

Warwick District Local Plan Strategy Hearing Statement Matter 5 – The Economy and Employment Land

**Town and Country Planning Act 1990
Planning and Compulsory Purchase Act 2004
Localism Act 2011**

On Behalf Of:

LaSalle Investment Management

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Warwick District Council Local Plan Strategy Hearing Statement

Matter 5 – The Economy and Employment land

LaSalle Investment Management

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Matter 5 – The Economy and Employment Land

This Hearing Statement has been prepared by Harris Lamb Property Consultants (HLPC) on behalf of LaSalle Investment Management (LIM). LIM control Stoneleigh Park, one of the largest employment sites in the District.

Issue: Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the economy and employment land.

Policies DS1, DS8, DS9, PC0, EC1, EC2 and EC3

Questions:

- 1) *What is the basis for the overall amount of employment land planned in Policy DS8? Does evidence support this and is it justified? Is it realistic and how does it compare with past take up rates?*
- 1.1 As confirmed by paragraph 2.26 of the Submission Version of the Plan the GL Hearn – Warwick District Employment Land Review (ELR) Update of May 2013 (EC03) has been used to identify the quantum of employment land required during the course of the Plan period. This ELR has been used to inform Policy DS8 – Employment Land, which requires the provision of a “minimum” of 66 hectares of employment land. It is, however, our view that when the findings of the ELR Update are read in conjunction with the guidance in the National Planning Policy Framework (Framework), this support the provision of a greater amount of employment land.
- 1.2 The ELR Update sets out its conclusions on the amount of employment land required during the Plan period in Section 7 – Supply and Demand Balance. Here, it is advised that there is a requirement for the provision of 50 – 60 hectares of employment land during the Plan period 2011 – 2031. However, new employment land provision will also be required to replace poor quality sites. GL Hearn identified 21.25 hectares of employment land that may be suitable for redevelopment for alternative uses and estimate that

replacement provision would need to be made comprising 13.5 hectares of land. Taking this into account, there is a requirement to provide between 63.5 hectares and 73.5 hectares of employment land for the period 2011 to 2029 (it is assumed that the reference to 68.5 hectares, as opposed to 63.5 hectares, at paragraph 7.4 of EC03 is a typographical error given the figures in the paragraphs above).

- 1.3 In response to Figure 29 – Supply – Demand Balance of Employment Land, the ELR suggests a gross employment land requirement of 66 hectares for the period 2011 to 2029 and this is the figure used in the draft Policy DS8. As such the employment land provision requirement is towards the lower end of the identified range of 63.5 ha to 73.5 ha.
- 1.4 The Framework is a pro-economic development document that seeks to facilitate sustainable employment growth. Section 1 – Building a Strong, Competitive Economy, of the Framework advises that:
- The Government is committed to ensuring the planning system does ‘everything it can’ to support sustainable economic growth.
 - Planning should operate to encourage and not act as an impediment to sustainable growth.
 - Significant weight should be placed on the need to support economic growth through the planning system.
 - Local planning authorities should plan actively to meet the development needs of businesses.
 - Planning policies should recognise and seek to address potential barriers to investment.
- 1.5 In this context it is our view that the emerging Plan should be based upon an employment land requirement towards the upper end of the identified range

to help facilitate employment development. There is no credible justification for an employment requirement towards the lower end of the range.

- 1.6 In terms of benchmarking, the former West Midlands Region Spatial Strategy Phase 2 Revision (RSS) suggested the provision of 90 hectares of employment land in Warwick District between 2006 and 2026. It is understood that the significant downward adjustment to the employment requirement is a consequence of the change in time periods, the change in the economic climate and the expected change in the demography of South Worcestershire's population.
- 1.7 In this regard the ELR was produced in May 2013. Since this publication there has been a significant upturn in the economy nationally. This is particularly pronounced in the Warwickshire area due to the success of JLR. This further supports a level of employment provision towards the upper end of the range identified by the ELR.
- 1.8 Turning to the matter of past employment land take-up rates it is understood that the Council have not completed employment land monitoring since the preparation of the "Review of Employment Land May 2012" document. There is some limited guidance on past levels of employment land completions provided in Document EC03 and it is advised at paragraph 6.29 that between 2003 and 2013 an annual average of 3.5 hectares of employment land was completed in Warwick District. This information is, however, of limited use in establishing future employment land provision for the following reasons:
- A large proportion of the monitoring period was during the recession which lowers the average annual completion below what could be expected in the future.
 - The Warwick District Local Plan time expired in 2011. There have been no new employment land allocations put in place since then thereby restricting the supply of available sites.

- Given the age of the report it does not factored in the significant growth plans of JLR.
- A review of the Warwick District Council AMR 2013 shows that between 2000/2001 and 2007/2008 (pre-recession) an average of 5 hectares of employment land were completed each year.

1.9 In light of the above we suggest that the emerging Plan should make provision for the development of a minimum of 73.5 ha of employment land in order to support sustainable economic growth.

2) *How does it relate to overall jobs growth estimates and what is the relationship between overall housing and employment land provision?*

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3) *What is the current situation regarding development so far in the plan period and existing commitments?*

1.10 Policy DS8 advises that a “minimum” of 66 hectares of employment land is required during the course of the Plan period. Supporting paragraph 2.30 advises that taking into account completions since 2011 and the supply of available employment land there is a residual requirement of between 19 and 29 hectares of new employment land to come forward. Policy DS9 sets out new employment allocations to meet this requirement. The table beneath paragraph 3.41 of the Submission Plan identifies the existing supply of employment sites that are expected to contribute towards the employment land requirement set out in DS8.

1.11 Stoneleigh Park is identified as an available employment site by the table beneath paragraph 3.41 of the Submission Plan and as such it is a commitment. The original version of the Submission Plan advises that Stoneleigh Park is expected to provide 5 hectares of employment land

towards the overall employment land requirement during the course of the Plan period and combined the sites would deliver 48.2 hectares towards the overall employment land requirement (see Figure 18 – Identified Land Supply for General Employment Development (April 2013) of the Warwick District ELR Update (EC03)). It is understood that the Council would like to amend the table beneath paragraph 3.41 to remove the specific employment land provision figures from each site. However, we see little value in this amendment as it removes the certainty of the supply of employment land expected from each identified site during the course of the Plan period. In addition, it is clear from Figure 18 – Identified Land Supply for General Employment Development (April 2013), of the Warwick District ELR Update (EC03), that the sites identified in the table beneath paragraph 3.41 of the Submission Plan are expected to contribute 48.2 hectares of employment land towards the overall employment land requirement and Stoneleigh Park is expected to provide 5 hectares of this requirement. It would add clarify to the document if the supply figures for the committed sites were to remain.

- 1.12 Further detail on Stoneleigh Park can be found in our Statement in response to Matter 11 – University of Warwick and Major Sites in the Green Belt. To summarise the position, Stoneleigh Park has the benefit of an outline planning permission (reference W12/0766) that allows for the replacement and development of new employment floorspace alongside other infrastructure. The planning permission will help Stoneleigh Park fulfil its role as a rural innovation science park with the emphasis on sustainability, the environment, agriculture, equine activities, forestry and rural businesses. It is acknowledged in paragraph 3.157 of the Submission Plan that the Stoneleigh Park planning is likely to bring “significant economic benefits to the Local Plan area”. It is also accepted that there may be a need to revisit the masterplan planning permission in the future and that the line of HS2, which passes through the Park, may impact on the delivery of the masterplan (paragraph 3.157 and paragraph 3.160).
- 1.13 To summarise, Stoneleigh Park has an existing employment commitment that is expected to provide 5 hectares of employment land towards the

overall employment land requirement identified in Policy DS8 – Employment Land. It is not, however, identified as an allocation by Policy DS9 as it is an existing commitment. It is also acknowledged by the Plan that it may be necessary to revisit the masterplan planning permission during the course of the Plan period.

1.14 It is our view that Policy DS9 should make specific reference to the fact that the local authority will actively support planning applications for new employment development on the existing committed employment sites which are expected to contribute towards the overall employment land requirement as well as identify new employment allocations. The committed sites identified beneath paragraph 3.41 of the emerging Plan make up the bulk of the emerging Plan's employment sites and there should be positive support within the text of the policy to facilitate their development. This will facilitate any revised/new planning applications that may be required for these sites during the Plan period.

4) *What is the basis for the proposed site allocations in Policy DS9? How were they identified and what options were considered?*

1.15 We have no specific comments on any of the identified employment sites included within Policy DS9. However, as referred to above it is our view that Policy DS9 should include a clear commitment from the local authority in support of employment development on the committed employment sites.

5) *What issues do the sites raise in terms of potential impacts, constraints and infrastructure requirements and how would these be addressed?*

6) *Is the allocation of land currently in the Green Belt at Thickthorn, Kenilworth for employment development justified? What evidence supports this? What effect would this proposal have on openness of the Green Belt and the purposes of including land within the Green Belt? Are there exceptional circumstances to alter the Green Belt, if so what are they?*

7) *Are the sites realistically deliverable? What evidence is there in this respect?*

8) *Is the approach to new employment development set out in Policy EC1 appropriate?*

1.16 The policy advises that the local authority will resist all forms of employment development, with the exception of offices, outside of the areas identified in Parts 'a' to 'c' of the policy unless it can be shown that there are no suitable sites available for these uses within in the areas identified by Parts 'a' to 'c' of the policy. Paragraph 3.17 refers to this approach as a 'sequential test'. This approach is not compatible with national planning policy. We comment further on this matter in response to Question 10 below.

9) *What would be the effect of the policy on office development? Is this justified and consistent with national policy? In particular does it fully reflect the sequential approach to main town centre uses?*

10) *What would be the effect of the policy on non-office development? Is this justified and consistent with national policy? In particular does it provide sufficient flexibility?*

1.19 As referred to in our response to Question 8 above, the policy has the potential to have an adverse impact on non-office employment development. It is unnecessary to suggest that non-office employment development is inappropriate in all locations within the urban area outside of those identified by criteria a, b and c of the policy. Paragraph 3.17 seeks to introduce a "sequential test" that applicants would need to pass in order to demonstrate that any employment proposals outside of the areas identified by criteria 'a' to 'c' cannot first be delivered within these areas.

1.20 This guidance is inconsistent with the requirements of the Framework. There is no requirement for a sequential test for employment development within the Framework. Paragraph 21 of the Framework advises that investment in business should not be: "overly burdened by the combined requirements of planning policy expectations". Planning policies should seek to address potential barriers to investment and the planning system should operate to encourage and not act as an impediment to sustainable

growth. Paragraph 5 of Policy EC1 is in direct conflict with these objectives as it puts in place an unnecessary restriction on employment development. It removes flexibility from the Plan.

11) Are Policies EC2 and EC3 appropriate? How are they consistent with national policy?

1.21 Policy EC3 is not consistent with the requirements of paragraph 22 or 51 of the Framework.

1.22 Paragraph 51 of the Framework advises that local planning authorities should normally approve planning applications for change to residential use and any associated development from commercial buildings (currently the b use classes) where there is an identified need for additional housing in the area provided that there are not strong economic reasons why such development would be inappropriate.

1.23 This requirement in the National Policy is not reflected anywhere within the text of Policy EC3.

1.24 Furthermore paragraph 22 of the Framework provides a substantially more flexible approach to the redevelopment of employment sites for alternative use than proposed Policy EC3. The wording of paragraph 22 of the Framework allows for range of different factors to be considered when establishing if there is a “reasonable prospect” of an employment site being used for its allocated employment use. This approach allows specific circumstances relating to individual sites to be considered when determining if they are suitable for continued employment use. Policy EC3 departs from this approach by identifying a rigid approach where five set criteria are used for establishing the ongoing suitability of sites for employment purposes. This is clearly contrary to the flexible approach advocated by the Framework.

1.25 Furthermore, it is established practice that site marketing can be used to test whether a site is, or is not, suitable for ongoing employment purposes. If a

site is placed on the market and there is no credible interest for the site during the course of the marketing campaign this provides strong evidence that the site is not suitable for employment purposes. This is not reflected by the criteria in Policy EC3.

- 1.26 Finally, the proposed amendment to Policy EC3 that places a blanket restriction on the redevelopment of existing or committed employment land to non-employment uses is inappropriate. This approach is completely contrary to the guidance of paragraph 22 of the Framework as referred to above. Paragraph 22 of the Framework is clear that planning policies should “avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of the site being used for that purpose”. Where there is no reasonable prospect of the site being used for allocated employment use applications for alternative uses of land or buildings should be treated on their own merits having regard to market signals and the relative need for different land uses to support sustainable local communities. The revised wording of Policy EC3 is in direct conflict with this guidance.
- 1.27 It should also be noted that the proposed introduction of this text to the policy would prevent the delivery of quasar employment uses, such as car showrooms on employment sites. These uses can generate a significant number of jobs to contribute directly towards the creation of jobs. However, as drafted, Policy EC3 would prevent these forms of development on business parks, where they are best suited.
- 1.28 In addition, in terms of Stoneleigh Park there are a range of buildings on sites within B class employment use. This policy would prevent these buildings and sites being used for uses such as agricultural, equine or supporting uses such as cafes, hotels and the other facilities that Stoneleigh Park requires. This is contrary to the aspirations for Stoneleigh Park set out in the supporting text to Policy MS2 of the Plan. It is our understanding that the Council does not wish to prevent these forms of uses coming forward at Stoneleigh Park but this would be the effect of the revised policy.

1.29 In light of the comments above we suggest that the following amendments are made to Policy EC3:

1. The introductory paragraph of the policy should be amended to advise that the change of use of employment land to non-employment uses will not be permitted unless it is demonstrated that there is “no reasonable prospect of the site being used for that purpose”. Under such circumstances the local authority will consider applications for alternative uses on their merits having regard to market signals and the relevant need for different land uses. When assessing whether there is “no reasonable prospect” of the site being used for employment purposes the Council will have regard to, amongst other factors, the criteria identified in the policy. This is not, however, a closed list.
2. An additional criteria should be added to the policy advising that the site has been marketed for a period of nine months or more and there is no credible interest being expressed in the site for employment use the Council will consider an alternative use for the site.
3. The proposed amendment to the policy that seeks a blanket restriction of the redevelopment of existing or committed employment sites to a non B class use should be removed.

