

For and on behalf of  
**Babergh District Council**

**Review of Employment Land Need and Viability**

**Land on the North Side of Church Field Road, Chilton Industrial Estate, Chilton, Sudbury**

**Prepared by  
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## 1.0 INTRODUCTION

- 1.1 The purpose of this report is to provide an independent review of planning application ref. DC/20/01094 for the erection of up to 190 residential dwellings, purpose built care home of up to 60 bedrooms, and associated infrastructure and means of access on land on the north side of Church Field Road, Chilton Industrial Estate, Chilton. The proposed development also includes 35% affordable housing provision.
- 1.2 This report provides our **independent appraisal of the evidence** submitted in respect of application ref. DC/20/01094 as it relates to **site-specific issues of employment land need, suitability and viability**. In particular, to consider whether the information submitted with the application meets the requirements of Policy EM24 of the Babergh Local Plan (2006). The purpose of this report is to assist Babergh District Council's Planning Committee in determining the application by enabling them to understand the material submitted by the applicant in support of the application, as well as the information submitted by Babergh District Council's Economic Development team in the context of national and local planning policy. This report does not provide an overview of all material planning considerations and is restricted to matters relating to employment. The evidence we have reviewed as part of our assessment of the application proposals includes the following documents:
- Employment Land Report (October 2019) prepared by Fenn Wright on behalf of the applicant;
  - Economic and Employment Study for Development at Church Field Road, Sudbury (March 2020) prepared by Menta on behalf of Babergh and Mid Suffolk Economic Development Officers;
  - Ipswich and Waveney Economic Area Land Needs Assessment (ELNA) (March 2016) – this assessment identifies a minimum land allocation figure for strategic economic growth; and
  - Ipswich Economic Area Sector Needs Assessment (September 2017).
- 1.3 A further report was also prepared by Menta on behalf of Babergh and Mid Suffolk Councils in October 2019 entitled 'Grow on Space Supply and Demand Analysis' which identifies current provision and need for business start-up, incubator and 'grow on' business floorspace within the districts. Relevant parts of this evidence are cross-referred to in Menta's March 2020 report and are further discussed in Section 5 of this report.
- 1.4 The remainder of this report is structured as follows:
- **Section 2** provides an overview of the current and emerging policy context for the application in respect of matters relating to employment.
  - **Section 3** compares the evidence presented by both Fenn Wright and Menta, identifying key areas of similarity and difference in terms of their interpretation of the situation pertaining to the application proposals. This section goes on to detail gaps or omissions in the Fenn Wright and Menta evidence in identifying whether the application site is suitable, viable and deliverable for employment use.
  - **Section 4** presents an assessment of the application supporting evidence in respect of its compliance with the requirements of Policy EM24.
  - **Section 5** details evidence of the residual need for employment land and whether there is sufficient land elsewhere in the local area that can meet these needs.
  - **Section 6** presents our conclusions following the above assessment of available evidence, including what additional information may be required to safeguard a robust evaluation of the material considerations relating to this application by the local planning authority.

## 2.0 NATIONAL AND LOCAL POLICY CONTEXT

2.1 This section details the current and emerging policy context for the application in respect of matters relating to employment.

2.2 The relevant policy context is set out in the National Planning Policy Framework (NPPF), the Babergh Local Plan Alteration No. 2 (2006) and the Babergh Core Strategy (February 2014). The context set by the emerging Joint Local Plan for Babergh and Mid Suffolk districts is also outlined below.

### a) National Planning Policy Framework (NPPF)

2.3 In terms of determining planning applications, Paragraph 47 of the NPPF requires that *“applications for planning permission be determined in accordance with the development plan, unless material considerations indicate otherwise.”*

2.4 Regarding the extent to which an emerging plan can be considered to hold weight when determining an application for development, Paragraph 48 states that *“Local planning authorities may give weight to relevant policies in emerging plans according to:*

*a) the stage of preparation of the emerging plan (the more advanced its preparation, the greater the weight that may be given);*

*b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and*

*c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).”*

2.5 The implementation of existing policies is further discussed in Annex 1 of the NPPF. Paragraph 213 in particular states that:

*“existing policies should not be considered out-of-date simply because they were adopted or made prior to the publication of this Framework. Due weight should be given to them, according to their degree of consistency with this Framework (the closer the policies in the plan to the policies in the Framework, the greater the weight that may be given).”*

2.6 In considering how policies relating to economic development and employment should be applied, Paragraph 81 states that planning policies should:

*“d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.”*

2.7 In order to ensure that land for development is used as effectively as possible, Paragraph 120 states that:

*“Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan:*

*a) they should, as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and*

*b) in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to*

*meeting an unmet need for development in the area.”*

- 2.8 This is further supported in National Planning Practice Guidance (NPPG) which states in Paragraph 001 (Reference ID: 66-001-20190722):

*“When considering whether there is a realistic prospect of an allocated site being developed for its intended use, it may be relevant to take into account factors such as:*

- *the length of time since the site was allocated in the development plan;*
- *the planning history of the site including any planning applications or pre-application enquiries;*
- *whether there is evidence that the site has been actively marketed for its intended use for a reasonable period, and at a realistic price; and*
- *whether there are any changes of circumstance that mean that take-up of the site for its intended use is now unlikely.*

*Where an alternative use for the allocated site is proposed, it will also be relevant to consider the extent to which evidence suggests the alternative use would address an unmet need, as well as the implications for the wider planning strategy for the area and other development plan policies.”*

**b) Babergh Local Plan (2006)**

- 2.9 The application site is currently allocated as a General Employment Area under Policy EM02 of the Babergh Local Plan (Alteration No.2, 2006). This is designated land on which there is ‘in principle’ support for employment uses of the types defined in classes B1, B2 and B8 of the Town and Country Planning (Use Classes) Order 1987 (as amended). Policy EM02 is a ‘saved’ Local Plan policy that has not been reviewed.

- 2.10 Local Plan Policy EM02 states:

*“On the sites identified as General Employment Areas and new employment allocations, namely:*

- *Lady Lane, Hadleigh*
- *Land east of Lady Lane, Hadleigh*
- *Crowcroft Road, Nedging*
- *Farthing Road, Sproughton*
- *Ballingdon Hill Industrial Estate, Sudbury*
- *Bulmer Road, Sudbury*
- *Chilton Industrial Estate, Sudbury*
- *Church Field Road, Sudbury*
- *Woodhall, Sudbury (including its proposed extension)*
- *Brantham Industrial Estate*
- *Waldingfield Road, Chilton and Former Sugar Beet Factory, Sproughton*

*planning permission will be granted for employment related development in principle. This will include the relocation of existing businesses from residential areas where these would be better located alongside other employment generating activities. Exceptions to this policy will include proposals likely to have an adverse impact on town (or village) centre vitality and viability. Proposals able to demonstrate a positive effect on town (or village) centre vitality and viability will be permitted.”*

- 2.11 As the site is allocated for employment use, Local Plan Policy EM24 (‘Loss of Employment Land’) is applicable in the determination of the application. This policy allows for applications

for non-employment uses to be permitted subject to appropriate justification. Policy EM24 states:

*“Planning applications to redevelop or use existing or vacant employment land, sites and premises for non-employment purposes, will only be permitted if the applicant can demonstrate that their retention for an appropriate employment use has been fully explored. This may be undertaken in one of the two following ways:*

- 1. by an agreed and sustained marketing campaign, undertaken at a realistic asking price; or*
- 2. where agreed in advance, the applicant can demonstrate that the land, site or premises are inherently unsuitable or not viable for all forms of employment related use”*

2.12 Policy EM24 seeks to protect existing employment sites and premises by requiring that proposals for re-use or redevelopment of such sites for non-employment uses are accompanied by sufficient evidence to demonstrate that other forms of employment use have been fully explored, including *“a proper and sustained marketing campaign, at current market value, for either continued or alternative employment purposes”* (paragraph 4.58). Paragraph 4.59 states that this marketing campaign will have to be agreed between the determining authority and applicant before it begins.

2.13 Paragraph 4.61 of the Local Plan goes on to state that the approach listed at (2) in Policy EM24 (the ‘second limb’ of the policy) will only be considered acceptable

*“when agreed in advance by the determining authority and the applicant. This approach will require the applicant to employ appropriate commercial expertise to demonstrate that the land, site or premises in question are inherently unsuitable or not viable for all conventional forms of employment related use.”*

**c) Safeguarding Employment Land Supplementary Planning Document (March 2008)**

2.14 The Safeguarding Employment Land Supplementary Planning Document (March 2008) provides further guidance on how Policy EM24 should be applied. In particular, the SPD provides advice on the criteria against which proposals for alternative use of business, industrial and warehouse land will be considered.

2.15 Paragraph 4.8 of the SPD states in respect of the second part of Policy EM24 that *“Policy EM24 will only be considered acceptable when agreed in writing in advance by the determining authority and the applicant. This approach will require the applicant to employ appropriate commercial expertise to demonstrate that the land, site or premises in question are inherently unsuitable or not viable for all non-domestic forms of employment related use”*.

2.16 Section 5 of the SPD provides guidance on how the marketing campaign to ascertain whether a site is demanded by a business occupier should be carried out to meet the requirements of the first part of Policy EM24.

2.17 Section 6 of the SPD provides guidance for applicants on meeting the requirements of the second part of Policy EM24. Paragraphs 6.2 to 6.4 state:

*“it is accepted that even if a site is suitable in land use terms, individual circumstances on the site may mean that its full retention in employment use, following either refurbishment or redevelopment, is not a viable option. If this is the case, applicants will be expected to clearly demonstrate this in a supporting statement accompanying the planning application.”*

*Nevertheless, although the retention of the site in employment use may not be viable at a particular moment in time, the economics of development may change over time*

*and its refurbishment/redevelopment for employment uses could potentially become a viable proposition in the future. In this respect, such sites are still considered to have value as an employment resource.*

*There will be a number of sites across the Babergh District where their sole use for business and industrial purposes is no longer appropriate. In such cases, and where this is demonstrated by the Applicant/Agent, the Council will adopt a more flexible approach and, where appropriate, will seek to secure a mix of land uses.* (emphasis added)

- 2.18 In these circumstances, paragraph 6.5 states that applicants should demonstrate that they have considered providing a mixed-use development:

*“Where an applicant can clearly demonstrate that the redevelopment or refurbishment of an existing employment site is unviable, and where it is considered appropriate to do so, developers will be expected, subject to other policy considerations, to explore the prospect of a (real) balanced approach to mixed-use development which incorporates an element of a higher value use to cross-subsidise the partial redevelopment of the site for employment uses. In doing so, employment opportunities can be retained on the site. Such mixed-use schemes will need to secure a reasonable proportion of business and industrial units, appropriate to each location and circumstance.”*

- 2.19 Paragraph 6.7 states:

*“When determining the proportion of the overall site to be developed for employment uses, the Council will assess the individual merits of each case, but in doing so will take account of the employment resource being lost and the potential level of employment that can be achieved within the mixed-use development. As a principle, due to the policy’s aims to minimise/avoid the loss of employment land, the extent of employment land to be lost should be minimised as far as possible and the land use mix will need to be justified by documentary evidence.”* (emphasis added)

- 2.20 Paragraphs 6.10 to 6.12 provide guidance on what information is required to support applications on employment land for wholly residential development, stating:

*“The applicant or agent should explain why mixed-use development, including a reasonable proportion of business and industrial space is not feasible on a particular site. Where this is satisfactorily demonstrated, leisure/community uses will be preferred.*

*Residential development proposals will need to demonstrate that the resulting residential amenity conditions are satisfactory and that there would be no unacceptable impact on the operating conditions of existing and proposed businesses.*

*Residential schemes should ensure that necessary community facilities are accessible or can readily be provided on the site.”*

- 2.21 The SPD concludes by identifying the Council’s ‘sequential approach’ to determining applications for non-employment uses on employment land. This is stated in paragraph 7.2:

*“Where existing employment sites are to be redeveloped for other uses this SPD highlights the following sequential approach towards such proposals:*

- *To retain suitable and viable sites in employment use as a 1st preference in all cases;*
- *To seek mixed-use development to cross-subsidise the delivery of new*



*employment uses as part the site; where this is necessary to do so.”*

**d) Babergh Core Strategy (February 2014)**

- 2.22 Policy CS3 ('Strategy for Growth and Development') sets out the strategy for future growth in Babergh to 2031. This policy states that *“Employment and housing growth will be accommodated within Babergh’s existing settlement pattern and in new mixed and balanced communities on the edges of the towns and the Babergh Ipswich Fringe”*.
- 2.23 In respect of the local economy, Policy CS3 identifies employment sites that were either allocated in the Core Strategy or set to be allocated in subsequent documents, stating that *“existing employment sites will be regularly reviewed, and where appropriate protected, and new sites allocated in DPDs”* and *“Sufficient land will be allocated, and existing sites and premises protected from other types of development to accommodate a range of employment development to provide for approximately 9,700 new jobs in Babergh by 2031”*.
- 2.24 The Core Strategy takes forward the Chilton Woods mixed-use strategic allocation, situated to the north west of the application site, as Policy CS3. The Chilton Woods allocation is a slightly smaller version of the site that was previously allocated in Policy CP01 of the Local Plan 2006. In respect of the Chilton Industrial Estate site, the Core Strategy does not reallocate the site that was previously allocated in the Local Plan 2006. However, reference is made to the Chilton Industrial Estate as an area in which take-up of employment land has been rapid:

*“Historically the supply of employment land has been low, and take-up of new sites has been fast (e.g. Crockett Road in Hadleigh, as an extension to the Lady Lane employment area, and Churchfield Road on the Chilton Industrial Estate in Sudbury). Business sites and premises change hands frequently, and firms move to larger premises within the local area to facilitate expansion. The retention of a range of sites and premises across the district for employment use is essential to Babergh’s strategy of supporting the local economy and encouraging growth and innovation, and is therefore included in Policy CS3 as a key component of an integrated growth strategy.”* (Paragraph 3.4.3.7, Core Strategy 2014)

**e) Emerging Joint Local Plan (Preferred Options, July 2019)**

- 2.25 A second Regulation 18 stage consultation on the Babergh and Mid Suffolk Joint Local Plan Preferred Options was undertaken from July to September 2019 and consultation on the Joint Local Plan Sustainability Appraisal Scoping Report was recently held in March and April 2020.
- 2.26 According to the revised Local Development Scheme (July 2020) revisions to the Joint Local Plan are currently ongoing and it is expected to be published for Regulation 19 consultation in Autumn 2020.
- 2.27 Policy SP05 ('Employment Land') of the Joint Local Plan Preferred Options (July 2019) identifies a number of strategic employment sites that *“shall be protected and their proposed expansion supported in principle”*. These sites include the site at Chilton Industrial Estate, but the site does not extend to include the application site to the north of Church Field Road.

### 3.0 ASSESSMENT OF SUPPORTING EVIDENCE

- 3.1 Parts (a) to (e) of this section reviews the evidence presented by both Fenn Wright and Menta. It goes on to identify key areas of similarity and difference in terms of their interpretation of the situation pertaining to the application proposals. It is noted however that these two reports have been produced for different purposes: the Fenn Wright report has been produced by the applicant to support the planning application, and the Menta report has been produced by the council's Economic Development team to support their response to the application.
- 3.2 Part (f) outlines the differences in the assessment and conclusions drawn in the Fenn Wright and Menta reports.
- 3.3 Part (g) outlines gaps or omissions in the Fenn Wright evidence in identifying whether the application site is suitable, viable and deliverable for employment use.
- 3.4 The final Part (h) of this section outlines a suggested model report structure to assist in the provision of evidence to support an application in compliance with the requirements of Policy EM24.

#### a) Assessment of suitability of site for B class uses

##### Fenn Wright

- 3.5 Paragraphs 1.9 and 7.1 of the report identify that planning consent for two detached industrial buildings was granted on part of the site in January 2014 and was quashed following judicial review in October 2014. The report states that this followed two other attempts to obtain planning permission for employment use on the site in 2002 and 2006, both of which were also quashed following judicial review.
- 3.6 Paragraph 1.10 of the report states that the site is unsuitable for B Class Uses due to its failure to meet current occupier demands, and the site's constraints including topography and proximity to heritage assets.
- 3.7 Paragraph 1.13 of the report highlights the 2019 Strategic Housing and Economic Land Availability Assessment (SHELAA) which concludes that the site lies within an area of high heritage sensitivity and should therefore be discounted for employment use.
- 3.8 The report notes that although the 2017 SHELAA considers Land to the North of Church Field Road to be suitable, available and achievable for both housing and employment (paragraph 5.29), it goes on to state that in the 2019 SHELAA *"the Site (reference SS0933) has been discounted on the basis that the land 'lies within an area of high heritage sensitivity'"* (paragraph 5.32). This section of the report concludes in paragraph 5.34, which states that *"the technical evidence that sits behind this proposed de-allocation is that for employment purposes, the site is within an area of high heritage sensitivity"*.
- 3.9 Paragraph 7.2 of the report states that *"Topography, and proximity to heritage assets limit the scale of potential use of the Site for modern industrial and warehouse uses"*.
- 3.10 Paragraph 7.3 states that additional landscape screening that would be required by modern industrial and warehouse uses would *"reduce the net developable area of the Site further"* and *"may offer some challenges that would make configuration of an employment use challenging"*. There is no reference to whether these same limitations would apply to a B1 office development.
- 3.11 Paragraph 7.4 states that *"Proximity to residential dwellings on Waldingfield Road, the Sudbury Community Health Centre and Chilton Hall, will also limit the end use of the site for many industrial uses. Potential occupiers may have concerns surrounding noise generation within the building, restriction on travel movements in evening and weekends, restriction on*

*movements within the service yard areas*". The report also notes that restrictions on vehicle movements may *"further restrict the scale, type and operation of possible employment development"*.

- 3.12 Paragraph 7.5 states, *"The site specific constraints are much greater than those at other established commercial locations within the Sudbury area and also other sites identified in the SHELAA for possible employment use in the future"*. However, these sites with fewer constraints are not explicitly identified (with the exception of Chilton Woods which is noted later in the same paragraph).
- 3.13 Paragraphs 8.4 and 8.5 further reiterate the identified site specific constraints. Paragraph 8.6 concludes that *"The constraints surrounding the Site mean that it is unlikely to successfully compete as an industrial or distribution building particularly in terms of building height and scale, when compared with other sites within the region– other modern industrial buildings within the Ipswich Fringe in Babergh include a nearly completed 40m eaves food packaging facility"*.
- 3.14 Paragraph 8.8 identifies a number of alternative business park locations that are well-connected and with enterprise status offering business rate relief. These sites are considered to be preferable to the Church Field Road site. However, the report does not identify whether there are plots or units available within these alternative locations, with the exception of the vacancy at the Delphi Diesel System site. We note that sale of the Delphi site has since been completed in July 2020.
- 3.15 Paragraphs 1.7 and 1.8 of the Addendum identify the Delphi site and Philips Avent site as *"suitable"* for employment use. In respect of the Delphi site it states that *"Whilst some works may be required, these pale into insignificance when compared to the scale of infrastructural works, servicing, planning, site levelling etc. which will need to be carried out to make the subject site suitable for commercial use"*.
- 3.16 Paragraph 1.10 of the Addendum reiterates that the application site is not suitable due to its *"poor logistical location"* and that *"there are competing sites which are vastly more suitable"*. However, again the report does not clearly and explicitly state which sites they consider these more suitable sites to be.
- 3.17 Paragraph 1.13 of the Addendum reiterates a lack of suitability of the site for industrial uses due to the *"onerous restrictions"* that were placed on the previously quashed consents.
- 3.18 Paragraph 1.14 of the Addendum states that a mixed use scheme would not be suitable due to *"detrimental impact on residential amenity and consequential value"*.
- 3.19 Whilst the report identifies the limited suitability of the site for industrial uses, it does not make a judgment on whether the site would be suitable for office (B1) use. Paragraph 1.12 of the Addendum notes that the nearest uses to the Church Field Road site are a medical centre (D1) and The Cloisters (predominantly B1(a) office operators. These uses are described as being *"compatible with residential"*. The report therefore does not provide clear evidence of the unsuitability of the site for each employment use (B1, B2 and B8).

#### Menta

- 3.20 The report identifies that a number of planning applications have been submitted on the site, and states that none of these have either been successful or been developed.
- 3.21 The report further assesses the suitability of the site for development by setting out the context for the development site and the surrounding area.

- 3.22 The report identifies that, along with the A134, Church Field Road forms one of the main roads through the Chilton Industrial Estate. The Estate has a mixture of commercial buildings and a range of uses including industrial, retail, leisure, storage and distribution and office space.
- 3.23 In respect of the application site, the report states that *“Its position within the estate means that it is subject to significant amounts of traffic movement throughout the day, seven days a week”*. However, no evidence is provided to substantiate this statement.
- 3.24 The report also notes that *“The B115 acts as the main separation between the existing commercial and residential developments, with the majority of the residential developments being to the west of the B115 or beyond the established commercial area to the south west of the A134”*.
- 3.25 The report draws no explicit conclusions on the suitability of the site for B Class or other uses although it does state in section 6.0 that *“the established area of Chilton Industrial Estate in Sudbury has a strong and vibrant economic environment”*.

**b) Assessment of viability of site for B class uses**

*Fenn Wright*

- 3.26 Paragraph 1.10 of the report states that *“low demand for employment space coupled with low rents and capital values within Babergh make the site unviable for commercial development”*. The report states that initial costs of infrastructure and site levelling would make delivery of the site prohibitive.
- 3.27 Section 6 of the report presents a relatively detailed assessment of the scale and nature of the existing stock of employment floorspace in Sudbury, together with recent market transactions.
- 3.28 Paragraphs 6.4 and 6.5 of the report identify 11 transactions in the industrial and warehouse market in Sudbury over the last five years which are in excess of 2,000 sq ft (with a mean rent of £4.24 per sq ft) and seven office transactions over the same period, of which only two are over 2,000 sq ft (with an average rent of £11 per sq ft). This is reduced to an average rental figure of £8.50 if smaller office accommodation units are removed.
- 3.29 Paragraph 6.6 undertakes a comparison with *“larger settlements, including Ipswich”* and identifies 44 transactions on industrial and warehouse space within the same period, with an average rent of £4.70 per sq ft. It is however unknown over precisely what area these transactions were identified and it is also questioned how comparable these transactions are with the Sudbury property market as this is identified as being relatively self-contained (Ipswich Economic Area Sector Needs Assessment, 2017, paragraph 2.16).
- 3.30 In terms of office accommodation, paragraph 6.7 identifies 125 office accommodation transactions over five years, with an average rental figure of £8.50 per sq ft. Again, it is not clear over what geographical area these transactions were identified.
- 3.31 Paragraph 6.8 states that *“There has been finite speculative development of industrial and office accommodation over the past five years within Sudbury and the area immediately surrounding Sudbury. This is mainly due to viability concerns...Any potential upward pressure on rents is exacerbated by modest availability rates”*.
- 3.32 Paragraphs 7.13 to 7.26 provide further evidence of existing rental values and viability of employment floorspace within and around Sudbury.
- 3.33 Paragraph 7.16 states there is *“an obvious issue of viability”* as mean build costs for industrial and office uses are shown to be higher than average sale values, before accounting for other additional costs such as land value, taxes and developers profit. Paragraph 7.16 goes on to

state that “we are not aware of any recent office buildings being constructed in the past decade”.

- 3.34 In terms of rental values, paragraph 7.18 states that “the division between build costs and rental values is even greater” for industrial premises, and that the Ipswich Economic Area Sector Needs Assessment makes a similar statement about office accommodation, stating that “in the current market, viability remains a key barrier to new office development”.
- 3.35 Paragraph 7.20 states that in respect of the office market (B1a/b), “The rents passing are 50% below the area average, and nearly half the level required at the date of the Needs assessment – construction costs have since increased the level required”.
- 3.36 Paragraph 7.21 references the Local Plan and CIL review viability report prepared by Aspinall Verdi in June 2019, stating “The review further corroborates the issues which have been repeatedly identified in this Report surrounding viability. Section 9.14 of the Review states ‘In our employment viability testing we have considered office and industrial development. Our viability testing shows that both are currently unviable, and there is not an opportunity to seek planning contributions for these types of development’”.
- 3.37 Paragraph 8.7 concludes that “Viability issues for employment uses on the Site are likely to preclude the development of the Site on a speculative basis, particularly where limitations on height and scale mean that maximum values cannot be obtained from mezzanines”.
- 3.38 Paragraph 1.5 of the Addendum notes that Sudbury’s lack of connectivity and lower capital and rental values means that small scale industrial units are not viable in this location.

#### Menta

- 3.39 Section 5.0 of the report provides a qualitative assessment of the viability of the Church Field Road Site for B class uses.
- 3.40 The costs of providing infrastructure are not considered to be “a barrier to the overall viability of a project although it could present challenges in cashflow” and is therefore identified as somewhat of a barrier.
- 3.41 In terms of build costs, the report states that the evidence shows that development of commercial units in Sudbury offers a return on investment, with many businesses in Sudbury wanting to expand but having limited opportunities within existing properties. There is a buoyant market in units of 1,000 to 3,000 sq ft industrial floorspace but lack of availability means there are fewer transactions.
- 3.42 Infrastructure and large upfront costs are identified as barriers to development and that a mixed use scheme, including an element of residential development, may help fund some of the up-front enabling and infrastructure costs.
- 3.43 No detailed costed viability assessment is provided.

### **c) Assessment of employment land need and supply of suitable, alternative sites**

#### Fenn Wright

- 3.44 Paragraph 1.10 of the report states that recent planning consents on sites within Babergh have resulted in a greater supply of commercial land than required.
- 3.45 Demand for office accommodation is described as ‘poor’ with a high number of vacant office sites being converted to residential use which indicates a lack of demand for office floorspace in the local area.
- 3.46 Paragraphs 1.11 and 1.12 of the report refers to evidence prepared to support the emerging Joint Local Plan which identifies a requirement of 2.9ha employment land within Babergh and 9.4ha in Mid Suffolk. Paragraph 1.12 highlights the Regulation 18 Preferred Options

Joint Local Plan (July 2019), which states that *“In quantitative terms, there is therefore considered to be more than sufficient existing identified land to meet baseline objectively assessed need over the plan period, given the modest baseline forecast in both areas”*.

- 3.47 Paragraph 4.2 of the report references ONS statistics from 2014 which identify 42,632 of Babergh District's 87,700 residents being in employment, of which 72% were in full time and 28% in part time employment.
- 3.48 Paragraph 4.5 of the report states that *“of the economically active population within Babergh, approximately 57.4% are employed within the Babergh district”*. Paragraph 4.6 states that *“approximately 68.5% of the working population resides in the District. The figures are above Ipswich's figures which see 62% of its workforce living within the district”*.
- 3.49 Paragraph 4.7 of the report states that *“relatively poor road and rail links to Sudbury have resulted in both a positive and negative impact on the commercial property market. Existing employers have been able to secure a reliable workforce, although there has been limited substantial inward investment with few new substantial employers in Sudbury and thus interest in large sites”*.
- 3.50 Paragraph 4.8 goes on to state that *“The characteristics that deter labour mobility results in a limited pool of employers which results in relatively low labour costs. In addition, the lack of inward investment is shown in relatively low occupational costs in comparison with Ipswich or Colchester”*. It is however questionable how comparable Sudbury is with Ipswich and Colchester, as Colchester does not lie within the Ipswich Economic Area (as identified in the Ipswich Economic Area Sector Needs Assessment, 2017) and Sudbury is also identified as having a *‘relatively self-contained property market’* (paragraph 2.16, Ipswich Economic Area Sector Needs Assessment, 2017).
- 3.51 In reference to regional policy, paragraph 5.7 of the report states that in the New Anglia Local Enterprise Partnership Economic Strategy (2017) *“Sudbury is not identified as a priority place for business / employment growth”*.
- 3.52 Paragraph 5.23 of the report states that *“the August 2017 Regulation 18 [Joint Local Plan] states that there is more employment land available than what the forecast need is in the District”* and that the employment land supply position remains the same in the July 2019 Joint Local Plan Preferred Options, which identifies a *“modest net additional requirement”* in Babergh of 2.9 hectares for the period up to 2036 (paragraph 9.13 of the Joint Local Plan, July 2019).
- 3.53 Paragraph 5.24 states that *“in quantitative terms, the Council consider that there is more than sufficient existing identified employment land to meet baseline objectively assessed need over the plan period, given the modest baseline forecast”*.
- 3.54 Paragraph 5.26 of the report identifies that the emerging Joint Local Plan is proposing to remove the allocation of the Land to the North of Church Field Road site for employment uses.
- 3.55 Paragraph 5.33 of the report states that *“the emerging JLP suggests that for Babergh there is a low net additional employment requirement to 2036, and there is a surplus of existing and allocated employment land to meet this need. This demonstrates that the employment allocations made in 2006 under the adopted Local Plan reflect a very different economic climate for B class uses when compared to the current economic climate”*.
- 3.56 Paragraphs 6.9 to 6.16 identify the status of a number of employment sites currently available to let in Sudbury.
- 3.57 Figures provided in paragraphs 6.11 and 6.12 indicate an availability rate of 4.6% of all industrial stock and 1.2% of all office accommodation within the Sudbury market. The

availability of office accommodation is identified as being at the lowest level for the past five years. Paragraph 6.12 goes on to state that *“Despite the low availability rate, there appears to be low upward pressure on capital and rental values”*.

- 3.58 Paragraph 6.13 states that *“Planning and permitted development has seen the amount of available office accommodation fall to the levels referred to above”*. The report identifies that 50,000 sq ft of office accommodation has been lost to residential *“reflecting the lack of demand in Sudbury and the surrounding area for offices”*.
- 3.59 However, it is unclear from the report whether this is really reflective of a lack of demand or whether it is more reflective of the higher values of residential property, particularly given the low vacancy rates of office accommodation. No clear evidence is presented to support the claims regarding a lack of demand for office accommodation in Sudbury.
- 3.60 Paragraph 6.17 of the report states that the 2017 and 2019 SHELAAAs *“identify a number and variety of new employment sites within Sudbury that are deliverable within the next five years. These sites are in addition to the 86.4 hectares of land already allocated for employment use in the adopted Local Plan, and the Core Strategy”*. It is not identified in the report which of these sites are located in Sudbury, how many of these sites have been delivered to date and what the current availability of deliverable employment land is within Sudbury.
- 3.61 Paragraphs 6.18 to 6.21 identify a number of employment developments which are either allocated or have been granted planning consent within Babergh and Mid Suffolk Districts. However, no conclusions are drawn in terms of when these developments are likely to be delivered and how they might impact the need for employment floorspace within the locality of the application site. It is also questionable how directly comparable some of these sites are with the application site, such as the British Sugar site in Sproughton, which may have different sensitivities.
- 3.62 In terms of local demands for employment space, paragraph 7.6 describes feedback from local commercial property experts, whose comments are that *“there may be some limited occupational demand for part of the site for employment uses, of small quarter acre or half acre plots, however it is unlikely that the demand would be sufficient to enable delivery of the entire site within a period which would justify the costs associated with the provision of infrastructure and construction”*.
- 3.63 Paragraphs 7.8 to 7.12 review existing evidence on the likely demand for employment uses in Babergh district. Paragraph 7.11 concludes that jobs growth changes identified in the Ipswich Economic Area Needs Assessment (September 2017) *“will only see a need for 22,130 sq m of new space over 2.9 hectares in Babergh over the next twenty years”*.
- 3.64 Paragraphs 7.22 to 7.26 provide evidence of demand for employment floorspace within and around Sudbury. Paragraph 7.22 identifies a number of vacant industrial units in close proximity to the Church Field Road site that have been on the market for a significant period of time, in some cases over two years. Evidence of existing requirements from Estate Agents Clearing House identifies 27 recorded requirements for office and industrial floorspace in Suffolk, although it is noted in paragraph 7.24 that some of these are duplicated and that many require sites in other locations or within close proximity to the A12 or A14.
- 3.65 In respect of demand for office space, paragraph 7.25 states that *“there has been limited upward pressure on rental and capital values which would be a key indicator of supply outstripping demand”*. Paragraph 7.26 states that *“This experience is further corroborated by the limited number of active office requirements on Estate Agents Clearing House”*.

- 3.66 Paragraph 8.2 concludes that *“Since Babergh has currently 86.4 hectares of land allocated for employment within the adopted Local Plan and Core Strategy, the need for only 2.9 ha of additional employment land for the period up to 2036 represents a significant over supply”*.
- 3.67 Paragraph 8.10 states that the vacant unit at the Delphi Diesel Systems site *“will likely absorb any local demand that exists in the short to medium term – with long term future growth to be absorbed by the 15 hectares as consented at Chilton Woods”*.
- 3.68 The Addendum to the Fenn Wright report presents a response to the comments of the Economic Development Officer. Paragraph 1.2 of the Addendum notes that the forecasts contained within the Ipswich and Waveney Economic Area Land Needs Assessment (ELNA) (2016) are not minimum floor area requirements. Having reviewed the ELNA however, we note that the net floorspace requirements relate to a ‘baseline’ East of England Forecasting Model (EEFM) growth scenario or a ‘policy off’ position.
- 3.69 Paragraph 7.47 of the ELNA states in respect of the identified EEFM baseline net floorspace and land requirements that *“these requirements therefore reflect the minimum quantum of floorspace and land that should be planned for across the two Economic Areas over the period to 2031. The five local authorities within the study area will need to give further consideration to the planning requirement for employment land over and above this minimum position based on a more detailed analysis of past trends and local supply side factors”*.
- 3.70 Paragraph 1.2 of the Addendum also states that that the ELNA report does not make reference to the now vacant Phillips Avent site or Delphi Diesel Systems site. It should be noted however that the sale of the Delphi site to Future Properties Industrial was completed in July 2020, and the Philips Avent site is now under offer to Malaysian company Guan Chong Berhad Group (GCB).
- 3.71 Paragraph 1.4 of the Addendum notes that a developer is now engaged on the Chilton Woods site. However, it is unclear how this relates to the applicant’s arguments on the need for employment land in Sudbury or deliverability of the Church Field Road site.
- 3.72 Paragraph 1.11 of the Addendum notes that there is limited demand for existing businesses to move premises but rather to expand within their own site. However, there is little evidence provided of the needs of local businesses in terms of their preference for expansion on site over relocation.
- 3.73 Paragraphs 2.3 to 2.9 of the Addendum raise issue with the Menta ‘Grow on Space’ report, noting that the August data collection period will not be reflective of the true commercial estate market, as fewer deals are done during the summer period, and that available incubation / start-up units and vacancy rates are under-reported, resulting in a *“skewed perception on supply and demand”*. Paragraph 2.10 of the Addendum also notes that agents consulted as part of the Menta ‘Grow on Space’ report were predominantly those who specialise in areas outside the district.
- Menta
- 3.74 The report draws on previous studies, including Menta’s ‘Grow on Spaces in Babergh and Mid Suffolk’ (October 2019) report, to assess existing business needs within Babergh.
- 3.75 Section 2.1 of the report identifies a total of 4,160 businesses in Babergh in 2019, of which 89.7% are ‘micro’ businesses of fewer than 10 employees, 8.8% are ‘small’ businesses (10 to 49 employees), 1.4% are ‘medium’ sized (50 to 249 employees) and 0.2% that are ‘large’ (over 250 employees).
- 3.76 The report states that *“the overall picture is one of growth”*, although the scale of this change is not clearly identified other than stating that since the previous report was published there



has been *“a small amount of growth including manufacturing, construction, automotive and professional services. There is a small amount of decline in public administration and defence and arts, entertainment, recreation and other services, but it is minor”*.

- 3.77 The largest sectors in Babergh are construction (representing 15.2% of all businesses), professional, scientific and technical (representing 15.8% of businesses) and agriculture, forestry and fishing (representing 10.2% of businesses).
- 3.78 Figure 2.3 in the report identifies the largest employment sectors although this list excludes jobs in land-based agriculture and the self-employed, the latter of which represents 4,400 people in Babergh. The rate of self-employment in Babergh is less than the Suffolk and national averages.
- 3.79 In section 2.2, the report assesses the type and size of businesses located on the Chilton Industrial Estate. It is noted that many businesses occupy more than one building which *“reflects their desire to expand but to remain in the same area”*, and that many businesses have built mezzanines to accommodate growth.
- 3.80 The estate has businesses of varying sizes across a range of sectors. It states that *“this variety adds to the stability and attractiveness to be based on the estate”*. In terms of ‘stability’, it is unclear from the report what the turnover of properties is on the estate.
- 3.81 The report notes that *“despite traffic links that are less than favourable than other areas in Suffolk along the A14 and A12 businesses still wish to remain and expand their services within Sudbury”*.
- 3.82 The report identifies that between the previous October 2019 report and March 2020 smaller units that were available to let in October 2019 *“have mostly now been let”* and that other units have come to the market and been let during the same period. It is unclear from the report whether the large warehouse units identified to let or for sale in the October 2019 report (such as the Delphi site and Newton Road site) have been let or sold and when these transactions took place. We note from our own research that sale of the Delphi site was completed in July 2020.
- 3.83 Section 3.1 of the report presents a summary of research undertaken in October 2019, including interviews with three local agents. The key points from this research are that there is demand for 1,000 – 3,000 sq ft industrial floorspace in the local area, but lack of viability of these units has limited availability and resulted in some businesses relocating elsewhere.
- 3.84 The report also identifies demand for flexible small-scale industrial units by SMEs and non-B uses, such as leisure businesses and trade counter businesses. However, this mix of uses is hampered by planning permissions which are often only granted for B1, B2 and B8 class uses.
- 3.85 The report also identified a demand for incubator units of between 200 and 300 sq ft. However, the viability of such units can be lower due to higher build and management costs. A number of vacant larger units have been converted and let as smaller units due to demand.
- 3.86 The report notes that demand for large warehouse units in Sudbury is low, whilst demand for B1 and B2 units is high despite the lack of transport connections. The report states *“this may be linked to the housing and population numbers as people desire to reduce travel and bring a work/life balance”*.
- 3.87 The report identifies a strong freehold market due to lack of supply. Increased supply would create some churn in the market, although this requires a balance with flooding the market which would reduce values and encourage conversions to residential. It is noted that there is beginning to be more activity around speculative development.
- 3.88 Section 3.2 presents the assessment of sales and lettings in Sudbury and Babergh as a

whole over the last five years. The report states there is “*strong demand*” for office and industrial space in Sudbury. There were 42 property sales in Babergh District in the past five years although the report does not explicitly state how many of these were in Sudbury (although there is an indication in Figure 3.4).

- 3.89 The report states that “*Sales are stronger for larger units, whilst the letting market is more buoyant for smaller units*”.
- 3.90 Section 4.1 of the report draws out key points of relevance to Babergh from the demand study undertaken in the Ipswich Economic Area Sector Needs Assessment (2016). These key headlines indicate that 80% of businesses surveyed felt that their current premises were about right in terms of space requirements and that the perceived quality of buildings and sites in Babergh was greater than the wider area surveyed. However, satisfaction with location of business premises was lower than the wider area surveyed due to poorer local road networks and lack of skilled workers. 25% of respondents indicated that they had previously had difficulties finding suitable premises to locate to in the area.
- 3.91 Section 4.2 of the report summarises findings of the business questionnaire that was issued as part of the Menta ‘Grow on Spaces’ study (October 2019). This revealed that 47.5% of respondents were considering moving premises, with 42.1% considering moving in the next 12 months. Of those not considering moving, there were a number of reasons identified including that their roles were currently undertaken from home or that their businesses were virtual/online, or that it was difficult to find suitable, affordable premises of the right size.
- 3.92 Section 4.3 of the report concludes that “*we know from this and other research that businesses are keen to grow and expand in Suffolk. The lack of available premises act as a barrier. Where there is availability, for the premises to be suitable they wish to have the ability to expand, for the premises to have good facilities such as parking, access and connectivity. The cost to grow and acquire premises, along with access to finance to support growth were identified as challenges and barriers, but the agent’s made comments on strong enquiries indicating that despite this there is a strong and buoyant market*”.
- 3.93 Section 6.0 of the report concludes that the economic environment in Sudbury is “*strong and vibrant*” and that there are few empty premises and those that are empty for longer periods are typically large warehouses or sites with multiple buildings. The report identifies a strong demand for smaller, purpose built units, of which there are relatively few. The cost of construction versus returns on investment have stifled some speculative investment, but those properties that have come to the market have proved popular and successful.
- 3.94 No quantitative evidence is presented on the amount of employment floorspace or number of units for which there is currently demand in Sudbury. Although Appendix A of the report identifies the current occupancy and vacancy rates of units on the Chilton Industrial Estate, no commentary or quantitative assessment of the current vacancy and turnover rates are provided.

**d) Assessment of employment opportunities proposed on site**

Fenn Wright

- 3.95 Paragraph 1.16 of the report highlights that the adopted Local Plan acknowledges in Paragraph 4.20 that other types of land use outside classes B1, B2 and B8 are important for providing jobs and benefitting the wider community.
- 3.96 Paragraph 1.17 of the report states that the proposed care home will offer job opportunities that are viable and deliverable within the current economic climate and context of both Sudbury and the District. It states that this assessment of non-B class employment is compliant with paragraph 120 of the NPPF, the adopted Local Plan and ‘Safeguarding Employment Land’ SPD.

3.97 Paragraph 1.14 of the Addendum to the report states that *“The provision of a care home on the site will see the provision of around 50 full time equivalent jobs with a variety of employment opportunities available”*.

Menta

3.98 The Menta report does not make any assessment of the employment opportunities that the Church Field Road planning application proposes to deliver on site.

**e) Conclusions on whether site should be retained for employment use**

Fenn Wright

3.99 Paragraph 1.14 of the report concludes that *“the Site is not suitable for B Class Uses (B1, B2 or B8), and that such uses would not be viable. These conclusions can be drawn for both development of the whole of the Site for employment use, as well as development of part of the Site for employment use.”*

3.100 Paragraph 1.15 goes on to state that *“The Site is not required for employment purposes pursuant to the adopted Local Plan, and is clearly not required for employment purposes pursuant to the emerging Joint Local Plan”*.

3.101 In reference to national policy, paragraph 5.4 of the report states that *“the NPPF is seeking to encourage economic growth as part of sustainable development. In doing this, it recognises that economic circumstances can alter over time resulting in the need to regularly review employment allocations. Where there is no prospect of the site coming forward for employment use then it should be reallocated for a more deliverable use, or that alternative uses should be supported, subject to a requirement.”*

3.102 Paragraph 8.11 states that development on the site for commercial uses is unlikely for the following reasons:

- *“there are site specific constraints associated with commercial development which are incapable of mitigation;*
- *there is a lack of growth within the sector;*
- *there are competing sites which are superior in terms of location and access, such as the Ipswich Fringe;*
- *there are competing sites within the District that are un-constrained;*
- *there is an acknowledged oversupply of deliverable commercial development land in both Sudbury, at Chilton Woods, and the wider Babergh District”*.

3.103 Paragraph 8.12 concludes that *“it is reasonable to state that Site is inherently unsuitable and not viable for all forms of B class employment related use”*. Paragraph 8.14 also states that *“It is therefore considered that the loss of the Site from employment use is not required for purposes pursuant to the adopted Local Plan, and is clearly not required for purposes pursuant to the emerging Joint Local Plan”*.

3.104 Paragraph 8.19 also highlights that paragraph 4.20 of the adopted local plan acknowledges *“that other types of land use outside classes B1, B2 and B8 are also important employment providers, and the SPD (Paragraph 1.2) states that employment in other, non B Class Uses, is also significant for providing jobs and for benefitting the wider community”*.

3.105 Paragraph 8.19 goes on to state that *“The proposed development is therefore seeking to provide employment as part of a care home, which it is acknowledged will fall outside B class uses, but given the identified site constraints, and evidence demonstrating the lack of viable of B class uses on the Site, will offer job opportunities that are viable and deliverable within the current economic climate and context of both Sudbury and the District”*.

Menta

- 3.106 Section 6.0 of the report concludes that *“Whilst it is accepted that there are some viability issues with the site, there is evidence, in this location where there is the economic activity and vibrancy to support a development of commercial units, predominantly in the 1,000 – 3,300 sq ft bracket, but up to a maximum of 10,000 sq ft”*.
- 3.107 There is no explicit conclusion as to whether this site in particular should be retained for employment use.

**f) Differences between the Fenn Wright and Menta reports**

- 3.108 Notwithstanding the difference in purpose of the Fenn Wright and Menta reports, the key differences and similarities in terms of their individual assessments of the suitability and viability of the Church Field Road site for employment uses is summarised below. The following also summarises the key differences in the two reports’ assessments of need for employment land and whether this need could be met by other available land within the locality.

Assessment of Site Suitability for B Class Uses

- 3.109 The Fenn Wright report assesses the Church Field Road site as unsuitable for employment uses due to physical constraints within the site and the proximity of the site to other residential development, which would result in restrictions on the scale of development and vehicle movements etc. This assessment is primarily linked to suitability for industrial and warehouse uses (B2 and B8). No explicit assessment is made of whether the site is suitable for B1 office uses.
- 3.110 In terms of assessing the site’s suitability for a mixed-use scheme, the Fenn Wright report does not explicitly identify what mixture of uses has been considered in their assessment. They conclude that a mixture of industrial and residential space would be unsuitable but they do not appear to have considered the suitability of the site for a mixture of B1 office and residential uses.
- 3.111 Comparatively, the Menta report does not draw any explicit conclusions on the suitability of the Church Field Road site for B Class uses, although it does highlight the existing commercial and economic nature of the surrounding locality.

Assessment of Site Viability for B Class Uses

- 3.112 The Fenn Wright report states that the Church Field Road site would be unviable for commercial development due to a combination of low rents / sale values, restriction on size of industrial units and high infrastructure and construction costs. Whilst some costed evidence of rents and sale values are provided, the report does not provide a quantitative, site-specific viability assessment of a potential employment or mixed-use development on the Church Field Road site.
- 3.113 In comparison, the Menta report acknowledges that whilst infrastructure costs associated with delivering the site may be high, that these would not be enough to make a scheme unviable, particularly a mixed-use development containing smaller industrial units (up to 10,000 sq ft). The report’s qualitative assessment identifies a ‘buoyant’ market for industrial floorspace in Sudbury. However again, no quantitative, site-specific viability assessment is provided.

Assessment of Employment Land Need and Supply of Suitable, Alternative Sites

- 3.114 The Fenn Wright report identifies an over-supply of available commercial land than currently required according to the figure of 2.9 hectares identified in the Joint Local Plan evidence base. The report states there is a lack of demand for office and industrial floorspace in the

local area, in part due to lack of transport connections to Sudbury and is primarily evidenced by requirements listed on Estate Agents Clearing House and the lack of take-up of existing vacant units in the local area. The report identifies employment land supply coming forwards at the Chilton Woods site (15 ha) that will exceed the 2.9 ha identified as being required. The report makes reference to a number of available alternative sites (although the suitability of these sites in comparison with the Church Field Road site is not explicitly assessed).

3.115 In comparison, the Menta report identifies a demand for medium sized B2 industrial units (1,000 to 3,000 sq ft), smaller sized incubator units (200 to 300 sq ft) and B1 offices within Sudbury. Demand for larger B8 warehouse units is identified as being low. The report also identifies a lack of availability of units and a low vacancy rate amongst most existing employment units (with the exception of larger warehouses or sites with multiple buildings). No evidence of planned units and units under development or quantitative evidence of current floorspace demands in Sudbury is provided. No alternative, suitable sites are identified.

**g) Gaps in evidence**

3.116 The following are identified as matters that would need to be included in the Fenn Wright report (as submitted in support of a planning application submission) to enable a full response against the requirements of Policy EM24.

3.117 In terms of assessing the suitability of the Church Field Road site:

- There is a lack of sufficient consideration of the suitability of the site for each type of employment use (B1, B2 and B8), including provision of robust evidence to support these claims.
- There is a lack of detailed consideration of the suitability of the site for a mixed-use development, together with provision of clear evidence.

3.118 In terms of assessing the viability of the Church Field Road site:

- No quantitative, site-specific viability assessment has been provided to demonstrate whether the development of the Church Field Road site for employment use (including land use class B1, B2 and B8) is viable.

3.119 In terms of assessing the demand for employment land and the availability of suitable, alternative sites in the locality:

- Some of the evidence around current demands for employment floorspace (particularly in terms of office floorspace and desires of businesses to expand on-site over relocating to other sites) could be fully justified and clearly articulated. For example, it would be useful to include a summary of quantitative demands for floorspace by land-use class;
- There is a lack of clear quantitative assessment of the supply of employment land in the locality of the Church Field Road site, including with reference to the status of existing allocations, extant permissions and existing vacant/available units.
- There is no clearly articulated quantitative comparison of existing employment floorspace demands versus supply (for use classes B1, B2 and B8) in the locality of the Church Field Road site.
- The report does not explicitly identify alternative available sites, nor does it clearly assess the relative suitability of these alternative sites compared with the Church Field Road site. For example, it would be useful if other allocated sites, sites with planning permission, or those currently being developed were assessed to identify their suitability in comparison with the Church Field Road Site.

**h) Model report structure**

3.120 In considering the requirements of Policy EM24 and the accompanying guidance outlined in the Safeguarding Employment Land Supplementary Planning Document (March 2008), we would envisage that an appropriately evidenced report would be structured as follows:

- Introduction
- Review of national and local policy
- Methodology for evidence gathering to support requirements of Policy EM24
- Assessment of site suitability for employment use, including:
  - Detailed assessment of the suitability of the site for each employment use class (B1, B2 and B8)
  - Detailed assessment of the suitability of the site for a mixed-use development (including elements of B1, B2 and/or B8)
  - Assessment of suitable alternative sites
- Viability assessment (quantitative) for employment use, including:
  - Assessment of local employment need / demand
  - A quantitative viability assessment of developing the site for employment uses (B1, B2 and B8); and where this proves to be unviable
  - A quantitative viability assessment of developing the site for a mixture of uses (including a proportion of employment floorspace). The land use mix assessed as part of this viability assessment will need to be justified.
- Acceptability of residential use, including:
  - Assessment of suitability of site for residential use
  - Demonstration of compliance with paragraphs 6.10 to 6.12 of the SPD
- Conclusions, including an overall assessment of whether the requirements of Policy EM24 have been met in terms of:
  - How the site is inherently unsuitable for all forms of employment related use (including mixed-use development)
  - How the site is unviable for all forms of employment related use (including mixed-use development)

3.121 Whilst there is no requirement to comply with both strands of Policy EM24, it would also be useful to include (perhaps within the methodology section) some explanation as to why the applicant has chosen not to progress with the 'first limb' of Policy EM24.

#### 4.0 ASSESSMENT OF COMPLIANCE WITH POLICY EM24

4.1 This section presents an assessment of the application's supporting evidence in respect of its compliance with the requirements of Policy EM24.

4.2 To reiterate, Policy EM24 states:

*“Planning applications to redevelop or use existing or vacant employment land, sites and premises for non-employment purposes, will only be permitted if the applicant can demonstrate that their retention for an appropriate employment use has been fully explored. This may be undertaken in one of the two following ways:*

*1. by an agreed and sustained marketing campaign, undertaken at a realistic asking price; or*

*2. where agreed in advance, the applicant can demonstrate that the land, site or premises are inherently unsuitable or not viable for all forms of employment related use”*

4.3 The applicant has chosen not to proceed with the 'first limb' of Policy EM24 which would have included undertaking a sustained marketing campaign.

4.4 In respect of the applicant's compliance with the 'second limb' of Policy EM24, the applicant is required to demonstrate that the site is either a) inherently unsuitable or b) unviable for all forms of employment related use.

4.5 In terms of the applicant's assessment of the suitability of the site for employment related use, the evidence presented in the Fenn Wright report identifies some reasons why the site is unsuitable for industrial / warehouse uses, however it does not fully assess the suitability of the site for all B class uses, including B1 office uses. Although some degree of assessment is made of the suitability of the site for a mixed-use scheme, the assessment does not explore the full range of mixed-uses that could potentially be delivered on the site, including for example a mixture of B1 offices and residential uses. Therefore, there is insufficient evidence to demonstrate that the site is inherently unsuitable for all forms of employment related use.

4.6 With respect to the applicant's assessment of the viability of the site for employment related use, no quantitative, site-specific viability assessment is provided that covers a range of potential employment uses, including a mixed-use development. There is therefore insufficient evidence to demonstrate that the site is not viable for all forms of employment related use.

4.7 It is therefore concluded that the applicant has not demonstrated that the retention of the site for an appropriate employment use (B1, B2 and/or B8) has been adequately explored and as such Policy EM24 has not been complied with.

## 5.0 EMPLOYMENT LAND ASSESSMENT

- 5.1 Section 4 identifies that Policy EM24 has not been complied with. In the Council's brief we have been asked to consider whether there is evidence of a specific and identified employment need having regard to prevailing commercial and market conditions in the locality, that could be addressed by this site and which cannot be addressed by available land elsewhere in the locality.
- 5.2 In terms of identifying existing demands for employment floorspace in the locality of the site the evidence presented by the applicant identifies requirements listed on Estate Agents Clearing House, however this evidence of demand could be more clearly articulated in a quantitative form by floorspace type / employment land use class. The employment need in the locality is currently not clearly presented in the evidence provided.
- 5.3 In terms of the evidence used to demonstrate existing employment floorspace demands in the locality, we would expect sources of evidence to include:
- Evidence of recent sales / lettings transactions data for Sudbury and surrounding areas;
  - Evidence of local business requirements for Sudbury and surrounding areas, for example through estate agent databases or survey of local businesses;
  - Evidence from the Ipswich and Waveney Economic Areas Employment Land Needs Assessment may be relevant, however the low number of respondents (7) from Babergh District means that these results are unlikely to be statistically significant and they are also not up-to-date. When making direct comparisons with other property markets, such as Ipswich, we would expect the applicant to also consider and explain the extent to which these comparisons are justified given the relatively self-contained nature of the Sudbury property market.
- 5.4 In terms of identifying the extent to which existing employment floorspace demands could be met by the application site and which could be met by available land elsewhere in the locality, the evidence currently presented by the applicant does not undertake a comprehensive quantitative and qualitative assessment of the supply of employment land in the locality of the Church Field Road site and the extent to which this land could meet existing employment floorspace demand, including in terms of the size, suitability and deliverability of identified alternative sites.
- 5.5 In terms of evidence used to demonstrate the extent of supply of suitable and deliverable alternative employment sites in the locality, we would expect this assessment to include:
- Evidence of allocated employment sites, sites with planning permission and those currently being developed in the locality of the application site in terms of their size, suitability and deliverability for employment uses.
- 5.6 Following this assessment of need and supply, the applicant should form an evidence-based conclusion on whether the residual need for employment land in the locality can be sufficiently met by these alternative sites.



## 6.0 CONCLUSIONS

- 6.1 This report has assessed the evidence presented by both the applicant and the Council in respect of planning application ref. DC/20/01094 for the erection of up to 190 residential dwellings, purpose built care home of up to 60 bedrooms, and associated infrastructure and means of access on land on the north side of Church Field Road, Chilton Industrial Estate, Chilton.
- 6.2 Our independent review of this evidence concludes that the applicant has not sufficiently demonstrated that the land, site or premises are inherently unsuitable or not viable for all forms of employment related use, and as such the 'second limb' of Policy EM24 has not been complied with.
- 6.3 Section 3(g) of this report identifies how the current gaps in evidence might be filled in order to demonstrate compliance with Policy EM24, and Section 3(h) outlines a suggested report structure that could be used to present this evidence.
- 6.4 In terms of considering the weight that should be given to Policy EM24 in determining an application, Paragraph 213 of the NPPF states that:
- “existing policies should not be considered out-of-date simply because they were adopted or made prior to the publication of this Framework. Due weight should be given to them, according to their degree of consistency with this Framework (the closer the policies in the plan to the policies in the Framework, the greater the weight that may be given).”*
- 6.5 Therefore, it is necessary to consider whether Policy EM24 is consistent with policies in the NPPF. The most relevant part of the NPPF to determining this application is paragraph 120, which states that:
- “Planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability. Where the local planning authority considers there to be no reasonable prospect of an application coming forward for the use allocated in a plan:*
- a) they should, as part of plan updates, reallocate the land for a more deliverable use that can help to address identified needs (or, if appropriate, deallocate a site which is undeveloped); and*
- b) in the interim, prior to updating the plan, applications for alternative uses on the land should be supported, where the proposed use would contribute to meeting an unmet need for development in the area.”*
- 6.6 The evidence provided by the applicant is not currently sufficient to demonstrate whether the application site is required to meet an identified local need for employment land. In addition to this any alternative uses should be supported by evidence that identifies the proposal would contribute to an unmet need in the area.
- 6.7 In considering the degree of consistency of Policy EM24 with relevant sections of the NPPF, the requirement for the applicant to demonstrate *“that the land, site or premises are inherently unsuitable or not viable for all forms of development”* (emphasis added) may be considered to conflict with Paragraph 81 of the NPPF, which requires that planning policies should *“be flexible enough to accommodate needs not anticipated in the plan...and to enable a rapid response to changes in economic circumstances”* (emphasis added). There is also a potential inconsistency with Paragraph 120 of the NPPF which states that *“Planning policies and decisions need to reflect changes in demand for the land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability”*

(emphasis added). The focus of Paragraph 120 is on whether there is “reasonable prospect of an application coming forward for the use allocated in a plan” based on changes in demand for land, rather than whether a site is “*inherently suitable or viable*” for an allocated use.

- 6.8 In light of these potential inconsistencies, it will be important for the Council to consider what weight should be afforded to Policy EM24 when making planning decisions.

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