

Report to: Strategic Planning Committee
Date of Meeting 12 March 2024
Document classification: Part A Public Document
Exemption applied: None
Review date for release N/A



Proposed employment sites for consultation

Report summary:

At the 14 February 2023 meeting, this committee noted a report advising of the “Greater Exeter Economic Development Needs Assessment” (January 2023) report by the consultants Hardisty Jones into future employment needs in the district. Some proposed employment sites to accommodate some/all of this need were included in the draft Local Plan consultation but, since that time, a number of ‘new’ possible employment sites have been assessed as potential allocations. It is intended that the proposed ‘new’ employment sites, supported by the assessment work, be subject to public consultation in Spring 2024.

Is the proposed decision in accordance with:

Budget Yes No

Policy Framework Yes No

Recommendation:

That Strategic Planning Committee agree to consult on the employment sites detailed in this report as part of the Reg 18 Addendum consultation planned to start at the end of March.

Reason for recommendation:

To ensure that the public are given an opportunity to comment on the proposed allocations as part of the local plan production process.

Officer: Ed Freeman – Assistant Director, Planning Strategy and Development Management, e-mail – efreeman@eastdevon.gov.uk, Tel 01395 517519

Portfolio(s) (check which apply):

- Climate Action and Emergency Response
- Coast, Country and Environment
- Council and Corporate Co-ordination
- Democracy, Transparency and Communications
- Economy and Assets
- Finance
- Strategic Planning
- Sustainable Homes and Communities
- Tourism, Sports, Leisure and Culture

Equalities impact Low Impact

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Climate change Low Impact

Risk: Medium Risk; It is important that we follow a defined assessment process in deciding which sites to allocate, to ensure a rational process is followed and can subsequently be justified. It is important that the public are given the opportunity to provide feedback in response to the draft proposals.

Links to background information

See links in the report.

Link to [Council Plan](#):

Priorities (check which apply)

- Better homes and communities for all
- A greener East Devon
- A resilient economy

1 Introduction

- 1.1 The emerging East Devon Local Plan will contain policies to ensure that sufficient employment land is allocated to meet East Devon's needs. These areas will be restricted to employment uses such as offices, research and development, industrial processes and storage and distribution (uses within the E(g), B2 and B8 classes) but subordinate uses that are directly compatible with and complementary to the overall business use, such as trade counter sales, may also be allowed. The draft Local Plan consultation included a number of proposed employment allocations, but further sites have been put forward, and further assessment work has been undertaken, since then so that several additional sites have been identified with potential for employment use. Members are asked to agree that the additional proposed allocations be subject to public consultation early in 2024.
- 1.2 This report is concerned only with 'stand-alone' employment allocations. It does not address the requirements for employment provision as part of 'mixed use' sites to provide jobs in conjunction with new housing developments, a number of which were consulted on as part of the previous draft plan consultation. It also does not seek to address employment land to be provided at the new town (which will be addressed through a masterplan) or Cranbrook (which is already identified in the adopted Cranbrook Plan). It is anticipated that small scale, individual employment will also be permitted on non-allocated sites (for example through changes of use of redundant buildings, re-use of brownfield sites or expansion of existing businesses) but these will be determined against the employment policies of the Local Plan and are likely to be very low numbers.

2 Key evidence sources

- 2.1 Evidence to underpin the level, type and location of new employment development will be derived from a number of sources. An employment topic paper will be produced prior to the Regulation 19 stage of Plan making which will set out clear justification for the proposed allocations and the policies which accompany them.

Employment Land Review

- 2.2 This monitoring document [employment-land-review-to-year-end-31-march-2021-min.pdf \(eastdevon.gov.uk\)](#) is produced by the Planning Policy team and is updated regularly. The latest version was published in June 2022, with an updated document due in the coming months. It identifies the major employment sites and business parks in the district and within these employment areas it records and identifies plots of land and building floorspace that has been developed in previous years and vacant or undeveloped plots of land that could be suitable for future business development. The document also records planning permissions that have been implemented and any extant planning permissions on the land as at the report year end date.
- 2.3 In addition to reporting on land availability this report provides a district wide analysis of Non-Domestic Rates (NDR) and Vacant NDR units at employment sites, commenting on identified uses of units, numbers and distribution across the district. The report also contains information on wage levels, unemployment rates and employee/job numbers in East Devon.

Economic Development work

- 2.4 The Economic Development team recently took a report to Cabinet [Local Economic Review.pdf \(eastdevon.gov.uk\)](#) and this highlights the core issues and challenges facing the district economy. This report is evidenced by the most up to date Census and ONS data, and data from the Economic Development Needs Assessment. A new Economic Development Strategy (2024-29) is being produced and (timing dependent) the emerging policies and actions will inform/be reflected in the Local Plan. This is due to be taken to Cabinet for endorsement in May 2024.

Economic Development Needs Assessment

- 2.5 Members agreed at SPC on 14th February 2023 that the “[Economic Development Needs Assessment](#)” (EDNA) produced by Hardisty Jones, should form a key part of the Local Plan evidence base, along with a market overview and assessment of potential supply (provided as an appendix to the report, by JLL property consultants). The report enables the council to ensure that there is evidence on employment need that is up to date in accordance with the latest Government planning policy and practice guidance and informed by available information.
- 2.6 The report was commissioned collaboratively with Exeter City, Mid Devon District and Teignbridge District Councils, and covered the whole GESP area but was broken down to assess the level of need for each of the four districts. This council therefore only endorsed the East Devon element of the report as evidence. It was intended that further evidence could be commissioned to add further sector-specific and site-specific detail and further quantify the amount of provision that is needed.

- 2.7 In line with the National Planning Policy Framework and the Planning Practice Guidance the focus of the EDNA report is on quantifying and justifying the economic development need for East Devon. Through the Local Plan the Council then needs to allocate enough employment land to meet the forecast demand over the 20 year plan period and support the delivery of allocated sites to ensure sufficient supply of suitable premises. Members should be aware that there is an historic, and ongoing, issue with the delivery of suitable sites in the district despite sufficient land being allocated to meet previously identified demand. This is discussed later in the report.
- 2.8 The main body of the EDNA explains the methodology and assesses employment change, need arising from this change and likely demand for floorspace/sites in key employment sectors as a result. It also looks at the potential availability of sites to meet this need. It should be noted that the need for logistics was calculated on a study-wide basis and further, detailed work was recommended. The report concludes that an additional 8ha of land for logistics is likely to be required and given the activity in the West End and proximity to main transport routes, demand is likely to be concentrated in East Devon.

1.3 Evidence Findings

- 3.1 The EDNA considers a range of growth scenarios, from minimal growth to maximum growth, and estimates how much land is needed over the Plan period for each. Members have previously considered that a mid-point scenario should be used for forecasting. Recognising the Council's sustainable, net-zero aspirations, the consultants were also asked to consider a 'clean growth' scenario which applies an uplift to employment growth in the Information & Communication and Professional, Scientific & Technical Activities sectors. Interestingly, there is very little difference in land requirements between the mid-point and clean growth requirements.

Fig 1 Requirements for office space 2020-2040

Offices	Minimum	Mid-Point	Clean Growth	Maximum
Total land requirement (ha) 2020-2040	2-4	3-8	4-10	5-12
Average annual land requirement (ha)	0.1-0.2	0.2-0.4	0.2-0.5	0.2-0.6

Fig 2 Requirements for industrial space 2020-2040

Industrial	Minimum	Mid-Point	Clean Growth	Maximum
Total land requirement (ha) 2020-2040	57-65	60-69	61-69	64-73
Average annual land requirement (ha)	2.9-3.3	3.0-3.5	3.0-3.5	3.2-3.6

NB an additional 8 ha for logistics is likely to be required, with demand most likely in East Devon

Employment Space Requirements

3.2 Assuming Members agree that the mid-point and clean growth scenarios continue to be the most appropriate approach, taking the middle of the range of these figures gives the following approximate requirements from 2020-2040:

- **7ha** of land for **offices**
- **73ha** of **industrial** land (if the requirement for 8ha specifically for logistics is included), **65ha** of industrial land otherwise

The figures quoted above are considered to be the most accurate forecast of demand for the period 2020 to 2040 and take account of economic growth, economic change and demand for replacement premises.

Appended to the EDNA is an assessment of known current demand in the market at the time of the report (50.8ha, August 2022). This is a snapshot at a single point in time based on enquiries to the agent undertaking the work. It is not therefore a complete picture of supply.

Although these demand figures could be used to justify making provision for more employment land than that estimated in the EDNA, they should not be added to the EDNA figures.

Employment Space supply

3.3 The EDNA is accompanied by an assessment of supply (undertaken by JLL consultants). This provides a 'snapshot in time' assessment of available sites over 185sqm, along with a Red/Amber/Green rating of their deliverability. This assessment concludes that there is a considerable **oversupply of office space** (albeit mostly concentrated at one location in Clyst St Mary) and a **slight shortfall in industrial land**. This was based on the need for 65ha of industrial land and the shortfall did not include the 8ha of additional logistics land. The report notes, however, that "*some of the sites may have barriers to their delivery, and the District Council needs to work with landowners and promoters to understand and potentially help to overcome these. East Devon should also consider how to accommodate some of the forecast future demand driven by the economy of the City of Exeter, which may require further site allocations.*" The report also acknowledges that as little as 39ha of the industrial land may be deliverable in the short term, so that the shortfall is likely to be greater than the figures suggest.

3.4 This raises several issues which will impact on the need for additional employment allocations:

- The available evidence suggests that there is a very high level of demand for sites and premises for smaller businesses and only a limited number of sites being marketed to accommodate that demand. The EDNA supply evidence does not look at availability of premises below 185sqm but a review of land agents websites suggests that there is little to no current availability of such units. Compounded with the barriers to short term delivery acknowledged in the EDNA, the potential current supply will not meet demand.

- A number of employment allocations in the adopted Local Plan are very longstanding and have not been developed despite being identified for many years. As allocations, some of these sites are identified in the EDNA as potentially being available in the short term, but further work has recently been undertaken to understand the barriers to their delivery and why they have not come forward already despite clear policy support. An example being the allocations at Finnimore Industrial Estate in Ottery St Mary where the sites are within the floodplain and are not considered suitable for reallocation. Other reasons could include landowner intention, infrastructure cost, title restrictions and land values. If these sites are not likely to be developed in the short term then, if need is to be met, alternative, additional sites will need to be identified.
- There is potential pressure to identify further land to meet Exeter's employment need and this is explicitly referred to in the introductory summary to the EDNA (quoted in the preceding para above). The EDNA also states that "The City of Exeter is the main office location in Greater Exeter. However, it has insufficient employment land to meet its forecast demand for both offices and industrial development between 2020 and 2040. Delivery should be encouraged on all currently identified sites and conversion of redundant retail units should be considered. There is limited scope for more employment land in the city, above that already identified, so some of the demand for employment land stimulated by the city's economy will need to be accommodated in its hinterland, in adjoining local authority areas. The Liveable Exeter initiative sets out proposals to replace some industrial sites with mixed-use development, including residential as well as employment space. This, along with the lack of potential employment sites emphasises the need to accommodate new employment development in its hinterland." Since the EDNA's production ECC have consulted on revised Local Plan proposals. Members agreed a response to this consultation at their meeting of 9th January 2024 part of which highlighted that the plan did not set out how the employment needs of the city would be met in full by the plan and asked ECC to advise how they will meet their need. The response also highlighted the lack of detail about the Liveable Exeter sites, the levels of employment to be provided on these sites and how displaced employment uses are to be accommodated.

4. Potential sites for allocation in the new Local Plan

- 4.1 The new Local Plan will identify sites as employment allocations. Primarily these areas will be reserved for offices, research and development, industrial processes and storage and distribution (uses within the E(g), B2 and B8 classes) but subordinate uses that are directly compatible with and complementary to the overall business use, and will enhance job provision and the effective operation and business appeal of the park or site, may also be allowed. Allocated sites will usually be distinct, undeveloped (or intended to be redeveloped) areas of at least 0.5ha; in addition, there will also be numerous unallocated, smaller parcels of land within existing established employment sites which could come forward as 'windfalls' (an allowance for these was made in the EDNA).
- 4.2 Allocated sites will come from a number of sources, and some will have already been consulted upon:

- **Undeveloped allocations from the adopted Local Plan** have been reallocated where there are sound reasons for them not being developed during the current plan period and there is a realistic expectation that they now will be. As long-standing allocations, these may not have been subject to the Draft Plan consultation last year.
- **Sites submitted to the initial Call for Sites.** Many of these were consulted upon at Draft Plan consultation stage. This consultation included some longstanding allocations if they were submitted to the Call for Sites for reassessment.
- **'New' sites submitted since last year's consultation.** These sites have now been assessed along with outstanding sites previously submitted. These will be consulted on in Spring if Members agree to the recommendation in this report.

4.3 A list of proposed employment site allocations currently considered as having potential to be included in the new Local Plan is attached at Appendix 1. This identifies the site locations, site size and the consultation which has been carried out/is proposed to be carried out. This list may be revised in light of consultation feedback or on the basis of additional evidence, for example the viability work which is ongoing. The full list of sites to be consulted on, and the assessments undertaken, at this stage is attached at Appendix 2. Previous site assessment work can be viewed at [Evidence Base and Supporting Documents - Site Selection and Settlement Boundary Setting - East Devon](#)

4.4 Appendix 1 shows that currently around 156ha of potential employment land has been identified in the district, of which around 120ha could potentially be allocated based on officers' assessment. This does not discount sites which have been approved/built since the last employment land review (published in 2021) and some of the proposed sites may be discounted following consultation, so these figures will not be finalised until the next stage of Plan production. However, potential supply of 120ha of employment land against the identified need stated at Para 3.2 will potentially leave us with a pool of sites to choose from in drafting the Reg 19 version of the plan. There is some benefit in allocating more employment land than is strictly identified as being needed by the EDNA as some sites may not come forward. The market may also benefit from a range of choice given the changing needs of different employment sectors. There is also potential latent demand that should be taken into account when finalising employment land allocations. There is through a need to strike a balance between allocating enough employment land and not allocating too much because if there is perceived to be an oversupply of employment land then it may leave us under pressure from developers to release some for housing in the future. Equally some parties may argue that we need to increase our housing numbers in the Local Plan to meet demand from increased economic activity if we are seen to be over provided against the mid-point and clean growth scenarios in the EDNA.

4.5 Appendix 1 includes provision for 18.4ha of employment land at Cranbrook and around 17.5ha at the second new community. These will not be specifically allocated in the Local Plan (the former is identified in the Cranbrook Plan and the latter will be required and identified in a masterplan as a detailed scheme is progressed).

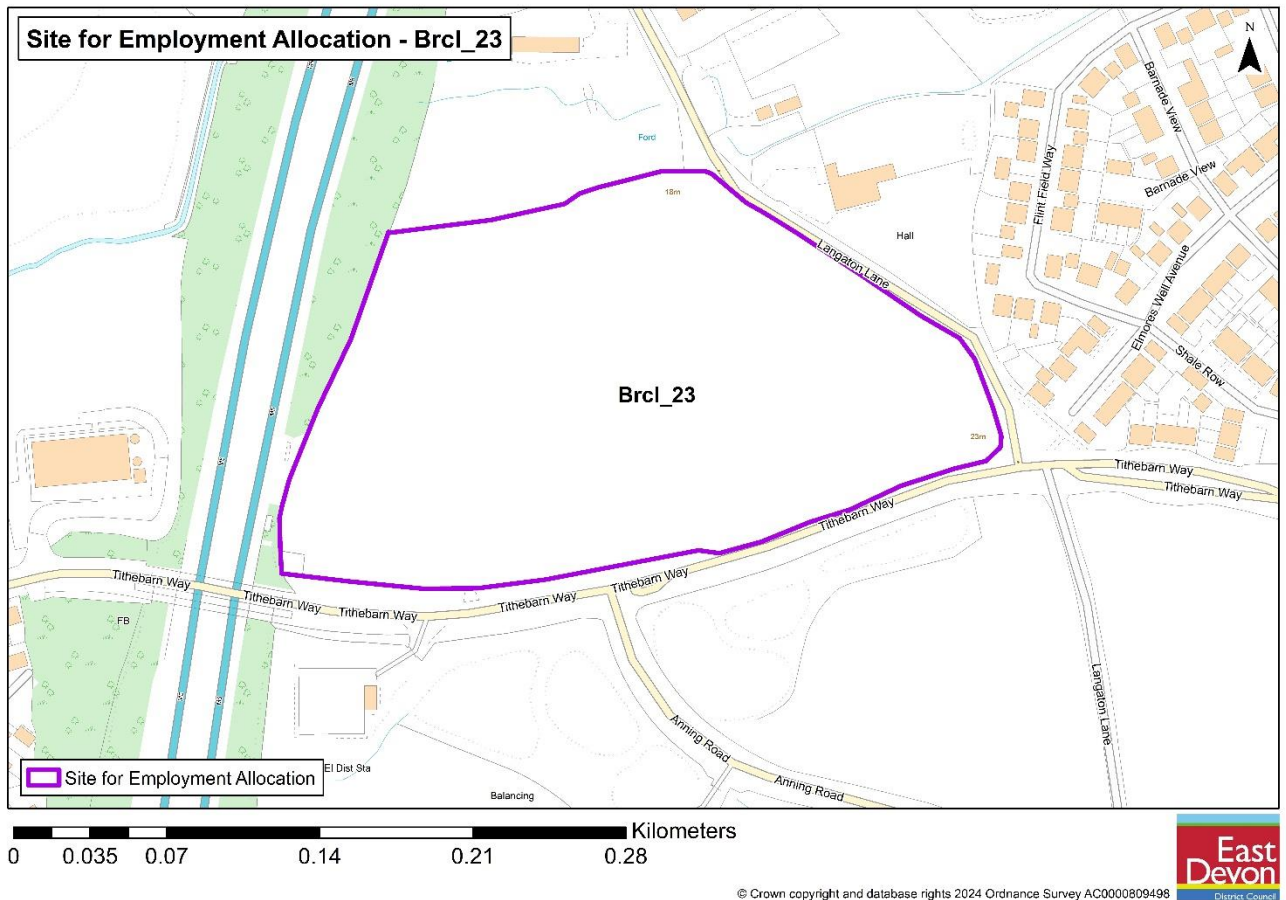
4.6 In terms of the new second community an approximate figure has been calculated based on the total land budget for the new community which includes 48 hectares of employment land in total. The quantum of that figure that would come forward in this

plan period will be determined from the masterplan work as there are various reasons why this figure may need to flex through this work. There is however an assumption that significant employment land should be delivered early in the build out to encourage self-containment. Overall, around 35.9ha from Cranbrook and the second new community have been counted towards the total employment provision in the district.

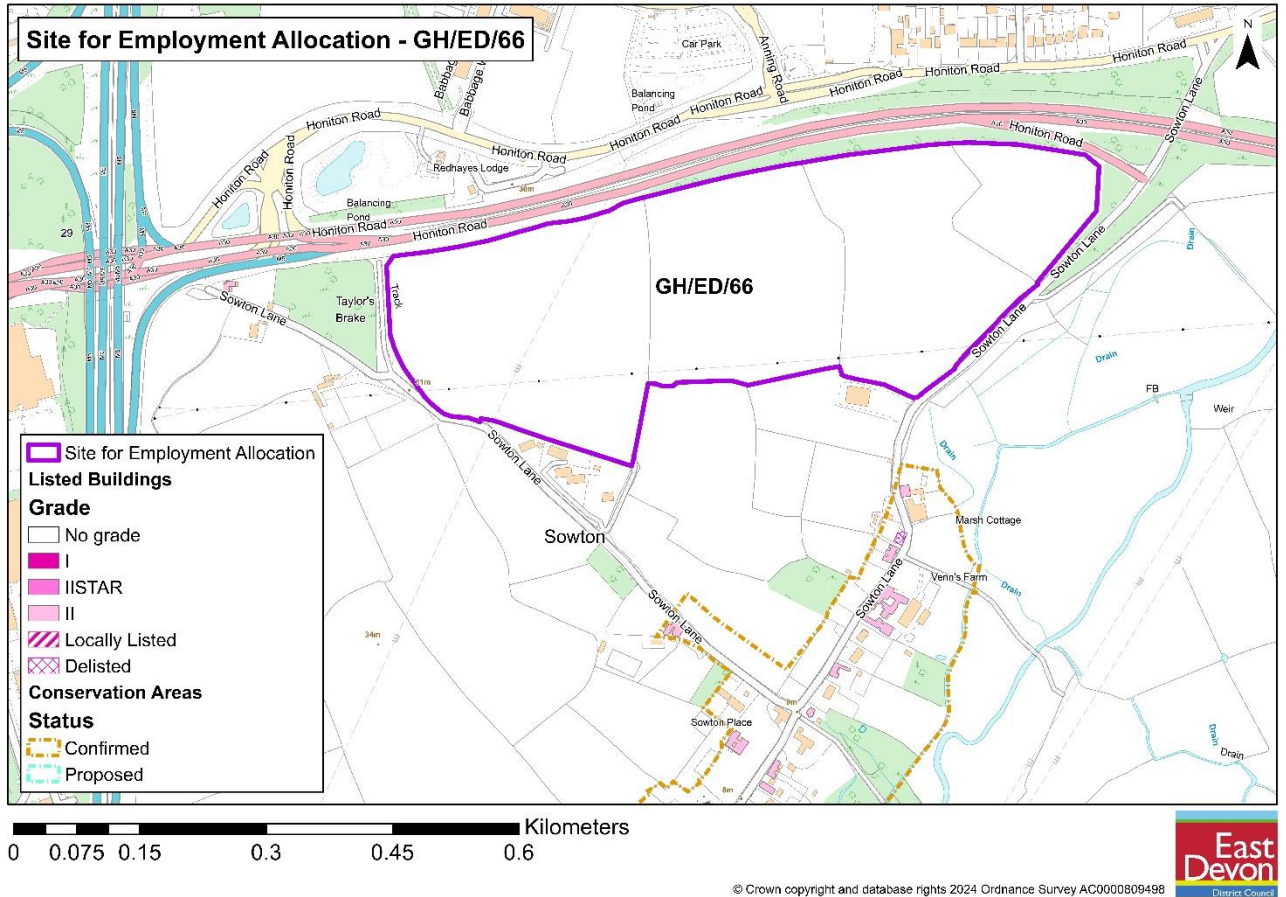
- 4.7 It is considered sensible to ensure that a range and choice of sizes and types of employment land are provided in locations across the district. To allow flexibility and address the situation in the last local plan where some allocations did not come forward, it is proposed to allocate some additional land, over and above the EDNA identified need but the amount has yet to be finalised. Whilst the Enterprise Zone and wider West End are identified as strategically important and will provide the focus for high quality, highly skilled jobs, it is essential that land continues to be allocated at the market towns and larger villages with good public transport connectivity, to ensure that residents and local businesses are able to work close to home. In any case, it is intended that larger housing sites will be required to incorporate an element of employment land, thus making them mixed use, although these sites are not the subject of this report, and such provision is not taken into account in the totals reported on in this report.

5. Proposed Draft Plan Allocations which may need to be deleted

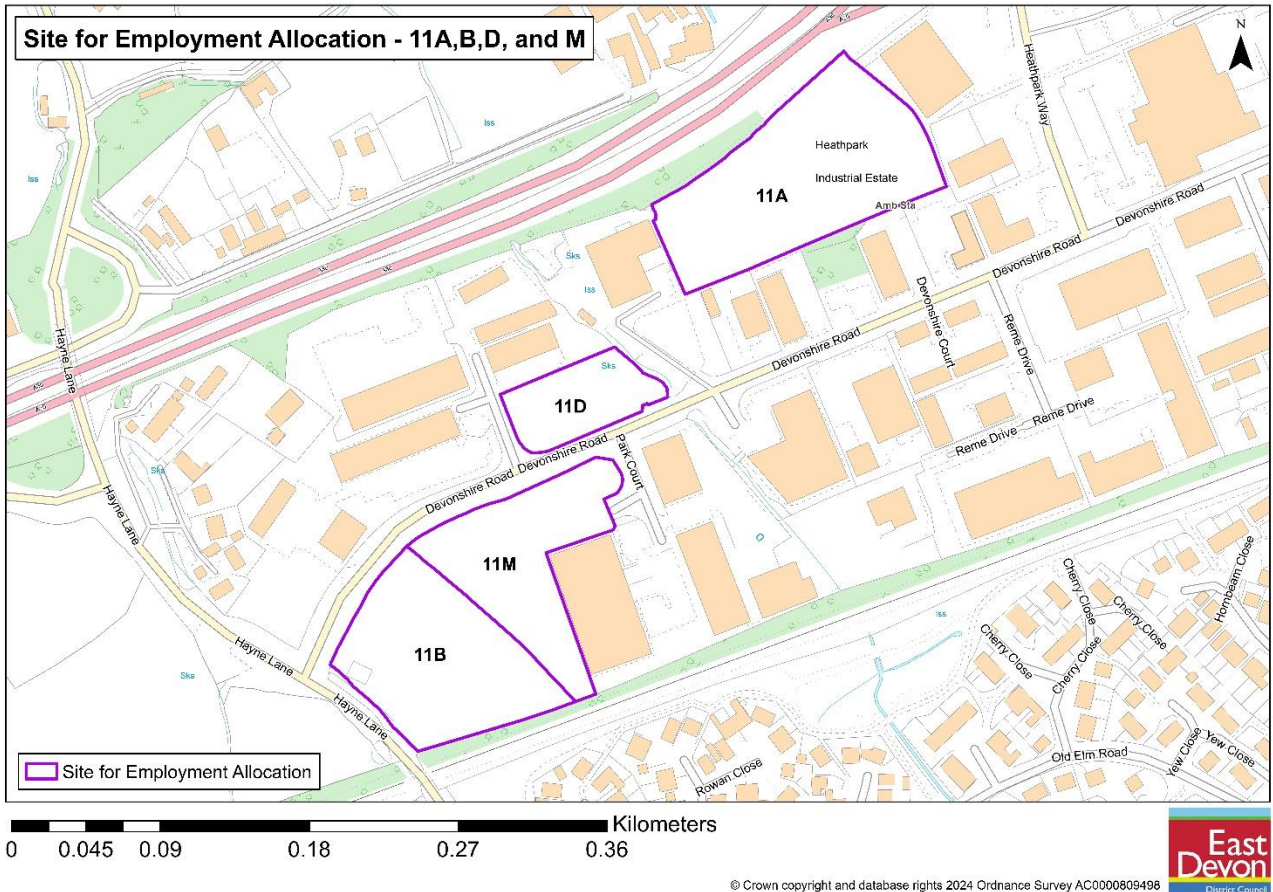
- 5.1 Last year, a number of potential employment allocations (including sites submitted in response to the 'Call for Sites' and longstanding allocations) were assessed and consulted on. Very few objections to these sites were received and it is a clear option that most will progress to the Regulation 19 consultation stage. Unfortunately, two of the sites in the West End require more detailed consideration and may be deleted as employment allocations. As with many sites, both received mixed feedback, with views ranging from strong support for employment, to suggested alternative uses (mainly open space or housing), to objections to employment and objections to any development of the sites, however fundamental issues were also raised which are explained below. As these are both quite substantial sites, in a strategic location, Members are asked to note the position.
- 5.2 The first of these sites, referred to in the consultation as "Land north of the Science Park", measuring 4.37ha, (outlined purple on the map below) is being pursued as a housing site by the submitter, and may not be available for employment. Without owner support the site could not be progressed:



5.3 The second site, referred to in the consultation as “Land north of Sowton village”, measures 19.29ha, and is outlined in purple on the map below. Historic England has raised concerns at the impact that employment development could have on Sowton Conservation Area and nearby heritage assets to the south of the site, and it lies within the proposed Clyst Valley Regional Park boundary. The eastern two fields are steeply sloping and visually prominent, as well as raising heritage considerations, but there may be scope to retain these as a more active part of the Clyst Valley Regional Park whilst developing the middle and western areas for employment. This warrants further assessment. Potentially around 10ha could be allocated.



5.4 In addition the longstanding group of small-scale allocations at Honiton Industrial Estate, known as 11A, 11B, 11D and 11M (see plan below) are proposed for deletion. All of the sites, except 11A, have current planning applications on them. The sites are all within the existing employment area, where other non-employment uses would be contrary to policy, and therefore there is no policy benefit in continuing to specifically allocate them for such use.



6. Public consultation

- 6.1 It is proposed that public consultation on various local plan designations and allocations, including the new, additional, employment allocations, will be undertaken as soon as possible after receiving SPC approval. Such consultation will last for a minimum of 6 weeks. The suggested text and maps for the consultation are appended as Appendix 2 (these may be subject to minor amendments prior to the consultation. These will be limited to typographical or other corrections and improvements to the clarity of the maps/text):

Financial Implications

There are no direct financial implication resulting from the report.

Legal Implications

There are no direct legal implications resulting from the report.