

HONITON ST MICHAELS  
(Honiton)

07/2419/COU  
(FULL)

Target Date: 19.10.07

Applicant: Claybrook Developments South West Limited

Location: Honiton Trade Park (formerly Royair Factory), Reme Drive, Heathpark Industrial Estate

Proposal: Demolition of redundant parts, subdivision to form B1/B8 unit (Unit 1) and change of use on Unit 2 to provide a countryside store with ancillary storage and parking areas.

## **CONSULTATIONS**

### **County Highway Authority**

The contents of the supporting Transport Statement have been checked. The traffic impact appears satisfactory. I am content with the on-site details in respect of parking.

While it is acknowledged that the retail element of the development just falls short of the threshold level for which a Travel Plan should be submitted, on the basis that the number of employees likely to be travelling to and from the site would amount to over 40, I would recommend that a Travel Plan is established.

Recommendation:

THE DIRECTOR OF ENVIRONMENT, ECONOMY AND CULTURE, ON BEHALF OF DEVON COUNTRY COUNCIL, AS LOCAL HIGHWAY AUTHORITY, RECOMMENDS THAT THE FOLLOWING CONDITION SHALL BE INCORPORATED IN ANY GRANT OF PERMISSION:-

1. The development shall not commence until a Travel Plan has been submitted to and approved in writing by the Local Planning Authority in consultation with the Highway Authority, such Travel Plan to include measures and initiatives to encourage sustainable travel to and from the site by staff and customers, together with a timetable for the implementation of the Travel Plan elements.

REASON: To encourage the use of sustainable modes of transport.

### **Economic Development Manager**

The Heathpark employment area was acquired by the Council from the Ministry of Defence in 1980's. It was purchased to demonstrate the Council's commitment to facilitating the extension of employment opportunity throughout East Devon. The land was prepared for development such that the freehold interest in individual plots could be sold to businesses seeking to acquire and occupy workspace. The Royair factory site was one of the first of these sales to be completed. Like most of the serviced plots within the estate, it was sold with the benefit of planning consent for B Class Use.

During the course of their presentation on 22 August, the applicants referred to and circulated a plan of Heathpark that identified a significant amount of vacant land and buildings. With the possible exception of an undeveloped plot on the north side of Devonshire Road, at its' junction with Hayne Lane, I am confident that none of this land is currently available to new investors. It is either held by owners seeking to protect their ability to initiate further local investment or is the subject of on-going negotiations linked to purchase option agreements.

In the case of a significant proportion of the vacant buildings identified, issues to tenure are, in my view inhibiting the take up of serviceable 'B Class' property. Many local businesses are convinced that a freehold acquisition is preferable to a commitment to rental payments over the term of a lease. There is nothing wrong with businesses who invest in property to offer it leasehold to end users. However, in an area like ours where the take up of commercial property is dominated by the small business sector, business owners often find it beneficial to fund their own capital investment and seek to acquire a freehold interest in the land buildings they wish to occupy.

I have serious concerns about the potential loss of B Class employment land and buildings at Heathpark. In my view, the test set out in Local Plan Policy E3.3: '**Options for the retention of the site or premises for employment uses have been fully explored without success and there is a clear demonstration of surplus supply of employment land in a locality**', has not been demonstrated to support this application.

It is vitally important we avoid setting a precedent here that could result in it being as difficult to defend the retention B Class uses at Heathpark, as it now is at some of the districts other major employment sites. The Liverton Business Park in Exmouth is the one that springs most speedily to mind. There, over a relatively short period (I have known it for seven years), mainstream (B Class) employment uses have been progressively replaced by higher (property) value alternatives.

As I am sure you are aware, the Council commissioned Atkins Consultants Limited to undertake a review of employment land in East Devon in accordance with the Office of Deputy Prime Minister guidance on employment land reviews (April 2006). They argue; "**It is imperative that EDDC adopts a strong approach to the safeguarding of its most appropriate sites in order to not compromise the supply of land required to meet business needs in the future**". Draft Final Report, February 2007. I would be grateful if you would bring these comments to the attention of Members.

#### Property Services (Senior Estates Surveyor)

Further to your consultation memo dated 31 August 2007, I confirm that I have no objection to the above planning application for a change of use to a countryside store from an estates management point of view. I have examined the title deeds for this site and I note that the transfer dated 21 September 1997 did not contain any restrictive covenant that would prevent such a change of use.

However, the Council has maintained a planning policy over many years of restricting the use of developments at Heathpark to that of a B1, B2, or B8 use only, and therefore there may be a sound planning argument for not approving the application.

#### **TOWN/PARISH COUNCIL**

From the information available we recommend approval which is recommended on the basis of:-

1. There are existing retail outlets on the estate.
2. Change of use is allowed in the High Street.
3. The facility will provide a service to the farming community.

#### **WARD MEMBER(S)**

No comments received.

## **REPRESENTATIONS**

One of the appendices to the Planning Statement accompanying the application contains a copy of a petition supporting the proposal containing 104 signatures.

## **RELEVANT PLANNING HISTORY**

<b>App.No:</b>	<b>Proposal</b>	<b>Decision</b>	<b>Date</b>
06/2640/COU	Demolition of parts, subdivision and change of use to B1/B8 and 25% showroom retail on unit 1 and change of use to country store (A1 use) on unit 2 (Full)	Refused	10.04.07

## **PLANNING POLICIES**

### Government Guidance

PPG4 – Industrial and Commercial Development and Small Firms  
PPS1 – Delivering Sustainable Development

### Regional Spatial Strategy

Policy VIS1 – Expressing the Vision.  
Policy VIS2 – Principles for Future Development.  
Policy EN4 – Quality in the Built Environment.  
Policy TRAN1 – Reducing the Need to Travel

### Devon Structure Plan 2001 – 2016

Policy ST20 – Re-assessing and Safeguarding Employment Land  
Policy C06 – Quality of New Development  
Policy SH1 – Shopping Facilities (Sequential Approach)  
Policy SH2 – Shopping Facilities and Settlement Hierarchy  
Policy SH3 – Retail Warehousing

### East Devon Local Plan (1995-2011)

Policy S2 – Built-up Area Boundaries for Area Centres and Local Centres.  
Policy S4 – Development Within Built-up Area Boundaries.  
Policy E1 – Provision of Employment Land.  
Policy E3 – Safeguarding Employment Land and Premises.  
Policy D1 – Design and Local Distinctiveness.  
Policy SH1 – Town Centre Shopping Areas.  
Policy SH3 – Large Stores and Retail Related Uses in Area Centres.

## **INTRODUCTION**

This application is essentially a resubmission of application 06/2640/COU that was considered and refused by the Committee in April last year. For ease of reference, Members' attention is drawn to the attached copy of the report presented to the Committee which sets out the description of the site and proposal and the relevant issues. The recommended grounds for refusal were accepted.

The present submission contains considerable additional information and evidence which seeks to address the objections raised in respect of the previous application. This takes the form of a detailed planning statement that places particular emphasis upon the issues of site marketing and employment land supply at the Heathpark Industrial Estate, a retail impact assessment and a transport statement.

The principal issues in the determination of the proposal, having regard to the objections raised previously, relate once again to the extent to which the proposal demonstrates that options for retention of the site and premises for employment uses have been fully explored without success and there is a clear demonstration of surplus supply of employment land in a locality, as required by one of the criteria set out in Policy E3 of the Local Plan, plus the extent to which the proposal satisfies a retail need and is required at Heathpark in the light of a sequential test having been undertaken, as required by the relevant retail policies set out in the Structure and Local Plans.

The main thrust of the responses of the agents representing the applicants to these issues and the objections raised to application 06/2640/COU are set out in point form below along with the further response of Officers based on the comments of the Planning Policy team.

### **EMPLOYMENT POLICIES**

The points raised in response to the objections based on loss of employment land focus on two key areas, namely the marketing of the property for employment uses and the demonstration of a surplus supply of employment land. These are summarised as follows:

1. The site has been marketed as being in employment use at a value that reflects that use for well over two years and there has only been limited interest. The submission includes a Schedule of Viewings spanning the 12-month period from September 2006 which (amongst other things) sets out information relating to user requirements, in terms of floorspace, together with the terms quoted. A copy of this is attached for Members' information.

The submission also includes two letters from property consultancies, one of which has been actively involved in the marketing of the premises (Alder King), which present the view that the quoting terms are based upon competitive industrial levels and are also appropriate for refurbished trade counter units. As such, they are not based on retail levels as has been suggested.

The submission is also accompanied by copies of the marketing particulars relating to the premises in which it is clear that the site has been marketed as both an industrial premises and as potential smaller trade counter units. Information accompanying these suggests that offers of around the higher £900,000 mark for the freehold of the premises were sought initially. However, following the lack of firm interest, offers were invited to discuss options, on either a freehold or leasehold basis, for the whole or part of the premises.

It is the lack of industrial demand, coupled with a surplus of competing and available land and buildings in Honiton (set out further below), that is the reason why the premises remain empty. The site has been marketed competitively at a price that is arguably lower than, or at least commensurate with, the current market rates for employment premises.

2. On the basis that the take-up rates of development of land at Heathpark during the Local Plan period (1995 – 2011) equate to around 0.75 ha. per year, this would still leave a surplus of 1.5 ha., assuming that the take-up rates match those since 1995. This development has also come at a time during which the economy has been strong with

continual growth. Given recent interest rate rises and slowing economies, these rates are likely to slow, particularly given the competition from Skypark. Heath Trade Park and Park Court are highlighted as recent speculative developments at Heathpark where much of the accommodation remains empty after more than a year of marketing.

3. The Atkins Employment Land Review 2006 commissioned for the Council stated that Honiton had 6.3 ha. of vacant employment land which, subtracting the take-up rates set out above for the remainder of the Local Plan period, extends the surplus land area to a minimum of 4.3 ha.
4. A survey carried out by the applicants' agents of available land and buildings at Heathpark reveals that around a quarter of the employment land is vacant, plus a further 70,000 sq. ft. of empty buildings in Honiton. Aggregated, the combination of vacant greenfield and brownfield employment land is 6 ha., giving a surplus of 3 ha. beyond the Local Plan period. There is therefore double the amount of land available against that required to 2011, equating to at least 4 years surplus.

Take-up of employment land is not, therefore, closely matching supply and there is a supply of employment land over and above the requirements to 2011.

5. Sub-division of the building into small units is possible, but there has been no viable occupier demand for this. The building has been marketed for over a year on the basis of individual units being available.
6. The Skypark development would be likely to compete with Heathpark given the close proximity and good road links between the two, a point acknowledged in the Atkins report which states that 'the development of high quality employment premises on the Cranbrook, Skypark and Exeter Science Park developments may detract from the attractiveness of other sites in East Devon'.
7. The Council's argument that the 'surplus land test' within Policy E3 should exclude existing buildings is flawed since the policy itself defines employment land as being 'current or allocated land and premises'.

Furthermore, any employment/industrial land or building has the potential to provide an employment base. The definition of 'surplus supply of employment land' must include all types of vacant land and buildings. Recent appeal decisions support this view, as does the Atkins report.

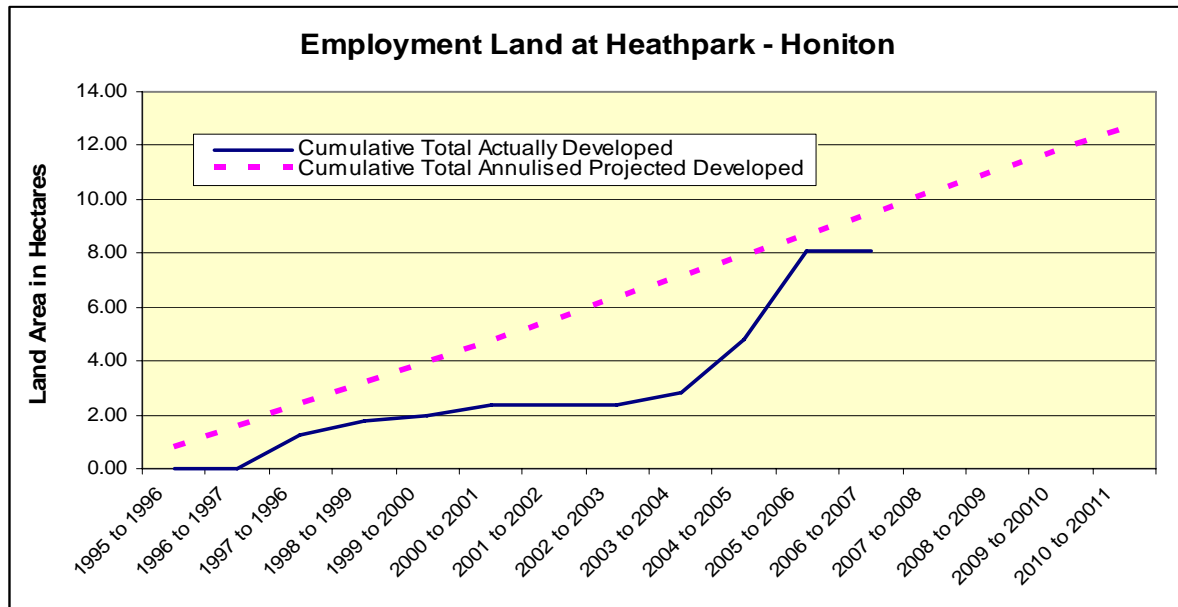
8. The reasonable expectation of some level of vacancy of existing buildings needs to be qualified. It is argued that the level of vacancy at Heathpark is far higher than comparable towns elsewhere in Devon. Further, the Atkins report confirms that Honiton has almost double the empty total floor space of any other East Devon town. There is, therefore, a very clear surplus of existing buildings in Honiton, which range in size and tenure and are almost all being actively marketed.

The response of the Planning Policy team follows. Attached to the report are the appendices referred to in the response.

The Royair site has an established employment use and Policy E3 of the Local Plan seeks to resist the loss of employment land unless one (or more) of four criterion are met. Criterion 3 advises that for loss to a non-employment use to be acceptable "*Options for retention of the site or premises for employment uses have been fully explored without success and there is a clear demonstration of surplus supply of employment land in a locality*".

With respect to land availability the most recent district wide employment land availability survey that we have undertaken is with respect to a 31 March 2007 base date (for Honiton data see Appendix 1 and Appendix 2 shows a site identification plan). Set out below/over is a graph showing, from our records, details of development of land allocated for employment purposes at Heathpark in Honiton. This graph shows cumulative totals of actual land developed, year-on-year, and a year-on-year line of what would be expected to be developed if total allocations are built-out throughout the Local Plan period on an equal year-on-year basis.

The graph indicates that despite no completions in the 2006/07 period the level of land developed is reasonably close to what would be expected to be developed (assuming constant projected development throughout the plan making process).



It is acknowledged that the graph does not take account of vacant buildings (or the land they sit on) nor vacant land areas identified in the Atkins study as 'Opportunity Sites' at Heathpark and the nearby Ottery Moor Lane employment site. It should be stressed, however, that Local Plan policy E3 does not refer to vacant buildings (the Inspector at Local Plan Inquiry did not recommend changes to incorporate such a reference). If vacant buildings (the land they sit on) and other vacant land areas were included then undoubtedly the 'Protected Developed' line would be at a steeper angle than it is and further away from the 'Actually Developed' line. However, it is not regarded as reasonable to just simply add a vacant floorspace figure to the land availability line.

This is not to say that it is irrelevant to fully discount the fact that there are vacant buildings, or non-allocated vacant land areas, falling within industrial estates from land availability assessment. However, it is considered that in their submission the applicant places too much emphasis on this factor. The vacant land typically the so called 'opportunity sites' identified in the Atkins study are of variable quality and availability. In many cases these are areas of land that are in existing low key open-air storage uses or vehicle yards or similar that could, in principle, accommodate a more intensive use but (presumably) the existing use is of value and relevance to the occupiers.

With respect to vacant buildings the advice in respect to the previous application at this site is reiterated. Whilst there is some relevance to consider vacant buildings as part of a land supply debate the Local Plan Policy E3 does not refer to vacant buildings in respect to the land supply side. Furthermore, vacant buildings do clearly differ from vacant land and they are available on a

different basis from vacant land; not the least because they are already built and therefore offer an immediacy of use to potential occupants.

The applicants refer to the Atkins report on a number of occasions in their submission. When the Atkins report was presented to Members of the Council a number of concerns were raised about the accuracy and quality of the site assessment work undertaken by the Consultants. For this reason, in the summer of this year the Members formed a Task and Finish Forum (TaFF) to look at employment land availability issues. The work of the TaFF has included a review of vacant employment sites in East Devon (essentially those identified by Atkins plus a small additional number). The TaFF was particularly concerned that a number of sites identified by Atkins as available were not genuinely available to firms or businesses that might currently be looking for sites or buildings for one or more of the following types of reasons:

- There were site constraints such as access considerations that limited scope for development.
- Sites owners were reserving land areas for their own future uses (potentially long or very long-term use) and would not be interested in releasing or selling land or buildings; or
- Sites were under option for acquisition or subject to a development proposal.

On the basis of the TaFF assessment a report was presented to the East Devon District Council Overview Committee on 22 November 2007 which reappraised site availability. The report is attached as Appendix 3 to this memorandum. Members endorsed the recommendations. In summary, the report highlights Members' concerns that the Atkins study significantly over-estimates land immediately and readily available to accommodate employment uses. As a consequence, Members expressed serious concerns about the lack of land supply and were of the view that under-supply was inhibiting business development opportunities across East Devon. The report/findings have not been subject to public consultation. However, it is intended to make the assessment presented to the Overview Committee available to the public and particularly for land/site owners to comment on the contents/assessment. It is hoped that consultation will be undertaken alongside consultation on the Atkins report.

With respect to sites at Honiton the TaFF drew the conclusions in the table over (full TaFF findings are detailed in Appendix 1 of this memorandum). It is stressed that this table does not represent Local Plan policy (and has not been 'tested' through inquiry); however, it is a valuable addition to assessment of the "*supply of employment land*" (policy E3 wording). What TaFF were considering was whether sites in question would be available to firms or business looking to move-in/locate in the immediate or short term future. The TaFF assessment was that none of the sites in Honiton (at Heathpark or Ottery Moor Lane) could be reasonably described as immediately available.

EDDC Emp Site Code	Atkins Site No Code	Availability under Atkins study/Local Plan Policy in Sq M	TAFF Site Consideration	TAFF Revised Available Area in Sq M
7Fiii	23	1,770	This site would be required to provide access to Site 7G and is, therefore, not regarded as available.	0
7Fiv	23	1,920	This site would be required to provide access to Site 7G and is, therefore, not regarded as available. Also a large part of the site is laid out and used as a car park.	0
7G	23	12,620	This site is understood to be the subject of an options agreement that would allow for the relocation of businesses from the Ottery Moor Lane site (Site 10 – <b>should read 20</b> ) should the proposed Tesco store be developed. The site is not, therefore, considered to be available.	0
7Hii	23	5,660	This site is understood to be subject to an option agreement subject to the prospective purchaser securing planning permission for development. It was not, therefore considered to be available. <b>(Note - as at December 2007 this site is the subject of a planning application for B Use Class uses).</b>	0
7Hiv	23	4,190	This site is understood to be subject to developer proposals as part of the ongoing development works that have built out sites 7Hvi and 7Hv to the north. The site is not, therefore, considered to be available. (Further to this observation, however, as there is developer interest and it is understood that the developer will be building units to release onto the market and it might be that in this instance the site should be regarded as available).	0
7Hvii	23	3,730	This site is understood to be in the ownership of the company occupying site 7Hiii and it would appear that this site would only be credibly available to this company in respect to offering future development potential. It should also be noted that it is an irregularly shaped land area that would limit scope for development. The site is not, therefore, considered to be available.	0
7Jii	23	9,445	This site is understood to be owned by Coastguard Road Ltd who also own/occupy site 7Ji. The site is understood to be retained for potential company expansion and as such is not regarded as available.	0
7Jiv	23	7,820	This site is understood to be owned by Coastguard Road Ltd who also own/occupy site 7Ji. The site is understood to be retained for potential company expansion and as such is not regarded as available.	0
7L	23	4,800	This site is owned by Claybrook developments and is the subject of a current planning application for a retail/Country Store use. On the basis of the fact that a current non B Use class employment planning application exists (still to be determined) the site is not regarded as available.	0
7M	23	470	This site is understood to currently be used for low key open air storage uses. The site is very small and on the basis of current use/site size it is regarded as inappropriate to incorporate it in to land availability assessments.	0
7N	23	7,580	This site is currently owned by East Devon District Council and occupied by/let to SITA. Should the SITA operations be relocated the site would be available in the future. However as matters stand the site is not considered to be currently available.	0
20A	24	10,825	It was understood by the TAFF that if the Tesco proposal gains planning permission the overall development might have used a part of this site which is currently partially vacant and partially used for outdoor low key storage purposes. On the basis of the uncertainty over future site use the TAFF considered that the site should not be identified as available.	0
20B	24	3,540	It is understood that if the Tesco proposal gains planning permission the overall development may use this site. On the basis of the uncertainty over future site use it is not considered that the site should be identified as available.	0

The TaFF assessment is complementary to existing monitoring systems and it adds an extra dimension to employment land monitoring. Arguments could be made to say that some of the sites detailed in the table above should not be excluded from land supply assessment (most notably where developers have proposals to build units and release them on to the market). However, by the same token there are more cases where availability evidence indicates that businesses are holding on to sites for their long term expansion plans. It is easy to understand the logic of a company by taking this approach.

However, by the same token it does freeze land from the supply chain. Likewise, where sites feature in relocation proposals or might have long term options they can also be seen as not readily available.

If the graph were redrawn to discount the TaFF unavailable sites then the 'Actually Developed' line would be above the 'Projected Developed' line. The assessment exercise would show a shortfall of employment land. A conclusion of the TaFF (and the Overview Committee) was that there is an under-supply of available employment land across East Devon, including in/at Honiton.

## **RETAIL POLICY**

The application is accompanied by a retail impact assessment, the principal conclusions of which are as follows:-

1. On the basis of estimated expenditure and turnover related to the combination of goods that are likely to be sold at the proposed country store, it is considered that the available expenditure exceeds turnover likely to be taken in existing stores. Taken together with the absence of any outlets in Honiton predominantly selling such goods it is argued that the proposal would not present a threat to the existing shops within the town or to the vitality and viability of the town centre generally. Moreover, it would not deter private sector investment.
2. The requirement for a suitable display area for bulky goods, such as agricultural machinery, fertilizer products etc. denotes the need for spacious premises which, given the constraints imposed by the historic narrow burgage plot layout of the town centre, could not reasonably be accommodated more centrally within the town. Additionally, the nature of the goods sold from country stores invariably requires private transport and ready accessibility to such premises that is best achieved on sites that occupy an out-of-town location and which, in turn, prevents the introduction of additional traffic, particularly heavier delivery vehicles, to sensitive town centre areas.
3. In terms of the sequential test set out in national, Structure and Local Plan policy, there is no suitable and available town centre or edge of centre site in Honiton. Sites considered as part of an appraisal of possible opportunities have included the Dowell Street public car park, Halse's Depot, land between the south side of High Street and King Street, the cattle market and adjacent car park sites off Silver Street, Bradfords Builders Yard off New Street and land to the north of Queen Street. However, a combination of locational and access constraints, loss of important town centre infrastructure and historic character and non-availability mean that none of these sites could realistically be considered as an alternative site for the development.
4. By offering the opportunity to retain expenditure that is currently being lost to other stores outside of the Honiton locality, such as Mole Avon in Cullompton or Axminster, the provision of a country store has the potential to encourage local shoppers to remain in the area, enhance convenience for the residents and potentially save lengthy journeys to more distant centres, thereby contributing to greater sustainability.

These are considered to be valid arguments to support the view that the proposed store would not undermine the vitality or viability of the town centre and that, in sequential terms, the proposed site is the most suitable (and available) for the use. As such, it is considered that the second ground for refusal of application 06/2640/COU, relating to retail policies, is satisfactorily overcome.

## **CONCLUSION**

Although it is accepted that, in sequential terms, the site represents the most appropriate and available location for the proposed countryside stores it is still considered to be the case that the submission fails to adequately demonstrate a surplus supply of employment land at Heathpark that would justify a departure from policies seeking to protect it from non-employment uses. In such circumstances, it is considered that the policy objection should be monitored.

## **RECOMMENDATION**

REFUSE for the following reason:-

1. The proposed use of Unit 2 as a 'country store' will result in the establishment of a retail (Class A1) use in a building which currently has a Class B1, B2 or B8 employment use. The Local Planning Authority, on the basis of the information available, is not satisfied that options to retain the site for employment uses have been fully explored and thus the loss of the site from employment uses will be likely to harm employment opportunities in the area. The proposed development would therefore be contrary to the provisions of Policy E3 (Safeguarding Employment Land and Premises) of the adopted East Devon Local Plan 2006.