

East Midlands Strategic Distribution Study 2006
DRAFT INVITATION TO TENDER VERSION 2010606

Introduction

The East Midlands Development Agency (*emda*) is one of nine English Regional Development Agencies set up by the Government in April 1999 to drive up the economic performance of the regions. The work of *emda* is wide ranging and includes;

- spearheading the Region's economic development strategy.
- increasing business competitiveness.
- developing the skills base.
- attracting inward investment.
- regenerating land and buildings.
- community regeneration.

The overriding objective for the region is that:

“By 2010, the East Midlands will be one of Europe's top 20 regions. It will be a place where people want to live, work, and invest in because of:

- ***our vibrant economy***
- ***our healthy, safe, diverse and inclusive society***
- ***our quality environment.***

To support this vision *emda* has produced a Regional Economic Strategy (RES) entitled 'Destination 2010' which provides a framework for the region's economic development.

A revision of the Regional Economic Strategy 'A Flourishing Region' is at an advanced stage and a new RES will be published in July 2006. This will seek to build on the achievements of the current Strategy by setting out the way forward to 2020. It sets out a clear vision to create a flourishing region, characterised by sustainable growth, economic well being and quality of life – its core purpose is to secure increasing economic growth, productivity and overall prosperity, but not at any cost because ensuring sustainability and achieving equality are also critical elements of a successful region.

Background

The logistics and distribution industry makes a significant contribution to the Region's economic progress. The central location of the East Midlands and the presence of major arterial routes which pass through the region has led to the region being attractive for the location of distribution operations serving national and regional markets.

The East Midlands Development Agency is keen to ensure that the region captures the benefits of logistics operations while having regard to sustainability considerations and regional planning policy.

The East Midlands already has a high profile in the logistics sector with a significant concentration of large scale distribution facilities such as DIRFT, Magna Park and Eurohub, Corby. The nature of the industry and the increasing trend towards globalisation means that the demand for the development of large sites is likely to continue, and could intensify. Planning applications for developments can be large and the economic, social, environmental and transport implications considerable.

Research has been recently undertaken for the neighbouring West Midlands region which also has a relevance for the East Midlands. Two studies have been undertaken:

The ***Regional Logistics Study Stage One Report*** for Advantage West Midlands undertaken by Kings Sturge and published in June 2004 sought to:

- Provide a clear and rational picture of the logistics sector in the short, medium and long term at both the national and regional level.
- Identify robust criteria for assessing and choosing regional logistics locations and regional logistics sites

The ***West Midlands Regional Logistics Study, Stage 2, A Technical Report*** prepared for West Midlands Employment Land Advisory Group by MDS Transmodal, Savills and Regeneris Consulting, published in September 2005 which sought to:

- Review the regional logistics locations and regional logistics sites criteria as recommended in the Stage 1 Study undertaken by Kings Sturge, and to suggest amendments or additions to these criteria
- Recommend the number, size and broad location of regional logistics sites required by the region up to 2021
- Provide advice on drafting future RSS policy

These two studies have made a major contribution to improving the evidence base for the development of policy in the West Midlands, particularly for the Regional Spatial Strategy. The studies also had regard to the policy background and the supply of sites in the East Midlands in recognition of the fact that the M1 motorway from Milton Keynes to South Yorkshire has been the strongest focus for the development of national and regional distribution centres over the last ten years with a particular concentration of facilities between Junctions 15 and 22 of the M1.

The East Midlands Development Agency is now seeking to improve the evidence base as the basis for policy development in the East Midlands.

Purpose

The purpose of the Study will be to provide an understanding of the relationship between the logistics sector, the East Midlands economy and land use such that it will be possible to ascertain a clear picture of the likely requirements of the logistics sector over the short term (to 2010), medium term (2016) and long term (to 2020/2026) and the types of sites required within the context of the key regional spatial and economic strategies.

A key output of the Study will be to inform the development of employment land policy of the Regional Spatial Strategy for strategic distribution up to 2026 building on the work of the Employment Land Provision Study undertaken by Roger Tym and Partners (see

below). It will be necessary for the selected consultants to gain an understanding of the methodology and findings of the Roger Tym Study because it will help inform the RSS policy for Employment Land.

The Study will need to address the following issues:

1. An analysis of the importance of logistics to the regional economy

- An assessment of the contribution that the sector makes to the regional and sub regional economy including multiplier effects.
- An analysis of the number, range and type of jobs provided including a consideration of skill levels.
- An examination of typical job densities at strategic distribution sites in the East Midlands.

2. An understanding of the land requirements for logistics firms and the anticipated demand for sites within the East Midlands in the short, medium and long term.

- The extent to which the Region is satisfying current demand for sites.
- An assessment of the trend in land take and anticipated demand.
- An assessment of the impact of supply and policy in adjacent areas, particularly the West Midlands.
- Trends in the changing nature of site requirements.

3. An assessment of the current supply of sites taking into account their size and availability.

- An assessment of current supply by size of site, availability and location.
- An examination of planned supply (allocations in local plans and sites with planning permission).
- An appraisal of significant availability and constraint issues.

4. Robust site selection criteria with recommendations as to what types of sites the region should be seeking to provide and where should those sites be located, to consider in particular the following questions:

- What are the industry's broad locational preferences having regard to factors such as accessibility, site characteristics and labour market considerations.
- Which broad locations have the best strategic fit with respect to planning policy and sustainability considerations?
- Having regard to all factors, and possible scenarios, where should the region, and in particular the Regional Spatial Strategy seek to direct strategic distribution uses, and what types of site should be provided?
- How much employment land for strategic distribution uses should the region seek to provide.

NB: Consideration of broad locations should have regard to the geographies of the East Midlands Regional Spatial Strategy, in particular the Housing Market Areas which comprise individual District Councils. In addition consideration

should be given to a system of ranking of preferred locations to enable possible phasing of supply.

Strategic Planning Context

a) East Midlands Regional Spatial Strategy

The results of this Study will help to inform the development of planning guidance in the East Midlands Regional Spatial Strategy.

The Regional Spatial Strategy for the East Midlands (RSS8) was adopted by the Secretary of State in March 2006. It is prepared by the East Midlands Regional Assembly and contains some specific policy guidance for the development of strategic distribution sites across the region:

- Policy 22 expresses the Regional Priorities for Employment Land with an emphasis upon the need to provide an adequate supply of good quality sites at sustainable locations and the need to bring forward good quality allocated employment sites to meet the specific requirements of potential investors.
- Policy 54 of the Regional Spatial Strategy seeks to promote a more sustainable and efficient distribution industry in the East Midlands and contribute to a significant modal shift from road to rail.

In addition the RSS includes policy guidance on locational priorities, sustainability criteria, Sub-area priorities, employment and transport – the latter is included within the Regional Transport Strategy which is an integral part of the RSS.

Local authorities need to have regard to the policies of the Regional spatial Strategy in bringing forward site specific land allocations in their Local Development Frameworks (formerly Local Plans). In the 'plan led system' the policies and site allocations of LDF's are critically important in determining land use decisions.

A review of the RSS is underway, and a Consultation Draft RSS will be published by the East Midlands Regional Assembly in September 2006.

An integral part of the RSS will be new policy guidance on employment land provision.

b) East Midlands Employment Land Provision Study

To help inform this work EMRA commissioned Roger Tym and Partners to undertake a piece of work to derive employment land figures. Roger Tym and Partners were asked to:

a) Forecast the future market demand for employment land (B Use Classes) to 2021 and 2026 by Housing Market Area and local authority area across the East Midlands, based on job growth forecasts supplied by emda.

b) To estimate the current planned supply of employment land, based on data provided by local authorities,

c) To estimate the quantitative market balance, equal to the difference between planned supply and demand.

The work of this Study is now well advanced and a presentation of the Study's initial findings was presented at an Employment Land Seminar organised by EMRA on 9th May 2006.

The Study found that:

- Strategic warehousing has driven the growth of employment land in the region;
- The large land take for strategic distribution uses mean that it has not been possible to apply the same employment land forecasting method;
- The floorspace requirements for strategic distribution are likely to be very high;

Questions as to how, and where, the region should deal with the requirements for strategic distribution were left unanswered pending further investigation.

The East Midlands Regional Assembly would like this Strategic Distribution Study to provide more detailed analysis to help inform the RSS policy on employment land for strategic distribution uses within the context of the Employment Land Provision Study undertaken by Roger Tym and Partners.

c) East Midlands Regional Freight Strategy

The Regional Freight Strategy was published in July 2005 by the East Midlands Regional Assembly with the vision of creating a framework within the East Midlands Regional spatial Strategy which helps industry and society to develop more efficient and sustainable use of distribution by 2021.

Central to the development of policy is a strong policy steer in favour of the development of inter modal facilities. The Regional Freight Strategy notes that there is scarcity of inter modal freight terminals providing general access to the network and of dedicated rail connections to specific traffic generators / customers. The RFS considers that this is "*arguably the most important constraint on growth*". The lack of, and opportunities for, an inter modal terminal for the Three Cities Sub Area was particularly noted.

The Regional Freight Strategy is being implemented by the Regional Freight Strategy Steering Group which is a broadly based partnership which has been established to champion the promotion of a sustainable, efficient and integrated freight industry in the region.

d) Quality of Employment Land Study (QUELS)

QUELS was published in July 2002 as a result of work undertaken by Roger Tym and Partners, Innes England and Business Strategies. It considered the quantity and quality of employment land provision across the region and contained a wealth of information on a site by site basis for each Sub- area. The results helped to inform the current RSS.

e) Regional Employment Land Study (RELPS)

RELPS was published in June 2003 as a result of work undertaken by Innes England and Sinclair Knight Merz. The Study has a Sub Regional Strategic Partnership spatial focus and was more specifically related to sectoral priorities of the Regional Economic Strategy. It included a Snapshot of Logistics in the East Midlands which drew in part on the State of Freight Study. Both QUELS and RELPS had identified that there were likely to be supply difficulties in the medium to long term.

f) East Midlands Regional Funding Allocation Advice

In January 2006 the Government Office for the East Midlands submitted advice to Government on regional funding priorities. The advice was assembled following considerable stakeholder involvement and includes the agreed investment priorities for the region covering transport, economic development and housing. The transport prioritisation advice will be of particular significance to this Study due to the importance of the strategic communications network.

Outputs

There are a number of outputs associated with this assignment (all reports to be made in MS Word or compatible format):

- a draft report.
- a final report incorporating a technical appendix to cover the full analysis of current position and results of the survey work together with recommendations for future action. The format of the final report to be agreed with *emda*.
- three full copies of the final report, two bound and one unbound.
- all outputs, including reports, to be provided in electronic format.

Timetable

This assignment will be subject to the following fixed timetable:

Receipt of tenders	Wednesday 21 st June (5pm at emda office)
Evaluation of tenders	Thursday 22 nd and Friday 23 rd June
Interviews	Monday 26 th and Tuesday 27 th June
Notification of award	Thursday 29 th June
Project initiation meeting	Monday 3 rd July
Draft/Interim reporting	Friday 18 th August
Final reporting	Friday 1st September

Working Arrangements.

It is imperative that the views of the distribution and logistics sector, particularly those that already have an established presence, or are intending to develop and / or expand are determined and help inform the Study. This will require individual contacts with representative companies.

Representatives of *emda* will manage the project and the primary contact for day-to-day management issues will be Geoffrey Brown, Planning Advisor in the Spatial Development Team.

A project inception meeting will be held after the notification of the award to allow the consultant to meet with *emda* staff and for both parties to discuss working arrangements and the project content further

The consultant will be expected to identify one named project manager through which all enquiries can be filtered.

Tendering Process.

The tender document should explain clearly:

- Description of approach and methodology adopted to meet project objectives;
- Identify most likely sources of secondary data / information that would be used
- Details of the work programme, including the timetable with key milestones and outputs;
- Details of the composition of the project team including brief curriculum vitae for all team members including their respective roles in the proposed project;
- Details of relevant previous experience and references; detailing nature of research undertaken including size and scope of report and the research commissioner.
- *emda* require detailed costings, and these should include staffing and other envisaged costs (which should exclude VAT but state where it is chargeable). These are to show the daily rate of individual team members and the planned number of days deployed by each individual. The tender should also state when payments would be due.
- Tenders should include a clear breakdown of how the price has been calculated, broken down to show costs associated with different key parts and phases of the project.

Please submit tenders as a word file attached to the email

If this is not possible, please contact *emda* to discuss other possible arrangements.

Criteria for selection.

The selection of the successful tenderer will be governed by:

- Understanding of the project requirements and background,

- Relevant knowledge and experience of the logistics and strategic distribution sector and the planning and economic development contexts,
- An ability to deliver quality outputs on time.
- Quality of chosen methodologies.
- Value for money.
- Creativity in delivering the project
- Quality presentation of the proposal
- Compliance with tender requirements

We will decide when assessing the tenders on the short listed consultants to invite for interview.

Budget.

The maximum budget for this project is **£50,000** including VAT and expenses.

Contacts

If you would like to discuss the requirements, or have any questions, please contact Geoffrey Brown, Planning Advisor at the East Midlands Development Agency.

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