

# Breakout 4: Planning for Logistics



**RTPI**  
Royal Town Planning Institute

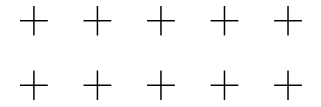
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**Richard Hickman** - Head of Planning, St Modwen Logistics

**Hollie Howe** – Planning Director, St Modwen Logistics

**Mark Powney** - Economics Director, Savills

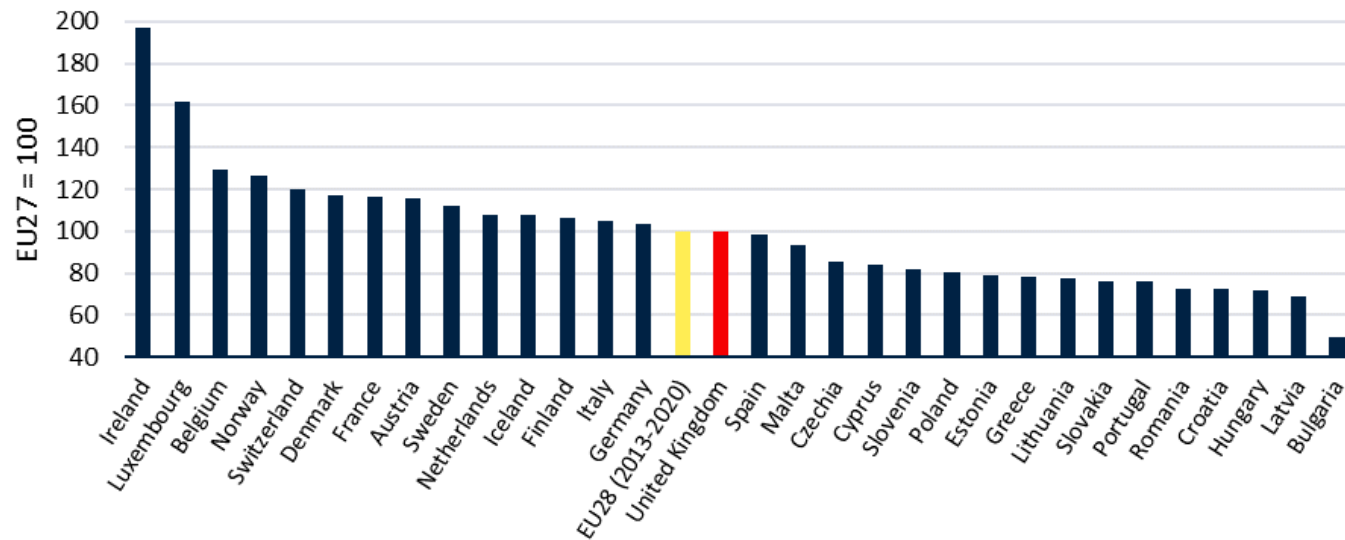
**Georgie Sheard** – Senior Economist, Savills



# LOGISTICS - WHAT IS IT?

# WHY DO WE NEED TO PLAN FOR IT AND WHAT ARE ITS BENEFITS?

LABOUR PRODUCTIVITY PER PERSON EMPLOYED (2021)

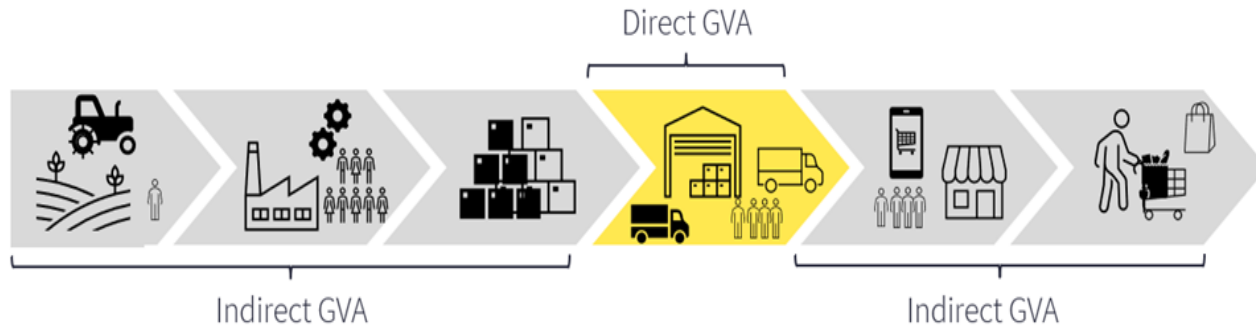


The UK's labour productivity currently lags many of its western European peers. Improving the UK's labour productivity will become increasingly important in a post Brexit world.

The ONS predicts the I&L sector to experience productivity growth of 29% between 2025 and 2039, compared to 18% across the UK economy as a whole.

The productivity gap highlights the need for the UK to accommodate growth in more productive sectors of the economy where demand is strong, such as the I&L sector.

# WHY DO WE NEED TO PLAN FOR IT AND WHAT ARE ITS BENEFITS?



The logistics sector stores and distributes material and products used or sold by other companies as part of their operations.

These inputs and outputs generate economic value that logistics has played a vital role in helping to realise



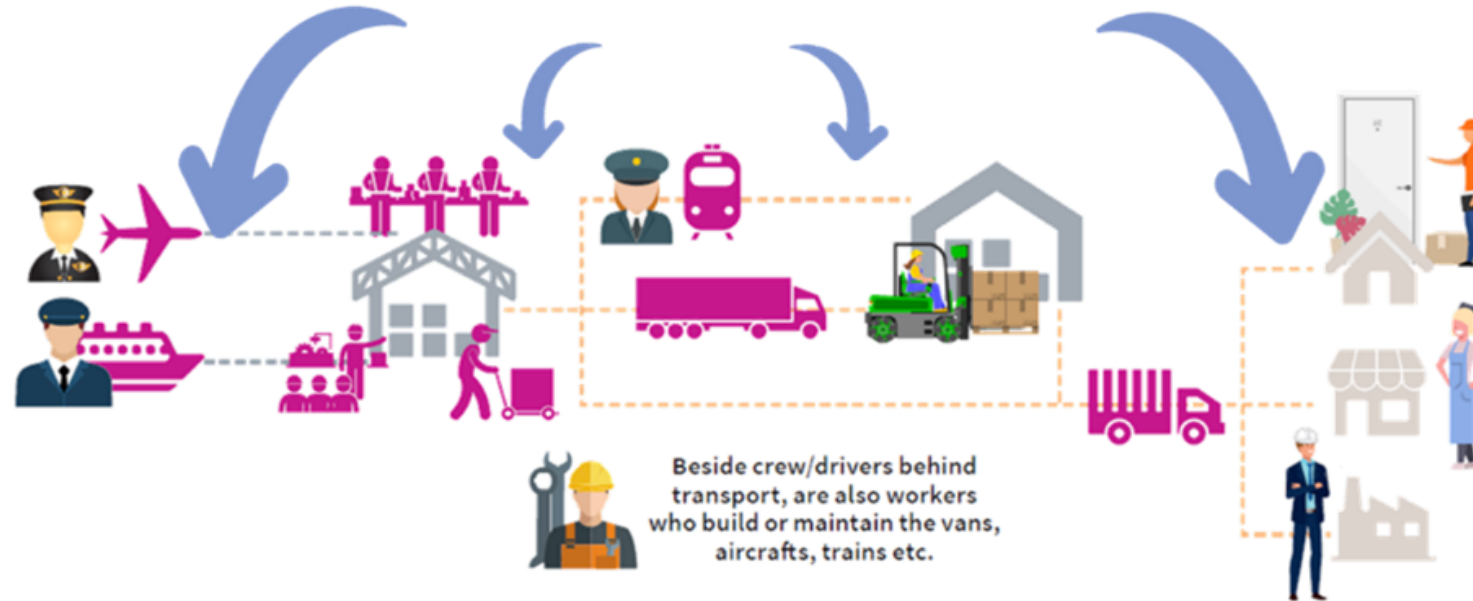
The indirect GVA generated by the logistics sector in the UK is 2.7 times higher than its direct GVA contribution

>>> **CRITICAL NATIONAL INFRASTRUCTURE**

# WHY DO WE NEED TO PLAN FOR IT AND WHAT ARE ITS BENEFITS?

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## WIDER SUPPLY-CHAIN JOBS ACROSS THE LOGISTICS SECTOR

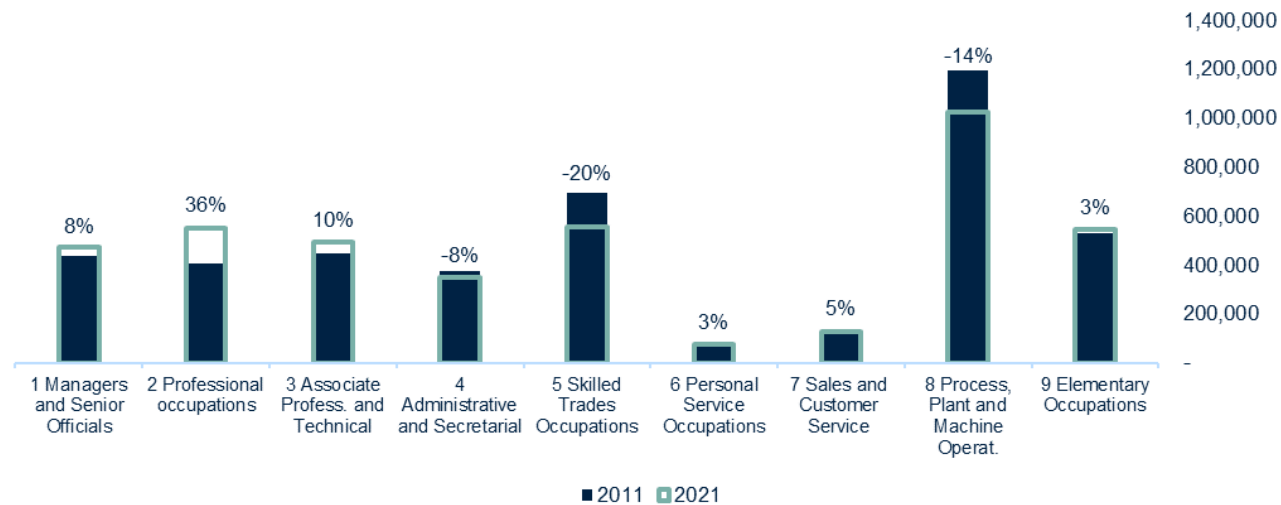


For **every 10** new **warehousing / factory** jobs created, **another 7-12 jobs** are created **offsite** across the wider supply chain.

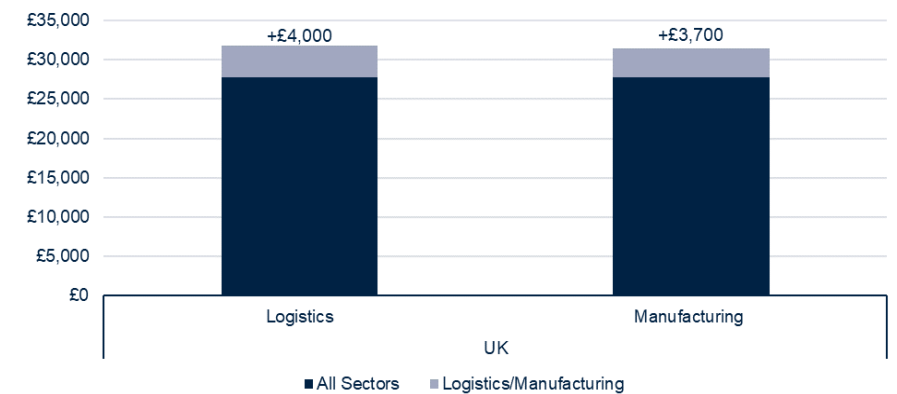
# WHY DO WE NEED TO PLAN FOR IT AND WHAT ARE ITS BENEFITS?



OCCUPATIONAL DISTRIBUTION IN INDUSTRIAL & LOGISTICS (2011 vs 2021) – UK



ANNUAL GROSS EARNINGS (2022)  
LOGISTICS/MANUFACTURING VS ALL SECTORS





# OVERCLOCKERS CASE STUDY



- Assembly of bespoke PCs
- 100+ employees on site
- Office based functions as well as assembly and logistics
- Clients include a formula one team and a police force
- Parts sourced globally
- School leavers trained on the job

>>> Previous Overclockers warehouse



>>> Overclockers new warehouse in Stoke



## OVERCLOCKERS CASE STUDY

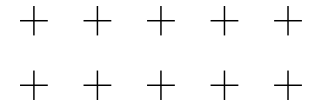


“ Our workforce is highly skilled – we configure some of the world’s most powerful personal computers – so a significant proportion of the team are hired as apprentices and trained on the job.

**Our new unit will allow us to continue employing and nurturing a highly skilled local workforce in the Stoke area.**

”





# THE PLANNING CHALLENGES

# STRATEGIC PLANNING

>>> Global



>>> National



>>> Regional



>>> Urban



# SUB-REGIONAL AND REGIONAL LOGISTICS DEVELOPMENTS

## >>> Landscape and visual impact



St. Modwen Park Chippenham

## >>> The Green Belt



St. Modwen Park Tamworth

## >>> Highways improvements



St. Modwen Park Uttoxeter

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# URBAN AND LAST MILE LOGISTICS

>>> Noise/nuisance (24/7 operations)

>>> Highways impact

>>> Air quality



Zenith 105, Wembley



St. Modwen Park Avonmouth

# THE SYSTEM IS FAILING

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The failings of the Local Plan system are evidenced in the data relating to 578 appeals.

**INDUSTRIAL & LOGISTICS FLOORSPACE APPROVED VIA APPEAL (1ST JULY 2017 TO 30TH JUNE 2022)**



Not only does the appeal process slow down investment which impacts the economy, the 21.5 million sq.ft of industrial & logistics floorspace approved at appeal in the last 5 years equates to over 21,000 on-site jobs and £1.3 billion GVA.



# THE SYSTEM IS FAILING

## Tamworth

- Unallocated site, just beyond the Green Belt
- Delays to Local Plan review
- No strategic employment land allowance
- Landscape/gap objection too, but appeal successful
- 850,000 sqft of employment – 1,200 on-site jobs, £75 million in Gross Value Added (GVA)



>>> St. Modwen Park Tamworth

# THE SYSTEM IS FAILING

## Basildon

- Council started work on new Local Plan in 2014
- Hybrid planning app prepared by St Modwen for site comprising 48ha of employment uses, allocated in draft Local Plan
- Members voted to withdraw Draft Local Plan in March 2022 and saved policies of the 2007 Basildon District Plan now current planning policy
- Due to historic supply constraints Basildon has lost around 48% of demand.
- Since Local Plan withdrawn, 14 planning appeals - 6 against officer recommendation, 2 on non-determination. 7 appeals have been allowed.



>>> Land at Basildon

## MEETING DEMAND - POLICY

“ Planning policies and decisions should recognise and address the specific locational requirements of different sectors.

This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for **storage and distribution operations at a variety of scales and in suitably accessible locations.**

”

Source: Paragraph 83, National Policy  
Planning Framework, updated Sept 2023

# MEETING DEMAND – GUIDANCE

## PAST TRENDS

Project forward future demand based on either **historical completions** or **historic net absorption** (take up)



Underestimates future need as **the I&L sector** has been **supply constrained for the majority of the last decade**



## MARKET SIGNALS

**Consultations** with relevant organisations, studies of business trends and understanding of innovative and changing business models



Not sufficient on its own, most **agents do not take a longer-term view** which is essential to forecasting employment land need. Transactional focus, not land focus.



## LABOUR SUPPLY

Demographically derived assessments of current and future local labour supply > usually look at **housing growth** either within LA or wider FEMA



Housing growth at the local level has no relationship to **I&L markets** which have a **more regional demand** profile. A local focus restricts need.



## LABOUR DEMAND

Use **3<sup>rd</sup> party job projections** such as Oxford Economics, Experian etc. and translate into floorspace requirements



**No transparency** and therefore limited scrutiny. **Does not have a land focus**, which is the core requirement to facilitate I&L growth.





# ESG – A POSITIVE

## Environmental



>>> Longbridge: BREEAM 'Outstanding'

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BREEAM 'Excellent'



Photovoltaic solar panels



Recycled materials



20% EV charging



Minimum offering to our customers



Electric heating and cooling system



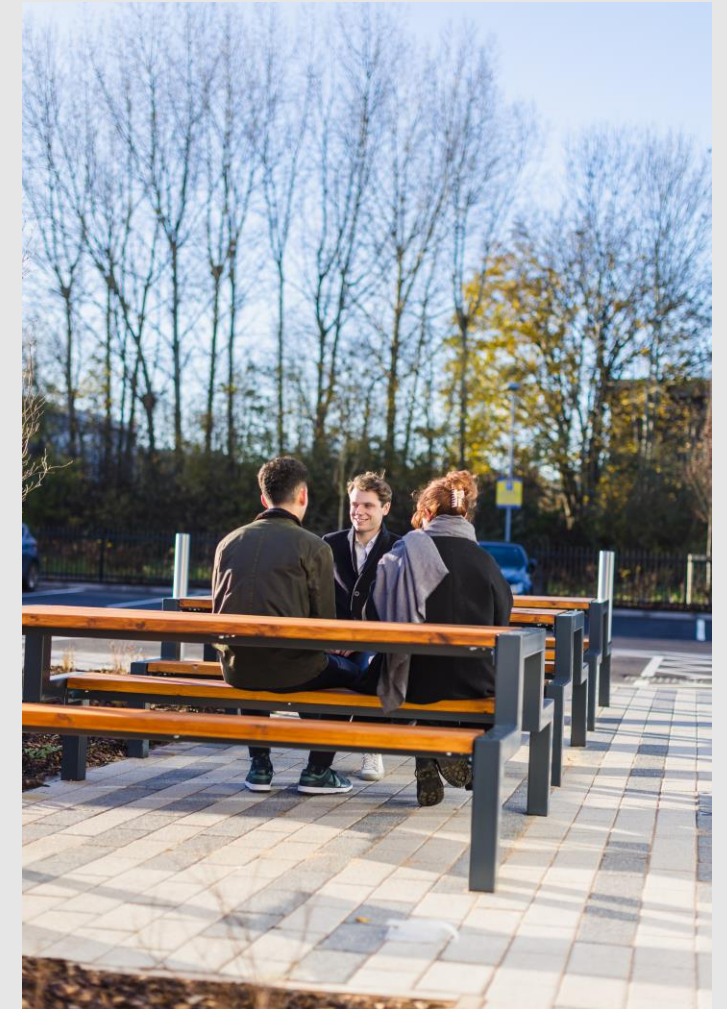
# ESG – A POSITIVE

## Social

- Training and skills
  - Construction
  - Operational
- Health and wellbeing

**NSCG** | STAFFORD  
COLLEGE

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## CONCLUSIONS

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+ + + + +

- Significant untapped potential economic benefits
- Misconceptions of a rapidly changing sector
- Critical national infrastructure
- Overshadowed by the debate on housing
- The planning system is failing the logistics sector
- The Future of Freight call for evidence and potential planning reforms – a brighter future?



# Q&A

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# Networking Lunch

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