

RAPLEYS

Hearing Statement for
Rapleys LLP on behalf of
Associated British Foods Plc

THE EAST LINDSEY CORE STRATEGY EXAMINATION MATTER 13

June 2017

Our Ref: WH/622/15/1

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1 INTRODUCTION

- 1.1 This Hearing Statement has been prepared on behalf of Associated British Foods plc ('ABF') in response to the Examination Matter 13.
- 1.2 ABF is the freehold owner of the former Fisher's Seeds site, extending to 2.6ha, and Zanith House adjoining that site, extending to 0.2ha, located on North Holme Road, within Fairfield Industrial Estate in Louth. Both sites ('the Site') relate to this Hearing Statement. The former Fisher's Seeds site was previously used for agro-industrial purposes, which became redundant and subsequently cleared in 2009. The Council's Employment Sites Assessment 2016 incorrectly states at paragraph 9.13 that the site area of the Former Fisher's Seed site is 1.6ha - the correct site area is 2.6ha.
- 1.3 The former Fisher's Seeds site has been for approximately 8 years. As such, our client wishes to ensure that the Local Plan provides an appropriate planning policy framework to facilitate the redevelopment of the Site to come forward.
- 1.4 This Statement responds to Inspector's Questions 1-5 of Matter 13 in relation to Policy SP13 and associated Existing Employment Land designation and Question 9 in relation to SP14 insofar as relevant to the Site.

2 QUESTION 1: HOW DO THE CALCULATIONS FOR THE RELEVANT SETTLEMENTS IN THE EMPLOYMENT SITES REVIEW 2016 TAKE ACCOUNT OF ALL THE FACTORS FOR CONSIDERATION SET OUT IN THE PLANNING PRACTICE GUIDANCE (APPENDED TO THE REVIEW)?

- 2.1 From our review of the Council's Employment Sites Assessment 2016 ('ESA'), it does not appear that a number of the factors which the Planning Practice Guidance ('PPG') advises plan makers to consider have been considered.
- 2.2 In particular, the following factors have not been considered:
1. Market intelligence (from local data and discussion with developers and property agents, recent surveys of business needs): Whilst East Lindsey Economic Baseline 2016 ('the Baseline 2016') provides statistics and analysis on growth projections, the ESA is primarily based on projections based on statistics in terms of population growth and employment sectors. It does not appear that the ESA has been informed by market intelligence as the PPG advises. It should also be noted that the National Planning Policy Framework ('NPPF') requires local planning authorities to have a clear understanding of business needs within the economic market operating in and across the area (Paragraph 160). The lack of this evidence is a significant omission in the ESA in calculating the quantum of employment land requirements.
 2. Market signals: this factor is not included in the ESA.
 3. Public Information on employment land and premises required: This is no information in the ESA.
 4. The existing stock of employment land to inform an indication of the demand for and supply of employment land and determine the likely business needs and future market requirements: The PPG notes that it is important to recognise that existing stock may not reflect the future needs of business. Whilst the ESA provides the existing stock of employment land, there is no assessment in terms of the future

needs of businesses and future market demand to identify the demand for employment land.

5. The locational and premises requires of particular types of business: At paragraph 3.13, the ESA states that the aim of the Employment sites is to provide primarily for B1 and B2 uses (Light and General Industry). However, there is no evidence of the future demand from these sectors and whether employment land and premises are required. Indeed, the Baseline 2016 at Page 77 states that the sectors with the largest potential decline in employment are manufacturing and education. There is no indication in the ESA or the Baseline 2016 that sectors which would require Classes B1 and B2 floorspace are projected to grow in East Lindsey or specifically in Louth.

2.3 Forecasts of quantitative and qualitative employment needs are not robustly assessed in the ESA. The future employment land requirement for Louth is derived purely based on past development rates/take up from 2000 to 2010. It is not considered that this is a robust approach to identify the future employment land requirement and to provide basis for protecting all existing vacant former employment sites, contrary to the NPPF Paragraph 161 which requires local planning authorities to use the evidence base to assess the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity during the plan period.

3 QUESTION 2: HAS PROJECTED JOB CREATION AS A RESULT OF POPULATION GROWTH BEEN FACTORED INTO THE EMPLOYMENT NEED CALCULATIONS?

3.1 Based on the analysis of the Baseline 2016 on the working age population, paragraph 4.5 of the ESA states that if the current economic activity rates stay the same, the percentage of the economically active workforce in East Lindsey will need to increase from 66% to 81% to sustain the local job market. The Baseline 2016 states that the working age population is forecast to decline by 5% in East Lindsey between 2012 and 2036 (due to a significant population growth in the number of over 65s and a significant decrease in people aged 16-64) and that these forecasts have implications for the future of the labour market in East Lindsey.

3.2 At paragraph 4.6 of the ESA, it suggests that population and business growth and the linkages between the two will be closely monitored because of the continuing uncertainty. We consider that the monitoring is required as part of the Local Plan process. However, the ESA does not take account of the implications for the labour market in the assessment of the District's employment land need, which is a significant omission in the evidence base.

4 QUESTION 3: WHAT IS THE OVERALL NEED FOR ADDITIONAL EMPLOYMENT LAND IN THE PLAN PERIOD AND SHOULD THIS BE SET IN THE CORE STRATEGY? TOGETHER, DO THE CORE STRATEGY AND SETTLEMENT PROPOSALS DPD PROVIDE SUFFICIENT LAND TO MEET THIS NEED?

4.1 The overall need for additional employment land in the plan period is not supported by robust evidence as per our response to the Inspector's Questions 1 and 3. The ESA identified a circa 16ha (13.4 ha of vacant plots plus the 2.6ha former Fisher's Seed site) of vacant plots in Louth including the Site, which represents 90% of the total area of vacant plots in East Lindsey as identified at paragraph 5.5 of the ESA.

4.2 Local Market Commentary (**Appendix 2**), prepared by Banks Long and Co, who is a local agent operates primarily in the East Midland Region, including Lincolnshire, advises that

based on their recent experience and local commercial market knowledge, there is limited interest from B Class Operators. In addition, in their view, there is sufficient employment land (with a significant number of smaller (90sq.m to 460sq.m) industrial premises) to serve the current levels of demand in Louth.

- 4.3 The ESA or no other evidence supports the employment land requirement for Louth, and why the Site should be continued to be designated as the Existing Employment Land in the Core Strategy/Settlement Proposals DPD.

5 QUESTION 4: FOR WHAT TYPES OF EMPLOYMENT USE IS LAND REQUIRED? SHOULD THIS BE DEFINED IN THE CORE STRATEGY? SHOULD THE POLICY PROVIDE MORE DIRECTION IN RELATION TO THE TYPE OF EMPLOYMENT SOUGHT TO ENSURE THAT THE LAND PROVIDED WILL SUPPORT THE COUNCIL'S AIM TO DIVERSIFY THE ECONOMY AND UPSKILL THE DISTRICT'S WORKFORCE?

- 5.1 It is considered that the qualitative employment land need is necessary to inform the amount and location of employment land designation. As mentioned already, the ESA (at paragraph 3.13) states that the aim of the Employment sites is to provide primarily for B1 and B2 uses. However, there is no evidence of the future demand from these sectors and whether employment land and premises are required. Indeed, the Baseline 2016 at page 77 states that the sectors with the largest potential decline in employment are manufacturing and education. There is no indication in the ESA or the Baseline 2016 that sectors which would require Classes B1 and B2 floorspace are projected to grow in East Lindsey or any particular areas, such as Louth. Graph 1 shows broad trends in employment for main sectors in East Lindsey. The only sectors which show some trends in growth are wholesale & retail, admin & support and construction, none of which falls under Classes B1 and B2 (light and General Industry) uses. There is no evidence that Classes B1 and B2 sectors are likely to grow to justify the quantum of employment land need identified for Louth.

6 QUESTION 5: HAS THE COUNCIL FULLY CONSIDERED WHETHER THE EXISTING VACANT EMPLOYMENT LAND IN LOUTH REMAINS SUITABLE AND VIABLE FOR EMPLOYMENT USE (REF. REP ASSOCIATED BRITISH FOODS?)

- 6.1 The former Fisher's Seed site has been vacant approximately for 8 years. The site was marketed from 2009 when the site was cleared. An extensive marketing campaign was undertaken more recently in 2014 for approximately two years. As the marketing commentary prepared by Banks Long & Co (**Appendix 2**) explains, the marketing process initially generated strong levels of enquiries from retail specialist developers and retailers. To the contrary, there was no meaningful interest expressed or serious offer made for B1, B2 and B8 use, which resulted in a bid being made, during the marketing campaign.
- 6.2 As the marketing commentary suggests, the former Fisher's Seed site lends itself to a wide range of uses, including retail and trade counter as evidenced by interests received by retail specialists and developers during the marketing campaign.
- 6.3 Where there is no robust evidence on the future employment land need, the Site should not automatically be designated as the Existing Employment Land. Moreover, Strategic Policy 13 (SP13) is not clear about how sites designated as the "Existing Employment Land" will be assessed. The ESA states at paragraph 3.13 that the aim of the Employment Sites is to provide primarily for B1 and B2 uses (Light and General Industry) and paragraph 14 of Chapter 7 of the Core Strategy Submissions Modification Draft states that "in order to protect industrial estates for their primary industrial use, retail

uses will not be supported unless there are exceptional and justified reasons for doing so...". The paragraph also clarifies that "exceptions" which will be considered would be for the sale of goods ancillary to the main industrial use, or the use provides an essential service to the employee community on the site." Such a blanket protection without an appropriate flexibility for uses outside the Class B employment sector is not justified by robust evidence and is contrary to the NPPF.

6.4 At paragraph 22 of the NPPF, it makes it clear that planning policies should avoid the long term protection of sites allocated for employment use, where there is no reasonable prospect of a site being used for that purpose, and if that is demonstrated, applications for alternative uses of land should be treated on their merits of having regard to market signals and the relative need for different land uses to support sustainable local communities.

6.5 As stated in our response to Questions 1-4, 90% of the total area of vacant employment plots in East Lindsey as a whole is in Louth, based on the ESA. There is no justification for the designation of the former Fisher's Seed site which has been vacant for a considerable length of time as the Existing Employment Land without any flexibility to bring forward alternative uses which would contribute to economic growth. The designation of the Site is therefore contrary to the NPPF.

7 QUESTION 9: HOW WILL THE PLAN ENSURE THAT THIS (THE SCALE OF RETAIL NEED IN THOSE SETTLEMENTS TO 2028) IS MET IN FULL AS SOUGHT BY PARAGRAPH 23 OF THE NPPF? IS IT TO BE MET THROUGH ALLOCATIONS OR NON-IDENTIFIED SITES WITHIN CENTRES?

7.1 As explained in our response to Question 5, the former Fisher's Seed site lends itself suitable for alternative uses, including retail development, particularly evidenced by strong interests expressed by retail developers and retailers during the recent marketing campaign.

7.2 At paragraph 8 of Chapter 7 of the Core Strategy Submissions Modification Draft, it identifies that the capacity for convenience and comparison floorspace in Louth is expected to increase by 691.sqm (net) and 3,719sq.m (net) by 2028 respectively. It is notable that there is no assessment of retail needs for the whole plan period up to 2031, which means that there is likely to be an additional retail floorspace requirement within the plan period that is not planned for in the Core Strategy/Settlement Proposals DPD, as the population is forecast to grow beyond 2028 based on the Baseline 2016. In addition, the capacity identified at paragraph 8 does not appear to be consistent with the floorspace projections set out in the East Lindsey Retail and Economic Assessment 2014 Update ('2014 Update'). With regard to Louth, taking into account a need which has been met up to 2018, there should be circa 940sq.m (net) /1,350 sq.m (gross) of convenience floorspace need up to 2028.

7.3 The 2014 Review identified deficiencies in the retail provision for Louth relative to main food shopping needs and bulky goods retail warehouse provisions.

7.4 The Core Strategy and the Settlement Proposals DPD do not seek to meet both the identified quantitative and qualitative needs, as there is no allocation for retail development or strategy to accommodate the identified needs in Louth. The 2014 Update suggests that existing shops in the town centre have a role to play in accommodating growth and estimates that approximately 1,400q.m (gross) vacant floorspace in the Louth Town Centre has the potential to be re-occupied. It should be noted that this includes Class A2 and A5 uses which are not included in the Class A1

retail floorspace need. This suggests that the vacant floorspace in the Louth Town Centre falls far short of the identified retail floorspace need. There is no evidence that there is sufficient capacity within the town centre to accommodate the need.

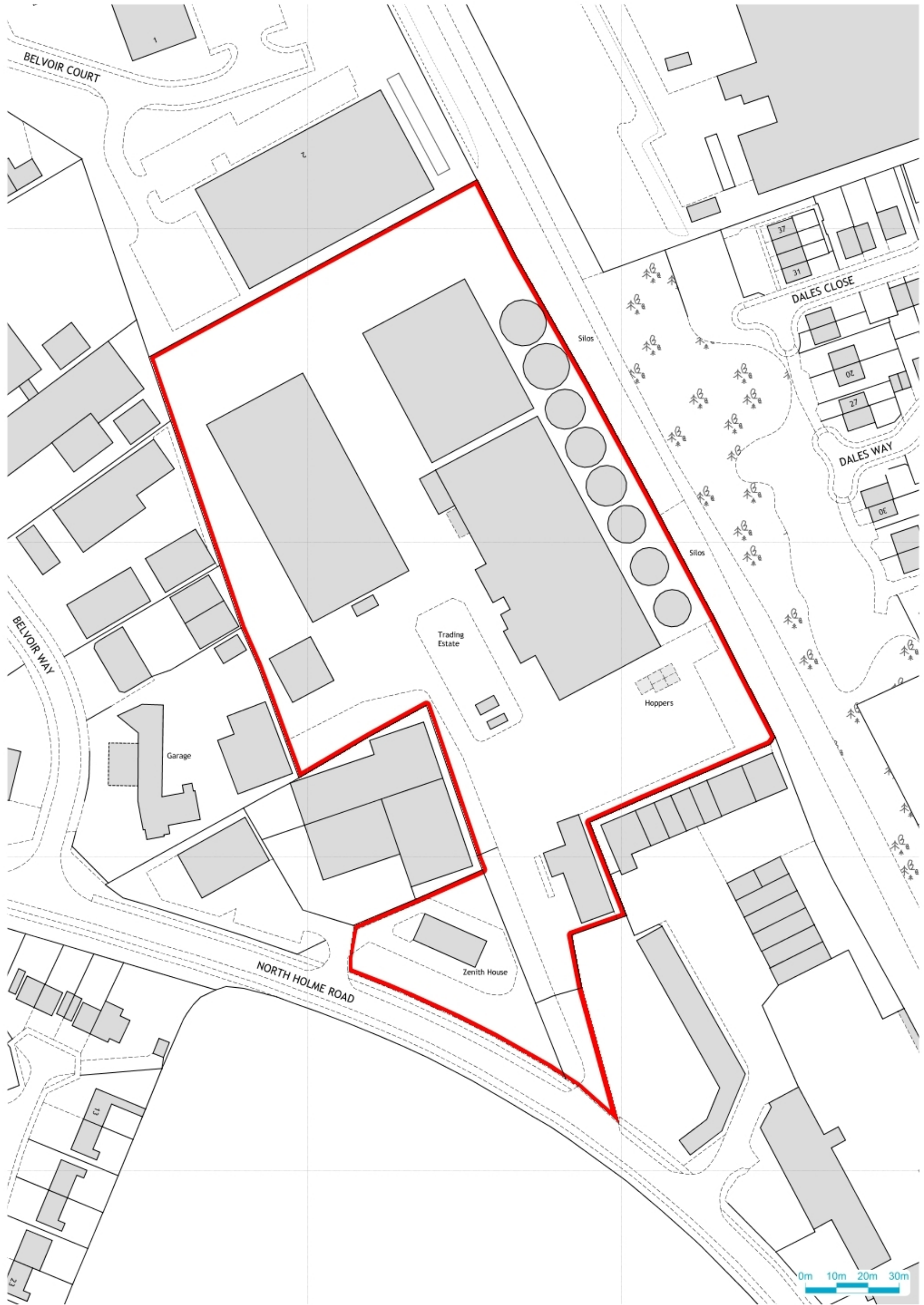
- 7.5 The Fisher's Seed Site is brownfield land, which has a significant potential to accommodate some of the retail floorspace needs, if it continues to be the case that no deliverable or viable B class development interest or opportunity arises. Rather than safeguarding the Site for B1 or B2 uses only, there should be a mechanism in the Local Plan for the Site to be considered for alternative uses at application stage, based on market signals and the relative need for different land uses as required by the NPPF paragraph 22.
- 7.6 The ESA suggests that there is an extensive area of vacant plots designated within the Existing Employment Land, and there is no robust evidence that all the vacant land is required to meet the future needs. In these circumstances, the Core Strategy and the Settlement Proposals DPD should consider the suitability of the Fisher's Seeds Site for meeting the retail needs as it is well connected and within walking distance to the town centre. In particular, it is considered that the Site lends itself to bulky goods retailing, as there are existing bulky goods retailer (B&Q and Halfords) in close proximity to the site on North Holme Road, which means that the Site would facilitate linked trips in terms of bulky goods retail provision.

8 CONCLUSION

- 8.1 On the basis of the above, we strongly object to the Site's designation within the Existing Employment Land, where there is no justification demonstrated by robust evidence base in terms of employment land needs. In addition, the Core Strategy and the Settlement Proposals DPD do not have a clear strategy to meet the retail floorspace needs (which are only identified up to 2028 rather than to the end of the Plan period). The Local Plan for the District should provide an appropriate policy framework which facilitates redevelopment of the former Fisher's Seed Site to meet the economic development needs identified for Louth. There is no robust evidence that the Site should be safeguarded/protected for industrial purposes.
- 8.2 The NPPF requires local planning authorities to ensure that the Local Plan is based on adequate, up to date and relevant evidence and that they take full account of relevant economic signals (paragraph 158). As demonstrated in this Statement, the Core Strategy is not justified or consistent with national policy, as the designation for the Site and economic development policies SP13 and SP14 are not based on adequate, up to date and relevant evidence as required by NPPF. The Core Strategy is not positively prepared as it is not prepared based on a strategy which seeks to meet objectively assessed development needs. The Core Strategy is therefore unsound.

Appendix 1

SITE LOCATION PLAN



SITE LOCATION PLAN
 North Holme Road,
 LOUTH LN11.



Scale @ A3 : 1:1250
 Plan No. : 622/15/1_SLP01

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BIRMINGHAM
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 HUNTINGDON
 LONDON
 MANCHESTER

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Appendix 2

MARKETING COMMENTARY

Marketing Commentary – The Former Fisher’s Seed Site

The former Fisher’s Seeds site’s marketing commenced following the site’s clearance in 2009. More recently in June 2014, extensive marketing of this site began and continued for approximately 24 months with the approach consisting;

- A prominent agents board positioned on site.
- Detailed marketing particulars were produced and circulated.
- Details were uploaded to our website.
- In addition we updated and promoted the site through other web based marketing tools including Rightmove, EG Property Link, Focus and Co Star Suite.
- We maintain a large database of historical and current applicants, using direct mailing to all those with suitable requirements.
- Direct targeting and promotion of the site using our comprehensive database of industrial developers and national commercial agents, representing a number of clients including developers specialising in retail and B1, B2 and B8 development.
- A Full page advert was placed in the Estates Gazette, the UKs leading and most read property magazine.

The marketing process initially generated strong levels of enquiries including a number of retail specialist developers and agents representing retail developers, as well as several national retailers, including convenience good operators.

The marketing process culminated in an informal tender / best and finals exercise where a single bid was made. The bid was conditional upon detailed planning consent for retail development.

The other interested parties withdrew due to the strong resistance expressed by the Council generally towards out of town retail development and continued uncertainty surrounding a retail scheme which the Council was promoting at that time. The bidding party subsequently withdrew their offer as a result of this.

There has been no meaningful interest expressed or serious offer made for B1,B2 and B8 employment use during the marketing campaign which resulted in a bid being made.

Site suitability and market commentary;

The subject site is suitable for alternative use, trade counter and retail as evidenced by interests received by retail specialists and developers.

In terms of local employment and commercial market, we offer the following comments based on my local knowledge and experience in Louth:

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Managing Director: Timothy J Bradford BSc (Hons) MRICS Directors: Simon D Bridge BSc (Hons) MRICS,
James R Butcher BSc (Hons) MRICS, William Wall BSc (Hons) MRICS Associate Directors: Lewis Cove BSc (Hons) MRICS,
Tony A Gravel BSc (Hons) MRICS, James Hall BSc MRICS, Alexander Statham BSc (Hons) MRICS,
Emma L Surphlis BSc (Hons) MRICS Consultant: Peter R Banks BSc (Hons) FRICS IRRV

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- There are a handful of other active landowners in Louth, including a landowner who is offering a circa 2ha of land on leasehold, design and build basis, with no serious interest from B Class operators. This landowner owns a multi-let scheme on the Fairfield Industrial Estate, albeit has not developed the 2ha land on a more speculative basis, which indicates a potential lack of demand.
- We recently acted for a landowner wishing to sell circa 0.8ha of employment land on Fairfield Industrial Estate which is hardcored and serviced. We offered flexibility by splitting the land into two plots which were priced at a competitive level. However, there was limited interest over the 5 year marketing period.
- We believe that there is more employment land to service the current levels of demand in Louth for many years to come (at least mid to long term), based on the lack of interest from B Class Operators, available sites such as the subject site should be considered for alternative uses and type of development where there is demand.
- Furthermore following an extensive search, we can confirm that there appears to be a significant number of smaller 1,000 to 5,000 sqft (90sqm to 460sqm) industrial premises available for occupation in Louth at present. Given the amount of voids and land available, we have seen limited spec new build commercial properties being built for Class B operators which would suggest current levels of demand are being serviced.
- The office market in Louth is generally limited, with very little supply and even less demand, especially for new build. Given the lack of demand for offices, values are depressed and with build costs ever increasing, building new offices is not viable.