

Northern Devon Employment Land Review

Final Draft Report

North Devon District Council & Torrington
District Council

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Prepared by

GL Hearn Limited
20 Soho Square
London W1D 3QW

T +44 (0)20 7851 4900
F +44 (0)20 7851 4910
glhearn.com

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This document must only be treated as a draft unless it is has been signed by the Originators and approved by a Business or Associate Director.

DATE	ORIGINATORS	APPROVED
December 2013	Andrew Shepley, Associate Director Emma Powell, Assistant Planner	Nick Ireland, Planning Director

Limitations

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1 INTRODUCTION

Introduction

- 1.1 North Devon Council & Torridge District Council have commissioned GL Hearn to prepare an Employment Land Review (ELR) to inform the development of policies for employment land within the Council's emerging Local Plan.
- 1.2 The report considers the need for employment land over the plan period to 2031 and considers the portfolio of employment land for development over this period. It is intended to provide the Councils with up to date information on employment land and provides a suitable and robust evidence base that will inform the development of the new Local Plan.
- 1.3 This review conforms with the ODPM 2004 guidance in preparing Employment Land Reviews and also employment policies in the National Planning Policy Framework (NPPF). It also takes into account draft Guidance published by Government in August 2013 on *Assessment of Housing and Economic Development Needs*¹.
- 1.4 This Employment Land Review Update provides:
- An analysis of the scale and nature of demand for employment land and premises, taking account of economic forecasts/aspirations, local business needs, property market dynamics and changes in the population/demographic structure to 2031;
 - A review of existing employment land provision, including assessment of the quality/suitability of current sites as well as allocated employment land and potential allocations proposed in the Councils Consultation draft Local Plan (Jan 2013);
 - Assessment of the supply/demand balance for employment land in quantitative and qualitative terms and advice on the appropriate 'portfolio' of employment sites to take forward to meet future business needs.

Relationship to the Housing & Employment Study

- 1.5 This Employment Land Review Report should be considered and read alongside the findings of the *Housing and Employment Study* (the 'HES' Report) which the Councils commissioned to be prepared alongside the ELR. The HES Report considers the interplay between the housing market and the economy, and provides linked projections for growth in housing and employment over the plan period to 2031.
- 1.6 The intention behind the HES report is to support the development of planning policy with the ambition of ensuring a sustainable approach to development where housing and economic

¹ CLG (Aug 2013) *Draft Planning Guidance - Assessment of Housing and Economic Development Needs*

investment support one-another; as well as balanced growth in the working population and employment, both across the sub-region and different parts of it.

- 1.7 This report (the ELR Report) does not seek to repeat everything which is contained within the HES Report, but focuses on drawing out relevant issues to the consideration of future need for, and the supply-demand balance, for B-class employment land. B-class employment includes office, research and development, industrial and warehouse/ distribution floorspace.

National Planning Policy Framework

- 1.8 The National Planning Policy Framework (NPPF) was published in March 2012. It replaces previous Planning Policy Statements/ Guidance.
- 1.9 This sets out that planning should proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving places that the country needs. The Framework specifically states that, as a core principle:

“every effort should be made objectively to identify and then meet the housing, business and other development needs of the area, and respond positively to wider opportunities for growth.”

- 1.10 The NPPF also states that:

“Planning should take account of market signals...and set out a clear strategy for allocating sufficient land which is suitable for development ... taking account of the needs of the residential and business communities”².

- 1.11 This approach is underpinned by the presumption in favour of sustainable development. For plan-making this means that local planning authorities should positively seek opportunities to meet the development needs in their areas, and that Local Plans should meet objectively assessed development needs with sufficient flexibility to adapt to rapid change, unless the adverse impacts of doing so would significantly and demonstrably outweigh the benefits or other policies in the Framework indicate that development should be restricted. For decision-making it means that development proposals that accord with the development plan should be approved without delay.
- 1.12 In paragraph 19 the NPPF sets out that the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be attached to the need to support economic growth through the planning system.

² CLG (2012) *National Planning Policy Framework. Core Planning Principles (Para 17)*

- 1.13 Paragraphs 18 – 22 of the NPPF focus on ‘delivering a strong, competitive economy’ and look specifically at employment policies as this section of the NPPF.’ It outlines (in paragraph 21) 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 [the] 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;
 - Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.
- 1.14 In paragraph 22 the NPPF sets out that planning policy 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. It promotes regular review of land allocations. The preparation of the ELR addresses this through the review of the deliverability of outstanding employment land allocations.

Draft Guidance on Assessment of Housing and Economic Development Needs

- 1.15 The Government issued draft guidance on these topics in August 2013. This outlines that needs assessment (which this is) should consider the quantity of employment floorspace needed, but also develop understanding of the qualitative requirements of different market segments. It should be based on factual evidence and not apply constraints to the assessment of need. Where feasible the assessment should be based on the functional economic area.
- 1.16 The guidance sets out that the assessment should take account of patterns of recent employment land supply (and losses to other uses), market intelligence, market signals such as rents, land values and take-up as well as known infrastructure constraints. It encourages the use of a range of data to assess current dynamics, understand revealed demand and any issues of oversupply or market failure. Where distinct markets are evident, it encourages these to be considered.
- 1.17 In considering future demand, it encourages the consideration of quantitative and qualitative need taking account of forecasts driven by labour demand, labour supply, past take-up and through dialogue with relevant stakeholders. It encourages analysis to be segmented to consider the requirements of different market segments.

- 1.18 The thrust of the approach in the draft Guidance is consistent to that advocated in the 2004 Employment Land Reviews Guidance. The approach takes account of, and is consistent with, the new Guidance.

Consultation draft Local Plan

- 1.19 North Devon District Council and Torrington District Council published a Consultation draft Local Plan in January 2013. This report will inform revisions to the Draft Plan.
- 1.20 The Draft Plan is focused on achieving sustainable development with economic growth. The Draft Plan's economic vision is that in 2031:
- The economy of northern Devon will be diverse and resilient to an extent that it can adapt to challenges and maximise opportunities as a result of it being underpinned by an appropriately skilled workforce and effective infrastructure.*
- 1.21 This reflects the vision and objectives of the northern Devon Economic Strategy. The draft Local Plan very much seeks to achieve balanced growth in housing, employment and infrastructure; with evidence in the past indicating that this is not necessarily historically been the case.
- 1.22 The spatial approach to development is based on the hierarchy of settlements across northern Devon, with growth focused at the estuary settlements of Barnstaple and Bideford. Policy ST06 in the Draft Plan proposes that Barnstaple, the sub-regional centre, will be the focus for future growth; with significant levels of development accommodated consistent with its scale and strategic role as a service and employment centre. Bideford is defined as a Strategic Centre, and intended to provide a focus for housing and employment development. Growth at both of these settlements aims to increase their self-sufficiency and role in meeting the needs of the surrounding area.
- 1.23 Policy ST06 also defines main centres, local centres and villages in northern Devon. The defined Main Centres are Great Torrington, Holsworthy, Northam (including Appledore and Westward Ho!), Braunton and Wrafton, Ilfracombe and South Molton. The spatial development strategy in these areas is to support appropriate levels of growth that will increase the towns' capacities to meet their own needs and those of surrounding communities where this is sought through the local vision.
- 1.24 The HES Report and this the Employment Land Review are intended to help inform decisions regarding the scale of future housing and employment growth in northern Devon. The Consultation draft Local Plan currently proposes in Policy ST07 provision of 16,000 homes and 157 hectares of employment land over the 2011-31 plan period.

Table 1: Levels of Housing and Employment Land Provision Proposed in Policy ST07

	Housing Provision (Dwellings) 2011-31	Employment Land Provision (Hectares) 2011-31
Barnstaple	4000	45
Bideford	3790	30
Braunton/Wrafton	340	10
Fremington/Yelland	370	8
Great Torrington	470	9
Holsworthy	650	10
Ilfracombe	1550	15
Northam	1550	-
South Molton	1100	30
Rural Area	2200	-
Northern Devon	16020	157

- 1.25 Whilst the spatial focus of employment and housing provision is on Bideford and Barnstaple, significant employment-led growth is also planned at Holsworthy, Ilfracombe and South Molton. In other towns and villages, employment provision is anticipated to be geared to serving local needs.
- 1.26 Policy ST14: Delivering Employment and Economic Development sets out that employment growth will be supported to deliver improvements in both the number and quality of jobs. Alongside the provision of new employment land, the Plan will support the retention and reuse of suitably located employment sites; but also seek to encourage opportunities for inward investment, new formation (including through homeworking and expansion of ICT), skills development and the diversification of the rural economy.
- 1.27 The Town Strategies within the Draft Plan propose a number of employment and commercial land allocations, often associated with residential growth in order to support their delivery. This include:
- **Barnstaple:** provision of a total of around 45 hectares of employment land is proposed. This includes 16 hectares of employment land as part of strategic urban extensions south and south east of Barnstaple (Policy BAR). In total 48.5 hectares of employment land supply is identified in Barnstaple, with the strategy including the reuse, redevelopment and intensification of existing sites including at Pottington and the Two Rivers Business Park.
 - **Bideford:** provision of a total of 30 hectares of employment land is proposed. The strategy is to retain and enhance the employment capacity of the town, with about 20 hectares envisaged to the south and west of the Caddsdawn Industrial Park and 10 hectares on Nineacre Plantation as part of the proposed Bideford West urban extensions;
 - **Braunton and Wrafton:** with employment growth of 10 hectares envisaged to meet local needs;
 - **Fremington and Yelland:** with around 8 hectares of employment proposed at Yelland Quarry for water-compatible employment uses;
 - **Great Torrington:** with 9.3 hectares of employment land provision proposed to the west of Hatchmoor Industrial Estate to enhance job opportunities and limit out-commuting;

- **Holsworthy:** with 10 hectares of employment land provision proposed, including an agri-business park and extension to the Dobles Lane Industrial Estate;
- **Ifracombe:** with 15 hectares of employment land proposed, principally with the provision of additional employment land at Mullacott Industrial Estate to enhance the town's role as a strategically significant employment centre, with 1 hectare to be provided within the proposed strategic southern urban extension;
- **South Molton:** provision of 30 hectares of employment land proposed with the aim of increasing economic self-sufficiency. This is focused on extension to the Pathfields Business Park.

1.28 These proposed employment land allocations are reviewed as part of this Employment Land Review.

Report Status and Structure

1.29 The remainder of this report is structured as follows:

- Section 2: Economic Characteristics and Trends;
- Section 3: Property Market Dynamics;
- Section 4: Assessment of Employment Land Supply;
- Section 5: Conclusions.

2 ECONOMIC CHARACTERISTICS AND TRENDS

2.1 The North Devon and Torridge Housing and Employment Study (the 'HES Report') provides an assessment of economic characteristics and trends. Rather than repeat all of the analysis in the HES Report, this section seeks to draw out key relevant factors to provide an overall understanding of economic dynamics.

Overview of North Devon's Economy

2.2 Northern Devon is a £2.2 billion economy³ which supports around 7,700 businesses and 66,000 jobs. The two main employment centres are Barnstaple and Bideford. Economic analysis undertaken across Devon to inform the development of the Devon Local Economic Assessment and the Heart of the South West LEP Business Plan has highlighted the strong economic links between these two towns (and Torridge and North Devon Districts more widely) and identified North Devon as a functional economic area⁴.

2.3 The northern Devon economy grew in comparative terms relatively strongly over the decade to 2007, posting annual growth of 4.0% in GVA (albeit from a low base) compared to 3.9% across Devon and 3.5% across the South West region. However the economy has been hard hit by the recent recession, with economic output falling -3.4% between 2006-11 (compared to -2.1% across Devon as a whole).

2.4 Over the pre-recession decade employment (1998-2008) employment increased by 10.0% with an increase in total jobs of 6,300. However employment has since fallen with a reduction of -4.3% recorded (-3,000) between 2008-11.

2.5 Of the two authorities, there is a stronger level of economic activity in North Devon. North Devon had an estimated 44,900 jobs in 2011 with 89 jobs for each 100 residents aged 16-64. In Torridge the jobs density is lower – a total of 21,700 jobs in 2011 equivalent to 61 jobs per 100 residents 16-64 and there is a notable degree of under-employment and part-time work. Across northern Devon 38% of all jobs are part-time.

2.6 The largest economic sectors (in terms of total employment), like many areas, are retail, health and social work and accommodation and food. These – together with employment in manufacturing,

³ Experian modelled estimates, 2011

⁴ SQW (2010) *Functional Economic Market Areas – Devon Analysis* (see devenomics.info)

education and construction – account for almost three quarters of all jobs. The three largest sectors are however particularly associated with low levels of earnings.

- 2.7 Tourism and agriculture are important parts of the local economy. Agriculture overall employs almost 6,400 people – although there is a significant degree of part-time and casual employment in the sector, accounting for almost half of this total. The sector does though support wider employment in the food processing supply chain.
- 2.8 There is a strong level of employment in retail, leisure and tourism-related sectors and in health and social care. Employment in a number of these sectors has continued to grow through the recession; and it is clear that population growth as well as visitor numbers and spend are important economic drivers. Public sector employment is also notable and thus the area is prone to economic impacts for cuts or restraint in public spending.
- 2.9 There were around 6,300 jobs in manufacturing in 2011. The manufacturing sector is particularly focused on electrical equipment, furniture and pharmaceuticals. Whilst employment numbers have been falling, the sector is an important contributor to value creation within the local economy; but it should also be recognised that the manufacturing economy overall is particularly linked to the performance of a number of a number of key ‘catalyst’ firms in the area.
- 2.10 The local economy is strongly focused on small businesses: of the 7,720 businesses recorded in northern Devon in 2011, 91% employed less than 10 people. Self-employment is high, with 15% of working-age residents self-employed (compared to 12.5% across Devon) and self-employment is particularly apparent in the strength of agricultural and tourism employment, and by limited wider economic opportunities and by individuals’ lifestyle decisions (such as to work from home). Because of the wider economic climate, business deaths exceeded births between 2009-11.

Labour Market Characteristics

- 2.11 Overall levels of economic participation are moderately below the best performing parts of the country, but broadly comparable with other parts of the region. 74% of residents 16-64 were in employment in 2011 which is consistent with the regional average (and 1 pp above Devon). However there is a notable disparity in performance between the two Districts: with the employment rate in Torridge consistently falling notably below average – and with evidence that this was dropping between 2004-8, prior to the recession. This is likely to be partly influenced by a lack of employment opportunities; but also a poorer skills profile and concentrations of deprivation.

- 2.12 Unemployment has increased and stood in 2011 at 7.7% in Torridge and 5.9% in North Devon compared to 6.1% across the South West region. Given the level of unemployment, the decline in the employment rate within the local economy, and the high level of part-time working; we can conclude that there is a degree of 'under-employment' currently and notable capacity within the labour market.
- 2.13 The skills profile is biased more towards low or no qualifications relative to wider areas (with the potential that this could act as a disincentive for investment). 21.5% of working-age residents in northern Devon are have qualifications at Level 4 or above (equivalent to a degree) compared to 31-32% across Devon and the South West. Of the two authorities Torridge's skills profile is notably poorer; with 11.6% of working-age residents having no formal qualifications and a low 23% having degree-level qualifications.
- 2.14 There is evidence of effectively a 'low skills-low wage equilibrium' in the labour market, with gross weekly earnings in both authorities falling below £400 per week; and Torridge having some of the lowest earnings' levels of anywhere in the Country.

Economic Growth Opportunities

- 2.15 The HES Report includes a comparative analysis of econometric forecasts for performance of the North Devon economy. It considers and contrasts two forecasts – one from Experian, the other from Cambridge Econometrics.
- 2.16 Of the two forecasts, the HES Report concludes that the Experian projections are probably more realistic, set against past performance and expected performance of the wider economy.
- 2.17 Experian forecast growth in total employment of 7,000 jobs across northern Devon over the 2011-31 period, representing 10.4% employment growth. This compares with 12.7% employment growth forecast across Devon over this period. This is equivalent to 1.8% per annum growth in GVA.
- 2.18 The comparative analysis and benchmarking exercise undertaken in the HES Report highlights a number of clear economic drivers for northern Devon which are of relevance to this ELR. These include:
- **Population Growth** – changes in the size and structure of the population can be expected to influence demand for public services (public administration, education and health), and consumer services (retail, accommodation and food);
 - **Visitor Numbers and Spend** – growth in visitor numbers and spend will additionally influence employment in retail and accommodation and food sectors, and in arts, recreation and other services;
 - **Housing Provision** – housing provision can be a driver in itself and will influence levels of population growth as well as employment in the construction sector;

- **Export Opportunities** – export-led growth (particularly to non-EU destinations) needs to be driven forward to support sustainable economic growth in the UK economy. There may be niche opportunities for companies in northern Devon to exploit this, although the sub-region is somewhat peripheral in a UK context. This will primarily influence the performance of the manufacturing sector;
- **Enterprise & Small Business Growth** – northern Devon is a small business economy and an area which offers a strong quality of life. This creates opportunities for small business growth particularly where a company is 'footloose' in sectors such as consultancy and business services.

2.19 The comparative analysis and benchmarking exercise has been used to develop a 'Policy-ON' Scenario for employment growth which considers potential growth in individual sectors taking on board the findings from the two economic models, assessment of the potential impact of known interventions, and discussions with economic development officers at the two Councils.

Policy-ON Forecast for Employment Growth

2.20 Taking account of the economic growth opportunities within the local economy, a Policy-ON forecast has been developed based on:

- Interrogation of baseline economic projections from both Experian and Cambridge Econometrics;
- Analysis of local opportunities for economic growth based on review of the draft Economic Strategy for northern Devon and consultation with the Councils' economic development officers.

2.21 The Policy-On Scenario sees employment growth over the period to 2031 which is 54% greater than in the Experian Baseline Projection. It sees growth in Full-time Equivalent (FTE) employment of 7,400 over the 2011-31 period across northern Devon. The modelling of this scenario treats northern Devon as a single local economy (i.e. the figures cannot be split between North Devon and Torridge).

2.22 The Policy-ON Scenario effectively adjusts expected economic growth in key sectors based on the growth opportunities identified above, or through the comparative analysis of the two projections. This results in a more positive economic outlook and employment growth forecast (relative to the Experian baseline projections) in the following sectors:

- Accommodation and food ;
- Agriculture, forestry and fishing;
- Construction;
- Key higher value-added manufacturing sub-sectors – computer and electronics; machinery & equipment; pharmaceuticals and other manufacturing;
- Education;
- Public administration and defence; and
- Professional services.

2.23 The scenario overall represents a more aspirational assessment of economic growth potential for the northern Devon economy, with stronger overall employment growth and greater employment growth in key higher value-added sectors.

3 PROPERTY MARKET DYNAMICS

National & Regional Market Trends

- 3.1 The overall performance of the UK commercial property market continues to be affected by the performance of the UK economy. The property market continues to under-perform compared to pre-recession trends. However, the economic outlook in recent months has been improving: recent economic indicators suggest that the UK economy has finally turned a corner, with an increasingly consistent picture of recovery taking place. GDP grew by 0.3% in the first quarter of 2013 and 0.6% in the second quarter with growth across all four industrial groupings. The largest contribution came from the services sector which grew by 0.6% and is often linked to demand for office space.

Offices

- 3.2 The LSH 2011 Office Market Report (and JLL Q1 2012) says that there is little speculative office construction under course at the moment in any of the regions outside of London. Office take-up (outside of the London market) remains notably down on pre-recession levels. Economic conditions and uncertainty coupled with the impact of austerity measures continue to hinder its recovery. Deals continue to be particularly associated with lease events. Office take-up in 2011 outside of Central London, according to Lambert Smith Hampton, was similar in 2010.
- 3.3 Looking at the South West and Wales region, (LSH, 2011), take up has been flat since 2009. Commercial property demand has decreased and supply of space has been increasing.
- 3.4 Even in the largest centres in the South West, Grade A office space is lower than in other regions. In 2012 there was only 40,000 square feet of Grade A supply available in two schemes of speculative construction across the whole of the South West Region (JLL June 2012).
- 3.5 Office rents across the South West region have fallen to a limited extent, but this is strongly influenced by large centres such as Bristol. CBRE's H1 2012 and a report from Alder King (shown by the table below) report shows rents in Bristol City Centre headline at £27.50 per square foot (psf). It is expected that demand for Grade A space will further improve with lease expires in these centres. Rents are much lower in smaller centres such as Taunton and Exeter with headline rents of £16.50 ps.ft in 2012. Rents achieved within the smaller centres in northern Devon will be lower still.

Table 2: Rent – Headline Rents Town Centre and Out of Town Offices in South West region, 2012

	2008		2009		2010		2011		2012	
	City Centre	Out of Town	City Centre	Out of Town	City Centre	Out of Town	City Centre	Out of Town	City Centre	Out of Town
Swindon	£ 18.00	£ 13.00	£ 18.50	£ 15.75	£ 18.50	£ 15.75	£ 16.00	£ 15.75	£ 16.00	£ 15.75
Gloucester	£ 11.50	£ 17.50	£ 11.50	£ 17.50	£ 11.50	£ 17.50	£ 11.50	£ 17.50	£ 11.50	£ 17.50
Bath	£ 20.00	N / A	£ 20.00	N / A	£ 20.00	N / A	£ 18.50	N / A	£ 21.00	N / A
Bristol	£ 27.50	£ 22.00	£ 27.00	£ 22.00	£ 27.50	£ 21.00	£ 27.50	£ 21.00	£ 27.50	£ 21.00
Cardiff	£ 20.00	£ 16.50	£ 21.00	£ 15.00	£ 21.00	£ 14.00	£ 20.00	£ 13.00	£ 22.00	£ 12.00
Taunton	£ 14.00	£ 17.00	£ 14.00	£ 17.00	£ 17.00	£ 16.50	£ 17.00	£ 16.50	£ 17.00	£ 16.50
Exeter	£ 16.50	£ 16.50	£ 16.50	£ 16.50	£ 16.50	£ 16.50	£ 16.50	£ 16.50	£ 16.50	£ 16.50
Truro	£ 16.00	£ 15.50	£ 16.00	£ 15.50	£ 16.00	£ 15.50	£ 16.00	£ 15.50	£ 16.00	£ 15.50

Source: Alder King, 2012

Industrial and Distribution

- 3.6 The logistics sector has grown considerably over the last 30 years as the economy has moved from traditional manufacturing to a more service industry related focus. Manufacturers interact less with customers and the role of suppliers, retailers and logistics operators has increased. With the development of the UK motorway network along with restrictions on drive times for HGV drivers, large distribution centres have emerged, often with rail inter-changes. The size of individual distribution warehouses has been increasing, with the minimum size for a new strategic distribution warehouse now generally considered to be 100,000 sq ft (9,290 sq m). Demand is however focused at accessible locations from the UK motorway network; and northern Devon is unlikely to be able to attract occupiers within this market segment.
- 3.7 More widely the industrial and distribution market has remained relatively buoyant compared to other commercial uses over the last few years although occupier take-up across the UK regional markets was below average in 2012. According to research by Jones Lang La Salle take-up was up 3.5% compared to 2011 but 12% below 10 year average levels. A lack of larger deals and a slowdown in Grade A activity appear to be the primary reasons for the subdued level of take-up in 2012.
- 3.8 The majority of activity remains focused on smaller transactions. While there remains a reasonably healthy level of market churn, occupier caution persists with many opting to renew or re-gear existing lease in the context of fragile economic growth.

3.9 Looking more specifically at the region, the South West has high levels of available stock (Jones Lang La Salle, June 2012). In 2012, it had one of the highest amounts of available new / refurbished stock in 2011 – 18% compared with 14% nationally. In terms of development, in May 2012, speculative construction was underway on two schemes in the South West region (providing approximately 40,000 sq.ft of new space).

3.10 In the South West, rents have remained static since 2008 or have decreased slightly as can be seen from the table below. Industrial rents differ with size, with the highest asking rents for smaller industrial units (under 20,000 sq ft).

Table 3: Industrial Rents

	2008	2009	2010	2011	2012
Swindon	£ 6.75	£ 6.75	£ 6.75	£ 6.75	£ 6.75
Gloucester	£ 6.25	£ 6.00	£ 6.00	£ 6.00	£ 6.00
Bath	£ 7.50	£ 6.50	£ 6.00	£ 6.25	£ 7.00
Bristol	£ 7.50	£ 7.75	£ 7.50	£ 7.50	£ 7.50
Cardiff	£ 6.00	£ 5.50	£ 5.50	£ 5.00	£ 5.00
Taunton	£ 6.50	£ 6.50	£ 6.00	£ 6.00	£ 6.00
Exeter	£ 7.50	£ 6.75	£ 6.25	£ 6.00	£ 6.00
Truro	£ 8.00	£ 8.00	£ 7.00	£ 7.00	£ 6.50

Source: Alder King, 2012

Table 4: Industrial Rents by Size

Market	Under 20,000 sqft	20,000 – 50,000 sq ft	50,000 + sq ft
Bristol	£8.00	£6.75	£6.00
Swindon	£6.25	£6.00	£5.25
Exeter	£6.25	£5.25	£4.75
Plymouth	£5.25	£4.50	£3.00

Source: Knight Frank, 2012

Market Trends in northern Devon

3.11 Next we move on to profile commercial market performance in northern Devon based on interrogation of data from two commercial property databases (FOCUS and EGI) together with a programme of consultation with locally-active commercial agents.

3.12 Agents indicate that commercial property market conditions have improved slightly over the last year, with some movement in the market. However the market remains slow with a limited volume of transactions.

3.13 Rents have remained static or decreased slightly in northern Devon since the start of the financial crisis in 2008. Market demand remains principally from local firms, with much of the activity resulting

from local churn or as a result of landlords being increasingly flexible (with short and flexible lease terms / stepped rents).

- 3.14 Agents stressed the localised nature of the commercial property markets (both industrial and office) in northern Devon and identified that most of the commercial property stock was Grade B secondary stock. There has been limited Grade A activity, in particularly with limited new build over the last few years.
- 3.15 Local agents have indicated that depending on their condition, offices could be on the market for up to 18 months and industrial units could be on the market for up to 2 years. Typically, tenants are given three months “rent free” incentives and leases lengths are short. However the limited supply of high quality Grade A office space appears to have kept vacancy levels relatively low.
- 3.16 Most market activity across the office and industrial sectors in the largest towns (Barnstaple, Ilfracombe, Bideford and South Molton). Rents vary, with properties in towns generally commanding a higher rent than in more rural locations.
- 3.17 Given the economic outlook, the outlook for commercial markets in northern Devon over the next few years is “steady.” It will be influenced the by timing and nature of a recovery in wider economic conditions. This is considered a precursor to significant investment in new-build development, particularly of office floorspace.

Office Market

- 3.18 The office market in northern Devon is relatively modest in scale and focused towards local demand. Demand is principally from smaller occupiers – particularly new and growing SMEs. There is limited demand from occupiers or businesses based outside of the local area. It is clear from conversations with agents and the data from FOCUS / EGI that tenants tend to be local and have small space requirements.
- 3.19 One agent suggested that many of the office deals in the area that they had done recently had been to public sector occupiers. Public sector spending restraints are could result in some rationalisation of stock and potentially some turnover, but are unlikely to result in net growth in office floorspace requirements.
- 3.20 Most activity has been associated with local occupiers seeking serviced and smaller office suites of between 500-1,000 sq.ft. One agent we spoke to with “niche” office properties described the market as difficult. Another commented on the lack of purpose-built office space in the area, but did not identify a specific need for additional units. Many small office occupiers are likely to be ‘cost

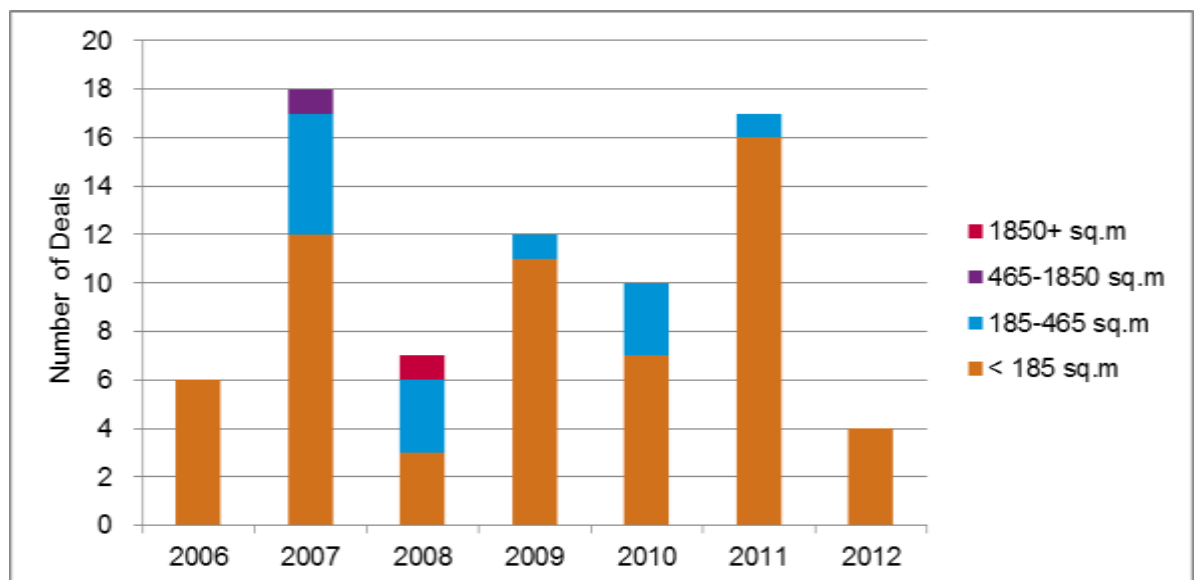
conscious' and may well be unable to afford the rental levels necessary (typically £18+ psf) to make new-build office development viable.

3.21 Much of the activity in the office market has been focused on Barnstaple, which is the largest town in North Devon and located at the meeting point of the A39, the A361 and the A377. It is seen as an accessible location for office workers living across the sub-region, and this supports office floorspace demand.

3.22 The figure below profiles deals over the last six years. Data has been combined from two of the main commercial databases of deals, Estates Gazette Interactive (EGi) and Focus. Whilst these are unlikely to record all deals they should provide an indication of demand trends.

3.23 There has been an average of just eleven deals recorded a year over this six year period, with a focus towards smaller office units of less than 185 sq.m. This reflecting the small and localised nature of the office market and has been corroborated by local agents. Generally, the demand for small space has increased since 2008. There has been very limited activity for larger units over 465 sq.m.

Figure 1: Office Deals (2006 – 2012)



Source: Focus / EGI

3.24 Recent office deals include:

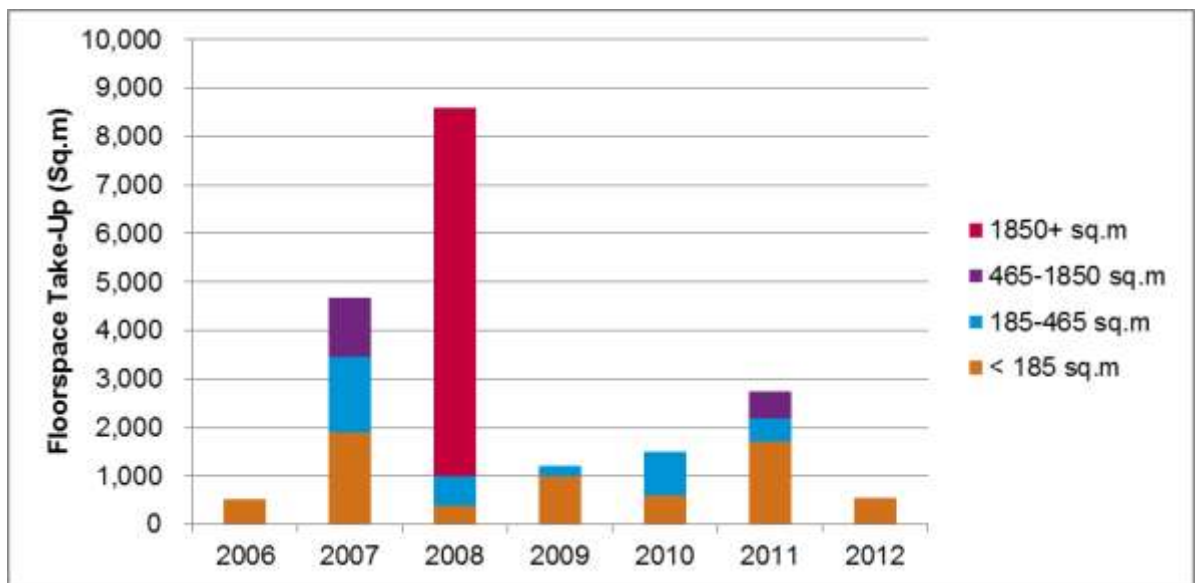
- Ice Jewellery took 1,652 sq ft of office space on a five year lease at £3.03 psf at Gunswell Lane in South Molton;
- Concept Staffing South West Ltd took 1,234 sq ft at Boutport Street in Barnstaple in 2011; and
- Tefl Training took 1470 sq ft on the High Street in Barnstaple in 2011.

3.25 The largest office deals since 2006 have included the following:

- Letting of 7,614 sqm (81,957 sq.ft) on Church Lane in Barnstaple in 2008. The lease details were confidential;
- Letting of 1,208 sqm (13,000 sqft) at Lower Gunstone in Barnstaple to an undisclosed tenant at an achieved rent of £5.77 psf;
- Sale of 553 sqm (5,954 sq.ft) at Liberty Road in Barnstaple at £875,000 in June 2011. The unit was purchased by ET Parker (Management) Ltd from Mayfair Capital reflecting a net initial yield of 8.18%. The property was let to Devon and Cornwall Media Ltd.

3.26 The figure below profiles office floorspace take-up between 2006 and 2012. It shows that (whilst one large deal in 2008 has caused a spike in take up in 2008) take-up has decreased from 2007 and 2008 levels, influenced by the wider macro-economic environment. Over the past six years, take up (comprising some new but predominantly secondary stock) has averaged just over 2,500 sq.m per year. This is a very modest level of office floorspace demand.

Figure 2: Office Take Up (2006-2012)



Source: Focus / EGI

- 3.27 Data from EGi suggests that much of the existing office space is secondary space and that the office rents vary from £3.03 psf on Gunwell Lane in South Molton in August 2011⁵ to £11.31 on Church Lane in Barnstaple in December 2012.
- 3.28 Agents quoted headline rents in northern Devon of between £8.00 – 12.00 psf depending of the size, quality and location of the properties. Rents in Barnstaple are typically around £10.00 psf.
- 3.29 Data from EGi gives a yield of 8.23% for an office unit just over 550 sq.m (at Liberty Road in Barnstaple) in June 2011.

Industrial Market

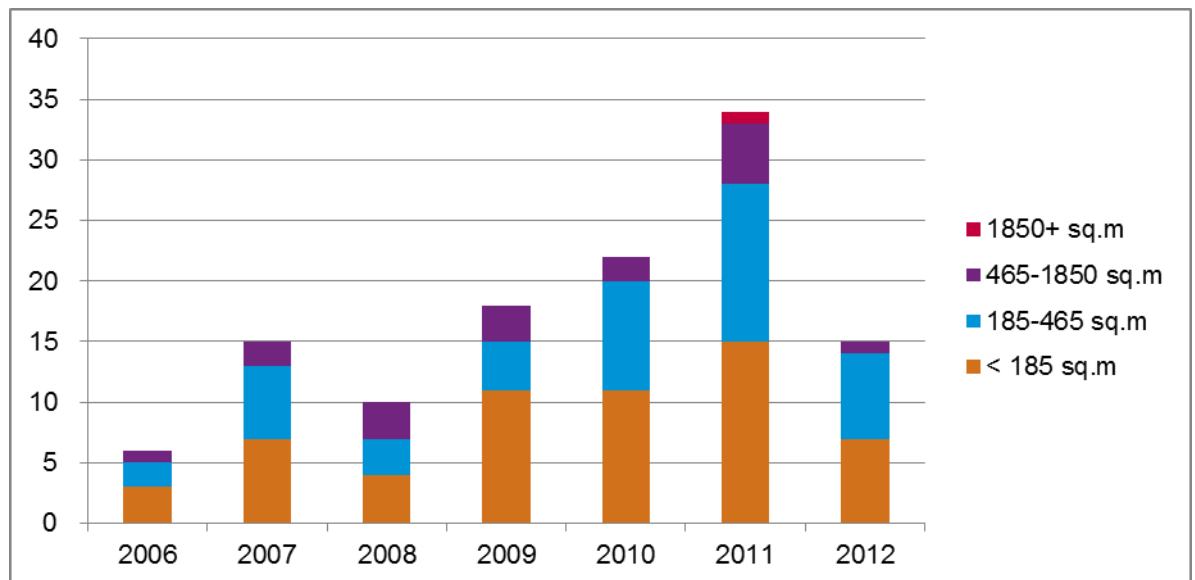
- 3.30 The agents whom we spoke to expressed mixed views regarding the performance of the office market, with some suggesting that the market remains depressed whilst others suggesting that market conditions are beginning to improve. Transaction volumes are stronger than for office premises; with smaller units performing better – driven by local-based demand from SMEs.
- 3.31 The focus of demand in northern Devon is for small units (c.1000 sq.ft) principally from locally-based occupiers. Much of the activity within the local market is from “churn.” Agents indicate limited demand for new-build industrial space, particularly given current levels of available (i.e. vacant) space.
- 3.32 As with office space, agents say that the majority of industrial demand for industrial space is from local small and start-up businesses. Demand is thus focused towards smaller requirements; with larger industrial occupiers within the region typically seeking to locate closer to the larger towns and cities including Bristol.
- 3.33 In the northern Devon market, Barnstaple and Bideford have the greater concentration of stock and industrial deals. These are located at key nodes on the road network – with the A39, A377 and A361 serving Barnstaple and the A38 and A39 serving Bideford.
- 3.34 Roundswell Industrial Estate in Barnstaple is particularly popular as it has modern facilities and easily accessible. Other larger industrial estates include the Clovelly Road Industrial Estate and Caddsdawn Business Park in Bideford, Mullacott Industrial Estate in Ilfracombe and Pathfields in South Molton which perform well.

⁵ There are few deals in 2012 so 2011 was used

3.35 To profile trends in deals and floorspace take-up, we have combined data from two of the main commercial databases of deals, Estates Gazette Interactive (EGi) and CoStar Focus. Whilst these are unlikely to record all deals they should provide an indication of demand trends.

3.36 The figure below profiles industrial deals over the last six years. The number of deals has varied year on year. The number of industrial deals peaked in 2011 with 44 deals recorded. There has been an average of 17 deals a year over this six year period, of which the majority have been for small to medium sized industrial space less than 1850 sq.m. Agents confirmed this and said that the majority of industrial deals are for small premises of under 1500 sq.ft.

Figure 3: Industrial Deals (2006 – 2012)



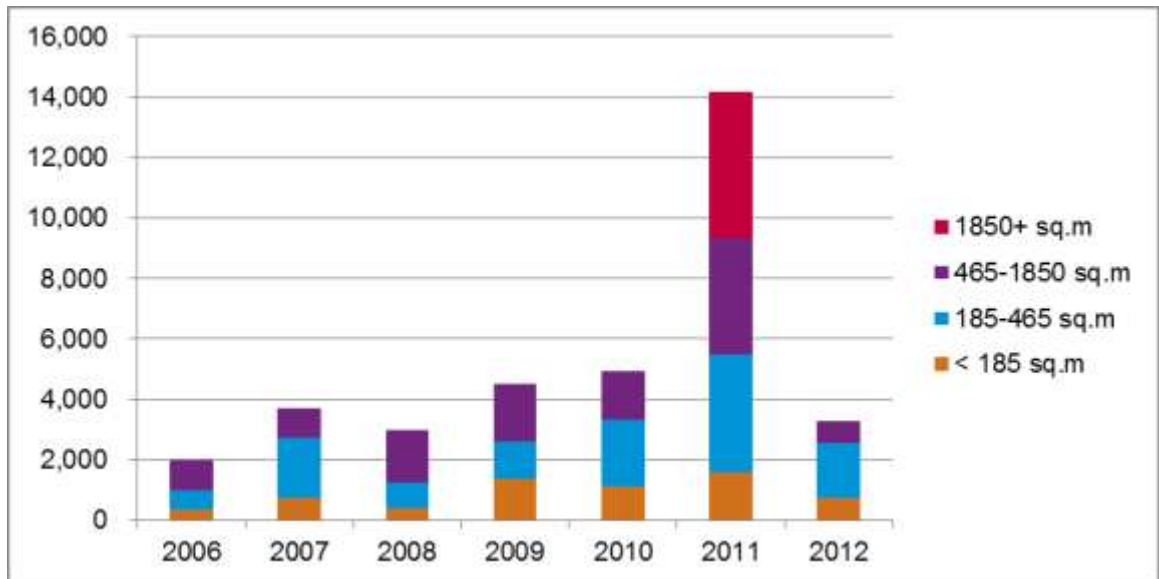
Source: Focus / EGI

3.37 The largest office deals recorded were as follows:

- An undisclosed tenant took 52,000 sq.ft (4,830sq m) of industrial space at Brannam Business Park on the Roundswell Industrial Estate in Barnstaple in February 2011;
- In October 2011, at Seven Brethren Industrial Estate in Barnstaple, Barum Auto Parts took 11,537 sq ft (1,071.82 sq m) on a 10 year at £3.12 psf, subject to a rent review and an option to break in September 2016;
- At Pottingham Business Park in Barnstaple in April 2012, Bank Bond Ltd took 8,000 sq ft (743.22 sq m) of industrial/warehouse space on a five year lease at £4.00 psf.

3.38 Over the six year period (2006-12), annual take up averaged just over 5,000 sq m per annum for both new and secondary industrial properties. Annual take-up figures be seen in figure 4. Overall take-up figures are particularly influenced by deals for smaller units of under 1850 sq.m (in contrast to many more established commercial centres).

Figure 4: Industrial Take Up (2006 – 2012)



Source: Focus / EGI

- 3.39 Data from Focus and EGI suggests that the majority of industrial space is secondary (Grade B). Rents vary from £2.75 psft for second hand space at Mullacott Industrial Estate in Ilfracombe in 2012 to £10.00 psf on Braunton Road in February 2012.
- 3.40 New or refurbished Grade A industrial space is on the market for £6.00 psf in Barnstaple in 2013 and secondary stock is on the market for just under £4.50 psft (without incentives) in 2013. Rents for new-build industrial space are typically £6.00 - £7.00 psf for units of less than 2,000 sq.ft. Rents for larger units are lower, with one agent citing a recent transaction of a 11,000 sq.ft unit at £3.00-4.00 psf.
- 3.41 Typical yields for industrial property vary between 7-8% per annum for units within the northern Devon market. This is a good-to-average yield for industrial property.

Key Implications

- 3.42 The market analysis points to subdued but relatively stable market conditions over the past few years. Most agents consider that the market will either continue to perform “steadily” or will improve over time as the economy picks up. The industrial market has held up better over recent years than demand for office space.

- 3.43 Market demand for commercial property in northern Devon – in both the office and industrial sectors - is driven particularly by ‘churn’ within the local markets. Much is from start-up companies or small firms wishing to expand – reflecting the wider economy which is focused towards small businesses. Demand is strongest in the main towns – Barnstaple and Bideford – as well as a selected number of other sites including Mullacott Industrial Estate in Ilfracombe and Pathfields in South Molton.
- 3.44 Larger occupiers tend to locate in larger towns, such as Exeter or cities, such as Bristol. Commercial property in towns is performing better than in rural areas and is strongest for modern office and industrial properties.
- 3.45 A number of agents have pointed to a modest supply of high quality (Grade A) office space in the local market; there appears to be no evidence of a shortage of industrial floorspace at the time of writing.

4 ASSESSMENT OF EMPLOYMENT LAND SUPPLY

4.1 This section of the report provides a review of the existing and proposed supply of employment land in northern Devon. It provides a quantitative and qualitative assessment of the employment land supply. The supply of employment land comprises two components:

- Existing employment land currently serving the needs of businesses within the two districts; and
- Allocated employment sites that may be developed within the plan period and contribute to meeting future employment needs. This includes sites with planning permission for employment use or draft Local Plan employment allocations.

Existing Employment Locations

4.2 A list of existing employment sites for review was requested from Torridge and North Devon District Councils. This identified the existing main employment locations, which have then subsequently been reviewed. The review considered a total of 13 sites in Torridge District and 16 sites in North Devon District.

4.3 Each of these identified existing employment locations have been inspected and an assessment undertaken in relation to a range of qualitative and quantitative criteria. GL Hearn has developed a site assessment template which has been designed to:

- Include a qualitative and quantitative assessment of sites;
- Consider their attractiveness to the market/businesses;
- Consider the current uses and sectors on a site;
- Identify available/vacant floorspace; and
- Identify development opportunities including vacant land and areas where there may be potential for redevelopment/intensification of use.

4.3 The template is structured in two halves. The first considers the quality of the employment site, addressing:

- Characteristics of the Site – the type of site, age and quality of buildings, the quality of the environment and the size and layout of the site. We also record the nature of uses, and key businesses/ sectors as well as vacant land/buildings;
- Accessibility – accessibility by road, public transport, walking and cycling. Adequacy of road access for existing businesses, including strategic and local road access, internal access and circulation, and loading facilities and turning space for HGVs (where applicable);

- Access to Services – proximity and access to local retail/ services, open space, and town centres;
- Amenity Issues – proximity to residential areas, and the effects of activity in terms of noise and air pollution, car and HGV traffic; and
- Physical Constraints to the Use of the Site/ Future Development – including topography, flooding, ecology, environmental and policy designations, contamination and neighbouring uses.

4.4 The second part of the template is used to record specific opportunities for development or redevelopment. This part of the assessment considers:

- The Nature of the Site – a description of the site/ development opportunity, and assessment of its planning status, occupancy, access and servicing;
- The Site's Suitability – considering environmental, ecological and landscape impacts, contamination, flooding, and any environmental/ policy designations (which would include Green Belt). Identification of any environmental constraints or characteristics;
- Potential Future Uses – considering the type of employment activities which could take place (B-Class) as well as other types of development which could be accommodated;
- Availability Assessment – the nature of ownership, and evidence of active marketing of the site for development or site promotion (e.g. through pre-application discussion);
- Market Attractiveness – allowing informed assessment of the quality and attractiveness of the site, with ranking of performance in terms of access to facilities; accessibility of the location; and quality of the environment.
- Deliverability – considering potential delivery timescales, and taking account of potential development viability and any infrastructure provision required to support development.

4.5 A copy of the assessment template is enclosed at **Appendix 1**. Our summary comments in relation to the existing employment locations are provided in the below table. A detailed MS access database has been supplied to the Councils alongside this report.

Review of Existing Employment Sites: Torridge

Site Ref.	Site Name	Site Area ha	Summary Comments
	Alverdiscott Road (East), Bideford	30.3	<p>Two employment areas, dissected by a main road (Manteo Way). To the west lies the original Alverdiscott Road Industrial Estate area, accessed from Alverdiscott Road. Two smaller estates adjoin the main estate to the east, accessed via Manteo Way. A small rectangular piece of land access off Manteo Way is available for development.</p> <p>The main employment area is generally made up of a series of smaller light industrial estates containing small industrial units with loading bays and general car parking in a forecourt in front of the units. Units to the east of Manteo Way are generally in light industrial use. Larger industrial units are located to the rear of this, which generally appear to be in use for office/light industry/R&D uses. Few vacancies noted, although a large 929sqm unit is available towards the front of the site.</p> <p>Two smaller estates front onto Manteo Way. The estate at the corner of Alverdiscott Road/Manteo Way contains five industrial/warehouse units, the majority containing loading bays. One unit appears to be in office use. Informal parking areas are available to the front, with some dedicated spaces running along southern boundary. The smaller estate to the south contains two modern light industrial units, which currently appear to be in use for vehicle servicing.</p> <p>On the opposite side of Manteo Way lies the remaining industrial area. On the corner of Alverdiscott Road/Manteo Way and adjacent to the roundabout lies a large industrial unit containing a snooker table construction company (Pot Black) and office for a housing association. To the south of these lies a large warehouse/distribution depot (Evans Transport), accessed off Manteo Way.</p> <p>In general, the estates are of good quality and very few vacancies were noted. Access to the estates was adequate for existing users and off-street parking also appears adequate, with no on-street parking noted at time of visit. The sites are accessible, with bus routes available within walking distance.</p>
	Clovelly Road Industrial	9.3	<p>This is a reasonable quality local industrial estate which caters for a mix of B1, B2 and some B8 requirements. It is located on the south-western side of Bideford, with Clovelly Road connecting the employment land to the A39. Key occupiers include Braddicks and Tarka Housing. The predominant uses are office and light industrial floorspace.</p>

	Estate, Bideford		Internal circulation within the estate is generally good, although there is some parking on internal roads. The estate has seen recent development activity and is generally well occupied.
	Clovelly Road (South), Bideford	2.27	Single-user employment site, occupied by high-tech manufacturer Anglo - Krempel. The site consists of a large 3-storey industrial shed of part-cladding/part brick construction with smaller single-storey corrugated steel-clad unit adjoining. A dedicated staff/customer parking area is available, which runs along the frontage of Clovelly Road. The site appears to be in good condition with a number of mature trees situated along the site frontage. Area of levelled land (0.5ha approx.) available to the SW of the existing building, to allow for expansion of the existing business.
	Caddstown Industrial Park, Bideford	13.65	Large mixed-use industrial estate situated towards the western edge of Bideford, adjacent to the Atlantic Village retail centre. It contains a mix of industrial/business units ranging from large sheds through to smaller start-up light industrial estates. Torridge DC also has an office building/business support centre within the estate. Various areas of land available for expansion, amounting to approx. 4ha. Wide estate roads provide excellent access for all vehicles and the estate is generally in excellent condition. No significant vacancies noted.
	Bradworthy Industrial Estate, Bradworthy	1.2	<p>Small local industrial estate, containing two separate areas of employment on either side of Langdon Road. To the north is a small-scale light-industrial estate containing five units within a single block, plus a more recent loading-bay area added on the eastern end of the block. All units appear to be currently let and are in very good condition. To the south of Langdon Road, lies a further area of employment consisting of two office units, which appear residential in character and in reasonable condition, along with a further five-unit industrial estate (Langdon Road Industrial Estate).</p> <p>There are residential estates in close proximity to the site further along Langdon Road; local pub and shops lie within walking distance.</p> <p>The estate generally appears to be well-maintained with areas of landscaping present. Off-street parking areas are available, which appear adequate for existing users with no overspill parking evident. The estate does not appear to be used by HGV traffic. The estate is signposted from within the main village. Plot of land in NW corner of estate is still available for development, although no active marketing evident on site.</p>
	Dobles Lane Industrial Estate, Holsworthy	15.9	A relatively large industrial estate to the north of the main town. Existing businesses characterised by agricultural production (e.g. agricultural machinery production, tractor production/sales, Dairy Services). Key users are AFS Fabrication Solutions, JAG Signs, Venture Dairy Services, Ddd Ltd. Large variety of unit types and sizes from large industrial sheds (Valhalla Industrial Estate) to new business units (Tamar Business Units). Small number of vacancies,

			<p>but no floorspace information provided.</p> <p>Good quality environment with some internal landscaping. Existing units are a variety of size, design and age but are generally in good condition. Good internal road network and circulation and direct access to distributor roads within the town (A388). Adequate parking available on-site with no evidence of overspill parking on internal estate roads.</p> <p>No significant on-site amenities. Adjacent to open space and residential areas (existing and proposed), local shops in walking distance. Flood Zone along northern boundary.</p>
	Former Creamery site, Great Torrington	4.2	<p>Large part-derelict factory site (4.2ha) on the western edge of Great Torrington. The creamery use ceased in 1994, following which Dartington Crystal used part of the site for a limited period as a dispatch centre. The site contains many large derelict buildings which are in need of demolition and significant decontamination works will be required</p> <p>Part of existing industrial building and adjoining land are in use at western end (Torridge Vale and M&D Transport). Portions of the site on the southern boundary are within Flood Zone 2. The site is currently being marketed by GVA, with boards present at boundary of site.</p> <p>In our view, the significant costs associated with demolition and decontamination makes employment use of the site unviable. The site would be suitable for a mixed-use residential/employment/leisure/recreation development although public funding is likely to be required to carry out initial remediation works.</p>
	Halwill Junction Industrial Estate, Beaworthy	0.9	<p>Small local industrial estate, containing purpose-built light industrial units. The estate is split into two distinct areas; a run of 5 concrete-built light industrial units built in the 1970s/80s adjoin the public highway. The main user of these units is Lamiscelle Beams. Further east lies a modern brick-built run of units constructed in 2005, with a further unit added in 2010. Key users here are the NFU (offices) and Devon Wheels to Work Motorcycles.</p> <p>Parking areas lie in between these two built-up areas, which appear adequate for existing users with no overspill parking noted. A further open area of land lies to the north of the estate, which is available for development. Planning permission for the erection of 4 light-industrial units was granted on this site in 2008 (1/0162/2008/FUL), although it would appear that this consent has now lapsed.</p> <p>The estate is of good quality with internal landscaping and well-maintained estate roads. The 1970s units are in reasonable condition, with the modern units in very good</p>

			<p>condition. Some HGV presence was noted, connected with the Lamiscelle Beams company. It is fairly isolated, although the village of Halwill Junction lies to the north, which has limited facilities.</p>
	Hatchmoor Industrial Estate, Great Torrington	13	<p>Relatively large local industrial estate/business park containing a mix of uses, mainly Class B1 and B2. Other uses include auto repairs, a veterinary practice and new eco-build nursing home on the eastern boundary. Larger users include CMG, Beron, Tamar Trading Company Ltd. and Helitune. There are a variety of types and sizes of units. The estate is generally of good-quality and well-maintained, with no vacant units noted.</p> <p>The estate has direct access to distributor roads within the town. The internal road network is good and adequate for existing users. Off-street parking is available and there is no evidence of overspill parking onto estate roads.</p> <p>Good quality environment with some internal landscaping. Existing units are a variety of size, design and age but are generally in good condition.</p> <p>Planning permission has been granted for residential use (1/1236/2011/OUTM) on the current Advanced Pallets Systems site, to enable relocation from their existing premises.</p>
	Shebbear Industrial Estate, Shebbear	0.68	<p>Small local industrial estate ("Lake Rural Workshops") on the eastern edge of Shebbear, containing 5 small-scale industrial units that are all currently let. This appears to be an RDA-funded development; with a further area of land adjoining the estate available for development (an RDA marketing board is present). Good quality environment with some internal landscaping. Buildings are fairly old but appear well-maintained.</p> <p>Internal access road adequate for existing users and the site does not seem to be in use by HGV transport. No overspill parking evident. Residential areas in the vicinity, although not adjoining the existing estate. There are limited facilities available in Shebbear.</p>
	Seckington Cross Industrial Estate, Winkleigh	6.23	<p>Relatively large local industrial estate on the outskirts of Winkleigh, containing a number of poorly maintained pre-fabricated industrial sheds built in the 1960's/70s/80s, with a modern B2 unit located towards the NE area of the site close to the estate entrance. Uses are mainly B2/B8, with a number of storage & distribution uses and transport-related uses (e.g. M&D Transport).</p> <p>Internal access road reasonably adequate for existing users. However, roads are generally in a poor state of repair. The site is extended piecemeal from north to south and the quality of construction is generally poor. The site has a strong HGV presence, as the majority of units are in B8 use.</p>

			<p>Pockets of undeveloped land lie within the estate which remain available for development, amounting to approximately 1.5ha in total. The estate is generally of poor quality, containing a number of poorly maintained buildings and estate roads. However, no vacant units were noted and the estate generally appears to be thriving.</p>
	Western Barn Industrial Estate, Winkleigh	1.68	<p>Small local industrial estate, contained within existing former farm complex and converted barns with additional large industrial sheds (concrete/pre-fab structures) running along western side. A new industrial unit is currently being constructed on an area of land at the southern end of the estate (Planning permission no: 1/0346/2012/FUL). Estate lies outside the main village to the west.</p> <p>Main users within the site are the Winkleigh Cider Company (processing and retail unit) and Kingsley Plastics/Kingsley Cabins Ltd. Other than the new unit to the rear, the estate buildings are all fairly old, although the estate appears to be reasonably well-maintained. The Estate has extended from north to south over time, with a further area of land to the rear still available for development.</p> <p>Existing informal parking areas appear adequate for existing users. No overspill parking evident.</p>
	Airfield Industrial Estate, Winkleigh	11.5	<p>A local industrial estate lying on part of the former Winkleigh Airfield, containing a number of large industrial sheds (with some possibly converted airfield sheds) mainly in retail/quasi-retail use (e.g. Rangemoors Stoves, Reynolds Boughton and 3T's Leisure Ltd.) and B8 use (Bedwell of Devon). Estate is isolated from the main settlement and is poorly served by public transport.</p> <p>The estate is made up of a number of disparate parks containing a variety of industrial parks. Pockets of open land are situated within the area, which are available for development. No vacant existing units were noted. Large vehicles do use the estate and the existing road network appears adequate for these users. Parking appears plentiful and no overspill parking was noted. The estate appears to have grown following conversion of existing airport-related sheds to form this sprawling industrial area. Areas of undeveloped land remain available within the estate.</p> <p>The Council produced a draft Site Development Brief for the wider Airfield (including the industrial estate) in 2010; this SDB mainly concentrates on the restoration and landscaping of the Airfield but makes it clear that Class B uses are generally acceptable in this area, subject to meeting strict environmental principles.</p>
	Total	110.8	

- 4.6 Generally speaking, the existing estates in Torridge District are of reasonably good quality (with the exception of Western Barn and Seckington Cross estates in Winkleigh) and occupation levels are good, with very few vacancies noted and none of any major significance in floorspace terms. A number of the estates offer opportunities for expansion within their existing curtilages, in particular Alverdiscott Road East, Clovelly Road Industrial Estate, Dobles Lane Business Park and Hatchmoor Industrial Estate.
- 4.7 As would be expected, the higher quality estates at Caddsdow, Dobles Lane, Alverdiscott Road and Hatchmoor represent the most obvious locations for the provision of additional capacity in terms of available land and market attraction. However, a number of the smaller estates also contain areas of land for limited expansion, and these should be maintained within the Plan period.

Review of Existing Employment Sites: North Devon

Site Ref.	Site Name	Site Area ha	Summary Comments
	Pottington and Two Rivers, Barnstaple	32.4	<p>Large-scale established industrial estate (32.4ha in area) of strategic importance on the NE edge of Barnstaple. The estate appears to have been in situ for at least 40 years and has expanded from west to east over the years. The estate contains a mix of employment uses, mainly B2 and B8 with some quasi-retail uses, within units of a variety of size and design. There is also a hotel situated on the western edge of the estate. Major users are Applegate, Taylors Tool Hire, Jewsons, Screwfix, Smurfit Kappa and Parker Hannifin.</p> <p>The estate has good access to the strategic road network; it adjoins the main A361 through Barnstaple and public transport routes lie close by. The estate is in reasonably good condition; many units are now looking tired although there is evidence that units have been refurbished (Riverside Units). The internal estate roads are adequate for existing users and plentiful off-street parking is available. The estate is popular, with few vacancies noted (approx. 3 industrial units, amounting to 500sqm in total).</p> <p>The majority of the estate lies within an area prone to flooding, with an estuary nature reserve (Bradiford) adjoining the site to the NW. There does not appear to be any possibility of expansion to the estate.</p> <p>The Two Rivers site is the subject of an application for retail development. We are aware that the emerging Plan identifies the site for redevelopment and environmental</p>

			<p>enhancement to deliver new employment and leisure uses, including a landmark building. There would appear to be significant decontamination and flood alleviation cost associated with development of this site, which may mean that additional high-value uses (i.e. retail) would be needed to help to fund these works.</p>
	<p>Roundswell Business Park, Barnstaple</p>	<p>19.5</p>	<p>A large strategically important Business Park (19.5ha) on the western edge of Barnstaple, adjacent to the main A39. A modern estate containing a mix of Class B uses and a number of quasi-retail uses, including car sales showrooms, within a series of estates and smaller business parks. A large retail park adjoins the park on its eastern side. The majority of buildings are in excellent condition and less than 20 years old.</p> <p>Access to the strategic road network is excellent, with the estate adjoining the A39 and in close proximity to the A361. Public transport routes also lie in easy walking distance. The modern estate has a good internal road network that is adequate for existing users and plentiful off-street parking is available, although some overspill parking on estate roads was evident. Only one vacant unit was noted, within the Brannam Crescent area (177sqm).</p> <p>A number of expansion opportunities are available on vacant plots adjoining the business park and these have been recognised in the emerging Local Plan. No environmental constraints are evident within the estate.</p>
	<p>Whiddon Valley Estate, Barnstaple</p>	<p>10.4</p>	<p>A large strategically important estate lying on the eastern edge of Barnstaple (10.4ha), adjoining the A361 to the south with modern housing estates to the north and west and open countryside to the east, which is proposed to be allocated for a new urban extension to Barnstaple.</p> <p>The estate contains a variety of Class B uses (mainly B1a, b and c and B2) and quasi-retail, with a relatively modern business park lying at the eastern end of the estate and a Premier Inn hotel lying at the western end close to the A361 roundabout. Main users within the estate are Actavis, Trittech, Brandon Tool Hire, Plumbase, Banbury Storage, Funderzone and Wilts Electrical Wholesale.</p> <p>The estate is generally in good condition, with well-maintained units and estate roads. The estate roads are adequate for existing users and plentiful off-street parking is available, although overspill parking onto the estate roads was evident. No vacancies were noted.</p> <p>Expansion opportunities were evident to the east, and this has been recognised in the emerging Local Plan, with employment proposed as part of a new urban extension to Barnstaple.</p>

	<p>Pathfields, South Molton</p>	<p>17.2</p>	<p>Large regionally important business park/industrial estate to the north of South Molton, close to the main A361. Estate has expanded from east to west; towards the western end units are characterised by mainly Class B2 industrial “sheds” and quasi-retail uses, towards the east uses are mainly Class B1 high-tech light-industrial and office parks. Key users are Bluemay Weston; Eaton; Jewsons; Mole Valley Farmers; New Holland; and Devon & Cornwall Wools.</p> <p>Access to the strategic road network is excellent, with the A361 located to the north providing links to the M5 motorway. The estate is spacious and relatively modern, with units generally in very good condition although units towards the eastern end are ageing and in need of some cosmetic attention. The estate roads are adequate for existing users and plentiful off-street parking is available.</p> <p>Very few vacancies noted, although some industrial/warehouse (430sqm) and office (340sqm) units available along Hacche Lane. Expansion opportunities were evident to the north, and this has been recognised in the emerging Local Plan, with employment proposed as part of new employment extension to Pathfields.</p>
	<p>Mullacott Industrial Estate, Ilfracombe</p>	<p>9.7</p>	<p>Large local industrial estate in an isolated rural location approx. 3 miles south of Ilfracombe on the A3123. However it is a locally-accessible location. Uses are mainly B1 light-industrial and B8, along with some quasi-retail (food wholesalers) and car repair garages, contained within a mix of large industrial “sheds” and smaller light-industrial estates containing smaller workshop-type units.</p> <p>The estate has expanded from north to south, with a modern light-industrial estate (Lundy View) lying towards the SE end of the estate. New units currently under construction on the southern edge.</p> <p>Key users are St Austell Brewery, Woodstock Windows, Jewson, Mullacott Caravans, Philip Dennis Food Service and Ilfracombe Food Service.</p> <p>The estate is generally in good condition with internal access roads adequate for existing users and plentiful off-street parking, although some overspill parking on estate roads was evident. Very few vacancies, other than 3 small workshop units (approx. 300sqm in total). Parcels of land remain available for development within the estate.</p> <p>Open countryside to south, east and west, with expansion opportunities. This has been recognised in the emerging Local Plan with a proposed allocation to south and east.</p>
	<p>Anchorwood</p>	<p>6.8</p>	<p>Large industrial site (6.7ha) adjoining the estuary and with good access to A361 through Barnstaple. Site contains a significant derelict factory unit, along with additional land</p>

	Bank, Barnstaple		<p>where demolition appears to have taken place. A further factory unit lies on the site, currently in use by Leaderflush Shapland.</p> <p>The cream coloured brick buildings (Oliver buildings) has been recognised as being locally distinctive and adding to the riverside character. Future redevelopment should seek to retain and support a key building. The site is within walking distance of the railway station.</p> <p>The vacant factory is in a poor state of repair and would appear to be unsuitable for re-use. Significant decontamination works will be required in order to allow redevelopment. The emerging Local Plan has allocated the site for regeneration involving new residential and retail/leisure uses, which seems appropriate subject to the provision of sufficient flood alleviation works.</p> <p>Planning application (55809) has been approved in principle subject to s106 legal agreement for a retail food store of 6,280 sqm (gross) with petrol station and an outline application for up to 350 dwellings, hotel of up to 60 beds, employment space of up to 4,000 sqm (gross) floorspace, community facilities of up to 200 sqm, convenience of up to 1000sqm, restaurants/cafes up to 1300sqm, public house of up to 400sqm, hot food takeaway of up to 400sqm, leisure uses of up to 1000sqm and associated infrastructure.</p>
	Seven Brethren, Barnstaple	6.2	<p>A mixed-use employment and commercial area containing a variety of employment/quasi-retail and other uses, including pay & display car parks, leisure centre, tennis academy/gym and recycling centre. Key employment uses include Jewsons, Travis Perkins and Barum Auto-Parts. Existing estate roads appear adequate for existing users but existing units are generally of poor quality and the estate has very little cohesion.</p> <p>A large retail park adjoins the site to the north, containing a Tesco Extra and comparison retail uses. The site lies close to the strategic road network through Barnstaple and is within close proximity of the railway station.</p> <p>The emerging Local Plan states that the area is to be redeveloped for new employment, recreation and leisure uses associated with the adjacent river and providing links over the adjoining A361. Areas of brownfield land are available for development. The site lies within an area prone to flooding.</p>
	Great Western, Barnstaple	5.6	<p>A mixed-use employment and commercial area containing a number of quasi-retail, business park, light-industrial and high-end car showroom uses, situated to the north and south of Coney Road. The estate is relatively modern and in good condition. The existing road network is adequate for existing users; off-street parking is available but a significant amount of overspill parking onto surrounding</p>

			<p>roads was evident.</p> <p>Much of the site lies within an area prone to flooding and there appeared to be few opportunities for expansion/redevelopment.</p>
	Barbican, Barnstaple	2	<p>Small local industrial estate that appears to contain 2/3 large industrial “sheds”, one in use as a depot for BT. One unit is vacant (600sqm). Other commercial/retail uses in vicinity, including a Lidl, McDonalds restaurant and Wine Warehouse.</p> <p>Existing units are aging but in reasonable condition. Site lies within an area prone to flooding and there appears to be little opportunity for expansion.</p>
	Chivernor Business Park, Braunton	3	<p>Local Industrial Estate to the east of Braunton containing a mix of traditional industrial “sheds” mainly in use for vehicle-related business (e.g. garages) and small-scale light industrial. The estate is accessed via a narrow track and bridge leading from the main A361.</p> <p>The estate is of poor quality, with a series of poorly maintained access roads and units. Informal parking areas are sprawled around the estate. The very narrow access to the estate is inadequate for existing users. The estate is fairly isolated and users are reliant on private transport.</p> <p>However, the estate appeared to be well-used, with only one vacant unit noted (up to 4000sqft). Difficult to assess whether expansion areas were available, but the very poor road access would seem to count against any significant redevelopment unless the access can be upgraded significantly.</p>
	Velator/ Tesco units, Braunton	1.1	<p>Small local industrial estate containing mainly quasi-retail users (Home hardware, Salt Rock retail outlet, Tiki Surf). Units appeared to be in reasonable condition although road access is fairly poor.</p> <p>Nearby Tesco store has small start-up business units area (10 units) attached constructed at the same time as the store and less than 5 years old. The majority appear to be currently vacant.</p> <p>Access to both areas is reasonably good, with close proximity to the A361 through Braunton.</p>
	Perrigo, Braunton	4.6	<p>Large, modern industrial site used exclusively by pharmaceutical manufacturer Perrigo. No access to the site was possible, but site appears to be in very good condition with a number of high-tech industrial units available.</p> <p>NB: Consent granted for a 10 year time extension for the implementation of outline permission 28208 – to extend</p>

			existing industrial premises (Planning permission: 52823).
	Grange Hill, Bratton Fleming	0.35	<p>Small-scale local industrial estate, situated to the west of the village of Bratton Fleming in a fairly isolated rural location. Estate contains an area of pre-fabricated start-up/workshop type units with more modern steel-clad industrial “sheds” to the rear. The modern units appear to have been constructed using RDA funding. Key users are Follaton Plant drilling services, Watts Design shop-fitting.</p> <p>The main A399 lies about 1 mile to the east.</p>
	Tree Beech, Gunn	2.2	<p>Small rural enterprise park located in isolated rural location (2.2ha) to the west of the hamlet of Gunn. Contains a number of industrial sheds and small rural workshop units in use for vehicle depots, light-industrial and storage/distribution uses.</p> <p>Units are all ageing but workshop units appear to be in reasonable condition and the estate is well maintained. The estate roads are adequate for existing users and plentiful parking is available. The estate is well-occupied with few vacancies noted.</p> <p>Expansion of the estate to the west would appear to be possible.</p>
	Back Hill, Chulmleigh	1.4	<p>Small local industrial estate located in western side of the town. Contains a large industrial shed (currently in use as a coach storage depot) and a 6-unit industrial estate in use mainly for vehicle-related uses. Given the nature of existing uses, the estate appears to be fairly heavily trafficked and a large number of coaches were present within an off-street parking area. Overspill parking is evident on internal estate roads.</p> <p>The estate appears to be fairly well maintained with access adequate for existing users. However, the site is in a fairly isolated rural location and estate could have impact on surrounding roads.</p>
	Knowle Industrial Estate	0.9	<p>This is a small local industrial estate, situated on the western edge of the village of Knowle. It contains a number of industrial units of varying size/age within a small site which has little available space for expansion. Key users within the site are Wildae vehicle restorations, Butler & Yeo steel fabricators and smaller vehicle service/repair garages. The estate is in reasonable condition.</p> <p>The size of the site, coupled with the narrow access and close proximity to residential, would limit any further expansion.</p>
	Other sites		There are a number of other local industrial estates in the District, including Heel Industrial Estate and Old Market Field in Witheridge; Hill Village in South Molton and

			Estuary Business Park / Yelland Quay in Fremington Parish.
	Total	123.35	

4.8 Generally speaking, the existing estates in North Devon District are of reasonably good quality (with the exception of Chivenor Business Park) and occupation levels are good, with very few vacancies noted. A number of the estates offer opportunities for expansion within their existing curtilages, particularly Roundswell Business Park, Mullacott Industrial Estate and Pathfields Industrial Estate.

4.9 As would be expected, the higher quality estates at Roundswell, Pathfields and Mullacott represent the most obvious locations for the provision of additional capacity in terms of available land and market attraction. However, a number of the smaller estates also contain areas of land for limited extension, and it would be reasonable for policy to recognise the potential for these to support the potential expansion of existing businesses and/or new business opportunities in the area(s).

Key employers

4.10 Through discussions with the Councils, we have also sought to discuss ongoing employment space requirements with a number of key employers in Northern Devon, specifically TDK Lambda, Perrigo and Actavis. Of these, only TDK Lambda have responded, who commented as follows:

4.11 TDK Lambda, based in Ilfracombe, is the Europe/Middle East/Africa Headquarters for TDK and currently employs 300 people. They have plans to expand and have acquired a property next door to the existing facility in Ilfracombe (formerly in use by Ilfracombe Wholesale Foods, who have now moved to the Mullacott Estate).

4.12 They have secured planning permission for redevelopment of this site to provide an additional 25000 sqft (2323 sqm) building. So far, they have commenced development (i.e. demolished existing building), with the intention of erecting the new building sometime over the next 5 - 10 years. Once complete, the company is likely to employ about 100 extra staff (semi-skilled mainly, and locally based where possible). They are currently trying to construct a business case to increase manufacturing/research & development at Ilfracombe.

4.13 With regard to Perrigo, it would appear that they still have long-term expansion plans, as evidenced by their requirement in 2012 for a 10-year extension to the life of an extant planning permission for approximately 27,00 sqm of new B1/B2/B8 floorspace on land adjoining the existing factory in Wrafton (part of which is included within the draft Local Plan allocation WRA01).

Suitability of Existing Sites for On-going Employment Use

- 4.14 Based on our survey work and discussions with agents, we consider that the majority of existing provision remains suitable for continued employment use. There are however issues with specific long term vacant units sites: targeted initiatives or policies to promote redevelopment of these sites in order to optimise their contribution to supply would be beneficial.
- 4.15 The only site where we think it may be appropriate to consider redevelopment for other uses is the former Creamery site in Great Torrington, which is earmarked for alternative uses, including leisure/recreation, whilst retaining some level of employment.

Employment Allocations proposed in the Consultation draft Local Plan

- 4.16 As above, these sites have been assessed in relation to the criteria identified in paragraph 4.4 above, namely:
- The Nature of the Site
 - The Site's Suitability
 - Potential Future
 - Availability
 - Market Attractiveness
 - Deliverability
- 4.17 Our summary comments in relation the potential employment locations are provided below:

Site Ref.	Site Name	Site Area ha	Summary Comments
TORRIDGE DISTRICT			
GTT2	Strategic Site GTT2 - Land East of Hatchmoor Industrial Estate, Great Torrington	9.3	A 9.3ha greenfield site adjacent to the eastern boundary of the existing Hatchmoor Industrial Estate. The adjoining use within the industrial estate is a nursing home, with further consented development for a care village, including 27 units of accommodation and a social centre (1/0298/2012/OUTM). The site has been allocated in the draft Local Plan as a new employment area, access to which will be taken from Hatchmoor Road. Planning consent (Application No: 1/0009/2013/FULM) has been granted on 2.1 hectares of the site to develop an area of 5,801 sqm to provide a new production factory (timber pallet production) and ancillary offices). The site is currently in open countryside, development of

			<p>which will extend the built form of the town beyond existing limits. It contains areas of mature trees/hedgerows, including on the boundary with the existing Business Park. The land, which is in agricultural use had recently been ploughed at the time of visit.</p> <p>There are unlikely to be any areas of ecological importance, although boundary hedgerows/trees may be of some value.</p> <p>No active marketing evident but the site in part benefits from planning consent for new employment facilities (see above).</p> <p>Marketability/Deliverability: This is a good quality location on edge of Great Torrington adjoining an existing good-quality industrial estate, which currently appears to have very few vacant units available. However, the generally low level of employment development in Great Torrington historically suggests that 9ha of employment land currently proposed is unlikely to be required within the emerging Local Plan period and it is recommended that the northern portion of the site be de-allocated. Development of site could commence within the next 5 years.</p>
BID6	Land South of Caddsdwn Business Park, Bideford	9	<p>A greenfield site adjacent to the south of the existing Caddsdwn Business Park. The majority of the site is undulating greenfield land which generally slopes down from north to south. The site as a whole is proposed to be allocated for development in the draft Local Plan. The site is mainly greenfield and contains areas of mature trees/hedgerows with new landscaping on the boundary with the existing Business Park. Land is mainly open countryside at present and development could have impacts in terms of loss of trees, areas of ecological importance and visual impact.</p> <p>We understand that part of the site has planning consent for a tennis centre and the emerging Local Plan policy provides for a Vocation Centre to come forward within the site.</p> <p>Marketability/Deliverability: No active marketing is evident for allocated site; anecdotally however, the Council are receiving enquiries regarding site availability and delivery of this site. The Council has advised that discussions are being undertaken with landowner to bring the site forward for development and this proactive stance by the Council should enhance the deliverability of the site in the short to medium term.</p> <p>It is a good quality location on the edge of Bideford adjoining existing high-quality Caddsdwn business park, which currently has very few vacant units but which does contain vacant areas of land for development. The</p>

			<p>site is close to shopping facilities at Atlantic Village. The site is currently unserved and will require extension to existing estate access road and services as part of development. Specific developments within the site (i.e. tennis centre permission) are likely to assist marketability. Development could commence within 5 years.</p>
BID10	Land South of Clovelly Road, Bideford	10	<p>10ha greenfield site adjacent to the west of the existing Caddsdwn Business Park and south of Atlantic Village. The site has been allocated in the draft Local Plan for employment, to be provided as part of a larger residential development of 500 dwellings. Development of the site is to be phased in line with delivery of the residential, although the location of the site means that a considerable level of residential will need to be provided in order to provide the enabling funds for development the employment land. It is assumed that access to the site will be gained via a link to the Caddsdwn Business Park.</p> <p>The site is mainly greenfield and is currently in use as agriculture. It contains areas of mature trees/hedgerows, including on the boundary with the existing Business Park. Land is mainly open countryside at present and development of the site could have impacts in terms of loss of trees, ecological constraints and visual impact, which would have to be managed as part of any development process.</p> <p>Good quality location on edge of Bideford adjoining existing industrial estate and to be provided as part of larger mixed-use urban extension, to be phased in line with delivery of wider residential development. Close to shopping facilities at Atlantic Village.</p> <p>Vehicular access to be provided onto Clovelly Road, either through wider residential allocation or via the Caddsdwn Industrial Estate. Development of this site will be phased in line with delivery of wider urban extension (BID10).</p> <p>Marketability/Deliverability: - the site bares close comparison with BID6 in terms of attractiveness to the market and deliverability. It is considered that only one of BID6 and BID10 should be allocated within the emerging Local Plan because existing levels of demand in Bideford do not warrant two such large allocations.</p>
HOL01	Agri-Business Park Proposal, north of	12	<p>A 12ha greenfield site situated to the north of Holsworthy. The site has been allocated in the draft Local Plan for a new Agri-business park including a new livestock market and agri-business facility (5ha), a new business park for general employment and agriculture-related uses (5ha) and a new community woodland (2ha). The site will be accessed via the unnamed road</p>

	Holsworthy		<p>linking the A388 to Dobles Lane. The agri-business centre and livestock market element of the planned development was granted consent (1/0893/2011/FULM) in May 2013; this includes B1, B2, B8 and A1 units, 50% of which are to be restricted to agriculture-based businesses. On site works have commenced and the programme of delivery provides for completion in May 2014.</p> <p>The site was used for agriculture (grazing land), consisting generally of open fields with mature hedgerows to the boundaries. The site rises gently from south to north and there are no physical constraints to development. The site is separate from Holsworthy and there are no neighbouring uses that would hinder development of the site. The site is in open countryside.</p> <p>Marketability/Deliverability: This is a good quality greenfield location close to the edge of Holsworthy. The site is not currently well served by public transport and a link to the town centre is a requirement of the emerging Local Plan policy. We are aware that “pinch-point” funding will be made available by Devon County Council towards the provision of a new roundabout and new footway/cycleway link to the town centre; this should assist in delivery of this important local facility.</p> <p>We would question the need for this site to provide <u>general</u> employment floorspace, given the proposed employment allocation West of Dobles Lane (see below), although we recognise the existing planning consent does allow for this already.</p>
HOL04	West of Dobles Lane Industrial Estate, Holsworthy	4.5	<p>4.5ha greenfield site adjacent to the west of the existing Dobles Lane Industrial Estate. The site has been allocated in the draft Local Plan for employment to be provided as an extension to the existing Industrial Estate, with an extended spine road through the site linking to Trewyn Road on the western boundary.</p> <p>The site is mainly greenfield, currently in use for agriculture, and contains areas of mature trees/hedgerows, including on the boundary with the existing Business Park. Land is mainly open countryside at present and development of the site could have impacts in terms of loss of trees, ecological constraints and visual impact. Small section of the site on its northern boundary lies within Flood Zone 3 so development in this area should be avoided. There is residential estate to the south.</p> <p>Marketability/Deliverability: Good quality location on edge of Holsworthy adjoining existing good-quality industrial estate, which currently has no vacant units. Access is to be provided from existing Industrial Estate, via extended spine road, to link to Trewyn Road to the</p>

			<p>west. Development could commence within 5 years, although we would question the scale of the allocation given the relatively low levels (historically) of employment development in Holsworthy.</p>
BID1	<p>Nine Acre Plantation (Atlantic Park), Bideford</p>	10	<p>10ha greenfield site, adjacent to the west of the existing Clovelly Industrial Estate, which was in use as a commercial plantation, the majority of which has been cleared. Access to the site has been formed from the Clovelly Road to allow access for logging. The site is bounded by established woodland to all boundaries.</p> <p>The site is proposed to be allocated for commercial and employment development in the draft Local Plan, as part of the wider BID1 mixed-use urban extension.</p> <p>Development requires retention of woodland setting and low-density development. The District Council have resolved to grant consent (1/0932/2012/FULM) for a 70-bed hotel (Class C1) and associated family restaurant/bar (Class A3/A4) plus associated access, car parking, landscaping and infrastructure works and a drive-through restaurant with access, car parking, landscaping and attenuation pond, development of which would take up approximately one-third of the site.</p> <p>Marketability/Deliverability: Good quality location on edge of Bideford adjoining existing industrial estate and to be provided as part of larger mixed-use urban extension, presumably to be phased in line with delivery of wider residential development (BID1). Access to be provided from Clovelly Road. Close to shopping facilities at Atlantic Village. Remainder of site could be delivered within 5 years.</p> <p>Site may appeal to niche commercial developers who require a woodland setting.</p>
NORTH DEVON DISTRICT			
BAR01	<p>Westacott Strategic Extension, Whiddon Valley, Barnstaple</p>	10	<p>Mainly greenfield site on the eastern edge of Barnstaple, adjoining existing Whiddon Valley Industrial Estate and Westacott Meadow residential estate. Site of 10ha proposed for employment/business uses as part of larger urban extension proposing 1100 dwellings. It is proposed to site the employment/business area next to the Whiddon Valley estate as an extension to that area. Access from Castle Park Road, via existing industrial estate or direct from Westacott Road itself.</p> <p>Marketability/Deliverability: No active marketing evident for allocated site. However, the Council has advised that discussions are being undertaken with the landowner and the Council is undertaking preliminary work to bring the site forward.</p>

			<p>Good quality location on the edge of Barnstaple adjoining existing good-quality industrial estate, which currently appears to have no vacant units. Site is currently un-serviced and will require provision of access roads and services as part of development. We would question the level of employment land to be provided in this location within the Plan period.</p>
BAR02	Larkbear Strategic Extension, East of Torrington Road, Barnstaple	6.5	<p>Two distinct areas of land, linked by the proposed strategic urban extension site at Larkbear (800 dwellings + employment). The larger employment area (5ha) is located off Old Torrington Road at the junction with the A39. It is a predominantly greenfield site, which appears to be in use for agriculture and a large residential dwelling is situated on the western edge of the site.</p> <p>The smaller site (1.5ha) adjoins Lake to the east, with North Devon College (Petroc) lying on the western boundary. The land is greenfield and although close to the urban edge it does appear to be countryside. The land rises generally from south to north. The emerging Local Plan states <i>“The provision of innovation and incubation units to the east of Petroc will facilitate new business, research and development opportunities in partnership with Petroc.”</i></p> <p>Marketability/Deliverability:</p> <p>The sites are to be brought forward as part of the larger urban extension, with new access roads provided between Old Torrington Road and the A361. The larger area off Old Torrington Road will have a separate access onto this road, with a link provided through to the new residential area at its NE corner. How quickly these sites are brought forward will depend on phasing and the provision of access, particularly for the smaller site adjoining Lake. We understand that the availability of the larger site remains uncertain and it could be argued that its link to the strategic highway network is not as good as other employment sites in the local area; it is therefore likely to be less attractive to the market than other sites (e.g. those adjoining Roundswell).</p> <p>The Council has received a planning application on part of the employment allocation, on the land West of Old Torrington Road, for 46 dwellings (Application No: 56232).</p>
BAR04	Mount Sandford Green, Barnstaple	5	<p>Greenfield site adjoining the A39, currently in use for agriculture. 5ha site, part of larger proposed urban extension that will provide approx. 250 dwellings + employment/business uses. The site is only partially visible from the A39 and is at a higher level; the land rises steadily from west to east. Access to the site will be via the A39, with a link provided through the wider urban</p>

			<p>extension south through to Mount Sandford Road, where a secondary access point will be provided.</p> <p>Marketability/Deliverability:</p> <p>Outline consent for development (subject to resolution of access) has been granted for a mixed-use development of 250 dwellings and a 2.8ha Innovation Park (Application number 54923). This is a smaller employment element than envisaged in the draft Local Plan and therefore the draft Local Plan policy will need to change as a result.</p>
BAR09	Glenwood Farm, Roundswell, Barnstaple	5	<p>5ha greenfield site to the west of Roundswell Business Park, currently in use as agriculture. Main A39 runs along southern boundary, and the site can be accessed from here or from the north via Old Bideford Road. The site is relatively flat and consists mainly of agricultural land; an area of mature trees lies in the SW corner of the site and along the boundaries of the site, which may be of some ecological value.</p> <p>The site is part of a larger proposed allocation that will provide 120 dwellings and employment. The emerging Local Plan policy suggests that this site will be developed as an extension to the Roundswell Business Park that adjoins the site to the east, with a link road provided through to the Business Park and a further link to the residential land to the west. A new north-south link road between the A39 and Old Bideford Road will also be provided.</p> <p>The land is to be brought forward in the early phases of the Plan period in line with the housing provision. The land could be available for development within 5 years.</p> <p>Marketability/Deliverability:</p> <p>An outline planning application has been approved subject to a S.106 Agreement for a mixed use development comprising up to 1,394 sq.m of employment and up to 92 dwellings together with highways and access improvements. This shows a significant reduction in employment provision from about 4.5ha to around 0.8ha, which we understand is set aside specifically for expansion of the adjoining Easterbrook Tractors site; as a result the employment provision is focused around the existing Easterbrook building on the eastern edge of the site.</p>
BAR10	Roundswell Business Park, Barnstaple	21.8	<p>A series of 4 sites adjoining or close to the existing Roundswell Business Park, which can be described as follows:</p> <ul style="list-style-type: none"> • Fishleigh Road – a 4ha undeveloped site adjoining the Business Park on its SW boundaries. An internal

			<p>estate road has been provided into the site, which can be utilised as part of an extension to the Business Park,</p> <ul style="list-style-type: none"> • Brannam Crescent – two areas of undeveloped land on the northern edge of the Business Park (1.4ha in total). Internal estate roads have been provided up to the boundaries of the sites as part of recent employment development, which can be utilised as part of further extensions to the Business Park. • West of Old Torrington Road – 1.4ha area of undeveloped land adjoining Brannam Business Park. Access would be provided via existing Business Park with a potential access directly onto the A3125. There is an extant consent for a commercial unit on site but has limited commercial take up. Land owner is keen to develop land for about 60 dwellings. • Land south of A39 – two large areas of greenfield agricultural land on either side of the B3232 (Torrington Road), totalling 15ha in area. The sites are Council owned. 4ha of this land (SE of the A39 roundabout) has recently achieved planning permission for a new garden centre (Application No: 46453) and will therefore be removed as a potential allocation. Development of this land would extend built-up area of Barnstaple beyond the A39 to the south and likely to have significant visual impact. The emerging Local Plan policy requires delivery of a high-quality business campus with significant landscaping to mitigate these potential impacts. <p>Marketability/Deliverability:</p> <p>The close proximity of the site to the existing Roundswell Business Area, which is a strategically important employment area within Northern Devon, means that the sites are likely to be more attractive to the market.</p> <p>We are aware that Devon County Council has provided £1.15M of pinch-point funding towards improvements to the existing roundabout junction and provision of a new mini-roundabout to facilitate access to these two sites; these improvements would only be provided should the sites be developed. Such works will improve the ability to deliver this allocation, which the Council sees as a key employment-growth location for northern Devon.</p>
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WRA01	Wrafton SE Extension, Braunton	20	<p>Large greenfield site (Area = 20ha) to the SE of Braunton, adjoining the A361 to the north and RMB Chivenor to the south. Perrigo factory lies to the west. Part of larger allocation, which will also provide approx. 150 dwellings. A new junction will be needed onto the A361 and the site will be developed in accordance with a comprehensive Masterplan.</p> <p>The site is greenfield, relatively flat and currently in agricultural use, with mature hedgerows to northern boundary. The site is not within an area prone to flooding. No marketing was evident on site.</p> <p>A planning application for development has been submitted, involving employment-led mixed use development including access & phase 1 link road with all other matters reserved, comprising: employment development up to 2.24 hectares for B1 business use & up to 5.98 ha for B2/B8 general industrial, storage & industrial use; residential development up to 150 dwellings; 400 sqm multi-purpose hub comprising A1, A3, A5, D1 & D2 uses; roundabout with A361, access roads & on-site vehicle, cycle & pedestrian circulation routes; park & ride car park; open space & hard / soft landscape & all associated infrastructure works (Application No: 55214). The Council has resolved to approve the application subject to a S.106 Agreement.</p> <p>This consent is separate from the planning permission for the extension to Perrigo (outline permission 52823 – to extend existing industrial premises) and the employment element will be open to the market.</p>
FRE2	Yelland Quay, Fremington	20	<p>Two sites totalling 20ha, situated to the west of Fremington, accessed off the B3233 Barnstaple Road.</p> <p>A site of 12ha to the north of the Tarka Trail, which previously contained the East Yelland Power Station (now demolished). The Estuary Business Park adjoins the site on its southern boundary. The site lies within an area prone to flooding and so will only be suitable for water-compatible employment uses, as advised in the emerging Local Plan. Vehicular access needs to cross the Tarka Trail and therefore works may be required to ensure there is no conflict with users of the Trail.</p> <p>A site of 8ha lies to the south of the Tarka Trail and Yelland Depot and is proposed to be allocated for general Class B employment uses. The site previously contained a sewage treatment works and part of the site is occupied by a May Gurney truck depot. We are unsure of the status of the STW, and whether this facility has been removed and the site decontaminated. A number of structures still remain on site, which suggests that such remediation works would be required in order to allow the site to be used for alternative employment uses. The</p>

			<p>site is isolated from the main settlement and we would question its attractiveness to the market, given the substantial costs associated with decontamination of the site.</p> <p>The Council sees this site facilitating potential business activity at the quay by providing land outside of the flood zone for more vulnerable uses.</p> <p>Marketability/Deliverability:</p> <p>The site north of the Tarka Trail, with its quayside location and jetty, offers waterside opportunity and could be suitable for specific activities including port/marine related commercial activities; aggregates; timber/waste production/storage as opposed to more general employment activities. The site could support marine/renewable energy schemes, including relating to servicing of off-shore facilities.</p> <p>The southern site is more suitable for general employment development, but its isolated location and decontamination costs suggest that it is unlikely to be particularly attractive to the market.</p>
IFL01	South of Ilfracombe	1	<p>A greenfield site of 1ha lying to the south of Ilfracombe adjoining the Old Barnstaple Road. The site is part of a larger allocation for an urban extension to Ilfracombe, incorporating approx. 1000 dwellings, employment/business uses, primary school, extra-care housing and community facilities, and public open space. The employment area lies immediately adjacent to the Old Barnstaple Road in order to benefit from this close proximity to the main road network.</p> <p>The site is greenfield, relatively flat and currently in agricultural use, with mature hedgerows to all boundaries. The site is not within an area prone to flooding. No marketing was evident on site. The site is available now although its deliverability is dependent on the delivery of the wider allocation and therefore development is unlikely to commence within the next 5 years.</p> <p>Marketability/Deliverability:</p> <p>As part of the development of this large strategic residential site, delivery of 1ha of employment would seem to be realistic and should be retained within the allocation.</p>
IFL04	Mullacott Industrial Estate	15	<p>A large greenfield site (15ha) lying to the south and east of the established and popular Mullacott Industrial Estate, which lies in an isolated rural location about 2 miles south of Ilfracombe. It is intended that access to the site will be gained at points within the Industrial</p>

	Extension		<p>Estate, rather than any direct access from the A3123 to the north.</p> <p>The site is greenfield and appears to be in use as agriculture. The land is gently undulating and generally falls away to the south. The site would appear to be available now, although vacant plots exist within the existing Industrial Estate which are likely to be developed first as they benefit from existing estate road access. However, the site could be delivered within 5 years, subject to market conditions.</p> <p>Marketability/Deliverability:</p> <p>This is a popular industrial estate, although accessibility is relatively poor due to its isolated location. However, development has taken place within the last 5 years. Expansion is possible within the existing estate and relatively low levels of development cast doubt on the requirement for such a large allocation within the Plan period. A smaller 2.5ha area of land (allocated in the previous Local Plan) should be retained.</p>
SM03	Land to north and NW of the Pathfields Industrial Estate/Business Park, South Molton	30	<p>Two greenfield sites, totalling 30ha, proposed to be allocation as strategic extensions to the established and popular Pathfields Industrial Estate to the north of South Molton.</p> <p>The site directly adjoining the Industrial Estate to the north has an area of 8ha and was previously allocated in the North Devon Local Plan. The land consists of rural fields with a mature tree/hedgerow boundary to the north on the site's border with the A361. It is allocated for Class B uses, with a requirement that 1.5ha of land at its NW end shall be used to provide a new livestock market, as a replacement for the existing facility within South Molton town centre. The site is to be accessed via the existing Business Park, utilising an extension to the existing estate roads. The site is available now deliverable within 5 years.</p> <p>The site to the NW of Pathfields, across Hacche Lane, is 22ha in area and consists of gently undulating farmland within a patchwork on fields with hedgerow borders. It is relatively open to view from the A361. Delivery of this site is dependent on significant improvements to Hacche Lane and a new access to the B3226 to the SW of the site. The site will be delivered in phases from west to east, with access through the north of Pathfields allocation across Hacche Lane. Therefore, the site is not likely to become available for 5 – 10 years, depending on market conditions.</p> <p>Marketability/Deliverability:</p> <p>The existing estate is strategically important within</p>

			<p>Northern Devon; it contains a number of modern units and is clearly popular with few vacancies noted. Therefore, further expansion would appear to be likely within the Plan period and provision should be made for this. However, there is very little evidence to suggest that the large areas of land currently proposed to be allocated would be required within the Plan period. The site immediately to the north of the Industrial Estate should be retained as it is closely linked and accessible; however, the site to the west of Hacche Lane is highly unlikely to be required within the Plan period.</p>
	Total:	189.1	

5 NEED FOR EMPLOYMENT LAND

Introduction

- 5.1 This section assesses demand for employment land in northern Devon over the plan period to 2031. It considers demand for employment land, and therefore does not take account of any supply-side factors such as existing employment land allocations or commitments.
- 5.2 The forecasts developed consider demand for employment land segmented to consider the main B-class uses - the B1, B2 and B8 use classes - and provides an indication of the requirements for other employment-generating uses which, although they don't fall within the 'B' use classes, often locate on employment sites. This includes waste and recycling activities and car showrooms which are 'sui generis' uses. The draft Practice Guidance on the *Assessment of Housing and Economic Development Needs* encourages this analysis of demand within different market segments.
- 5.3 The Practice Guidance encourages the use of a number of different techniques to estimate future employment land requirements. It identifies a number of methods of assessing future demand, namely:
- Sectoral and employment forecasts and projections (labour demand)
 - Demographically-derived assessment of future employment need (labour supply techniques);
 - Analyses based on the past take-up of employment land and property and/or future market requirements;
 - Consultation with relevant organisations, studies of business trends, and monitoring of business, economic and employment statistics.
- 5.4 There are relative benefits of these different approaches. For example, economic forecasts assume that the nature of future economic growth - with regard to the sectoral composition and performance - will be consistent with past trends however, the scale of economic growth reflects the latest climate and national economic projections as well as future demographic changes. This approach is "policy off" and not influenced future planning policies. The baseline Experian forecasts do not take account of economic strategy, external investment (including in infrastructure) or interventions.
- 5.5 In contrast, the past take-up approach is underpinned by actual delivery of employment development in the recent past. It is to some extent a "market based" approach and assumes that demand and occupation patterns which have previously arisen will continue to hold moving forward. However, this approach does not take account of the implications of future economic realities (particularly where the outlook is different from that in the past) or, at a more detailed level, the likely performance of individual sectors compared to the recent past. It is also potentially influenced by past land supply policies and availability.

5.6 To address these issues a scenarios-based approach has been used to assess the implications of looking at future employment land provision in different ways. Three alternative forecasts for employment land provision have been prepared:

- Labour Demand Projections (Experian) – these take their lead from the base econometric forecasts produced by Experian and models the employment land implications of the forecast employment growth within these, overall and by sector;
- Policy-ON Forecasts – these adapt the Experian forecasts to take account of local economic strategy ambitions, and analysis through engagement with the Councils’ economic development teams to assess growth opportunities in different sectors. This aligns to the draft northern Devon Economic Strategy;
- Past Completions Projection – this projects forward on a linear basis past trends in development of employment floorspace in northern Devon. It is thus a forecast based on commercial market dynamics.

5.7 Housing numbers for the two authorities have yet to be agreed; however the analysis in the HES indicates that the economic-driven scenarios have an upward impact on housing demand. Modelling employment land requirements associated with a continuation of past population trends would thus have a downwards impact on employment land requirements relative for instance to the modelling linked to the Experian labour demand model.

Overview of the Modelling Process

5.8 Requirements for employment land are modelled from the economic forecasts using a stepped process for both the Labour Demand Forecasts (based on the Experian forecasts) and the Policy-On Forecasts. The key steps undertaken are as follows:

1. Forecasting Growth in Full-Time Equivalent Jobs

5.9 The first stage of the modelling involves converting forecasts for total jobs into numbers for ‘full-time equivalent’ (FTE) jobs as standard employment densities are based on this metric. To estimate FTE employment we have examined for 88 economic sectors the split of full-time and part-time employment. Assuming that on average a part-time job is equivalent to 0.5 of a full-time job we have estimated a ratio of total jobs to FTE jobs. Aggregating this to the 37 sectors in the Experian model we estimated trends in FTE jobs by sector over the 2011-31 period.

2. Relating Economic Sectors to Use Classes

5.10 The second stage of the modelling involves estimating what proportion of employment in each of the 37 economic sectors typically takes place within B-class employment floorspace – office, industrial and warehouse/ distribution floorspace – and in other *sui generis* uses which often also occupy employment sites, such as waste and recycling uses and car showrooms.

- 5.11 For each of the 37 sectors GL Hearn has estimated the proportion of jobs which are likely to take place in office floorspace (in uses B1a and B1b), in industrial floorspace (in uses B1c and B2), in warehouse and distribution floorspace (B8) and in the *sui generis* uses which often occupy employment sites.
- 5.12 The ratios used have been calibrated to northern Devon's economy by considering the detailed composition of employment in each of 37 Experian sectors through analysis of employment within northern Devon economy within these sectors disaggregated to 4-digit SIC level.
- 5.13 By applying the ratios of what proportion of jobs by sector are expected in each of the four uses classes, we forecast jobs for each of the four use classes.

3. Applying Employment Densities

- 5.14 The next stage of the modelling is to apply employment densities to the estimates of change in jobs by use class. Employment densities describe the typical level of floorspace per FTE employee. We have used the following employment density assumptions:

Table 5: Employment Density Assumptions

Use Class	Employment Density Sqm GEA per FTE Job
Office: B1a/b	14
Industrial: B1c/B2	40
Warehouse/ Distribution: B8	50
Sui Generis Employment	45

- 5.15 The starting point for considering employment densities was the HCA Employment Densities Guide: 2nd Edition (HCA 2010). Using this, we have considered the expected nature of new-build development within the local market (drawing on the commercial analysis undertaken) and adjusted the figures to relate to Gross External Floor Area (GEA) where applicable.
- 5.16 Applying the employment densities to the job forecasts for each of the use classes, we derive forecasts for net changes in employment floorspace over the plan period to 2031.

4. Applying Plot Ratios to Convert Floorspace to Land

- 5.17 The fourth step undertaken has been to apply standard plot ratios based on industry proxies to estimate how much land would be required to accommodate the net floorspace change forecast. Plot ratios indicate the typical relationship between the employment floorspace on a site and the site area.

Table 6: Plot Ratio Assumptions

	Assumed Plot Ratio
Office: B1a/b	0.3
Industrial: B1c/ B2	0.45
Warehouse: B8	0.45
Sui Generis	0.45

5.18 A lower plot ratio is assumed for office and R&D floorspace particularly because of the higher jobs densities and thus parking requirements which would be associated with office development. We have assumed that most office and R&D floorspace would be built out at typical ‘business park’ densities rather than within town centres given the nature of the local property market. Town centre office development in many instances is unlikely to be economically viable without funding support.

5. Allowing for Losses of Employment Land to Other Uses

5.19 The above analysis provides an indication of the level of land which would be necessary to support net changes in employment. However job creation in gross terms, and thus land requirements, are likely to be higher than this as some companies expand and create jobs whilst other reduce employment or are extinguished. Looking at land supply, we expect some losses of employment land through redevelopment or partial redevelopment of poorer quality employment sites which do not meet market demand or the needs of modern businesses.

5.20 We have therefore included within the modelling an allowance for the ‘replacement’ of expected employment land losses over the period to 2031. This is based on projecting forward estimates of losses over the 2004-12 period on a linear basis.

6. Including a Margin to Provide a Flexible Supply of Land

5.21 The final stage of the modelling has been to include a margin to ensure that a flexible supply of employment land is maintained. The inclusion of this reflects:

- The potential error margin associated with the forecasting process. Econometric forecasting is not an ‘exact science’;
- The need to provide a choice of sites to facilitate competition in the property market and ensure that provision is made for any ‘latent demand’;
- The need to ensure flexibility in land to allow for any delays in individual sites coming forward (e.g. planning/infrastructure delays); and
- The need to facilitate “movement” within the property market the replacement of aged property through redevelopment of existing employment premises to provide more modern commercial floorspace.

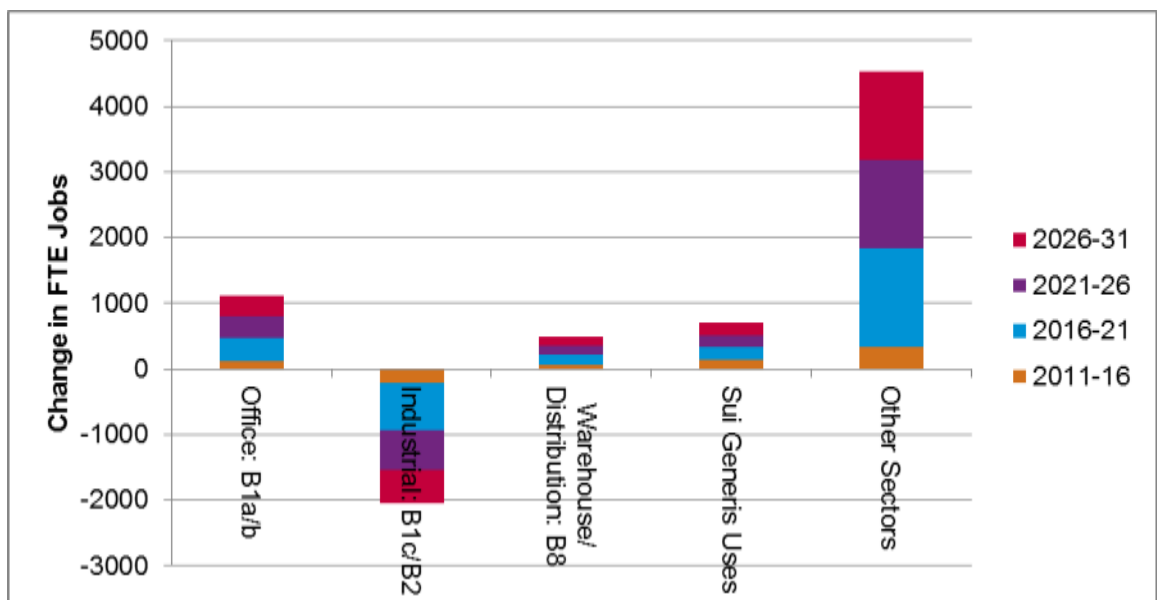
5.22 GL Hearn consider that it would be appropriate to make provision for a 5-year ‘margin’ based on past employment land take-up. This has been calculated based on the trend in gross employment completions over the 2004/5 – 2011/12 period.

Projected Demand: Labour Demand Model (Experian)

5.23 First we consider the level of employment land which would be required to support delivery of the Experian employment projection. In total growth of 4,800 FTE jobs are forecast between 2011-31.

5.24 Much of the forecast growth is expected to take place in sectors which do not require employment land (for example growth in jobs in education or leisure); with growth of around just 270 FTE jobs expected in sectors which would typically locate on employment sites.

Figure 5: Forecast Employment Growth in Labour Demand Model by Use Class, northern Devon



Source: GL Hearn

5.25 We however see some particular sectoral dynamics; with growth expected in office employment of just over 1,100 FTE jobs; in warehouse and distribution (c. 500 jobs) and in sui generis uses (c. 700 jobs) However this is offset by an expected decline in manufacturing employment of around -2,000 jobs.

5.26 Applying the plot ratios, the modelling indicates an expected decline in industrial floorspace of around -82,000 sq.m; however there is a net requirement for additional floorspace for other uses – for 15,800 sq.m of B1a/b office floorspace; 24,200 sq.m of B8 warehouse/distribution floorspace and 31,400 sq.m for other employment-generating uses.

Table 7: Forecast Net Change in Floorspace based in Labour Demand Model, northern Devon

Sq.M GEA	2011-16	2016-21	2021-26	2026-31	2011-31
Office: B1a/B1b	1641	4935	4638	4516	15730
Industrial: B1c/B2	-8836	-28448	-24072	-20209	-81565
Warehouse/ Distribution: B8	2695	8628	6597	6302	24222
Sui Generis	6200	9104	7922	8162	31388
Total B-Class	1700	-5781	-4915	-1229	-10225

Source: GL Hearn

5.27 Applying the plot ratio assumptions to these figures we derive the following forecasts for net additional land requirements:

Table 8: Forecast Net Requirement for Employment Land in Labour Demand Model, northern Devon

Hectares (Ha)	2011-16	2016-21	2021-26	2026-31	2011-31
Office: B1a/B1b	0.5	1.6	1.5	1.5	5.2
Industrial: B1c/B2	-2.0	-6.3	-5.3	-4.5	-18.1
Warehouse/ Distribution: B8	0.6	1.9	1.5	1.4	5.4
Sui Generis	1.4	2.0	1.8	1.8	7.0
Total B-Class	0.5	-0.8	-0.5	0.2	-0.5

Source: GL Hearn

5.28 The next step however is to consider expected losses of employment land. Over the plan period a total of 12.8 hectares of land are expected to be lost through redevelopment for alternative uses. This needs to be added onto the net forecasts identified above.

Table 9: Forecast Losses of Employment Floorspace

	2011-16	2016-21	2021-26	2026-31	2011-31
Forecast Losses (Ha)	3.2	3.2	3.2	3.2	12.8

Source: GL Hearn, using Councils' Employment Monitoring Data

5.29 The final step is to identify the margin to provide a flexible supply of land. Table 10 below identified the 5 year margin based on past development trends, equivalent to a 5 year supply.

Table 10: Calculating 5-Year Margin

	Completions per Annum, 2004-12 (Sq.M GEA)	Assumed Plot Ratio	Projected Employment Development per Annum (Hectares)	5 Year Margin: northern Devon (Hectares)
Office: B1	3001	0.3	1.0	5.0
Industrial: B2	3937	0.45	0.9	4.4
Warehouse/ Distribution: B8	4778	0.45	1.1	5.3
Mixed B-Class	974	0.45	0.2	1.1
Total	12690	-	3.2	15.8

Source: GL Hearn

- 5.30 Drawing the analysis together the modelling indicates a gross requirement for provision of 28 hectares of employment land over the plan period to 2031.

Table 11: Gross Land Requirement by Use in Labour Demand Model, northern Devon (2011-31)

	2011-31
Office (B1a/b)	10.2
Industrial (B1c/B2)	-13.8
Distribution (B8)	10.7
Mixed B-Class and Sui Generis	20.9
Total B-Class	28.1

Source: GL Hearn

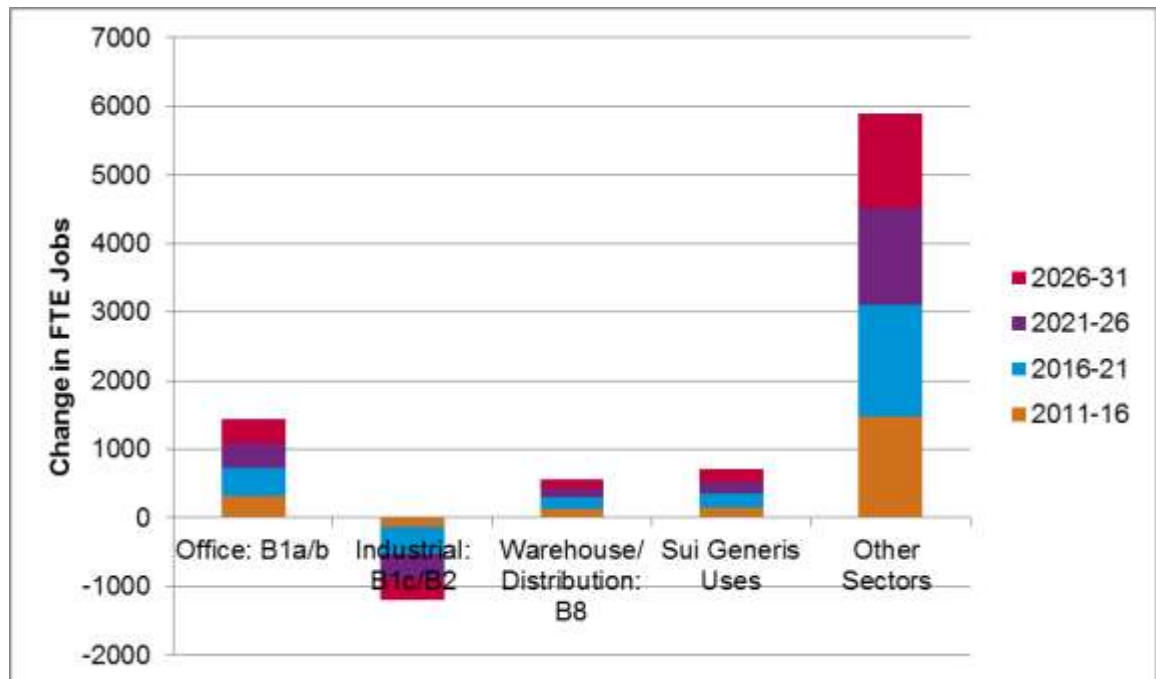
- 5.31 Over the plan period we would expect some 'switching' of employment land between B-class uses, with industrial sites redeveloped for other B-class or employment generating uses.
- 5.32 The modelling indicates, based on the Experian projections, a requirement for 10 hectares for B1a/b (office) uses, a further 11 hectares for B8 warehouse/ distribution uses, and 21 hectares capable of accommodating a mix of B-class and other employment generating uses (such as car showrooms, waste and recycling uses which often locate on employment sites).

Projected Demand: Policy-ON Forecasts

- 5.33 The second model run takes its lead from the 'Policy-ON' forecasts developed which account for local economic strategy initiatives. This projection sees total FTE employment growth of 7,500 over the 2011-31 plan period. This represents an uplift in FTE employment of 56% on the baseline Experian model.

5.34 Again much of the growth is expected in sectors which do not require employment land. We see in this model stronger growth forecast in office-based employment (over 1,400 FTE jobs), and a lower reduction in jobs in industrial sectors (-1,200 to 2031). There are moderate adjustments to other sectors relative to the Experian Labour Demand Model.

Figure 6: Forecast Employment Growth in Policy-ON Model by Use Class, northern Devon



Source: GL Hearn

5.35 Applying the plot ratios, the modelling indicates an expected decline in industrial floorspace of around -48,000 sq.m; however there is a net requirement for additional floorspace for other uses – for 20,300 sq.m of B1a/b office floorspace; 27,600sq.m of B8 warehouse/distribution floorspace and 32,400 sq.m for other employment-generating uses.

Table 12: Forecast Net Growth in Floorspace based in Policy-ON Model, northern Devon

Sq.M GEA	2011-16	2016-21	2021-26	2026-31	2011-31
Office: B1a/B1b	4428	5719	5122	4988	20257
Industrial: B1c/B2	-5143	-16199	-14809	-12125	-48276
Warehouse/ Distribution: B8	6052	8628	6597	6302	27579
Sui Generis	6887	9104	7922	8162	32075
Total B-Class	12224	7251	4832	7327	31634

Source: GL Hearn

5.36 Applying the plot ratio assumptions to these figures we derive the following forecasts for net additional land requirements in the Policy-ON Model:

Table 13: Forecast Net Requirement for Employment Land in Policy-ON Model, northern Devon

Hectares (Ha)	2011-16	2016-21	2021-26	2026-31	2011-31
Office: B1a/B1b	1.5	1.9	1.7	1.7	6.8
Industrial: B1c/B2	-1.1	-3.6	-3.3	-2.7	-10.7
Warehouse/ Distribution: B8	1.3	1.9	1.5	1.4	6.1
Sui Generis	1.5	2.0	1.8	1.8	7.1
Total B-Class	3.2	2.2	1.7	2.2	9.3

Source: GL Hearn

- 5.37 The net land requirement is notably more positive than in the Experian Model. A total need for 20 hectares of land is forecast for office, warehouse/ distribution and sui generis uses; although part of this it likely to be able to met through redevelopment of industrial sites which are expected to release 10.7 hectares of land.
- 5.38 Over the plan period a total of 12.8 hectares of land are expected to be lost through redevelopment for alternative uses. This, together with the margin of 15.8 hectares of land (as calculated above) is added. This yields the forecast of gross need for employment land.
- 5.39 In total, the Policy-ON modelling indicates a gross requirement for provision of 38 hectares of employment land over the plan period to 2031.

Table 14: Gross Land Requirement by Use in Policy-ON Model, northern Devon (2011-31)

	2011-31
Office (B1a/b)	11.8
Industrial (B1c/B2)	-6.4
Distribution (B8)	11.4
Mixed B-Class and Sui Generis	21.0
Total B-Class	37.9

Source: GL Hearn

- 5.40 Over the plan period we would expect some 'switching' of employment land between B-class uses, with industrial sites redeveloped for other B-class or employment generating uses.
- 5.41 The Policy-ON modelling indicates a requirement for 12 hectares for B1a/b (office) uses, a further 11 hectares for B8 warehouse/ distribution uses, and 21 hectares capable of accommodating a mix of B-class and other employment generating uses. It is expected that part of this (c. 6 hectares) can be met through recycling of existing industrial sites.

Projected Demand: Completions Projection

- 5.42 The third set of projections modelled are based on past completions, projected forward on a linear basis. These are based on the Councils' records of past development (completions) of employment floorspace over the period from 2004/5 in Torridge and 2005/6 in North Devon to 2011/12.
- 5.43 GL Hearn has used the Councils monitoring data to calculate average annual floorspace developed within the B1, B2 and B8 use classes; and for development which spans a number of B-class uses (described herein as Mixed B-Class). This is then projected forward on a linear basis.
- 5.44 Table 15 shows the calculations. Projecting forward past completions results in a requirement for provision of 38 hectares of employment land over the plan period to 2031. This is relatively similar to the level shown in the Policy-ON Model, albeit that there is some variance looking at individual use classes.

Table 15: Projected Need for Employment Land based on past Completions, northern Devon 2011-31

Use Class	Completions per Annum, 2004-12 (Sq.M GEA)	Projected Gross Completions, 2011-31 (Sq.M GEA)	Assumed Plot Ratio	Projected Land Requirement to Support Development (Ha)
B1	2622	52443	0.3	17.5
B2	2296	45926	0.45	10.2
B8	1969	39386	0.45	8.8
Mixed B	401	8026	0.45	1.8
Total	7289	145780		38.2
Within Main Employment Areas	5967	119334		31.3

- 5.45 The completions projection is based on trends over the 2004-12 period which included a period of relatively subdued market and economic conditions. This needs to be borne in mind in interpreting the projection.

Drawing the Projections Together

- 5.46 We consider that a positive framework for economic planning moving forwards would be based on the Policy-ON forecasts and a continuation of past completions trends. This would equate to delivery of:
- Office B1a/b: 12-15 hectares;
 - Other and Mixed Employment Development: 22 – 32 hectares
 - Total: 34 – 47 hectares.

6 CONCLUSIONS

- 6.1 Demand for commercial property in northern Devon is driven particularly by churn within the local economy. Much is from start-ups companies and small firms wishing to expand.
- 6.2 Within the northern Devon economy, commercial demand is focused towards the main towns – Barnstaple and Bideford. It is reasonable to expect these, moving forward, to be the focus for employment growth given that they provide access to a wider labour force, and have a greater critical mass of business activity.
- 6.3 This said there are a number of successful employment sites elsewhere within the districts; most notably the Mulacott Industrial Estate in Ilfracombe, Dobles Industrial Estate in Holsworthy and the Pathfields Industrial Estate in South Molton.

Economic Growth Potential

- 6.4 Experian baseline projections for employment growth indicate an increase in FTE employment of 4,800 over the 2011-31 plan period. This represents employment growth of 9.0%. This takes account of how the economy has performed in the past.
- 6.5 This report includes a more optimistic, 'Policy-ON' assessment of economic growth potential alongside this, which results in FTE employment growth of 7,500 over the 2011-31 period (employment growth of 13.8%). This is considered a more aspirational target and sees stronger growth in key sectors in which there is a degree of local specialism or growth potential, in line with the draft northern Devon Economic Strategy 2013-17. Not all of the additional employment potential identified is in sectors which typically locate on employment land. It takes account of planned interventions, including the availability of £1 million of pinch point funding for improvements to the A39 Roundswell roundabout in Barnstaple.
- 6.6 We consider that the Policy-On scenario would be a more sensible basis for considering future requirements for employment land, not least to ensure that land availability does not act as a constrain to achieving 'above-trend' economic growth.

Need for Employment Land

- 6.7 This report has forecast employment land requirements using a variety of different forecasting approaches. Projecting demand for employment land using the labour demand model based on Experian econometric forecasts results in a need to identify 28 hectares of employment land for the 2011-31 plan period.

- 6.8 The Policy-On Scenario modelled sees stronger economic growth in a number of key sectors with growth potential locally, or where there is a policy aspiration to support economic growth. This results in a stronger need for employment land, for 38 hectares for the 2011-31 period.
- 6.9 To assess the realism of these projections, we have also projected forward past completions of employment floorspace on a linear basis based on trends between 2004-12. This would result in a need for around 31 hectares of employment land over the 2011-31 period. It should however be noted that this period included a notable period of subdued market and economic conditions.
- 6.10 It is important that the supply of employment land does not constrain future economic performance and regeneration. This said an oversupply of employment land could spread investment thinly and inhibit the build out of key sites; and where sites are not brought forward for employment land development, applications for alternative land uses might well be brought forward in line with Paragraph 22 in the NPPF.
- 6.11 Drawing the forecasts together, it is appropriate to take an optimistic view of employment land needs to ensure that supply does not constrain economic growth potential. Based on the evidence shown we consider that it would be appropriate to make provision for the following levels of land supply to cater for different market segments:
- Office B1a/b: 15-20 hectares;
 - Other and Mixed Employment Development: 25-40 hectares
- 6.12 The levels of need for employment land shown reflect commercial trends, but also the evidence that only around a third of employment growth is expected to take place in sectors which require provision of employment land. A considerable proportion of employment growth in the northern Devon economy is expected to take place in sectors such as education, health, retail, tourism/leisure, and residential care/ social work, which typically do not take place on “employment sites.”

Portfolio of Employment Sites

- 6.13 The Consultation draft Local Plan currently proposes in Policy ST07 provision of 157 hectares of employment land over the 2011-31 plan period. It is clear from the analysis in this report that this is likely to significantly exceed the level of demand for employment floorspace. On this basis it would make sense to consider in the development of the plan seeking to rationalise or prioritise the delivery of a refined list of sites – not least to provide clarity to the market regarding development priorities.
- 6.14 The ELR identified a need for a maximum need for around 60 hectares of employment land provision. To provide guidance on the strategy for employment land provision we have sought to draw together the market analysis, site assessment and demand analysis to provide guidance

regarding the development of a strategy for employment land provision. We deal with the main settlements in turn.

Barnstaple

6.15 Barnstaple has the stronger economy of the two major settlements in northern Devon and is the better connected. It is thus an appropriate focus for employment land provision. However significant employment land is proposed for allocation:

- Westacott Strategic Urban Extension, Whiddon Valley: 10 hectares
- Larkbear Strategic Urban Extension: 6.5 hectares
- Mount Sandford Green: 5 hectares
- Glenwood Farm, Roundswell: 5 hectares
- Roundswell Business Park: 21.8 hectares

6.16 Based on the demand evidence herein, it is difficult to see delivery of 48 hectares of employment land taking place over the plan period to 2031 in Barnstaple. However, we consider that it would be appropriate to prioritise employment land provision around Barnstaple to ensure that sites are brought forward and a critical mass of employment activity established over reasonable timeframes.

6.17 The Roundswell Business Park is a successful employment site and a focus for current employment land provision in the town. There is a strong strategic rationale for seeking to enhance the critical mass of employment land in this area.

6.18 The proposed allocations at Glenwood Farm, Roundswell Business Park and Larkbear Strategic Urban Extension all lie adjacent to the existing employment land provision in this area. However they provide a total of 33.3 hectares of proposed employment land. In our view the Councils should consider rationalising this to provide between 5-10 hectares of employment land provision to meet demand over the period to 2031, We are aware that the Council has already received a planning application for development of the larger draft employment allocation at Larkbear (5.5ha adjoining Old Torrington Road) and that planning permission has been granted for a phase one development at Glenwood Farm, incorporating 92 dwellings and 0.8ha of employment land; we would advise that the draft Local Plan should be revised to reflect this.

6.19 Our advice is generally that the retained employment allocations at Roundswell should be focused on land adjoining the existing employment floorspace to the north of the A39 (within sites BAR2 and/or BAR9). However, we have been made aware of the “pinch-point” funding made available by Devon County Council towards upgrading and improvements to the A39 roundabout south of the Business Park, which has in part been provided in order to facilitate access to the proposed employment site south of the A39. This will help to support delivery of this site.

6.20 Based on the demand evidence, we are also concerned about the deliverability of additional proposed employment allocations elsewhere in the town which are less well located in regard to existing employment floorspace and the strategic road network (BAR1, BAR4 and BAR14/15). There may be a case for a modest extension to the Whiddon Valley Industrial Estate as part of delivery of the Westacott Urban Extension, but if this is taken forward it would be appropriate to review the scale of land allocation along the A39 (focusing towards the lower end of the range set out in the paragraph above). We are aware that the land at Mount Sandford Green now has planning permission for mixed-use development, including a new 2.8ha Innovation Park, which is a reduction in the draft Local Plan allocation of 5ha employment in this location. Again, the draft Local Plan should be revised to reflect this.

Bideford

6.21 The Consultation draft Local Plan proposes the allocation of a total of 19 hectares of land for development at Bideford, focused around the existing 'hub' of employment land at Clovelly Road. This is an appropriate and successful location for employment land provision, however the evidence suggests that the scale of employment land proposed might be difficult to deliver within the plan period.

6.22 It would seem appropriate to focus, for the purposes of the Plan, on delivery of Land South of Caddsdawn Business Park (BID 6). We consider that it would be appropriate to allocate around 5-6 hectares of employment land at this location for the plan period to 2031. Delivery of BID10 (Land South of Clovelly Road) is at a similar broad location but is dependent on delivery of a link road as part of a larger residential scheme; and we consider that this may well not be brought forward for development within the plan period.

Braunton & Wrafton

6.23 The draft Local Plan proposes the allocation of 20 hectares for employment land as part of a south-east extension to the town (BRA1). We consider that it would be appropriate for the focus of employment allocation at Braunton to be on meeting local business needs, such as the needs of Perrigo for land for expansion of its business.

6.24 We are aware that there is an extant planning permission for expansion of Perrigo (recently extended by 10 years), which takes up a portion of the WRA01 site. In addition, we are aware that the Council has resolved to approve a large mixed-use development on the remainder of the WRA01 site, which includes approximately 8 ha of Class B employment land. The revised draft Local Plan should reflect this.

Fremington and Yelland

- 6.25 The allocation of 12 hectares of employment land at Yelland Quay (Policy FRE2) is proposed, adjoining the Estuary Business Park. Relative to the size of the settlement and the strategic accessibility of the location, the scale of employment land which is proposed to be allocated is substantial. Whilst these are brownfield sites, we consider that it would be more appropriate to seek to focus on the northern land, adjoining the existing Estuary Business Park subject to the resolution of access and flooding issues. This land, with its quayside location and jetty, offers waterside opportunity and could be suitable for specific activities including port/marine related commercial activities; aggregates; timber/waste production/storage as opposed to more general employment activities. The site could support marine/renewable energy schemes, including relating to servicing of off-shore facilities. We consider that it would be reasonable to expect development of between 2-4 hectares of employment land over the plan period.

Great Torrington

- 6.26 A 9.3 hectare extension to the Hatchmoor Industrial Estate is proposed (Policy GTT2) on the eastern side of the town. Around 2 hectares of land currently has planning consent. We consider that the scale of employment proposed is unlikely to be fully deliverable over the plan period based on the demand evidence herein. Against this context, in our view the Councils should consider rationalising the allocation East of Hatchmoor Industrial Estate to provide between 2 – 4 hectares of employment land provision.

Holsworthy

- 6.27 There is significant existing employment land provision at Holsworthy, focused particularly within the Dobles Industrial Estate. The existing estate is performing well, with limited vacancies. Against this context we consider that it would be appropriate through the local plan to make provision for a modest extension to the estate. We consider that around 2 hectares of employment land provision would be appropriate, to accommodate general Class B uses as appropriate.
- 6.28 The rationale for development of land at HOL1 is to deliver a new Agri-Business Park, incorporating the relocated livestock market and associated economic activities. The agri-business centre and livestock market element of the planned development was granted consent (1/0893/2011/FULM) in May 2013; this includes B1, B2, B8 and A1 units, 50% of which are to be restricted to agriculture-based businesses. On site works have commenced and the programme of delivery provides for completion in May 2014. The draft Local Plan should be revised to reflect this.

- 6.29 The demand evidence does not suggest that significant additional land would necessarily be required or be deliverable in addition to this over the period to 2031, although the Councils might seek to adopt a policy which supports further expansion subject to market demand.

Ilfracombe

- 6.30 The draft Local Plan proposes the allocation of a substantial 15 hectares of employment land provision at Ilfracombe as an extension to the Mullacott Industrial Estate (ILF4). The site assessment indicates that whilst the existing estate is successful, there is still land remaining for development within the existing industrial estate and that there is an opportunity to intensify the use of land within this. We consider that the potential for intensification should be considered in advance of consideration of allocation of further additional land unless there is evidence of need for land for expansion of existing local businesses. The previous Local Plan contained a smaller 2.5ha expansion of the Industrial Estate, which could be carried forward into the emerging Plan to provide additional flexibility.
- 6.31 We are also aware that a key employer within Ilfracombe (TDK Lambda) has medium-term plans for expansion, and extant planning permission exists for the redevelopment of a site adjoining their factory for an additional 2323 sqm of employment floorspace (for manufacturing and R&D mainly).

South Molton

- 6.32 A significant 30 hectares of employment land is proposed at South Molton as an extension to the successful Pathfields Business Park (SMO3). The Pathfields Business Park is a successful estate and we consider that there is a case for provision of additional employment land. However the scale of employment land which can be delivered over the period to 2031 needs to be considered. We consider that it would be appropriate to focus on the provision of employment land on the eastern side of Hacche Lane, which relates well to the existing employment land provision. Given the potential attractiveness of the site for B8 activities, we consider that provision of between 4-8 hectares could be justified.

Planning Policies Relating to Existing Employment Sites

- 6.33 The Councils will need to set out clear policies relating to existing employment sites within the Local Plan. Based on our survey work, we consider that the majority of existing provision remains suitable for continued employment use. There are however issues with specific long term vacant units sites: targeted initiatives or policies to promote redevelopment of these sites in order to optimise their contribution to supply would be beneficial.

- 6.34 The only site where we consider it may be appropriate to consider redevelopment for other uses is the former Creamery site in Great Torrington, which is earmarked for alternative uses, including leisure/recreation, whilst retaining some level of employment.
- 6.35 Policies in the new Local Plan should support the investment in existing sites, including the redevelopment, refurbishment and upgrading of dated employment floorspace and environmental improvements. We consider that policies should encourage more efficient use of land and premises in line with sustainable development principles, so long as employment uses do not result in additional and unacceptable noise, traffic or pollution impacts or harm to surrounding activities or enjoyment of the countryside.
- 6.36 On non-allocated employment sites we would expect policy to protect the existing employment use unless the site or premises can be demonstrated to be redundant and incapable of meeting the needs of modern employment uses (B1-B8).
- 6.37 There may be limited circumstances where a reduction in employment floorspace provision is justified on the basis that existing employment floorspace is redundant and incapable of meeting the needs of modern businesses. This might include circumstances where proposals:
- Make more efficient and effective use of the site/premises delivery new employment floorspace but potential some wider uses to 'enable' delivery of employment uses where viability is challenging;
 - Deliver significant environmental improvements in terms of the public realm and landscaping of existing employment sites;
 - Improve the quality of the employment offer in terms of the type of employment (such as higher value-added activities) and number or density of jobs.
- 6.38 Where a loss of employment is envisaged the Councils should consider requiring applicants to demonstrate redundancy of existing floorspace and that redevelopment for employment uses is not feasible, with regard to: the location and accessibility of the site; site layout; quality of buildings; and adjacent uses. Applications should demonstrate that the site has been vacant or existing floorspace for some time, and that it has been actively marketed for employment use as a realistic cost, in most circumstances for a minimum of two years.
- 6.39 Where significant loss of employment floorspace (2,000 sq.m+) is proposed, applications should be accompanied by evidence that the loss of employment floorspace will not result in an undersupply of employment floorspace in the local area.
- 6.40 We consider that the Councils should also consider its policies for *sui generis* employment-generating activities, such as car showrooms and waste management uses, on employment sites. It should set out clear policies regarding these uses within the Local Plan.

Wider Actions to Support Economic Growth

- 6.41 The analysis suggests that a number of wider actions to support economic growth could be progressed. These include:
- Enhancement of telecommunications and broadband infrastructure – particularly roll-out of 3G broadband and enhancement of broadband accessibility, particularly in rural areas;
 - Enterprise infrastructure – working to ensure adequate provision of both physical premises and business support to facilitate small business start-ups and growth. This may include delivery of enterprise centres and managed workspace subject to detailed feasibility testing.;
 - Infrastructure Delivery – investment in infrastructure delivery can be a key role in supporting economic growth and particularly the delivery of major new employment sites. It will be important that the Council works with Devon County Councils and developers to consider in detail how infrastructure will be delivered and funded.

Monitoring & Review

- 6.42 In accordance with good practice in planning, it will be important that both demand and the supply pipeline of employment floorspace are kept under review. On-going monitoring should address trends in take-up and availability of employment floorspace and rental levels as well as key indicators related to overall growth in employment, sector performance and skills.
- 6.43 Should there be a material change in the long-term economic outlook then it may be appropriate to revise demand forecasts for employment floorspace and land. On the supply-side the Councils to seek to ensure that a 5-year supply of deliverable land is maintained, taking account of the phased forecasts for employment floorspace requirements set out in this Report.
- 6.44 On-going monitoring and review should inform decision making in line with a 'plan-monitor-manage' approach.