Examination of the Runnymede 2030 Draft Local Plan

Examination Hearing Statement

on behalf of Tarmac Trading Limited

Matter 9: Employment, Town Centre and Retail Policies

January 2019
1 INTRODUCTION

1.1.1 This Hearing Statement has been prepared by Heaton Planning Limited ("HPL"). This statement supports the representations made on behalf of Tarmac Trading Limited ("our Client").

1.1.2 This statement follows from previous representations to the plan (ID representor 1937) and should be read in conjunction with our previous representations and earlier hearing statements submitted in connection with “Stage 1” of the hearing sessions.

1.1.3 We have responded where appropriate to the questions highlighted within examination document ID/11. It is our intention to play an active role in the examination hearing sessions, including participation in some of the other questions for which answers have not been provided which still relate to matters raised within representations previously made. We have also sought clarification as to how the Inspector intends to consider any comments on the Council’s “Supplementary Employment Note” (RBCLP/12) which may, given our concerns, necessitate further written submissions.
2  MATTER 9 - EMPLOYMENT, TOWN CENTRE AND RETAIL POLICIES

Question 9.1 – Together with the expectations for Longcross Garden Village in Policy SD10, do policies IE1-IE3 provide a justified, positive and deliverable framework to meet the anticipated needs for employment development in the Borough up to 2030? Is the plan sufficiently flexible to help meet the priorities of the economic development strategy as set out in paragraph 8.6?

2.1.1 Our answer to both limbs of this question is no.

2.1.2 Paragraphs 18 – 22 of the Framework (2012) provide a clear steer on delivering economic growth. This key element of the framework emphasises that the planning system should do “everything it can” to support sustainable economic growth. Planning should not “act as an impediment” and “significant weight” should be placed on the need to support economic growth. Local planning authorities should “plan proactively” and ensure policies are “flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances”.

2.1.3 The economic development strategy, as summarised within the plan broadly correlates with the approach of the framework. However, the underlying policy context in the draft plan is not consistent with the framework. We summarise below our position as to why this is not the case, in anticipation of further discussion at the hearing session and the opportunity to comment on the Council’s recently published updates to its evidence (RBCLP/12).

2.1.4 Firstly, to recap our evidence within our regulation 19 submissions and participation in earlier hearing sessions, we consider the Council’s approach to our client’s land and employment issues at a strategic level is flawed because:

- The plan does not allocate and positively identify sufficient industrial land to meet its identified requirements;
- Notwithstanding the planned shortfall against identified (deficient) requirements, the plan is not drawn up over an appropriate timescale. Nor is it sufficiently flexible (e.g. by excluding the safeguarding of
Green Belt) so that it can properly take account of longer-term requirements for development, despite those requirements being, at least partially, understood and anticipated by the Council;

- The spatial approach within the plan and the identified role of Thorpe Industrial Estate is not reflected with sufficient flexibility to support its role, its importance to the Borough and the requirement to promote sustainable patterns of development; and,

- The assessment work undertaken in relation to our client’s land is flawed with erroneous conclusions made which have not been corrected.

2.1.5 All of these factors point towards the need (at a strategic level) to identify at least one additional employment land allocation (by which we mean additional to the proposed New Haw allocation) to provide for important “churn” in the commercial property market.

2.1.6 In analysing matters in further detail in the context of this question, we submit that the need to positively identify additional allocations, specifically, our client’s landholding is amplified.

2.1.7 Our further detailed analysis stems from the submitted evidence base and the publication of the “supplementary employment note” (RBCLP/12) requested by the Inspector. We have sought clarity on the ability to submit more detailed written comments on the employment note via the programme officer and await clarification of this. We have also sought clarification from the Council on aspects of RBCLP/12 that reflect our areas of concern.

2.1.8 In the meantime, we summarise our position under the headings below in anticipation of expanding the discussion during the hearing sessions.

The spatial approach to employment development – Strategic Employment Areas (SEA)

2.1.9 As noted previously the draft plan specifically acknowledges the role of Thorpe Industrial Estate to provide for further growth. Despite the provision of updated information by the Council, we still hold strong reservations that
the approach of the Council fails to provide a robust response that reflects the strategic importance of this site.

2.1.10 To recap Thorpe Industrial Estate is one of five designated employment areas that together “make up the borough’s current core supply of employment land”. In particular the draft plan notes that Thorpe Industrial Estate “provides the majority of industrial space within the Borough, which is considered to be of strategic importance to the local economy”. Paragraph 8.12 of the draft plan confirms the inherent sustainability associated with the SEAs and states that “Focusing future development on such sites will help to build on existing sustainable patterns of development and market successes”.

2.1.11 Table 2.3 to the Council’s matter 2 statements makes it clear that in either the “Labour Demand” or “Labour Supply” scenario for calculating the employment land requirement, there is a shortfall in industrial floorspace across the plan period (irrespective of whether the plan is too short or not and the shortfall would be exacerbated over a longer plan period).

2.1.12 Paragraph 2.69 of the Council’s Matter 2 hearing statement also envisages that this shortfall will be rectified by redeveloping “outdated office floorspace / vacant sites” within the portfolio of SEAs.

2.1.13 Despite the provision of further information by the Council, there remains an overall lack of clarity to assist considering whether this approach will make any meaningful contribution to resolving the shortfall.

2.1.14 The Council has not provided any specific information on vacancy rates, losses, completions and development pipeline by specific SEA despite requests to do so. This information is important to understand the true ability of these SEA locations to be redeveloped to deliver the sustainable development objectives required. Further clarity on this is required to enable a full understanding of the credibility of the Council’s approach.

2.1.15 We hold concerns that the SEAs are subject to numerous constraints that impact overall deliverability and the attractiveness to the market. This follows the critique provided on many of these sites within the Employment Land Review and other published sources. Much of the districts industrial stock faces similar challenges for redevelopment including land assembly.
challenges through multiple ownerships, sites already developed to and beyond optimum densities (lack of car parking space is evident at Thorpe Industrial Estate), flood risk and the associated inability to increase footprint or develop resilient space and legacy landfill risks. The updated note from the Council in our view doesn’t do enough to respond to these issues.

2.1.16 We therefore reserve our position to comment further dependent upon clarification by the Council.

*The calculation of “Supply and Demand Balance”*

2.1.17 Notwithstanding the need for further clarification upon aspects of the Council’s updated evidence we have considered the updated “Table 2.3” as provided within RBCLP/12 together with the associated narrative. Whilst we await clarification, we summarise below our concerns with a view to expanding upon them at the hearing session or through separate written submissions setting out further detail:

- **The role of Longcross Garden Village** – It is concerning that the losses of existing industrial space within the Longcross Garden Village site are not accounted for within the Council’s Supply and Demand Balance. This is a flaw which has a significant impact on the shortfall of industrial space identified by the Council. Paragraph 8.17 of the ELR states that it is “anticipated that the proposed development of Longcross Park will result in an overall loss of light industrial floorspace on the site, although in absence of floorspace data being provided by the applicant, it is not possible to quantify the scale of this loss for the purposes of this analysis”. The “Future supply” table within RBCLP/12 confirms that the future employment supply associated with the Longcross site does not include for industrial floorspace. Omission of this loss of space in the ELR creates a false shortfall calculation in the Council’s Table 2.3 on which it relies. This loss of industrial floorspace must be included within the calculation; we have interrogated the Valuation Office Agency (VOA) online rating list for industrial floorspace within the Longcross site. This is included as Appendix 1 to this statement. It reveals approximately 32,507m² of industrial classification hereditaments within Runnymede at 22-1-2019 which
must be demolished to make way for the Longcross office scheme. This in our view must be taken into account in the Council’s calculations to correctly identify the shortfall of industrial space in Table 2.3 of its employment evidence and inform need.

- **The ‘churn’ factor** - Any healthy market requires a degree of new and old vacant space for companies to expand into and to enable redevelopment. The Council’s Employment Note identifies vacant industrial space of 4,755m² equivalent to 1.8% of the total stock identified in the ELR. This is critically low. Para 8.8 of the ELR identifies a ‘normal’ market vacancy rate of 10%. The ELR identifies total stock of 263,667.56m² industrial space (Page 53 Table 19). After deduction of the 4,755m² of vacant space identified by RBC in its Employment Note (RBCLP/12) and netting off the margin of 3,572m² confirms an additional requirement of 18,040m² is needed just to re-establish ‘normal’ market conditions.

- **Taking proper account of market signals and other strategies** – The Council’s own economic strategies and numerous industry publications point to significant structural change in the industrial sector which highlights the need of a flexible approach. Market needs generally are for larger units with sufficient external circulation space, yards, car parking and amenity areas in resilient locations with low flood risk and good access to power and fibre for data purposes reflecting the hi-tech needs of modern manufacturing, ICT, laboratory and research businesses. We have provided relevant extracts at Appendix 2. Insufficient evidence has been produced to demonstrate that the local plan is sufficiently flexible to respond to these requirements.

2.1.18 In light of this, we enclose a revised “Table 2.3” at Appendix 3 for discussion purposes. This includes amended figures and additional criteria. Even taking a conservative approach, it reveals significantly higher shortfalls in Industrial floorspace than anticipated by the Council.

*Modifications sought to the plan*
2.1.19 In light of our submissions we consider that the shortfall in industrial land is substantial. The positive identification and allocation of further employment land is justified and urgent. For the reasons set out previously, we submit that our client’s site should be allocated for employment development.

2.1.20 The deliverability of a commercially viable development scheme using our client’s site for development is supported by numerous technical baseline studies which have informed our understanding. Many of these have been submitted with our regulation 19 submissions which addressed issues such as landscape and highways, alongside the provision of an illustrative masterplan.

2.1.21 Since, we have undertaken further refinement of this assessment work and commissioned further work to develop our understanding of issues such as ground conditions (including contamination), ecology and financial viability. The illustrative masterplan has been refined and this is provided at Appendix 4. We can provide copies of other updated technical assessments upon request.

2.1.22 In addition to the promoted site, Tarmac own wider landholdings in the vicinity and are ready to work positively with Runnymede Borough Council to respond to any wider development requirements that may emerge as part of this process and any future reviews.
Question 9.2 – In regard to policy IE1 (Byfleet Road, New Haw), is the requirement for a minimum net addition of 20,000sqm of floorspace likely to be compatible with measures that are yet to be identified to mitigate flood risk? Also, does the proposed modification (CD/001A) to the site boundary have any implications for the delivery of the allocation?

2.1.23 It remains unclear whether the allocation of the Byfleet Road, New Haw site can be delivered for the development anticipated within policy IE1. Notwithstanding the wider failure to identify and allocate sufficient industrial land, the impact of any failure in delivery of this allocation, and lack of robust contingency arrangements raise soundness issues for the plan and further justifies the need for additional land to be positively identified.

2.1.24 The “final” statement of common ground (RBCLP/08) between the Council and the Environment Agency (EA) makes it clear that further work is required to resolve objections from the EA. It is also clear that the onus has been placed upon the promoter of the site to undertake further modelling work to work towards a solution. The outcome of which remains unknown as the Council has not published any interim updates via the programme officer.

2.1.25 We reserve our position to comment further on this matter pending the production of further evidence by the Council and / or the site promoter. Given the complexity of this matter, we would welcome the opportunity to submit further written comments if required.

2.1.26 We also note that the site boundary of the proposed allocation is subject to modification. This is outlined in CD_001A but further explained in the site promoter’s regulation 19 representations (ID 1954). These confirm that the site is owned by residential and commercial developers.

2.1.27 Part of the site originally subject to the allocation for employment land has since been excluded.

2.1.28 The representation states the area to be excluded is “considered to be more suitable to alternative commercial or residential uses due to its proximity to existing residential units”. The Council has not sought to clarify this through an additional modification to the plan to define these additional uses.
2.1.29 Whilst the promoter’s regulation 19 representations suggest that this modification “does not affect the amount of employment development that can be achieved on the site”, the area excluded is a prominent “gateway” location with highway frontage. Notwithstanding the unresolved flood risk issues, we query whether the removal of this land may impinge upon the overall viability of the wider employment development given the practical constraints that are known to exist.

2.1.30 We also note that no illustrative masterplans have been published to show the type of units proposed as part of this allocation. Policy IE1 suggests that the site will cater for “small businesses and start ups”. This brings into question whether the allocation is capable of providing sufficient choice to respond to market conditions noting for example, that businesses at Thorpe Industrial Estate are forced to occupy multiple buildings (two businesses each occupy four buildings on the estate) due to both the overall lack of available space but also choice of unit sizes to facilitate growth.