

October 2016

# **Paper 4: Economy & Employment**

## **Gloucester City Plan**

Background Topic Paper for Policy Development

## **Introduction**

This paper provides a background into the need for employment land within Gloucester City as defined through the Joint Core Strategy (JCS). It considers the rationale behind site selection to meet the identified need, as well as other Gloucester specific employment matters and policies covering issues not addressed through the JCS.

City Plan will need to:

- Have locally specific policies picking up points not raised or covered by the JCS.
- Cover the following matters:
  - The retention of existing prime employment sites.
  - Local jobs for local people and boosting skills.
  - The provision of the opportunity for training and apprenticeships through regeneration sites and major development.
  - Proposal such as the University Technical College bid and the hospital as provider of jobs and economic growth.

## **Nationally**

### **National Planning Policy Framework (NPPF) March 2012**

NPPF, Paragraph 18 states that the Government is committed to securing economic growth in order to create jobs and prosperity.

Paragraph 20 states that LAs should plan proactively to meet the development needs of business and support an economy fit for the 21st Century.

Paragraph 21 states that in drawing up Local Plans, local planning authorities should:

- set out a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth;
- set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- support existing business sectors, taking account of whether they are expanding or contracting and, where possible, identify and plan for new or emerging sectors likely to locate in their area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;
- plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;
- identify priority areas for economic regeneration, infrastructure provision and environmental enhancement; and
- facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

Paragraph 22 states 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. Land allocations should be regularly reviewed.

Paragraph 24 sets a sequential approach for main town centre uses including offices.

Paragraph 161 makes clear that LPAs should use an evidence base to assess “the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs.”

### **National Planning Practice Guidance (NPPG)**

The NPPG requires authorities to consider capacity within their authorities with regard to the availability of land to accommodate housing and employment development by undertaking a Housing and Economic Land Availability Assessment.

The NPPG also provides guidance on monitoring the delivery of employment policies.

### **Ministerial Statement on Starter Homes on Employment Land**

In March 2015 the Conservative Government introduced, by way of a written ministerial statement, the Starter Homes exception site policy. The aim of this policy was to allow the development of Starter Homes, for sale on the open market at 20% less than market price, on under-used or unviable industrial and commercial land that has not been identified for residential development.

Since this time the Starter Home policy has continued to evolve and local planning authorities are now encouraged to work proactively with landowners and developers to secure a supply of land suitable for Starter Homes exception sites to deliver housing for young first time buyers in their area. Land in both public and private ownership can be considered. Allocated employment sites that can be demonstrated to be unviable can be used for Starter Homes.

Since this original announcement the Starter Homes policy has moved forward with the Government advising that discounted Starter Homes should be delivered on all residential development sites. The matter will be formalised into national policy through the Housing and Planning Act 2016.

### **Reform of General Permitted Development Order and new permitted development rights. Loss of employment land**

The Government is committed to providing as many new homes as possible and this is reflected in changes contained in the Town and Country Planning (General Development) (England) Order 2015 which makes it easier for businesses to make best use of their premises. Changes are quite extensive and include: allowing change of use from light industrial buildings (B1(c)) and storage and distribution buildings (B8) to residential (C3) and making permanent the permitted development right allowing change of use from office (B1 (a)) to residential (C3) (from May 2016). For Council's trying to protect employment land through policy this is a potential problem, particularly as and when developers start to get used to the rights and use them fully. Local plan policies should continue to protect employment land.

### **Locally**

## **The Joint Core Strategy (JCS)**

At the time of writing the JCS employment approach is undergoing amendment in the light of the discussions held at the recent public examination. Obviously the JCS provides a critical context to, and framework for, employment issues in the City Plan. Further employment evidence is required (and is currently being commissioned) for Gloucester as an input into the City plan. This evidence will clearly take account of the JCS employment approach.

The JCS supports employment-related development at Strategic Allocations in line with Policy SA1. For Gloucester this means the north of the City at Innsworth and the South Churchdown strategic allocations. The approved planning application at Brockworth strategic allocation also includes an element of employment land adjacent to the M5 motorway.

### **What the JCS currently says:**

Reflecting the NPPF, the JCS employment policy considers employment in its wider sense covering traditional industrial, office and warehousing (B1, B2 and B8 uses) as well as uses such as hotels, tourism, leisure facilities, education and health services (referred to as non-B use classes) which are also large employment providers in the area.

Policy SD2 supports employment related development:

- i. at Strategic Allocations in line with Policy SA1. At these locations it is expected that employment land should normally be used for B class uses, except where it can be demonstrated that non B class uses would support the residential and B class development at that Strategic Allocation. On some Strategic Allocations priority will be given to specific sectors (key growth sectors for the JCS area). The details are set out in the JCS SA site policies.
- ii. for development of new or existing buildings.
- iii. in rural service centres and service village if the employment development is of an appropriate size/scale.
- iv. in the wider countryside when it is in or adjacent to a settlement or existing employment area and of an appropriate scale/character or an employment generating farm diversification project of appropriate scale.
- v. where it allows the growth or expansion of existing businesses especially in key growth sectors – subject to all other policies of the plan.
- vi. where it would encourage and support the development of SMEs – subject to all other policies of the plan.

Major office or retail development will be directed to the main urban settlements of Gloucester and Cheltenham and the market town of Tewkesbury. Proposals for major retail development will be considered against the sequential test and the impact test and would not normally be acceptable in the Strategic Allocations.

JCS authorities are working with the Gloucestershire Local Enterprise Partnership (Gloucestershire First LEP) to deliver a Growth Plan for Gloucestershire as a whole. It will be important to maintain a good working relationship with the LEP to help secure funds for further Gloucester related projects.

The Pre-submission version of the JCS identified a need for 64 hectares of additional employment land in the JCS area and allocated 26.5 hectares of employment land on strategic allocations on the edge of Gloucester City, at Innsworth and South Churchdown Strategic Allocations. The Inspector's interim Report (31st May 2016) proposes that the JCS area should accommodate a minimum of 192 ha of employment land (from proposed JCS allocations, existing local plan allocations, existing commitments and proposed new Local Plan employment allocations. Additionally, the JCS should support a jobs target of 39,500 for the period 2011 to 2031. The Inspector comments that 238 ha of employment land is available across the JCS area with 56 ha around Gloucester and a capacity of 20 ha of existing undeveloped capacity in Gloucester City together with 7 hectares made up of other available and suitable sites.

These figures point to the need to ensure that existing employment land commitments and proposed City Plan employment allocations need to be retained as appropriate for employment purposes in order to maintain a suitable supply of sites within Gloucester City and the JCS area as a whole for the plan period up to 2031.

The explanatory text to Policy SD2 states that jobs should be located near to economically active populations and that the following are likely to be key growth sectors in the area:

- Aviation
- Cyber technology
- Engineering
- Energy
- Leisure
- Financial services
- Information technology
- Marketing and public relations

One important piece of work for the new employment evidence base for Gloucester is to grade all the existing employment sites in the city to inform the approach taken to the site safeguarding policy.

## **Gloucester City Plan**

### **City Plan Part 1 – February 2012 / City Plan Places and Sites Consultation – May 2013**

JCS Policy SD2 accords with City Plan Key Development Principle 6: To deliver a City that encourages and facilitates inward and indigenous investment and attracts innovative growth sectors, creates high and stable levels of economic growth and high quality and skilled jobs for the local population to reduce unemployment, particularly among the long term unemployed.

#### **City Plan Consultation responses:**

*“Too many empty employment buildings – do not build anymore.”*

*“The City needs to decide what sort of business and growth it wants, then offer Enterprise Zone type tax breaks to those industries.”*

*“The Plan could be a little bit more innovative and forward thinking, especially with laying*

*out a clear direction for economic land in the City.”*

*“There needs to be more thought about the well paid jobs that could be lost to the city and county if major employers are pushed out of their present sites. Replacing these jobs with part time retail ones may make the city look pretty but will not help its economy.”*

*“Gloucester City should use regeneration as an opportunity to provide jobs and skills training rather than employ national companies. Providing local jobs and skills training means local profits for local companies which can re-invest their profits locally.”*

*“Allow for flexibility of use for employment purposes on B Class sites for non B employment generating uses.”*

*“Use brownfield land before allocating greenfield land for employment purposes where possible.”*

## **Gloucester City Regeneration Strategy (January 2016)**

This document was adopted by Cabinet in January 2016 and takes forward the central part of the City Vision (adopted in 2011) to deliver:

- A flourishing economy and City Centre
- A vibrant evening economy
- A City which improves through regeneration and development

The Regeneration Strategy has the following objectives:

- Delivering major development sites
- A vibrant City Centre
- Small sites
- Local communities and urban regeneration
- Jobs and growth
- Provide a network of public spaces within the City
- Improve the City’s cultural offer
- Partnership working with Gloucestershire First and neighbouring authorities to achieve economic growth beyond the boundaries of the City.

## **Council Plan 2014 – 2017**

‘Prosperity’ – growing the City’s economy continues to be a priority for the Council with a focus on regenerating the heart of the City and ensuring local people benefit from the investment brought into the City; including working with private sector partners to create employment opportunities and working with local colleges and universities to grow entrepreneurial talent.

### **Existing evidence / knowledge and local challenges and employment issues in Gloucester**

With the emerging modifications to the JCS there is a need for a furtherance of the employment evidence base for Gloucester City. The employment context and evidence base are still being considered. At the time of writing a focused economic report ‘Strategy Options for the Gloucester Economy’ is being prepared by Athey Consulting.

This important report will include:

- Comprehensive economic evidence presenting clear sectoral growth guidance based on detailed analysis and statistical data.
- A spatial planning strategy which informs the preparation of the Gloucester City Plan, including land allocation requirements.

As mentioned, this is ongoing work but on the basis of current knowledge the following are considered to be the key issues for the city:

- The on-going need to regenerate long standing brown field employment sites.
- The lack of A grade office space in the city as well as high technology space.
- The need to focus on and support areas where Gloucester already has a clear competitive advantage in terms of economic development.
- Ensuring that appropriate employment sites are available to support Growth Deal 1, 2 and 3 and the Gloucestershire First's Strategic Economic Plan (SEP).
- Attracting new office investment into the city centre to help deliver a vital and viable city centre. The City Centre needs to have a clear functional role, reconciling competing objectives into a cohesive whole together with its relationship with the wider urban area.
- Pressure for retail development on protected B Class employment sites with potential retail impact issues for the City Centre.
- Potential loss of employment sites that can be evidenced as suitable for sustainable residential development owing to high housing need identified through the JCS.
- Retention of vacant employment sites outside the city centre that are situated on arterial route ways for employment purposes.
- Retention of the large greenfield employment commitment at Kingsway Framework 5 for employment purposes given market pressure for retail and other uses
- Delivery of the Strategic Allocations around Gloucester in line with the JCS.
- Ensuring local jobs and skills training for local people through the development of large regeneration sites such as Kings Quarter and Greater Blackfriars.
- Supporting job generating and training opportunities in partnership with the University of Gloucestershire and Gloucester Royal Hospital.
- Supporting skills training through Housing Zone delivery in partnership with Gloucestershire College.
- Need for policy or supporting text in the emerging Gloucester City Plan that encourages developers to work with the City Council, Gloucestershire First and other ED partners to prepare employment and skills plans.
- Exploring the potential in the emerging Gloucester City Plan for employers to prepare travel schemes (assisting employees in getting to work) in line with existing JCS policy and the NPPF guidance on travel plans.

## **City Plan Draft Employment Policies**

This chapter should be read in conjunction with the following JCS policies on employment:

- Policy SD2 – Employment
- Policy SD4 – Sustainable Design and Construction
- Policy SD5 – Design Requirements
- Policies INF1 – INF8 Infrastructure Delivery

## Proposed City Plan Policies

### **Policy B1: Employment and Skills Plans**

***For major housing development (20 or more units) and major commercial development (1,000 sq. m of new commercial indoor floor space) applicants will be required to submit an Employment and Skills Plan (ESP). The plan will identify opportunities for the employment and skill development of local people through the implementation of the development proposal.***

***The ESP should address priorities identified and agreed at an early stage through liaison with the Council and local employment and skills agencies. The ESP will have targets and these will be in conformity with industry standard benchmarks of the employment / skills outcomes expected from the particular size and type of construction proposed.***

There is a need for a focused improvement in educational attainment and skills in Gloucester. In order for local people to get jobs it is obvious that they need the right education and skills in order to be aligned with the needs of employers. But employers also need to play their part in giving opportunities to suitably qualified people from the local area.

In the long term it is not socially or environmentally sustainable for people to travel long distances to work so employers should be encouraged to recruit locally.

The Gloucester Regeneration and Economic Development Strategy 2016-2021 under Objective 4 seeks to:

- Promote recruit local policies and employment and training plans, connecting people and communities to economic opportunity. Work with partners to ensure new work opportunities target those in disadvantaged communities who have the support to ensure they are well placed to benefit from such opportunities
- Work with employers and skills providers to ensure there is a direct correlation between skills supply and demand.

### **Policy B2: Existing Key Employment Sites**

***As existing large-scale employment commitments, the following sites are safeguarded for B Class employment purposes in order to ensure a supply of employment land within the City over the plan period:***

- ***Land at Kingsway Framework 5***
- ***Land at Spinnaker Park***
- ***Land at Corinium Avenue***
- ***Land to the North of Walls***
- ***Land at Waterwells Business Park***
- ***Land at Northern Railway Triangle***

***Other existing employment sites will be safeguarded unless alternative proposals for development intensify levels of employment on that site.***

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### **Policy B3: New Employment Sites**

***With the aim of locating jobs near to economically active populations, new employment development will be supported:***

- 1. At Strategic Allocations as outlined in Policy SA1 of the Adopted JCS.***
- 2. Within new or existing buildings within Gloucester.***
- 3. At suitable locations where it would encourage mixed use development, the expansion of existing businesses and small and medium sized enterprises.***
- 4. At sites allocated for employment in this plan.***

### **Policy B4: Existing Employment Space**

***A change of use from offices (Class B1) in the City Centre and sites allocated for employment development in this plan will not normally be permitted, unless alternative proposals for development intensify levels of employment on that site. The proposal must be considered acceptable against the plan policies as a whole.***

***Proposals which result in the loss of a B Class use outside the City Centre and sites allocated for employment development in this plan will only be supported where there is clear evidence that the site is no longer viable and suitable for B Class use. The Council will encourage and support other employment generating uses subject to acceptability against the plan policies as a whole***

### **Policy B5: New Employment Space**

***Development proposals which enhance employment provision and help promote B Class employment will be supported where:***

- the proposal is appropriate in terms of its setting, impact, connectivity, scale, design and size;***
- the proposal makes better use of previously developed land or buildings;***
- the proposal is an appropriate extension to strengthen or diversify an existing business operation;***
- the proposal provides for opportunities for new office development in appropriate locations of the city which are well located to the road network and public transport network.***

### **Justification/Background**

Gloucester currently acts as an economic growth centre for the County, and this role is set to continue.

The City's current employment provision is principally focussed within the Bristol Road corridor, (including Green Farm and Olympus Park), the City Centre, Barnwood Business Park, the Eastern Avenue gateway and Waterwells Business Park. These areas should be retained as a focus for local employment and principally for B class employment uses.

In meeting Gloucester's growing population it is imperative that new jobs are secured for the City and where possible existing employment areas are protected and strengthened for this purpose. Therefore there is a presumption against the redevelopment of existing employment land for other land uses where the location remains both viable and suitable for employment purposes.

Opportunities for new employment land also exist to the south of the City at the Kingsway urban extension in Quedgeley, which is in close proximity to the existing Waterwells Business Park, as well as a potential extension to the Waterwells Business Park. There are also opportunities for the more efficient use of existing employment land off Bristol Road and Eastern Avenue. Investment in these existing employment areas will be encouraged.

Measures to build enterprise, creativity, innovation and new skills will also be encouraged.

### Existing employment land capacity within the City

On Tuesday 9th February 2016 a JCS Statement of Common Ground meeting was held on employment land. See JCS Exam 183 at:

<http://www.gct-jcs.org/PublicConsultation/Examination-Documents-166-199.aspx>

The meeting was requested by the Inspector to review the strategic employment sites and the information supplied by the JCS team beforehand. Each site was reviewed (with maps supplied) and the merits of each discussed. All of the Gloucester sites were agreed. The table below gives the details. These sites are suitable for B class employment, but this does not necessarily mean that they will come forward, nor does this mean that other sites may not come forward. The sites represent an amount of employment land that could come forward as B class employment for 'strategic employment purposes' as a statement of common ground.

Gloucester Employment Land Supply - (Position as of 9 <sup>th</sup> February 2016)	
Strategic Assessment of Land Availability (SALA) Sites	<u>Round Table Agreement on Area:</u> Land Adjacent to South West Bypass = 0.7 ha Land East of Waterwells = 6.37 ha Total = 7.07 ha
Existing Allocations	0
Commitments (Sites with Extant Permissions)	<u>Round Table Agreement on Area:</u> Triangle Park = 1.94 ha Kingsway Framework 5 = 13.42 ha Gloucester Quays = 0.89 ha Land north of Walls = 5.7 ha Total = 21.95 ha
Total	29.02 ha

Further evidence gathering is on-going and new monitoring will indicate that the employment land situation is changing. It is important that both the existing and proposed supply of viable land and buildings for employment uses is protected for such purposes if the Plan is to successfully maintain and enhance employment opportunities throughout the City. Employment land and premises will be reserved for uses within Part B of the Use Classes Order. In addition other acceptable Non B Class employment uses may be acceptable. Other sui generis employment uses which would otherwise be difficult to locate, such as motor car display and sales, tool hire depots, builders merchants and recycling facilities would be considered on employment sites with the exception of those identified as Locally Important Sites.

The loss of viable and suitable employment land and premises to non-employment uses such as retail or housing will normally be resisted. The City Plan makes suitable provision for these uses elsewhere, either through allocation or policy, so that the use of employment land for these purposes will be unnecessary in most cases.

## **Evidence Base**

- JCS Strategic Assessment of Land Availability Gloucester 2013
- Gloucester City Strategic Assessment of Land Availability Jan 2015
- JCS NLP Employment Land Review March 2011/August 2011
- Exam 138 NLP JCS Employment Land Assessment Update Oct 2015
- Exam 139 JCS Economic Update Paper Nov 2015 & other updates
- Strategic Economic Plan for Growing Gloucestershire, GFirst 2014
- Adopted Gloucester City Regeneration Strategy (Jan 2016)
- General Permitted Development Order 2015
- 'Strategy Options for the Gloucester Economy' (Jan 2017 - Pending)

## **Monitoring**

The monitoring of a. to d. below will be undertaken through the Council's Annual Employment Land Monitoring Report; e. is a general indicator, the information for which will be provided by Gloucestershire First and Economic Development at the City Council.

A. Indicators for monitoring of Policy B1: Employment and Skills Plans

B. Indicators for monitoring of Policy B2: Existing Key Employment Sites

- The quantum of land developed for employment purposes within Existing Key Employment Sites.
- The quantum of employment land lost to non-employment development.

C. Indicators for monitoring of Policy B3: New Employment Sites

- The quantum of land developed for employment purposes on New Employment Sites, (both brownfield and greenfield).
- The type of employment development on New Employment Sites.

D. Indicators for monitoring of Policy B4: Existing Employment Space

- The quantum of existing employment space lost to non-employment development in the City Centre.

- The quantum of existing employment space lost to non-employment development in locations outside the City Centre.

E. Indicators for monitoring of Policy B5: New Employment Space

- The quantum and type of new employment development that come forward through (general) development proposals.

F. Annual number of new jobs created in Gloucester City.