PLANNING AND EMPLOYMENT LAND
ALLOCATE OR PROTECT?

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BARTON WILLMORE

EMPLOYMENT LAND OVERVIEW

- My roles
- Chambers of commerce
- Policy background
- What is happening on the ground
- Case studies
  - London (industrial land)
  - West of England (JSP)
- Ports and airports
- Conclusions - how can we do better?

MY ROLES

- **Planning Consultant – applications and examinations**
- **Chair of Expert Planning Group for British Chambers of Commerce**
- **Non-Exec.Director of Business West Chamber of Commerce (22,000 businesses WoE)**

CHAMBERS OF COMMERCE:

WHAT DO THEY DO?

- Speak up for their business community
- Help firms success locally, nationally and globally
- Connect and support businesses
- Improve the local business environment

BCC EXPERT GROUP ON PLANNING

Set up to assess how the planning system is…

- working for business
- delivering housing, infrastructure, local economic growth

- Where improvements can be made.

British Chambers of Commerce

BCC EXPERT GROUP ON PLANNING

Recent meetings:

- MHCLG
- Treasury
- National Infrastructure Commission
- Round table on employment land

* Member survey on planning issues

*** Published Planning for Business 2017**

FINDINGS:

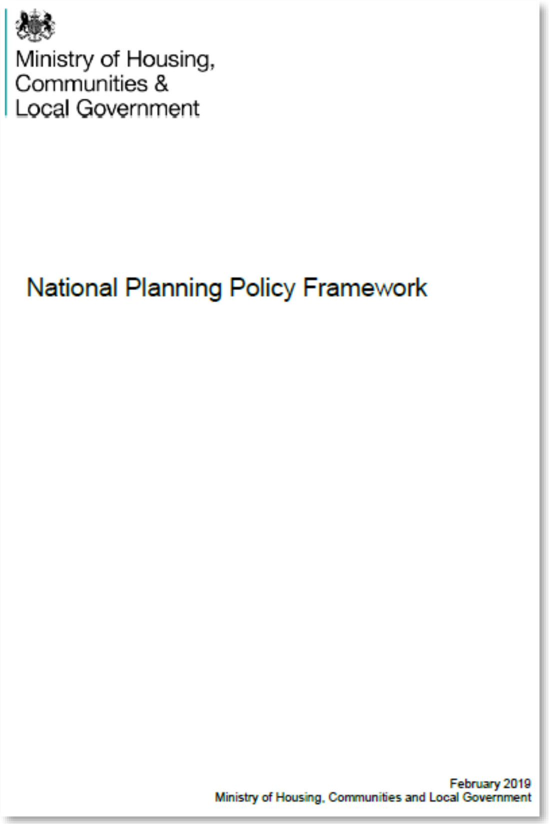
Only 1/3 firms can access land/premises they need.

- Poor housing + employment policy alignment (national and local)
- Pressure to provide 5YLS for housing without equivalent for employment land
- Policy encourages conversions to residential, depleting employment space
- Planning system must work better for business.

BCC ROUND TABLE – EMPLOYMENT LAND SHORTAGE

- Disconnect local plans, LISs, transport strategies etc.
- Quantity + quality of evidence base less robust than residential
- less scrutiny at examination whether there is enough employment land
- Housing industry very organised and proactive – employment voice reactive
- Housing land more valuable so industrial landowners holding back
- Quality of employment land and cost of bringing it forward
- Harder to prove exceptional circumstances for employment
- Permitted development rights (PDRs)
- Policy imperative is all about housing

NATIONAL POLICY: NPPF


Ministry of Housing, Communities & Local Government

National Planning Policy Framework

February 2019
Ministry of Housing, Communities and Local Government

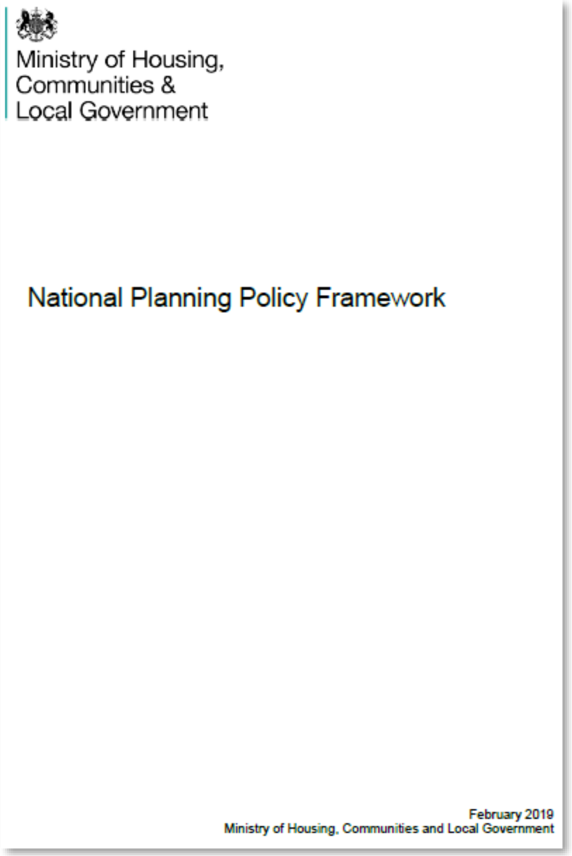
Sustainable development objectives…

“a) economic objective – to help build a strong, responsive and competitive economy, by ensuring that **sufficient land of the right types is available in the right places and at the right time to support growth**, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure; …..”

* Statutory purpose of planning system to achieve sustainable development
* objectives delivered through preparation and implementation of plans

para 8-9

NATIONAL POLICY: NPPF


Ministry of Housing, Communities & Local Government

National Planning Policy Framework

February 2019
Ministry of Housing, Communities and Local Government

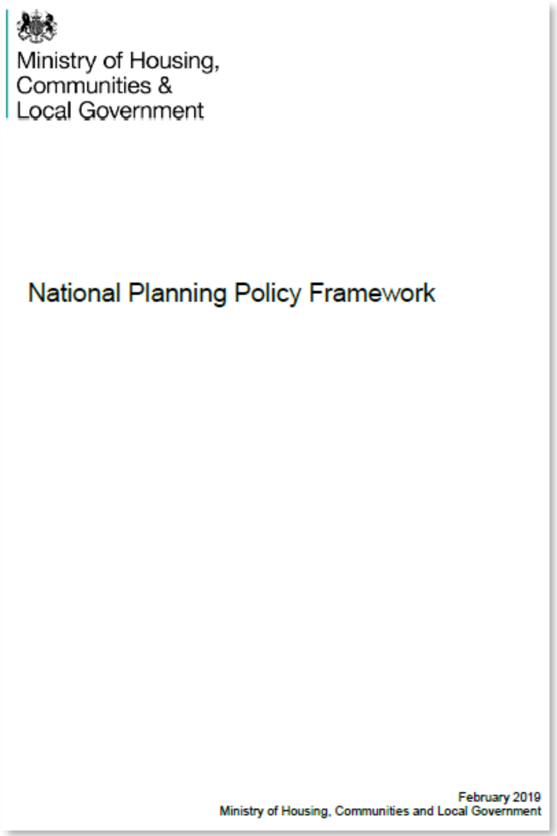
Planning policies should:

- a) set out a clear economic vision and strategy…;
- **b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;**
- c) seek to address potential barriers to investment…; and
- d) be flexible enough….

* **Significant weight** placed on the need to support economic growth and productivity, taking into account local business needs and wider opportunities for development.

para 80 - 81

NATIONAL POLICY: NPPF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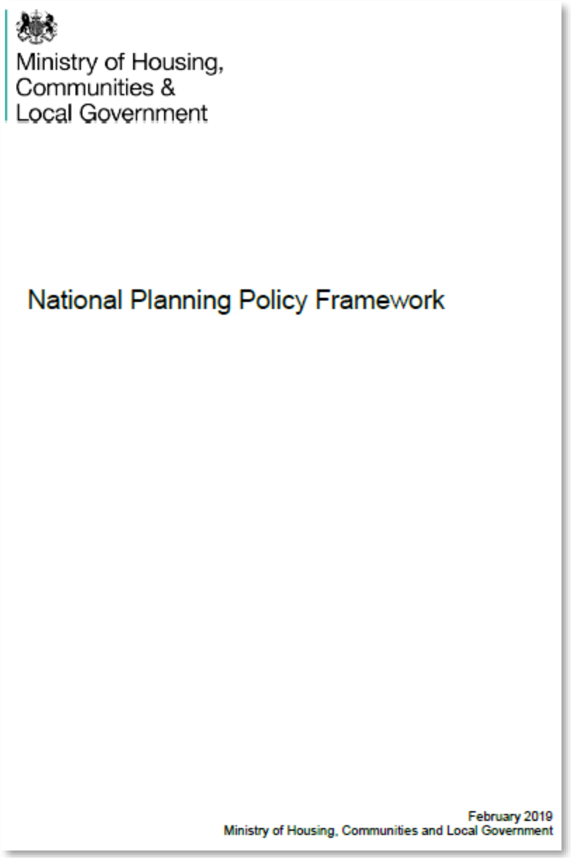
Planning policies and decisions should recognise and **address the specific locational requirements of different sectors.** This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations.

para 82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National Planning Policy Framework

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NPPF – CONFLICTING GUIDANCE?

LPAs should take a positive approach to applications for alternative uses of land…. In particular, they should support proposals to:

a) use retail and employment land for homes in areas of high housing demand, provided this would not undermine key economic sectors or sites or the vitality and viability of town centres, and would be compatible with other policies in this Framework; and …

para 121

NATIONAL GUIDANCE: PPG

Guidance

Housing and economic needs assessment

Guides councils in how to assess their housing needs.

Published 20 March 2015

Last updated 22 July 2019 — see all updates

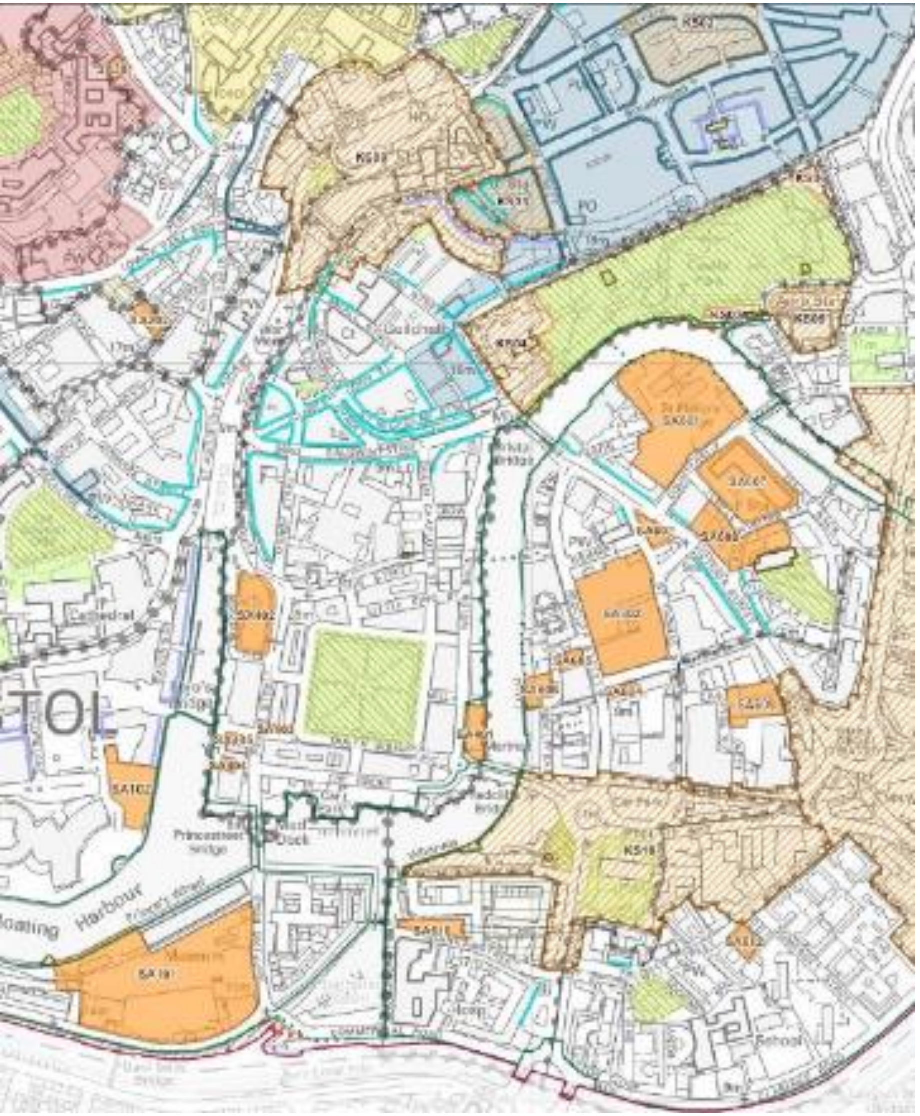
From: **Ministry of Housing, Communities & Local Government**

Contents

- How LPAs prepare and maintain evidence about business needs….
  - forecast future need
  - identify existing stock of employment land and pattern of supply and loss
  - market demand
  - future employment land requirements
  - assessing need and allocating land for logistics
  - specific locational requirements of specialist/new sectors

- How LPAs use this evidence base to plan for business.

WHAT HAS BEEN HAPPENING ON THE GROUND?



LOSING EMPLOYMENT LAND IN URBAN AREAS AS A RESULT OF:

- Allocating employment land for residential / mixed use
- Granting permission for redevelopment of employment to other uses
- Permitted development of B1 offices and light industrial (up to 500sqm) to residential

* **Not making sufficient/suitable replacement in Plans.**

PERMITTED DEVELOPMENT

- Most conversions from offices (91% of PDRs)
- Office → residential declining but still significant
- Storage → resi = low
- Light ind. → resi = low

New housing created through Permitted Development Rights (PDRs), England

Type of PDR	2015-16	2016-17	2017-18	Three-year total
Agricultural to residential	226	330	743	**1,299**
Office to residential	12,824	17,751	11,555	**42,130**
Storage to residential	55	106	218	**379**
Light industrial to residential	..	..	110	**110**
Any other	645	613	861	**2,119**
Unspecified	129	87	39	**255**
Total: all PDR	**13,879**	**18,887**	**13,526**	**46,292**

Source: MHCLG. Live Table 120

PERMITTED DEVELOPMENT

- Some LPAs had more take up of PDRs than others
- Bristol one of the highest in the country

New housing stock through PDRs: top 20 local authorities
Three-year total, 2015-16 to 2017-18

	Local authority	Total		Local authority	Total
1	Croydon	2,521	11	Barnet	647
2	Birmingham	1,092	12	Reading	646
3	Sheffield	1,044	13	Hounslow	608
4	Bristol	1,038	14	Peterborough	606
5	Nottingham	905	15	Crawley	592
6	Harrow	758	16	Bromley	570
7	Slough	716	17	Richmond upon Thames	535
8	Lambeth	695	18	York	530
9	Leeds	690	19	Camden	528
10	Sutton	675	20	Hillingdon	520

Source: MHCLG, Live Table 123

IS THIS A PROBLEM?

Yes….

- Town and cities need employment
- Employers need access to labour in towns and cities
- Increased travel distances to employment
- Offices + some industries (eg advanced manufacturing) need urban locations
- Rising cost of employment land /premises

* need integrated planning for housing and employment

LONDON – LOSS OF INDUSTRIAL LAND

- Displacement largely by housing
- Evidence base predicts 88% loss of manufacturing jobs by 2050.
- Mayor’s ‘managed release’ via annual targets/benchmark for each borough in London Plan.
- However, rate of loss was exceeding benchmarks set out in London Plan policy
  - 2011–2015 lost 2.7 times more than the London Plan requirement

residential to industrial land values is 3.2 to 1 across London and 7.6 to 1 in the centre = significant market pressure

Urban Studies
2017, Vol. 54(14) 3380–3398

LONDON – LOSS OF INDUSTRIAL LAND

Reasons for losses exceeding benchmarks

Study for the GLA found…

very little understanding of strategic employment land issues in DC teams. Policy officers felt their DC teams had no familiarity with the benchmarks or with the GLA evidence base. They might understand the general strategy, but not the detailed benchmarks, rationale or technical detail behind the numbers.

Urban Studies 2017, Vol. 54(14) 3380–3398

LONDON – LOSS OF INDUSTRIAL LAND

- New London Plan recognises the problem
- New evidence used to justify:
  - No net loss of industrial land in most Boroughs
  - Provide capacity in 6 boroughs
  - Limited release in just 3 Boroughs

LONDON PLAN INSPECTORS' REPORT (2019)

- Approach is aspirational but may not be realistic due to..
  - practicalities / viability of intensifying employment sites
  - pressure to redevelop non-designated sites for other uses
  - lack of non-green belt options for new industrial sites.

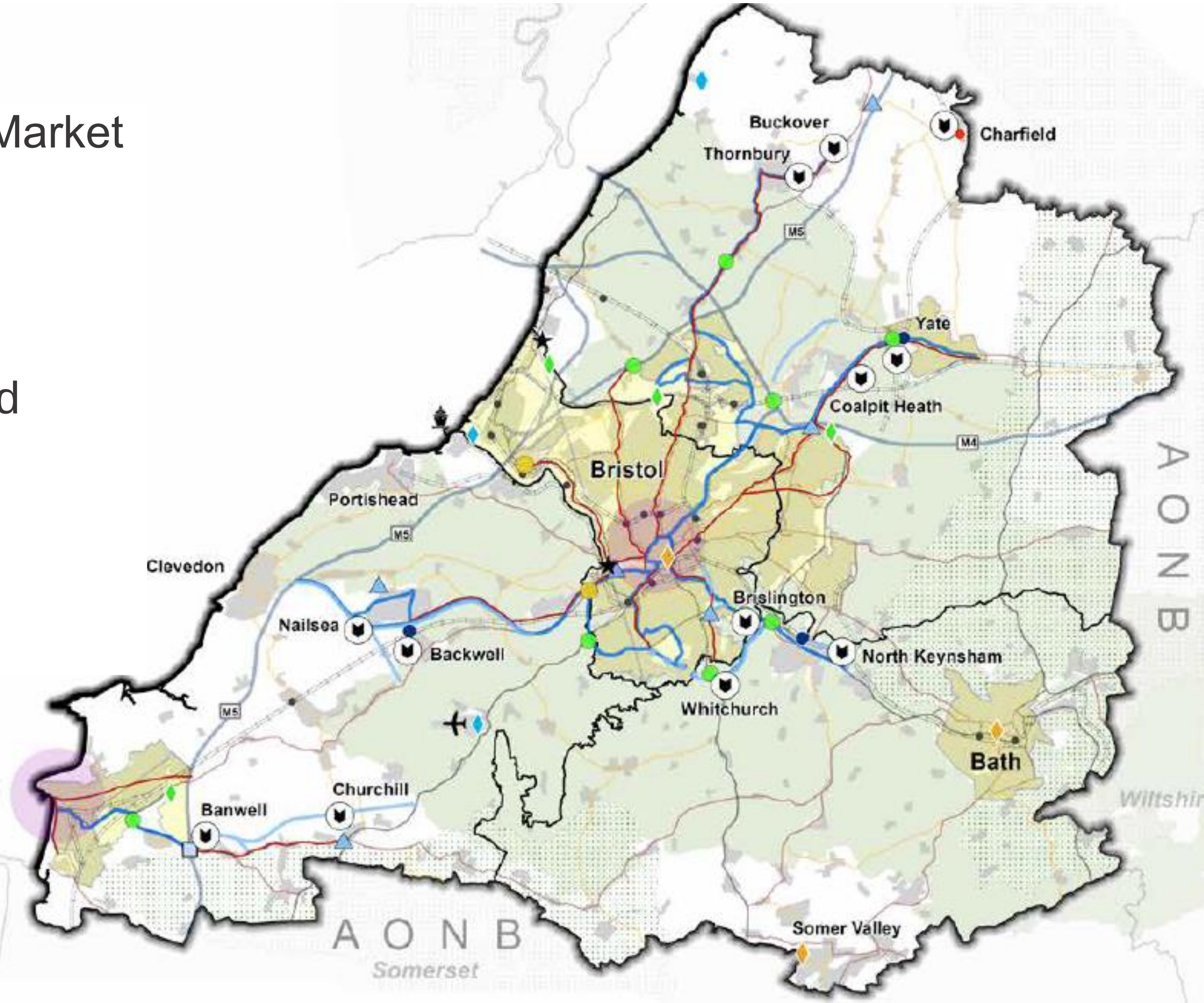
- Merit in taking forward approach to industrial land, subject to minor mods:
  - Boroughs to consider Green Belt reviews to provide additional capacity
  - Provide more positive framework for provision of industrial capacity
  - Strengthen protection of non-designated industrial sites which make up 1/3 of employment land

LESSONS FROM LONDON

- **Relevant to other towns and cities that are experiencing industrial displacement by higher-value uses**
- **Don’t let loss happen too fast – difficult for viable industries to stay in business**
- **Once industrial land is lost, it can be difficult to replace.**
- **Regular monitoring and plan reviews will help**

WEST OF ENGLAND JSP: PLANNING FOR EMPLOYMENT

- Collected evidence for the 'Functional Economic Market Area' (FEMA)
- JSP draft Policy 4….
  - 82,500 jobs
  - City centres, enterprise zones and strategic employment locations would ensure continued economic growth.
  - Additional employment opportunities in other centres / industrial estates
  - Plus some new employment land at Strategic Development Locations



Didn't specify how much / where

Left it to Local Plans to do the planning?

JSP: CONCERNS OF BUSINESS

- Planning for low end of economic forecasts
- Not fully taken account of redevelopment of employments sites and on-going PD on future supply
- Poor spatial distribution in relation to clusters, densities and preferred locations.
- Will result in undersupply of office space in Bristol and Bath city centres and north fringe of Bristol
- Over-reliance on Avonmouth for industrial requirements
- Need industrial land in central, east and south Bristol and re-provision of some of the business space (B1c, B2 and B8) that has been lost.
- Some SDLs poorly located, distant from main centres of business activity, and unproven areas of employment market demand.

If employers can't find sites, they may leave the sub-region altogether.

WEST OF ENGLAND JSP: INSPECTORS LETTER

Inspector concluded the JSP:

- Does not establish the total amount of employment land it is planning for
- Nor how much employment land planned at the various locations identified
- SA did not sufficiently examine alternatives for the employment strategy
- Plan does not demonstrate exceptional circumstances to justify removal of land from the GB for employment at the SDLs

STRATEGIC INFRASTRUCTURE AND EMPLOYMENT

Ports and Airports – The national picture

Ports

- 2017 - Directly contribute £1.7bn in GVA and employ 24,000 people (CEBR Maritime)

Airports

- 2014 - UK aviation sector generated around £20 billion economic output, directly employed around 230,000 workers, supporting many more jobs indirectly.
- The UK has the second largest aircraft manufacturing industry in the world

Department for Transport

maritime 2050
NAVIGATING THE FUTURE

PLANNING FOR PORTS AND AIRPORTS

National Planning Policy Framework

Para 104 e

"provide for any large scale transport facilities that need to be located in the area, **and the infrastructure and wider development required to support their expansion and contribution to the wider economy**"*

**specifically includes ports and airports*

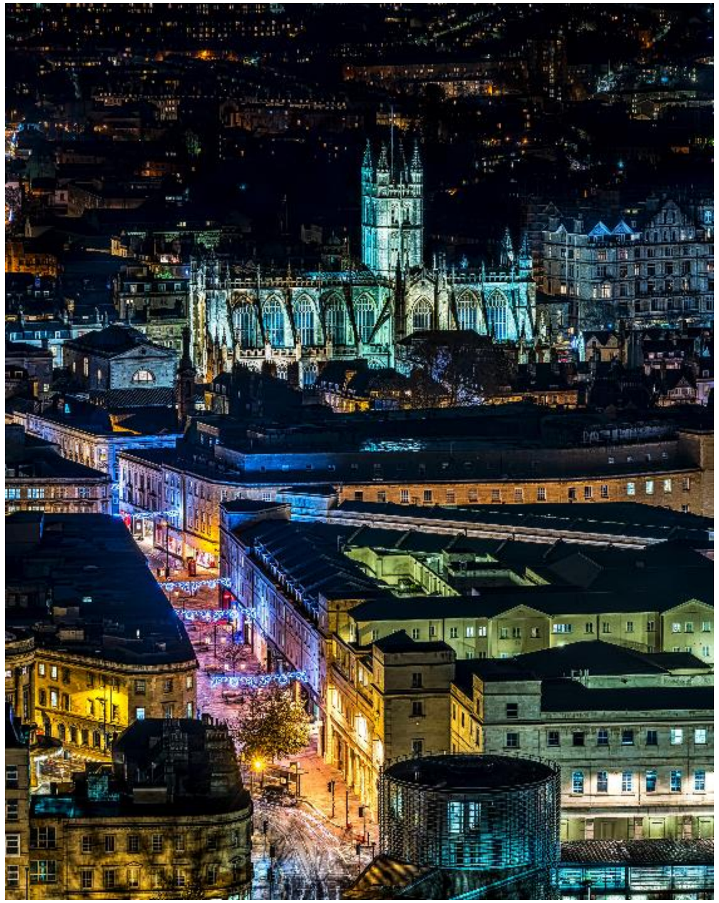
Para 5

"National Policy Statements form part of the overall framework of national planning policy, and may be a material consideration in preparing plans and making decisions on planning applications"

THE PLANNING OUTLOOK FOR PORTS AND AIRPORTS IN THE SOUTH WEST

- National need established;
- Recognition in national policy of wider employment role;
- Climate change and local environmental issues at the fore;
- Legacy of fixed Green Belt, surface access investment, and what qualifies as ‘related-uses’ holding back employment opportunities?

DOING BETTER: EVIDENCE

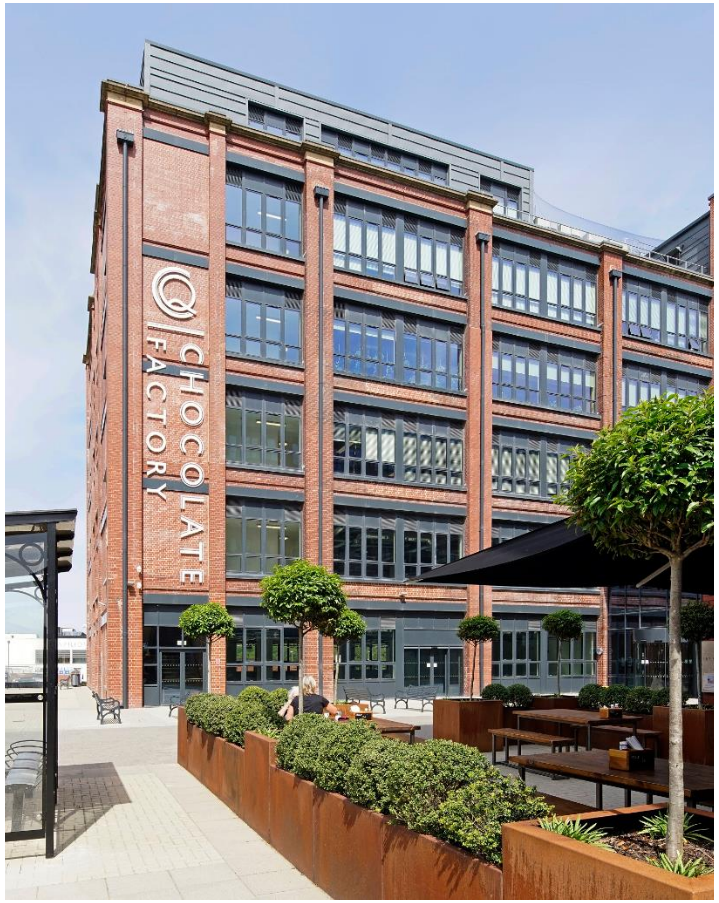


Collect evidence across FEMA:

- On future economic potential
- Demand: which sectors are growing / contracting – what type of land is needed / where?
- Properly understand recent patterns of supply – how are things changing? Losses and gains? Where?
- How is PD affecting supply? Factor in replacement demand.
- Assess quality of existing stock.
- How much additional employment land do you need, where, and by type? Which sites are no longer suitable / needed?

Work with business community

DOING BETTER: PLAN



- Plan strategically, ideally across FEMA
- Ensure evidence is <u>spatial</u> – how much additional land is required by use-class, what <u>locational requirements</u>
- Set targets for losses to monitor - manage against.
- Ensure housing and employment strategies are aligned – not just numbers – locations too.
- Don’t pursue housing in urban areas at expense of employment.
- Contingency and flexibility

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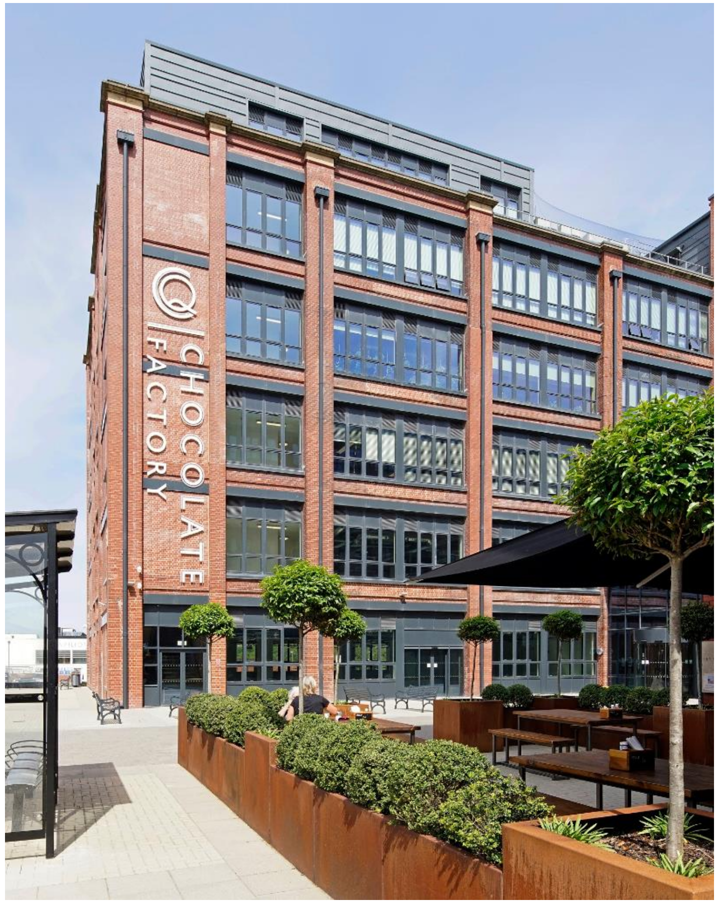
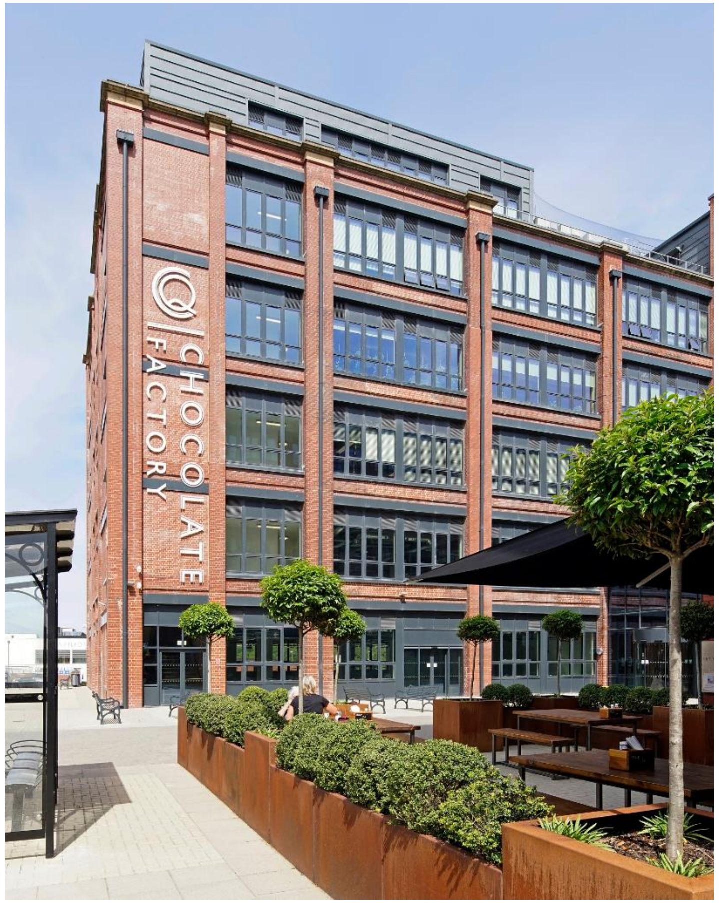
DOING BETTER: PLAN



- Protect employment sites / deallocate in line with evidence
- Allocate new employment land in the right places:
  - Sites may have delivery/viability issues
  - Liaise with business community on employment site options – employment agents/developers panel?
  - Allocate mixed use sites where type of employment is compatible with other uses to assist with viability
  - Allocating sites is essential….but doesn't mean they will happen – proactive delivery? LEP funding? Council to develop sites as a source of revenue?

Reliant upon robust evidence.

DOING BETTER: JOINT PLANS



- A number of joint plans underway in the region
- Just because you are preparing a strategic plan across more than 1 LPA, still need a specific, deliverable employment strategy
  - How much employment land is required by type for plan area + individual districts
  - Spatial strategy – how much employment land will be delivered in different parts of the plan area, responding to all the sectoral needs identified in the EDNA
- Still need detailed economic needs assessment (including supply and demand and quality of existing provision) to be able to plan well.

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DOING BETTER: DEVELOPMENT MANAGEMENT

- Ensure DM teams access employment evidence and strategy
- Provide clear policies on losses and additions, by employment type
- Regularly monitor permissions on losses / PD to ensure that losses do not vastly exceed the policy target
- DM officers feedback to policy team on applications geographical / sectoral trends.

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CONCLUSIONS….

- Allocate AND protect IF have sufficient evidence?!
- What is the economic potential of your area?
- What land and property does that need?
- How can you work with the market?
- If you want to protect key employment sites, are you making sufficient allocations for other uses?
- Beware of unintended consequences of “urban intensification”
- Consult widely and with business.