

Title of Report:	Response to Council Motion on Protected Employment Land
Report to be considered by:	Council
Date of Meeting:	18 September 2014
Forward Plan Ref:	C2793

Purpose of Report: To respond to the Council Motion on Protected Employment Land.

Recommended Action: That Council resolves to agree the response to the Motion.

Reason for decision to be taken: To respond to a Motion submitted at the December 2013 Council meeting.

Other options considered: None

Key background documentation:

- West Berkshire Core Strategy: Inspector's Report (July 2012)
- West Berkshire Core Strategy (July 2012)
- West Berkshire Employment Land Assessment (2007)
- National Planning Policy Framework (2012)
- National Planning Practice Guidance (2014)

The proposals contained in this report will help to achieve the following Council Strategy priority:

CSP2 – Promoting a vibrant district

The proposals will also help achieve the following Council Strategy principle:

CSP8 - Doing what's important well

The proposals contained in this report will help to achieve the above Council Strategy priority and principle by:

Producing planning policy documents for the District to proactively guide development will help the Council in doing what's important well.

Portfolio Member Details	
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Date Portfolio Member agreed report:	5 August 2014

Contact Officer Details	
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Implications

Policy:	The review of employment land will take place through the Local Plan which will set out the longer term policy framework for the District
Financial:	n/a
Personnel:	n/a
Legal/Procurement:	n/a
Property:	n/a
Risk Management:	n/a

Is this item relevant to equality?	Please tick relevant boxes		Yes	No
Does the policy affect service users, employees or the wider community and:				
• Is it likely to affect people with particular protected characteristics differently?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Is it a major policy, significantly affecting how functions are delivered?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Will the policy have a significant impact on how other organisations operate in terms of equality?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to an area with known inequalities?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
Outcome (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)				
Relevant to equality - Complete an EIA available at www.westberks.gov.uk/eia			<input type="checkbox"/>	<input checked="" type="checkbox"/>
Not relevant to equality			<input checked="" type="checkbox"/>	<input type="checkbox"/>

Is this item subject to call-in?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input checked="" type="checkbox"/>
Delays in implementation could have serious financial implications for the Council		<input type="checkbox"/>
Delays in implementation could compromise the Council's position		<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>
Report is to note only		<input type="checkbox"/>

Executive Summary

1. Introduction

- 1.1 This report is in response to a Council Motion from the meeting on 12 December 2013. This was referred to Planning Policy Task Group and was discussed at a meeting on 31 January 2014, where it was agreed to bring this report to Council in September 2014.

2. Proposals

- 2.1 The response to Part 1 of the Motion sets out that a review of the Employment Land Review should be carried out through the Local Plan. It cannot be carried out earlier, or in isolation as work carried out to prepare planning policy needs to be coordinated appropriately rather than undertaken in a piecemeal fashion.
- 2.2 A Strategic Housing Market Assessment (SHMA) will establish the objectively assessed housing needs for the District, and it is important that the work on the Employment Land Review reflects the findings of the SHMA. The SHMA will be carried out within 3 years of the adoption of the Core Strategy (July 2012).
- 2.3 The response to Part 2 of the Motion sets out that flexibility does exist within policy CS9 of the adopted Core Strategy for mixed use development. However, this is for employment generating uses rather than housing development. Planning policy needs to look longer term and ensure that there are sufficient sites and premises to allow the economy to grow over the plan period to 2026. Any release of existing sites and premises within Protected Employment Areas therefore needs to be supported by robust evidence and clear justification to avoid a shortage of opportunities for businesses to grow or relocate to the area.

3. Equalities Impact Assessment Outcomes

- 3.1 This item is not relevant to equality.

4. Conclusion

- 4.1 Members are asked to agree the response to the Motion that is set out in the report.

Executive Report

5. Introduction

5.1 This report is in response to a Council Motion from the meeting on 12 December 2013. The Motion relates to employment land as follows:

“This Council

Notes that large areas of employment land, including sites in “Protected Employment Areas”, near the centre of Newbury have been vacant or derelict for years;

Further notes:

- a) that the Local Plan Inspector in his report on the Core Strategy of July 2012 said that a review of the District’s Employment Land Requirement should be completed during the next stage of the Local Plan preparation;
- b) the global and national economy has changed in its land requirements, as exemplified by this Council’s TimeLord programme and the rapid move to online shopping and business-to-business activity;
- c) that the vibrancy of Newbury is being damaged by allowing edge-of-town-centre empty sites;
- d) the resistance of our planning department to the NPPF’s call for planning decisions to take account of ‘market signals’;
- e) the buoyant market for new housing in areas occupied by low quality commercial property (such as the Travis Perkins site);
- f) the benefits to certain demographics of affordable homes near facilities such as rail stations and night-time economy, combined with minimal need by such households for outdoor private ‘amenity space’;

Therefore calls:

1. For the Employment Boundary Review to be given the highest priority in the Local Plan Programme, with cross-party Member input to the Terms of Reference of this work in recognition of the public concern about waste land and empty offices, and meanwhile
2. For greater flexibility to be given to mixed use redevelopment, with significant housing, on land designated for employment near Newbury town centre.”

5.2 This report briefly sets out the background to planning for business development and responds to each part of the Council Motion in turn. Council is asked to consider the report and agree the response to the Motion.

5.3 The response to the Motion was discussed at Planning Policy Task Group on 31 January 2014.

6. Planning for business development

- 6.1 The NPPF places significant emphasis on the need to support and drive forward economic growth through the planning system. To do this, sustainable development has been placed at the heart of the planning system and the NPPF states that planning should be genuinely plan-led, with the development plan as the starting point for decision making.
- 6.2 The Core Strategy sets out the Council's approach to the type and location of business development through policy CS9. The overall aim of the policy is to provide the framework to facilitate and promote the growth and forecasted change of business development across the District over the plan period.
- 6.3 All Development Plan Documents (DPD) must be based on an evidence base which will be independently examined. The Employment Land Assessment, (ELA, 2007) forms part of the evidence base behind policy CS9 and takes a long term approach to assessing the District's employment (B class uses) requirements to 2026. This is a technical study which examines the demand for and supply of employment land across West Berkshire during this period. The ELA concludes that there is sufficient supply of employment land in quantitative terms to meet the forecasted level of demand, and thus there is no need to plan for a net increase in employment land stock. Whilst a sufficient supply exists, it is not necessarily in the correct use class, and the Core Strategy therefore provides the framework to address this imbalance over the plan period. The ELA was examined as part of the Core Strategy examination and was assessed by the Inspector as 'proportionate evidence' to inform the development of strategic policy to 2026.

7. Response to notes a-f

- 7.1 6 points have been set out as background to the motion as a-f in paragraph 5.1 above. These are responded to in order below:
- (a) The Council committed itself to a review of the Protected Employment Areas and this is set out in policy CS9 of the adopted Core Strategy. The Local Plan Inspector concluded at paragraph 113 of his report that: "there is proportionate evidence to inform the strategic approach" and that "the Council recognises the need to review this evidence in progressing employment policies". Employment policies will be reviewed through the Local Plan and as set out below, the evidence base will be updated as part of that process.
 - (b) The changing land requirements of the national and global economy were taken into account in the Employment Land Assessment (ELA) which was the evidence base upon which policy CS9 of the adopted Core Strategy was prepared. The ELA uses information including data about projected employment trends to work out how much employment land is needed in the District to 2026.
 - (c) There are limited empty employment sites on the edge of Newbury town centre. The 2 main areas are Travis Perkins and Sterling Cables. Travis Perkins has consent for redevelopment (currently unimplemented) and Sterling Cables has a current planning application. There have been wide ranging issues beyond

employment land policy which have affected any redevelopment of the Sterling Cables site to date.

- (d) In terms of the National Planning Policy Framework (NPPF), this states (bullet 3 of paragraph 17) that “Plans should take account of market signals such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in the area, taking account of the needs of the residential and business communities.”

The needs of the business community are taken into account through the preparation of the Employment Land Assessment (ELA) as set out in more detail in paragraph 7.3 below. This looks at the demand for, and supply of employment land in the longer term. Releasing employment land in a piecemeal manner is not taking account of the evidenced needs of the business community as it can lead to limited availability of employment land.

Market signals are also referred to in paragraph 22 of the NPPF which states that “where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits, having regard to market signals and the relative need for different land uses to support sustainable local communities”.

Policy CS9 of the adopted Core Strategy is the starting point for determining planning applications; however, market signals will be a material consideration to be weighed up as part of the development control process.

- (e) The buoyancy of the market for new housing currently occupied by low quality commercial property will be variable and is likely to depend on factors including the specific location, neighbouring uses and the availability of infrastructure. It is noteworthy that the example given, Travis Perkins, has received a planning consent for uses including an element of residential development. This consent has not been implemented which may indicate that it is not considered attractive to new buyers. Elements of the application are currently being revised.
- (f) Due to the changes to the permitted development rights which are set out in more detail in paragraph 9.2, there have been increased opportunities for redevelopment of, in particular, town centre offices. Whilst this type of, largely flatted development does provide accommodation for certain demographics, it is important to provide a range of sizes and types of residential accommodation in order to provide homes for the wider community. There have been a high number of consents for flatted development in recent years, which does not cater for all demographics.

8. Response to Part 1 of the Council Motion

- 8.1 Policy CS9 sets out the Council's intentions to review the District's Protected Employment Areas. Protected Employment Areas are parcels of land designated for B class uses (office, industrial and distribution) to ensure sufficient sites are provided in suitable locations to foster business development and promote economic growth.
- 8.2 The policy states, 'the continued designation, role and boundaries of the existing Protected Employment Areas will be reviewed in the Site Allocations and Delivery DPD (or subsequent Development Plan Document) to achieve a balanced portfolio of fit for purpose sites to meet future requirements'. This comprehensive review will provide the scope and flexibility to reinforce the existing employment land stock and will include an assessment of the role and function of these areas, along with an assessment of their quality, age, location, composition and capacity.
- 8.3 A Housing Site Allocations DPD (HSA DPD) is now being prepared instead of a Site Allocations and Delivery DPD (SAD DPD) to ensure housing delivery and to maintain a 5 year housing land supply. The HSA DPD has a narrower focus than the SAD DPD, allocating sites for housing in accordance with the spatial framework of the Core Strategy, and reviewing selected policies (housing in the countryside, residential parking standards and updating the policy on Sandlesford Park). A preferred options version of the HAS DPD was consulted on between 25 July and 12 September 2014.
- 8.4 The HSA DPD is not reviewing the Protected Employment Areas. That review will be carried out instead through a Local Plan that will be prepared following the adoption of the HSA DPD. The timetable for the preparation of these documents is set out within the Council's adopted Local Development Scheme which is available on the Council's website at <http://info.westberks.gov.uk/index.aspx?articleid=28845>.
- 8.5 Work carried out to prepare planning policy needs to be coordinated appropriately, rather than in a piecemeal manner. An Employment Land Assessment (ELA) was started in 2013 in order to inform the preparation of a Site Allocations and Delivery DPD. Given that the approach to the DPD was then changed, the updated ELA was not progressed further at this time. Many elements of the Plan are intrinsically linked and this includes housing and employment needs. To ensure an effective outcome it is essential that specific elements of work are not progressed in isolation.
- 8.6 The Inspector examining the Core Strategy committed the Council to conducting a new Strategic Housing Market Assessment (SHMA) within 3 years of the adoption of the Core Strategy. This work, which is being carried out jointly with other Berkshire authorities in accordance with the Duty to Cooperate, will determine the objectively assessed housing needs for West Berkshire in accordance with the NPPF. The SHMA will therefore form the basis for establishing the District's objectively assessed business needs and, in turn influence the level of employment land required going forward. It is important therefore, to ensure that the review of employment land is based upon the outcomes of the SHMA.
- 8.7 It is now intended therefore that following the establishment of the District's objectively assessed business needs, the review of Protected Employment Areas will be undertaken in-house by the Planning Policy Team as part of the Local Plan.

The review of the District's Protected Employment Areas will be brought to Planning Policy Task Group at appropriate stages for Member input.

9. Response to Part 2 of the Council Motion

- 9.1 Whilst policy CS9 seeks to protect the District's Protected Employment Areas for B class uses, it does provide flexibility to allow employment generating uses that are not B class uses to be located within these areas. This is the case, if, subject to the sequential test for main town centre uses, they are complementary to the existing uses in that location, and where they are consistent with the integrity and function of the location for employment purposes. Policy CS9 seeks to ensure that proposals for such non-B class employment uses do not substantially prejudice the overall strategy set out within the policy. Mixed use redevelopment of sites and premises within the Protected Employment Areas can take place, as long as the uses are employment generating and comply with policy CS9. Residential uses within these areas would not be considered appropriate from a planning policy point of view. Elsewhere across the District mixed use redevelopment to include residential is encouraged within urban areas through both national and local policies.
- 9.2 In May 2013 the Government introduced changes to the Permitted Development Rights which introduced the ability to change from offices (Class B1a) to residential use (Class C3) for a 3 year temporary period. Whilst there is no need for formal planning permission for this change of use, a prior approval process has been put in place to allow local authorities to consider the transport and highways impacts, contamination risks and flood risk. In order for an applicant to avail of this Permitted Development opportunity the office use must have been in place before 30th May 2013, or the building was last in that use. This change has provided greater flexibility in the planning process, and whilst it allows for increased housing provision it also has the potential to impact upon the supply of employment land as it results in unplanned losses.
- 9.3 The Government is currently consulting on making this change to the permitted development rights permanent.
- 9.4 Since the changes to Permitted Development Rights were introduced, at least 150 residential units have come forward to replace current office uses across the District.
- 9.5 It is important to keep in mind that, in planning for the quantum of employment land in the longer term, it is necessary to ensure there is sufficient supply of sites of the right size and type in the right locations for the whole of the plan period to 2026. Therefore, the loss of employment sites in preferable locations in a piecemeal manner will reduce the supply of sites and could result in the need for allocations on greenfield land.
- 9.6 It is essential therefore that a holistic approach is taken to the review of the Protected Employment Areas which will stand up to independent Examination. Any release of any existing sites and premises within these areas must be supported by robust evidence and clear justification.

10. Conclusion

- 10.1 With regard to Part 1 of the Motion, the review of Protected Employment Areas will take place as part of the Local Plan process. This work will be carried out by the Planning Policy team and reported to Planning Policy Task Group at appropriate stages for cross-party Member input. Due to the intrinsic linkages between different parts of the Plan it is essential that specific elements of the work are prepared concurrently. As such it is not possible to progress this work until the District's objectively assessed housing need has been determined through the preparation of the Strategic Housing Market Assessment (SHMA) through partnership with other Berkshire authorities.
- 10.2 In terms of Part 2 of the Motion, the planning policies do not permit residential uses within Protected Employment Areas as these are parcels of land designated for employment generating uses. It would not be prudent to facilitate the loss of protected employment land for housing without robust evidence to justify doing so. The Council's current evidence supports the strategy set out within the recently adopted Core Strategy which seeks to protect the quantity of employment land across the District to ensure there are sufficient sites and premises to allow the economy to grow over the plan period to 2026.

Appendices

There are no Appendices to this report.

Consultees

Local Stakeholders: N/A
Officers Consulted: Sarah Conlon, Bryan Lyttle
Trade Union: N/A