

Paragon North Weald Ltd

Local Plan representations – Matter 12 Issue 1

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MATTER 12: EMPLOYMENT

Issue 1: Are the requirements of Policy E1 justified, particularly in respect of financial contributions?

1.1 The Inspector's first two questions are:

Is Policy E1 (and, in consequence, the employment sections of Policies SP2 and Policies P1-P15) intended to apply to employment sites for B Class uses?

If so, is it justified to prevent the change of use of such sites to other employment generating uses outside the B classes? Would this be consistent with the requirements of paragraph 28 of the NPPF to support the diversification of rural businesses?

1.2 These two questions are closely related and so we address them together.

1.3 We have in previous representations noted how the late provision of key evidence base documents has undermined the preparation of a sound development plan. This shortcoming can clearly be seen in Policy E1. Policy E1 does not actually reflect either the real demand for land, its qualitative requirements or the assumptions made within the Council's own evidence base.

1.4 Our previous representations (Matter 3 Statement) identified the key reasons why the Council's assessment of need for employment land is a substantial under-estimate of the true need for additional floorspace in this area; particularly for strategic warehousing. In this respect you will be aware that our January 2018 Regulation 19 representations (19LTEAD0002) were supported by evidence on the logistics market from market leading surveyors JLL that demonstrated strong market demand for in particular large-scale distribution warehouse facilities.

1.5 We also noted that the ELR (EB610) made the assumption that growing warehouse demand could simply be offset against declining industrial demand – assuming they have exactly the same property and location requirements. This substitution or offsetting results in an artificially low demand or need for logistics land, and we fundamentally disagree with this assumption. Growing logistics demand does not always share the same qualitative site characteristics of declining industrial sites.

1.6 This is obvious from the current application for new strategic warehousing on the Council's only new site at Waltham Abbey – it is not realistic or credible to assume that the scheme as proposed at Waltham Abbey could be accommodated on existing sites – by reusing old industrial units – as the evidence base has assumed. But with this site now accounted for (by Next) before this plan has even been adopted, there is no alternative new land in the submitted plan to meet this type of demand – beyond the reuse of existing sites.

1.7 This concern is amplified in Policy E1 because, as currently drafted, the policy prevents the seamless substitution of one employment use to another. As drafted Policy E1 (i) & E1 (ii) are phrased towards '**existing uses**' and are not flexible

enough to allow for a change between uses on employment sites – as the evidence base has assumed. So even if the ELR's assumption, that (growing) logistics demand is perfectly substitutable on (declining) industrial sites, was correct then the policy is not phrased to facilitate this.

- 1.8 We are also concerned that Policy E1, and the evidence base, omit to consider the growing needs of many 'sui generis' employment uses and in particular the growing demand from the construction sector. This omission cannot easily be repaired because the ELR, when estimating how much new land / floorspace was needed, excluded all construction related employment from its estimates of industrial or warehousing B class floorspace demand¹. This is an odd omission given construction related trade counters are one of the most active parts of the industrial market, and even applying the Council's own job forecasts (Figure 3.3 *Forecast Jobs Change by Sector 2011-33 in Epping Forest District* of the HJA Employment Review (EB603)) is a rapidly growing sector. It is also odd given that construction is increasingly moving towards 'modern methods of construction' that requires industrial land to facilitate offsite prefabrication. The share of the construction sector employment requiring B class space is debatable – but here the ELR has assumed none. So, despite construction being a fast-growing industrial sector the Epping Forest Plan makes no quantitative provision for new land to accommodate this, and the restrictive phrasing of Policy E1 could prevent new growing sectors taking new space or land vacated by declining 'existing uses'.
- 1.9 In summary – Policy E1 does not reflect the evidence base, it does not facilitate the (flawed) assumption that growing sectors (logistics or sui generis and construction related uses) can seamlessly take land or floorspace displaced by declining 'existing uses'.
- 1.10 This issue may not be so serious if the Council had, as Policy SP2 suggests, overprovided land to provide 'flexibility'. Table 2.5 of the plan provides for only 23 ha of land against a total need between 16 ha-19 ha shown in Table 2.5. This flexibility is doubly questionable given that 10 ha of this supply is at WAL.E8 and already effectively taken up – subject to planning approval. This single scheme 'absorbs' more than 2/3rds of the total 14 ha of industrial 'need' over the plan period.
- 1.11 Were policy E1 to be repaired, to extend the definition of 'employment uses' to one more widely recognised (to encompass growing industrial related sectors, whether they be sui-generis or trade counters etc) the quantitative demand for land shown in the ELR and carried into the plan would need to be updated to reflect this higher demand for land.

Minor corrections:

- 1.12 As minor corrections we note that Policy SP2 and E1 (and associated tables including 2.5) are often inaccurate as regards the time period used (2016-33 or 2011-33) and also the type of land/floorspace required. Our understanding is that the tables relate

¹ The ELRs attribute 95% of the construction jobs to the 'none/homeworking' land use category (refer to Figure A2.1 SIC to Use Class Matrix, Appendix 2, HJA FEMA Employment Need Assessment (EB610)).

to 2016 and not 2011, but this needs checking with the Consultants concerned. Further Table 2.5 erroneously confuses the demand for industrial land (14 ha) with offices. Our understanding is that the 14 ha relates of all industrial (B2 & B8, with one offsetting the other) combined and not B1 as suggested.

Are the requirements of Part A(iii) concerning contributions to local employment training and small business growth programmes justified by reference to the tests in paragraph 204 of the NPPF? In particular, would they be justified in cases where an applicant had successfully demonstrated that there is no reasonable prospect of the site being used for employment purposes?

- 1.13 Finally, we note that E1 (iii) would appear to be unsound – a quantitative loss of employment land or floorspace cannot logically be ‘made good’ (or ‘mitigated’) through training or Council supported ‘Growth Programmes’. If there is (as per NPPF) no reasonable prospect of site being reused for employment use it is questionable why ‘mitigation’ is needed. We fail to see the evidence trail (or logical construct) for such onerous financial ‘mitigation’.