

Planning for a Modern Economy

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The 2024 National Planning Policy Framework (‘NPPF’) requires local planning authorities to identify sites for commercial development which meet the needs of a ‘modern economy’. This means analysing the growth potential and site requirements for data centres, gigafactories, laboratories, and freight and logistics hubs.

The Government, at paragraph 86c of the NPPF, has introduced a specific requirement to consider four forms of commercial development required as part of building a ‘modern economy’, including:

- Laboratories
- Gigafactories
- Digital infrastructure (including data centres)
- Freight and logistics

Each of these land uses has its own location, market need and supporting infrastructure requirements, and therefore planning implications. Some are likely to be located close to existing facilities or within clusters of adjacent industries, while others will reflect access to infrastructure and market drivers as pre-conditions for new clusters to emerge.

The pattern of market requirements and related supply chains may cut across conventional Functional Economic Market Areas (‘FEMAs’) and require more strategic planning approaches to be applied across local authority areas.

Furthermore, many of these land uses are subject to rapid changes in technology and so there is a need for flexibility and agility in policies and site allocations to support the growth of modern economy land uses. All of these

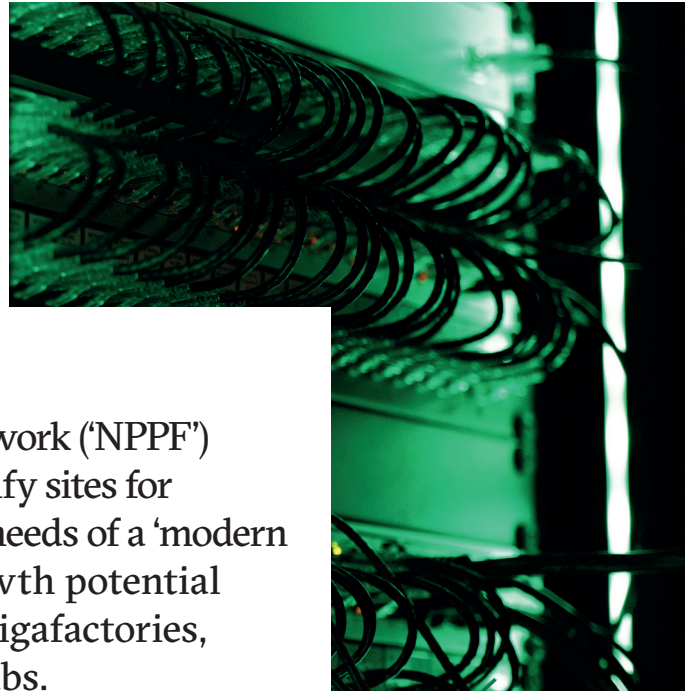
factors mean conventional approaches to forecasting employment

land needs may be less applicable, and there is a need for a more bespoke approach to identify potential locations where growth can be accommodated.

How Lichfields can help

Drawing on our market-leading experience of commercial development and economic planning, Lichfields has developed a flexible, staged framework to help identify and assess the need for modern economy land uses.

It draws on a range of economic data sources, commercial property market intelligence and market signals to assess both demand and supply side drivers for modern economy land uses. It identifies where there may be greatest growth potential based on the relationship with existing industries, enabling infrastructure and access to markets, before considering the potential implications for land use planning, economic strategy and infrastructure.



Applications

- Evidence for local plans on economic needs
- Strategic planning and implications for FEMAs
- Identify priority locations and make the case for site selection
- Align to economic strategies and local growth plans
- Review potential infrastructure and delivery needs
- Frame future policies and economic benefits

Modern Economy Framework

Stage 1: Define the modern economy

Component sectors	Relationship with other industries	Market requirements	Location requirements
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Stage 2: Identify areas of growth potential

Areas with existing industry clusters and supporting infrastructure	Areas with enabling environment and scope for growth
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Stage 3: Planning and delivery implications

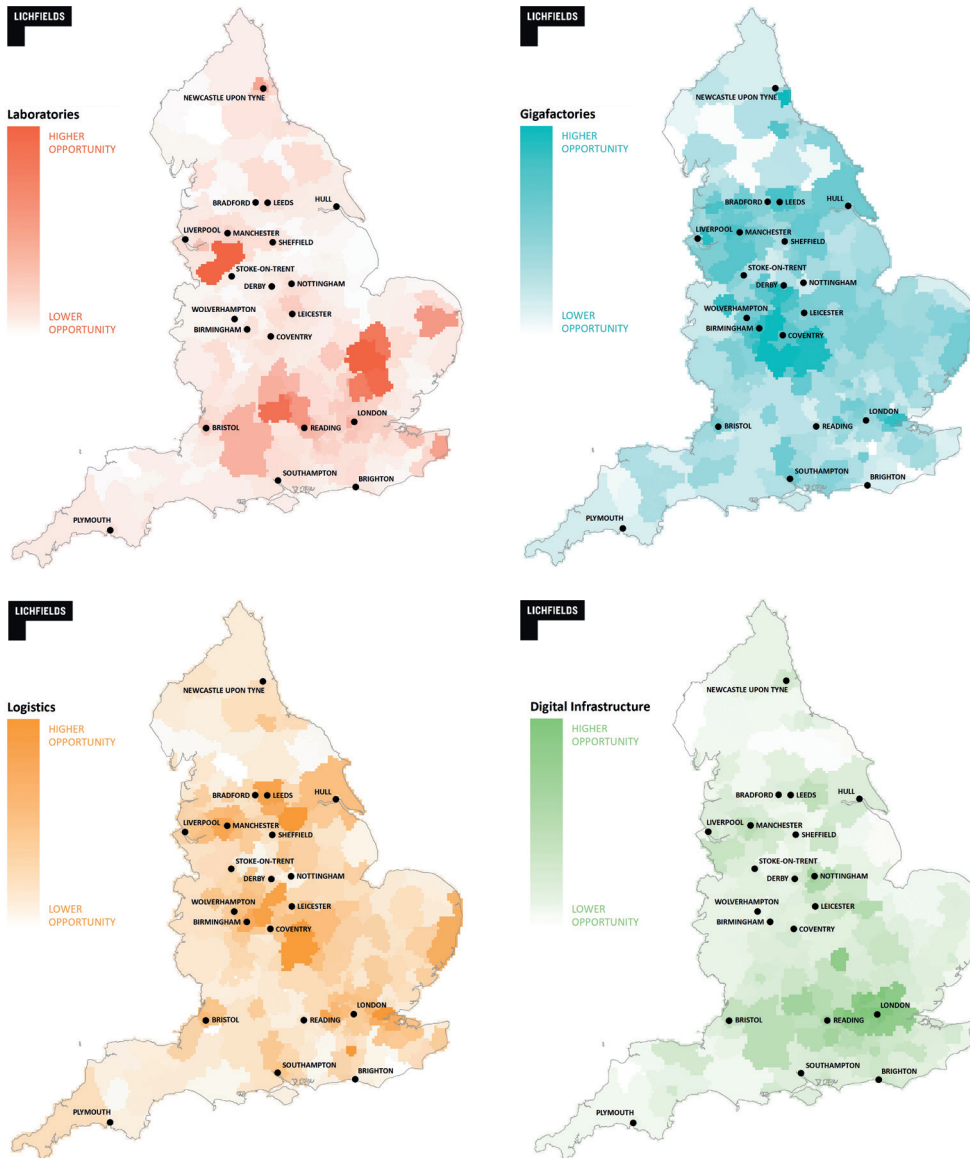
Priorities for infrastructure investment	Skills development	Land constraints and availability	Attracting inward investment
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LICHFIELDS

Our framework scores a range of factors to assess the relative potential for different modern economy land uses. GIS mapping can be used to consider the relative presence of these land uses and the extent of related industries and supply chains. This can inform identification of priority locations, site requirements, and the need for strategic

approaches to wider clusters and economic corridors. This analysis is intended to assist with the development of evidence for strategic and local plans, updates to economic strategies and growth plans, and to help assess future infrastructure needs and the case for investment or land allocations.

Figure I: Indicative areas of opportunity for modern economy land uses



About Us

Lichfields is the pre-eminent planning and economics consultancy in the UK with market leading skills in employment space and economic impact assessments.

We use our wealth of experience, proprietary methodologies and in-house graphics capabilities to develop transparent and easy to understand outputs.

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