

Local Plan Draft Policies ECN1: Employment Land; ECN2: Employment Areas, Enterprise Zones & Former Airbases Policy; and ECN 3: Employment Development Outside of Employment Areas

Summary: This report considers the representations made at Regulation 18 stage of plan preparation and seeks to agree the final versions of Policies ECN1: Employment Land; ECN2: Employment Areas, Enterprise Zones & Former Airbases Policy; and ECN 3: Employment Development Outside of Employment Areas

Recommendations: **1. It is recommended that members endorse the revised Policies ECN1, ECN2 and ECN3 recommending to cabinet and delegating responsibility for drafting such an approach, including that of finalising the associated policies to the Planning Manager.**

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| Cabinet Member(s) | Ward(s) affected |
| All Members | All Wards |
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1. Introduction

1.1 The emerging North Norfolk Local Plan has been subject to public consultation at regulation 18 stage during May and June 2019. This report is one of a number of reports that seeks to finalise the draft Local Plan policy approach in relation to consideration of the consultation responses and the finalisation of the supporting evidence. At the end of the process a revised Draft Local Plan incorporating justified modifications will be produced for the authority in order to consult at Regulation 19 Draft Plan publication stage ahead of subsequent submission for examination. At such a stage the Plan will be subject to consideration by an independent inspector against a number of legal tests and soundness tests to determine if it is legally compliant, justified, effective, and has been positively prepared. A binding report will be produced, which will determine if the Draft Plan is sound, with or without further modifications, following which the Plan can be formally adopted by the Council.

1.2 North Norfolk has a relatively narrow economic base with a high proportion of employment in tourism, food production and retail sectors. Rates of

unemployment in the District are generally lower than elsewhere although there is a seasonal dimension to employment opportunities. Average pay rates are below both regional and national averages.

- 1.3 Rates of economic activity are also low compared to national and regional averages, reflecting the large numbers of retired people living in the District. Many younger people leave the District for increased employment prospects and because of the high cost of local housing. There is growing concern that businesses will be unable to recruit and attract suitable staff. Consequently, there is an aspiration to broaden the economy to offer a wider choice of employment opportunities and achieve a more balanced economy and population in the future.
- 1.4 Emerging policies ECN 1, ECN 2 and ECN 3 seek to provide a positive approach to employment within the District by allocating sufficient employment land and providing flexible policies to ensure the right development occurs in the right places and to ensure adaptability to changes market conditions.
- 1.5 **The purpose** of this report, is following a review of regulation 18 consultation feedback to seek Members endorsement of the final suit of policies that address tourism for future Plan making ahead of Regulation 19 consultation and then submission of the Plan.

2. Policy Background

- 2.1 The purpose of Policy ECN1 is to establish the quantum and location of existing and proposed employment land across the District. This ensures that new proposals for employment development will be directed to these designated Employment Areas and proposed Employment Allocations, as these are considered the most sustainable and suitable locations for employment uses.
- 2.2 Policy ECN 2 sets out the approach towards new employment development across the District and the types of employment proposals that will be supported on designated Employment Areas, Enterprise Zones and Former Airbase Sites. This policy also seeks to protect these areas from non-employment uses to ensure that employment land is retained.
- 2.3 Policy ECN 3 sets out the approach towards employment development outside of Employment Areas to ensure a flexible approach to employment development across the District and seeks to retain, where possible, existing employment uses that are not subject to an existing designation.

3. Feedback from Regulation 18 consultation

- 3.1 All of the Regulation 18 consultation feedback has been published in the Schedule of Responses, previously reported to Members. For information, the feedback for the three draft policies is contained within Appendix 1 to this report and summarised below. Overall, the number of responses to the policies was limited, however, the respondents did raise some key issues. The comments are summarised below for each draft policy:

Policy ECN 1: Employment Land

- 3.2 Individuals: Five individuals commented on the policy, two in support, two objections and one general comment. The objections focused around the broad approach the Council should be taking i.e. supporting the green energy sector and the lack of need for employment land given the changing economic landscape. One general comment set out that the quantum proposed should be a minimum to allow for flexible future growth across the District.
- 3.3 Parish and Town Councils: Wells Town Council in support of the retention of existing sites in Wells. Sheringham Town Council in support of retaining current employment land.
- 3.4 Statutory Bodies and Organisations: Five comments were made on the policy. These were largely supportive of the Policy approach. Trinity College stated that there should be more employment land in Fakenham given this area has had the highest take up rate. The Wells Neighbourhood Plan Group also suggested more employment land should be designated in Wells-next-the-sea.

Policy ECN 2: Employment Areas, Enterprise Zones and Former Airbases

- 3.5 Individuals: One general comment regarding the Great Eastern Way Industrial Estate regarding greater flexibility of employment opportunities.
- 3.6 Parish and Town Councils: None
- 3.7 Statutory Bodies and Organisations: Two general comments received on the policy. One from the Broads Authority which sets out that there may be cross-boundary issues regarding Neatishead and one from the Environment Agency to make sure that there would be no risk of surface or groundwater flood risk.

Policy ECN 3: Employment Development Outside of Employment Areas

- 3.8 Individuals: One comment in support of the policy with the caveat that this should not be at the expense of Policy HOU 06: Replacement Dwellings, Extensions and Annexed Accommodation.
- 3.9 Parish and Town Councils: None
- 3.10 Statutory Bodies and Organisations: The Environment Agency made a comment on the site regarding Bacton Gas Terminal and the need for an Environmental Impact Assessment (EIA).

4. National Policy

- 4.1 The revised National Planning Policy Framework (NPPF) was published in February 2019, which is supplemented by the Planning Practice Guidance (PPG), an online resource providing guidance on the NPPF's implementation. The relevant paragraphs in the NPPF are summarised below:

Relevant Paragraphs within the NPPF:

Paragraph 81

Planning Policies should

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;
- b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;
- c) seek to address potential barriers to investment, such as inadequate infrastructure, service or housing, or a poor environment; and
- 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

Paragraph 83:

Planning policies and decisions should enable:

- a) the sustainable growth and expansion of all types of business in rural areas, both through conversion of existing buildings and well-designed new buildings;
- b) the development and diversification of agricultural and other land-based rural businesses;
- c) sustainable rural tourism and leisure developments which respect the character of the countryside; and
- d) the retention and development of accessible local services and community facilities, such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.

Paragraph 120:

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.

- 4.2 The NPPF is clear that planning policies should set criteria, or identify strategic sites for local and inward investment to match the strategy and to meet anticipated needs over the plan period (Paragraph 81). Further there is a requirement to help support the rural economy (Paragraph 83).
- 4.3 However, it is also important to recognise that there is a need for local planning authorities to review land allocated within plans and review land availability, and where there is no reasonable prospect of an application coming forward for the use allocated in a plan, the local planning authority should reallocate the land for a more deliverable use that can help to address identified needs (Paragraph 120).

Relevant national Planning Practice Guidance (nPPG) paragraphs:

- 4.4 Planning Practice Guidance sets out in a section on Housing and Economic Needs Assessment that Strategic policy making authorities must have robust evidence in regard to the economic need as well as housing need. The section clearly sets out how this evidence is to be gathered and how it is to be utilised. Specific paragraphs within this section of Planning Practice Guidance are as follows:
- Paragraph 025 (ID: 2a-025-20190220) sets out that Strategic policy-making authorities will need to prepare robust evidence to understand existing business needs.
 - Paragraph 026 (ID: 2a-026-20190220) sets out how this evidence can be gathered with evidence of market demand, market failure, existing employment stock etc.
 - Paragraph 027 (ID: 2a-027-20190220) sets out how market signals can be used to forecast future need within the district whilst Paragraph 030 (ID: 2a-030-20190220) sets out how employment densities can be calculated.

5. Growth Sites Delivery Strategy Study

- 5.1 North Norfolk Economic Development have commissioned BE Group and WSP to undertake a study into the delivery of employment land in North Norfolk. Whilst this is primarily relating to facilitating the delivery of employment sites as a whole, the study does provide evidence to support Policy ECN 1 of the emerging Local Plan in line with the updated Planning Practice Guidance as set out in Section 4 of this report.
- 5.2 This report is still in draft stage but does establish the basis for plan production by assessing the market in regard to future employment demand derived through stakeholder consultation and assessment the socio economic profile of the District and supply derived through stakeholder consultation and analysis of the existing employment land. Further to this the study assessed each employment site in the District setting out the land available for development, constraints to development and looked at potential opportunities for expansion.
- 5.3 The study then sets out a range of forecasting scenarios based on the following:
- Past Land Take-up: How much employment land has been delivered in the past 10 years and projecting this forward across the plan period.
- Labour Demand Forecasting: Projects the likely jobs growth by utilising econometrics based on the East of England model and projects the likely jobs growth in different industry sectors over the plan period.
- Labour Supply Forecasting: Projects the likely jobs on the basis of residential growth in the district for the working age population and projects this forward across the plan period.

Policy-On Labour Demand Forecasting: Adjusts the ‘Labour Demand Forecasting’ scenario based on the Enterprise Zone status of Scottow and the North Walsham Urban Extension.

- 5.4 The report concludes that the quantum and location of employment land proposed in Policy ECN 1 is sufficient to meet demand across the District between 2016 and 2036 and provides an additional level of flexibility and choice above the quantum proposed through each of the scenarios.
- 5.5 This study has not been brought as part of this report as it is in draft form currently and is a piece of work being undertaken by the Economic Development Team.

6. Background Paper 3: Approach to Employment

- 6.1 Members will be aware that to support the Regulation 18 Local Plan a number of background papers were produced. One of which, Background Paper 3: Approach to Employment¹, set out in Section 4 of the report, a methodology for assessing the boundaries of existing employment areas to ensure that these are up to date. This piece of work is ongoing and whilst the Growth Sites Delivery Strategy Study re-assessed each employment site, this piece of work will just ensure the boundaries are accurately mapped for the purposes of the policies maps.
- 6.2 It is not expected that this will result in significant changes, but may affect the numbers slightly in Policy ECN1 where changes to the boundaries are proposed.

7. Conclusions for Policy ECN 1: Employment Land

- 7.1 **In response to the consultation comments set out in Section 3**, it is considered that the quantum of land proposed within each location is sufficient to meet the demands of the requirement for employment land across the District.
- 7.2 The policy is considered to be **In line with national policy and guidance**, specifically Paragraph 81 and the supporting planning practice guidance, in that the amount of employment land proposed for each location is based upon the latest, up-to-date evidence as set out in the 2020 Growth Sites Delivery Strategy study. This study assesses the current employment market through stakeholder consultation, property market assessment and analysis of the socio-economic profile of the District, analyses the current employment sites and sets out a range of scenarios (Land Take up, Labour Demand, Labour Supply and Policy On Labour Demand) for employment land requirement within the District over the plan period. The study sets out a clear recommendation in favour of the quantum of employment land proposed in Policy ECN 1.
- 7.3 The supporting text has been updated in light of the undertaking of the Growth Sites Delivery Strategy Study. The only proposed change to the policy wording is to update the amount of employment land available following the detailed assessment within the 2020 Growth Sites Delivery Strategy study, as explained in Section 5 of this report.

¹ <https://www.north-norfolk.gov.uk/media/5022/3-approach-to-employment.pdf>

- 7.4 It should be noted that although the overall quantum has reduced this is through an exercise of the consultants measuring the sites and utilising their consistent approach. The actual amount of employment sites has not changed.
- 7.5 It should also be noted, as mentioned in Section 6, that a boundary review might alter the numbers slightly, but the work is still currently ongoing.
- 8. Conclusions for Policy ECN 2: Employment Areas, Enterprise Zones and Former Airbases**
- 8.1 **In response to the consultation comments set out in Section 3**, the policy does not include reference to flood risk as this is set out within emerging Strategic Policy SD 10: Flood Risk and Surface Water Drainage.
- 8.2 This policy seeks to maintain and ensure sufficient supply of employment land and premises are available to meet local employment demands and provide flexibility and choice for business creation. The policy seeks to ensure that in the first instance any employment proposals should be directed towards designated Employment Areas or Employment/Mixed Use allocations made through the Local Plan.
- 8.3 The policy is considered to be **in line national policy and guidance**, specifically with paragraph 120 of the NPPF which, as previously mentioned, provides additional flexibility in terms of appropriate marketing periods should sites not be considered to have any reasonable prospect of coming forward. The proposed policy seeks to ensure that marketing periods will be agreed with the Council before any marketing is carried out. This is to ensure that there is flexibility on a case-by-case basis, but for the avoidance of doubt 'not usually less than 12 months' has been added to ensure consistency with other policies in the plan which refer to marketing periods.
- 8.4 A further change is made to clarify that proposals on former airbases are restricted to employment generating proposals, for the avoidance of doubt.
- 9. Conclusions for Policy ECN 3: Employment Development Outside of Employment Areas**
- 9.1 **In response to the consultation comments set out in Section 3**, the requirement for proposals at Bacton Gas Terminal to be subject to an Environmental Impact Assessment has been added.
- 9.2 The policy is considered to be **in line national policy and guidance**, specifically with paragraph 120 of the NPPF which, as previously mentioned, provides additional flexibility in terms of appropriate marketing periods should sites not be considered to have any reasonable prospect of coming forward. The proposed policy seeks to ensure that marketing periods will be agreed with the Council before any marketing is carried out. This is to ensure that there is flexibility on a case-by-case basis, but for the avoidance of doubt 'not usually less than 12 months' has been added to ensure consistency with other policies in the plan which refer to marketing periods.
- 9.3 A paragraph has been added to the supporting text to ensure that the policy is not confused with the policies for expansions of existing tourist accommodation and tourist attractions.

9.4 Further, the proposal seeks to support the rural economy in line with Paragraph 183.

9.5 The Growth Sites Delivery Strategy Study sets out that there will be an impact as a result of the Covid-19 pandemic and its short-medium term economic consequences. This policy offers more economic flexibility during this uncertain period.

10. Recommendation:

It is recommended that members endorse the revised Policies ECN1, ECN2 and ECN3 recommending to cabinet and delegating responsibility for drafting such an approach, including that of finalising the associated policies to the Planning Manager.

11. Legal Implications and Risks

9.1 The Council must produce a Local Plan which complies with various regulatory and legal requirements and in determining its policy approaches must be justified and underpinned by up to date and proportionate evidence, the application of a consistent methodology and take account of public feedback and national policy and guidance.

9.2 The statutory process requires records of consultation feedback and a demonstration of how this has informed plan making with further commentary demonstrating how the representation at regulation 18 have been taken into account in line with Regulation 22.

12. Financial Implications and Risks

10.1 Failure to undertake plan preparation in accordance with the regulations and NPPF is likely to render the plan 'unsound' at examination and result in the need to return to earlier stages. Substantial additional costs would be incurred.

Appendices

Appendix 1 – Schedule of Representations with comments

Appendix 2 – Revised wording for Policies ECN 1, ECN 2 and ECN 3.