/appendix-5-south-cambridgeshire-local-plan-policy-e11.pdf>

Appendix 6 Harborough Local Plan Policy BE1

<https://bpf.org.uk/media/6731/appendix-6-harborough-local-plan-policy-be1.pdf>

Appendix 7 Warwick Local Plan Policy DS16

<https://bpf.org.uk/media/6732/appendix-7-warwick-local-plan-policy-ds16.pdf>

Appendix 8 North West Leicestershire Policy EC2

<https://bpf.org.uk/media/6733/appendix-8-north-west-leicestershire-policy-ec2.pdf>

Appendix 9 Bedford 72S Additional Strategic Employment Development

<https://bpf.org.uk/media/6734/appendix-9-bedford-72s-additional-strategic-employment-development.pdf>

Appendix 10 Cherwell SLE1 Employment Development

<https://bpf.org.uk/media/6735/appendix-10-cherwell-sle1-employment-development-1.pdf>

Appendix 11 NNJCS Logistics Policy 24

<https://bpf.org.uk/media/6736/appendix-11-nnjcs-logistics-policy-24.pdf>