

## Report for Discussion

<b>Report to</b>	Sustainable Development Panel 28 September 2011	<b>Item</b> <b>7</b>
<b>Report of</b>	Head of Planning Services	
<b>Subject</b>	Evidence update for Site Allocations and Development Management Policies DPDs	

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### Purpose

The report provides information on the emerging evidence base for the Site Allocations and Development Management Policies Development Plan Documents (DPDs).

### Recommendations

To:

- (1) note the evidence update within this report;
- (2) consider whether a further evidence update is required at the next Sustainable Development Panel meeting in October 2012, or whether Members would prefer a separate briefing on this issue for all members.

### Financial Consequences

There are no financial consequences for the council relating to endorsing this document.

### Risk Assessment

Not applicable.

### Strategic Priority and Outcome/Service Priorities

The report helps to meet the strategic priority “Strong and prosperous city – working to improve quality of life for residents, visitors and those who work in the city now and in the future” and the service plan priority to deliver the Local Development Framework for Norwich

**Cabinet Member:** Cllr Bremner

**Ward:** All

### Contact Officers

Judith Davison, Team Leader - regeneration 01603 212529

Graham Nelson, Head of Planning 01603 212530

## Background Documents

None

## Report

### Background

1. It was agreed at the Sustainable Development Panel meeting on 27<sup>th</sup> July that an update of evidence would be reported to the September panel meeting, to provide members with greater understanding of the background to, and justification for, a number of key policy areas in the emerging Site allocations and Development management policies plans.
2. Both these plans will form key elements of the development plan for Norwich, along with the adopted Joint Core Strategy and Northern city centre area action plan. The policies and proposals set out in the plans are based on a range of evidence, some of which was produced to support the Joint Core Strategy and some which has been produced at District level. In addition some of the Planning Policy Statements<sup>1</sup> provide national-level guidance to support particular policies, for example, PPS25 ('Development and Flood Risk') and associated guidance is part of the evidence base for emerging policy DM5 ('Fluvial and tidal flooding'), alongside the Norwich Strategic Flood Risk Assessment.
3. The purpose of this report is to :
  - provide an update on the evidence base available in regard to the provision of employment land; and
  - provide an indication of timescales for updates on further aspects of the evidence base being provided to members in due course.

### Update on Employment evidence base

4. Members previously raised concerns at the impact of the cumulative loss of employment land through proposed allocations in the draft Site Allocations plan. An employment topic paper is being prepared to support the Council's emerging employment policies. This is still a work in progress, however a note attached at Appendix 1 provides members with information on a number of employment related issues, including the cumulative loss of employment land. This will eventually form part of the topic paper. The note focuses on:
  - the characteristics of the city's established employment areas
  - evidence of demand for land and premises and the development pressures on them

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<sup>1</sup> The draft National Planning Policy Framework (NPPF) proposes that national planning policy statements will be superseded by the final NPPF.

- the role that these areas are intended to play in meeting identified strategic employment needs and supporting planned economic growth in Norwich and the wider area.
  - the importance of safeguarding a supply of suitable premises for small and medium sized enterprises as a key component of the local economy.
  - the issue of cumulative loss of designated employment land in relation to a number of site specific proposals included in the Site allocations plan.
5. The note concludes that there is no particular evidence pointing to the cumulative loss of employment land. Sites which have been reallocated for other purposes will generally retain employment as part of a mix of uses and can secure wider regeneration benefits.
  6. The full employment topic paper which is still in development will also consider issues related to the promotion of office development and protection of existing office premises in the city centre

### **Next steps – development of evidence base on other Issues**

7. The following table sets out an indicative timetable for production of key elements of the evidence base. It is important to note that the emerging National Planning Policy Framework (NPPF), whose implications are discussed in a separate report to this panel, may have implications for the level of detail that needs to be included in local plan policies and, consequently may give rise to a requirement for additional evidence to support such policies. Therefore this table is not exhaustive at this stage, but does provide an indication of the next stages of evidence to be developed or updated, and when this is proposed to be reported to Sustainable Development Panel.

**Table 1: Further DPD Evidence**

<b>Evidence</b>	<b>Details</b>	<b>Proposed report to SDP</b>
Full employment topic paper	Additional evidence to support DM policies:  DM16 – defined employment areas  DM17 – protection of small and medium scale business sites and premises  DM19 – protection of offices	19 October
Background technical paper on Open Space (including indoor sports facilities)	Evidence on the provision of outdoor open space and indoor facilities, to support DM policies:  DM8 – open space	19 October

	DM22 – community facilities	
Housing Topic Paper	Support for housing related policies in the DM policies plan, and for the housing allocations proposed in the Site Allocations plan; and providing justification of the need to allocate 3000 dwellings.	19 October
Background technical paper on Retail development, town centre hierarchy, and management of activities in centres.	<p>Evidence to support DM policies:</p> <p>DM18 - town centre uses</p> <p>DM20 - primary and secondary retail areas and large district centres</p> <p>DM 21 - district and local centres</p> <p>DM23 – evening, leisure and late night uses</p> <p>DM24 – hot food takeaways</p> <p>DM25 – retail warehouses</p>	30 November
Transport topic paper	<p>DM29 – city centre public off-street car parking</p> <p>And potentially to include:</p> <p>DM28 – encouraging sustainable travel</p> <p>DM30 – access and highway safety</p> <p>DM 31 – car parking and servicing</p> <p>DM 32 – car free or low car housing</p> <p>DM 33 – transport contributions</p>	30 November

8. The open space background paper referred to above will include evidence relating to the provision of indoor sports facilities, which is particularly relevant to the proposed allocation of the King Street Stores site (H006). This information is expected to be provided by Sport England by the end of September.

9. A separate report to this panel on a proposed core cycling network will also form part of the evidence base for both plans, in particular supporting emerging policy DM28, as well as informing a number of proposals in the Site Allocations Plan.

### **Recommendations**

10. It is recommended that Members:

- note the content of the evidence updates within this report, and
- consider whether a further evidence update is required at the next Sustainable Development Panel meeting in October 2012 , or whether Members would prefer a separate briefing on this issue for all Members.

## APPENDIX 1: Draft Background technical paper on Employment

(This will eventually form part of the Employment Topic Paper)

### Review of Land identified for Employment purposes

1. A total of 313.9 hectares of land is identified in the adopted City of Norwich Replacement Local Plan as employment areas prioritised for B class development (industry, warehousing, research and development and offices) including single-user employment sites protected under saved policy EMP7, proposed employment development sites allocated under policies EMP9 to EMP15 and office development sites in the city centre allocated under policy EMP16. An additional 5.9 hectares at Hall Road is identified specifically for development for vehicle showrooms under policy EMP6.
2. A review of all existing employment allocations was carried out in 2010, to assess whether or not it was appropriate to maintain their status as areas protected for employment (B class business) purposes. The review took account of development which has been consented and completed on employment land since the adoption of the Replacement Local Plan, site-specific considerations of development viability (including market signals) and the relative contribution that employment uses were likely to make, compared with other forms of development, toward achieving wider regeneration benefits. The review considered the more flexible approach to economic development set out in Planning Policy Statement 4: *Planning for sustainable economic growth* (PPS4) and responded more particularly to the recommendations of the *Greater Norwich Employment Growth and Sites and Premises Study*, (the Arup Study).2008
3. The Arup study concludes that there is an overriding need to make appropriate provision for employment land to support growth both through making new land allocations to accommodate the necessary quantum of floorspace, and by strengthening policy protection for and making the best use of established employment areas . It shows that the majority of employment areas in Norwich and the wider area were well-used. Most had high occupancy levels, but there is potential to enhance and accept higher density development and more intensive uses on some of the allocated sites.

4. The Arup Study states that:

*There is no case for the wholesale de-designation of any of the existing employment sites for other (non B group) uses. This is because all sites are in active use and excepting the most recent allocations largely occupied, with low vacancy levels mostly associated with natural churn rather than lack of demand. Indeed this suggests to us that sites deserve strong policy protection, especially to the ring road sites and newer larger allocations.* (Arup Study Executive Summary section 3.7).

The factors contributing to this conclusion included

- Strong market for industrial and warehouse floorspace in the ten years preceding the study

- Shortages both of good quality space and freehold land
  - Significant constraints on the delivery of new employment allocations within the urban area, focusing demand largely on established estates and larger greenfield allocations such as Broadland Business Park and Wymondham.
5. The study concludes also that there should be no differentiation between prime and general employment areas previously distinguished in the local plan, as all such sites will and should continue to play a significant role in meeting future employment provision. This has been taken on board within the Development Management Policies DPD which identifies all its employment areas as subject to the same policy (DM16).
  6. PPS4 requires local planning authorities to ensure that development plans positively and proactively encourage sustainable economic growth: these principles being carried forward in the emerging National Planning Policy Framework. PPS4 defines economic development as development within the B Use Classes (business), public and community uses and main town centre uses<sup>2</sup>. The draft NPPF has dispensed with the concept of “main town centre uses” and it may therefore be necessary to define more specifically in policy which uses - other than retail and leisure development, is expected to seek town centre sites as a preference – will and will not be suitable in employment areas. The emphasis of the emerging policy framework is still very much on supporting businesses and their particular development needs. PPS4’s definition of economic development extends to uses which provide employment opportunities, generate wealth or produce or generate an economic output or product. That definition, with appropriate exclusions for uses which are clearly more appropriately located in centres, will be the basis for considering development proposals in employment areas where this does not prejudice their function. Consequently the over-prescriptive approach of only accepting B class business uses in employment areas is no longer seen as appropriate or consistent with the direction of travel in national policy and would not be a sound approach for the development plan to take.
  7. Examples of uses that may be considered appropriate within designated employment areas include bus depots, car showrooms, waste uses and training facilities connected with existing businesses. Proposals for trade retail units will be determined on a case by case basis with consideration being given to the character of the operation.
  8. In response to recommendations in the Arup Study (see below) and to reflect site-specific considerations of development viability or changes in planning circumstances a number of sites previously identified mainly for employment development in the Local Plan have been reallocated either entirely or in part in the Site Allocations Plan for other purposes, these being:
    - The Deal Ground, Trowse: mixed use development to include housing, employment, retail and community uses (site M006);

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<sup>2</sup> Main town centre uses as defined in PPS4 comprise retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities, and the more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices and arts, culture and tourism development (including theatres).

- Utilities Site, Cremorne Lane, mixed use development to include housing, employment, renewable energy generation (site M014)
- Havers Road (Part) – reallocated for housing development (site NOR0045 (H) ).
- City Trading Estate – part north of Raynham Street reallocated for housing development (site E003 (H) ). The reallocation of this and the Havers Road site for housing reflects the fact that these areas are very little used poor quality employment areas and that housing development can secure wider regeneration benefits in particular the improvement of a strategic cycle route.
- Laurence Scott site, Hardy Road/Kerrison Road – part south of Kerrison Road reallocated for housing within larger allocation adjoining Football Club (site M020). The remainder of the original allocation at Gothic Works, Hardy Road is one of the additional sites subject to further current consultation with a view to potentially reallocating it for mixed use development with housing, employment and leisure uses should LSE relinquish the site in the medium term.

9. The following sites have been re-designated for other purposes or deallocated:

- Northumberland Street (eastern half, former Wensum Clothing factory): developed for housing
- Greyfriars Road,/Rose Lane (former office site developed principally for housing)
- Former Jarrold Printing Works site, Barrack Street (consented development for offices, residential, hotel: partially implemented)
- Smurfit Sheetfeeding, Whitefriars (reallocated for mixed use development in the Northern City Centre Area Action Plan)
- Botolph Street/Pitt Street (reallocated for mixed use development within the larger Anglia Square development site in the Northern City Centre Area Action Plan)

10. The following sites are retained and carried forward as employment allocations for future development in the Site Allocations Plan:

- Land south of Hurricane Way
- Hall Road Livestock Market Site (excluding B and Q)

11. The following sites are retained as employment areas protected by Development Management Policies Plan policy DM16.

- Sweet Briar Road
- Bowthorpe Employment Area
- Hall Road/Bessemer Road (boundary amended to exclude expanded Hall Road District Centre site and include former car showroom areas)
- Airport Industrial Estate
- Vulcan Road/Fifers Lane Industrial Estate
- Mason Road/Mile Cross Lane Area
- Whiffler Road Industrial Estate
- City Trading Estate (boundary amended to exclude land north of Raynham Street and include Cushions timber yard and other employment sites to the south of Heigham Street)

- Land west of Northumberland Street
  - Europa Way, Bracondale
  - Drayton Road and Citycare Depot (amended to exclude land at Havers Road)
  - Guardian Road (extended west to include land at and around the Henderson Business Centre off Bowthorpe Road)
  - Carrow Works
  - Bayer Cropscience, Sweet Briar Road
12. The retained employment areas above total 295.5 hectares and reflect the recommendations of the Arup Study to continue to safeguard the majority of employment areas, particularly those adjoining and with good access to the ring road. Aside from the relatively small number of sites reallocated for mixed use development Norwich has not experienced any large-scale reallocation of former employment land or loss to residential development.
13. Potential for employment within mixed use allocations is recognised in the Northern City Centre Area Action Plan and the Site Allocations Plan both of which are expected to support a need for smaller scale employment needs locally, alongside protection of suitable sites and premises through policy DM17. The need to continue to protect small business sites is borne out by more recent evidence collected for the Regional Economic Strategy which shows an increase in the number of small business startups in Greater Norwich between 2009 and 2010. The plan will also support appropriate employment development to support district and local centres.
14. In addition a substantial area of the city centre extending from Mountergate to Ber Street has been identified as a priority area for office development. The Joint Core Strategy gives an indicative figure of 10 hectares for potential office development here, equating to the 100,000 sq.m of floorspace need identified in the Joint Core Strategy. It is expected that individual development opportunities will be supported in this area as part of an overall regeneration initiative with potential capacity identified in the St Stephens Masterplan for 50,000 of commercial floorspace including replacement and additional offices.

### **Land Availability and Take-up and Market Indicators**

15. Since the Arup study was published in June 2008, the economic downturn has impacted both on take-up rates for industrial and warehouse floorspace and on the overall availability of stock. Most recent market commentaries suggest that prime rental values have declined by some 8%, prime space realising **£5.75 per square foot** as against £6.25 in the last quarter of 2007. Downward pressure on rents for poorer quality space has been more marked, falling from £3.50 to **£2.50 per square foot** in the same period. Total industrial floorspace stock in the Norwich area is estimated at **10,785,900 sq. ft.**, a 2.1% increase over the position in 2007 although availability as a proportion of total stock has increased from 5% to 7%. Take-up in Norwich fell to its lowest levels in almost ten years in the second half of 2010, with only 113,160 sq ft of lettings. The largest transaction was the 29,500 sq ft letting to Lotus at the former Hadley & Ottaway unit at Link 47 Norwich (Longwater).

16. The rate of development on and take-up of employment land recorded in city and county council monitoring reports is similarly depressed, with only 0.2 hectares of employment land taken up in the City in 2010-2011 (the Barclays office development at the former Jarrold site at Barrack Street). Equivalent figures are not yet available for greater Norwich, but the county council's monitoring report for 2009-10 showed that employment land take-up across the whole of the Norwich Policy Area fell to 1.7 hectares in that year – a historic low and well below the long-term average of 11.6 hectares a year over the preceding ten years. Average land take-up within the city over the same period was 1.9 hectares a year but this has fallen to 1.8 hectares factoring in the very limited B1 development recorded in 2010-11.
17. **38.8 hectares** of employment land is recorded by the county council as “available” within Norwich as at April 2011, but in practical terms this simply means “identified for development and not yet developed”. The availability figure includes a number of sites. The great majority of the sites making up this figure have significant infrastructure constraints to be overcome before they can be brought forward for development (e.g. Deal Ground, Utilities site) or could only be developed in association with adjoining established industrial user (Bayer Cropscience north site). In practical terms.

## Conclusions

18. Notwithstanding the reduced level of take-up in very recent years we conclude that the overall emphasis on economic growth and new employment development in the Norwich area should be maintained and there is no particularly strong case for further relaxing the policy approach to employment development. Employment land provision in the site allocations DPD and DM policies plan will ensure a sufficiency of supply and choice of sites to support the economy in the long term.
19. In addition policy DM18 recognises the importance of employment development in supporting the function of the city centre and district and local centres, as emphasised in the NPPF.
20. We consider that there is no particular evidence pointing to the cumulative loss of employment land: sites which have been reallocated for other purposes will in general retain employment as part of a mix of uses and can secure wider regeneration benefits. In cases where development has been approved on employment areas contrary to the local plan (e.g. the Bus Depot site at Vulcan Road) the uses proposed would now be supported by the wider definition of economic development now embodied in PPS4 and the emerging NPPF. This for example, will support the economy by providing jobs and supporting the aims of a more sustainable transport network.

Jonathan Bunting, September 2011