



# Torbay Employment Land Review

## Final Report

On behalf of **Torbay Council**

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# 1 Introduction

## 1.1 The Brief

- 1.1.1 Torbay Council has commissioned Peter Brett Associates (PBA) to undertake an objective assessment of a 14 strategic sites or locations to identify their potential for supporting employment growth. The sites include a mix of existing employment locations, vacant sites and town centre regeneration areas.
- 1.1.2 In assessing these sites, we are considering if they are sufficient to meet the borough's employment requirements and needs, specifically over the next 10 years or so, and are they fit for purpose from a business perspective. The conclusions to the study focusses on the extent of safeguarding these existing employment sites for employment uses, and whether more land should be identified for new employment uses.

## 1.2 Background

- 1.2.1 Traditionally, employment sites are associated with business spaces comprising office jobs and industrial/warehousing jobs (sometimes jointly referred to as B-space). However, it is increasingly recognised that only about half of all jobs will be accommodated in these types of space. Therefore, in compliance with the National Planning Policy Framework, alternative uses of these sites for supporting local jobs are considered too, although the primary objective is to focus on their suitability for the traditional offices and industrial/warehousing uses because these are the main forms of employment accommodation.
- 1.2.2 In this report we review the levels of demand for the identified employment space in the local area in order to assess whether the identified sites are likely to be required for B-class and/or other employment uses over the plan period; and the likelihood of these sites delivering this growth to support the area's economic development. This depends on three questions:
1. Quantitatively, what is the local balance of expected demand and identified supply of employment land?
  2. Qualitatively, what are the merits of the identified key sites for employment uses?
  3. If the sites were made available for employment uses, are they realistically likely to be taken up for such uses?

## 1.3 The Report

- 1.3.1 The rest of this report is structured as follows:
- The next chapter (Chapter 2) gives the strategic overview on the need for employment space in Torbay, by focussing on the economic policy context and some of the economic drivers being implemented to stimulate growth.
  - Chapter 3 looks at the requirements for employment space in Torbay, by reviewing the existing commercial property market profile and Torbay's projected job growth requirement in the Torbay SHLAA (2013).
  - Chapter 4 assesses the 14 identified strategic sites, and their suitability for meeting local need and market requirements.
  - Chapter 5 discusses how some of the potentially developable, but not necessarily deliverable, sites might be brought forward to support economic growth.

- In the final chapter (Chapter 6), we summarise the findings and offer conclusions about each site's potential to support and help to deliver local growth.
- Appendix A provides further general information about potential delivery options and funding for unlocking developable sites.

## 2 Strategic Overview

### 2.1 Introduction

2.1.1 This chapter provides the context for the study in terms of the local objectives for employment and employment land as set out in existing and emerging local policies.

### 2.2 Planning Policy Context

#### National Planning Policy Framework

2.2.1 The National Planning Policy Framework (NPPF) sets out the Government's planning policies for England and how these are expected to be applied. The NPPF is underpinned by the Government's objective of achieving sustainable development. The economic dimension of sustainable development, and the role of the planning system, is identified as 'contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and co-ordinating development requirements, including the provision of infrastructure'.

2.2.2 Paragraph 21 of the NPPF sets out that Local Plans should:

- Set out a clear economic vision and strategy for sustainable economic growth, including setting criteria, or identifying strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period.
- Support existing business sectors and plan for new or emerging sectors likely to locate to their area. Plans 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 expansion of clusters or networks of knowledge driven, creative or high technology industries, which in Torbay includes the electronic and photo-tectonics sectors; and
- Facilitate flexible working practices such as the integration of residential and commercial uses within the same unit.

2.2.3 In March 2011, the Government released its Plan for Growth<sup>1</sup> setting out its strategy to set the UK on the path to recovery and ultimately to sustainable, long-term economic growth. In this document, the Government states its intention to overhaul the national policy framework in order to embody its pro-growth principles and to simplify the planning system.

2.2.4 The NPPF was published in March 2012 and reiterates that planning must place 'significant weight' on supporting economic growth through the planning system, with a presumption in favour of 'sustainable development'. In planning for economic development it sets out that planning policy should address potential barriers to investment (such as lack of infrastructure which has constrained Torbay in the past) whilst also being flexible enough to accommodate changes in economic circumstances, for example new/emerging business sectors. This fits with the challenge which Torbay is facing.

2.2.5 Paragraph 173 highlights the importance of ensuring that plans are deliverable. The paragraph goes on to state that to ensure viability, the costs of any requirements likely to be applied to development, such as requirements for infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation,

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<sup>1</sup> HM Treasury and BIS, The Plan for Growth, March 2011



provide competitive returns to developers to enable the development to be deliverable. This is a key challenge for Torbay, where employment land development has not been viable without public support for some time.

- 2.2.6 Additionally the NPPF Paragraph 22 stipulates that planning policy should avoid the long term protection of employment sites and buildings and consideration of applications for alternative uses should have regard to market signals and the relative need for other uses.
- 2.2.7 The 'duty to co-operate' will be of critical importance to successful delivery of the Torbay employment sites where evidence needs to be in place to demonstrate that local authorities have worked collaboratively with each other (and in consultation with Local Enterprise Partnerships), on strategic planning priorities to deliver sustainable economic growth. In relation to assessing business needs, the NPPF states that local authorities should:
- Work together with county, neighbouring authorities and with local enterprise partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market
  - Work closely with the business community to understand their changing needs and address barriers to investment, including a lack of housing, infrastructure or viability.
- 2.2.8 Again this collaborative approach chimes with the circumstances of Torbay and its neighbours like Teignbridge, which have competing employment sites and demands for housing land; both will need to be seen in the context of the sub-regional economy.
- 2.2.9 In this regard, paragraph 161 states that local authorities should develop an evidence base to underpin their economic policies. This evidence base should assess:
- The needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development
  - The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments
  - The capacity of existing town centres to accommodate new development.

#### Amendments to Permitted Development Rights

- 2.2.10 In May 2013 the Government announced changes to Permitted Development Rights for household extensions and various changes of use. Of most relevance to this study is that for a period of three years, between 30<sup>th</sup> May 2013 and 30<sup>th</sup> May 2016, it will be permitted development to change the use of an office to a dwelling(s) subject to prior approval. This obviously has the potential to reduce the existing office stock in Torbay, which can impact on future business investment and choice of accommodation. This is likely to be the case in high value residential markets and where there is a lack of residential land in Torbay.

#### Adopted Local Plan

- 2.2.11 The Torbay Local Plan was adopted in April 2004. This provides the basis for land use planning until superseded by the new Local Plan (Submission Version). A number of plan policies have been saved by the secretary of state and will remain in place until the LDF is adopted. These are:
- ES – Employment and local economy strategy

- E1 – New employment on identified sites
- E2 – Town centre office sites
- E3 – Business investment areas
- E4 – Small business areas
- E5 – Employment provision on unidentified sites
- E6 – Retention of employment land
- E8 – Northern Arm Breakwater
- E9 – Layout, design and sustainability
- E10 – Home working.

2.2.12 It should be noted that although these policies are saved, a number of them are not now fully aligned with the NPPF and are therefore only treated as material considerations in the determination of planning applications.

2.2.13 The economic overview provided in Policy ES outlines that the development of a sustainable and competitive business sector in Torbay, comprising office and industrial uses will be implemented through:

- Securing a balance in Torquay, Brixham and Paignton between economic regeneration and the protection of environmental quality and new jobs and housing
- Achieving a wide range of provision to meet the needs of all sectors of the economy, in particular in the transition and growth sectors; and
- Implementing a sequential approach to make full and effective use of urban sites by:-
  - Retaining existing employment areas and buildings where that would make efficient use of them;
  - Securing new business uses on suitable urban sites which are well served by public transport; and
  - Allocating new business uses on greenfield sites only where there are no suitable or available sites on previously-used land to accommodate the scale and type of development proposed; such sites will be accessible by sustainable transport and sensitive to the character of the surrounding countryside.

#### Emerging Local Plan

2.2.14 Torbay Council is in the process of developing its new Local Plan. This, when adopted, will form the statutory basis for decisions on spatial planning within Torbay to 2032.

2.2.15 At the time of issuing this report Torbay Council had just finished consulting on its draft Local Plan, 'A Landscape for Success: The Plan for Torbay to 2032 and beyond'.

2.2.16 In this, Policy SD1, 'Growth Strategy for a Prosperous Torbay', sets out the Council's aspirations for achieving sustainable economic growth in the area. It states that the 'Local Plan promotes a step change in Torbay's economic performance by supporting urban

regeneration, creating 'future proofed' living, working and leisure environments, supported by high quality infrastructure'.

2.2.17 Revisions to the Local Plan were agreed by the Council on May 15<sup>th</sup> 2013. The following high growth level figures and headline policies for housing and jobs were agreed:

- Delivery of between 5,000 and 6,000 net new full time equivalent (FTE) jobs over the Plan period and beyond
- Delivery of 8,000 to 10,000 new homes over the Plan period and beyond, with 400 new homes per annum (+/- 25%) over the first 5 years of the Plan
- Provision of new jobs, homes and infrastructure will be monitored against clear criteria annually, and will inform major reviews every five years. If growth in new jobs and homes exceeds levels in the Plan (and associated criteria) this will trigger a strategic review of land/sites across South Devon, jointly with adjoining local authorities, to identify land/sites that could best meet additional demand.

2.2.18 These revisions to the Local Plan have prompted a re-look at the employment land provision within Torbay, and its suitability for meeting the projected growth.

#### Torbay Local Plan Evidence Study - Housing Requirement Report

2.2.19 Supplementary to the emerging Torbay Local Plan, the Torbay Strategic Housing Land Availability Assessment (SHLAA) and Housing Requirements Report looked at the likely housing land availability and assessed need over the period 2012-2032. The 2013 SHLAA is an update of the 2008 SHLAA, carried out by Peter Brett Associates, which includes an assessment of employment projections to inform the Emerging Local Plan housing requirements based on Employment Led Housing Requirements.

2.2.20 This study tested three employment projection scenarios, based on different employment forecasts, for their impact on housing requirements, which were:

- E1: the creation of 1,998 jobs to 2032 will require 8,480 new homes;
- E2: the creation of 17,097 jobs to 2032 will require 25,653 new homes; and
- E3: the creation of 5,337 jobs to 2032 will require 12,278 new homes.

2.2.21 Scenario E3 is the preferred scenario for informing the local plan, because it provides a future growth scenario which takes into account the positive interventions that are in place, or that Torbay are putting in place, to deliver a step change in economic development throughout its area, concentrating on expanding sectors according to its economic strategy (see below).

#### Torbay Council and Torbay Development Agency (TDA)

2.2.22 Torbay Council has set up the TDA as company to deliver regeneration and promote the Bay as an outstanding business destination. The TDA is helping existing and potential investors to deliver enterprise and job growth to become an economically sustainable location and improving the quality of life within the area. The TDA's mission is to bring about the regeneration of Torbay and deliver the economic benefits to the whole community through two main objectives:

- Promoting Torbay as a business location, attracting investment and providing support for existing businesses to develop and grow

- Working with partners, enabling local people to benefit from improved employment opportunities generated by economic development

2.2.23 The work of the TDA includes information and guidance for start-up businesses, and facilitating other businesses investments through regulation and planning support, linking businesses through network and supply chains, and in identifying investment opportunities including new business accommodation and funding for strategic infrastructure. This is in addition to managing strategic projects which will deliver infrastructure, public buildings and land that will catalyse further investments.

2.2.24 This is a unique service in that the TDA is a specifically tasked company for supporting local growth, which is not available in most of local authority districts in England and Wales.

#### Heart of the South West (HotSW) Local Enterprise Partnership (LEP)

2.2.25 The HotSW LEP was formed in 2011 with the purpose to lead and influence outcomes for economy of Devon, Somerset, Plymouth and Torbay by improving economic growth and job creation.

2.2.26 The partnership, under the leadership of the private sector and supported by the local authorities from Devon, Plymouth, Somerset and Torbay, and the areas' district councils are working towards improving economic growth, creating new jobs and prosperity across the South West.

2.2.27 The LEP business plan sets a vision 'to create more sustainable jobs by supporting and promoting our enterprises and capitalising upon the unique opportunities existing in the Heart of the South West'. Underlying the vision are four strategic priorities:

- Drive productivity and enterprise – by stimulating greater innovation and creating an economic environment, we will support the competitiveness of businesses and social enterprises
- Attract new business and investment – by supporting businesses to compete both within the South West and outside in the global economy
- Maximise employment opportunities – by ensuring that people living in the HotSW areas acquire, maintain and enhance the skills and aspirations needed to secure fulfilling, long term employment
- Promote infrastructure to connect with markets – by making the case for critical infrastructure.

#### Torbay Economic Strategy 2013-2018

2.2.28 The LEP priorities are reflected in the Torbay Economic Strategy for the next five years, which sets out specific priorities and actions for the local authority area. The overarching vision for the Strategy is 'to create more full time and sustainable employment by encouraging the growth of existing businesses and the creation of new businesses and social enterprises'.

2.2.29 The Economic Strategy has four priorities:

- Driving business growth – actions are aimed at expanding the existing business base and increasing entrepreneurial activity in Torbay
- Sustaining the core economy – actions are aimed at retaining investment and strength in the core sectors of the economy, which includes fisheries, tourism, retail and healthcare

- Raising skills levels and creating opportunities for all – actions are aimed at growing the availability of HE provision locally and improving the take-up of training of residents and the working population
- Nurturing the business economy – actions are aimed at supporting and growing the medical and healthcare and hi-tech sectors.

## 2.3 Local Economic Drivers

2.3.1 Torbay's economy remains the weakest economy in the south-west. It is only two thirds as wealthy as the national average and in the last five years Torbay experienced only half of the growth of the rest of Devon. However, a range of projects are being delivered that will help to stimulate growth in the Torbay economy. These range from new road schemes to softer business support and inward investment activities being delivered by Torbay Development Agency and partners. The main initiatives are:

- South Devon Link Road - At present there is serious congestion on the A380 at the Penn Inn roundabout in Newton Abbot, through Kingskerswell and also on part of the A380 Torbay Ring Road at Collaton St.Mary. This is seen by the business community as being one of the main constraints to economic growth in the area. The £110 million, 5.5km South Devon Link Road scheme should help to mitigate these constraints. By linking from the Penn Inn roundabout to the Kerswell Gardens junction at the northern end of the Torbay Link Road, the Link Road will provide the 'missing link' in the existing high quality road links between the M5 at Exeter and the Torbay area. Construction has commenced and the road is expected to open by December 2015.
- Torbay Gateway and Town Centre and Torbay's Western Corridor – Approximately £7.3 million has been secured from the LEP for improvements to the Western Corridor. This funding will deliver junction enhancement, highway alterations and public transport interchange modifications. An additional funding bid has been submitted to the LEP for improvements to the Gateway and Town Centre route. The overall purpose of these schemes is to increase the capacity from the A380 into the town centre and to help to stimulate investment into employment sites and premises along the A3022. In addition to these road schemes, a share of a pot of £3m has been secured from the LEP for the development of a new railway station at Edginswell.
- Torbay Development Agency (TDA) – is leading the drive to diversify the economy by targeting both inward investment and supporting indigenous business start-ups and cluster growth, along with delivering key regeneration projects. The "Invest in Torbay" initiative is marketing the area as a business destination and has recently held an event at Westminster to spread the message to key business and political representatives. Furthermore, TDA are hosting national business conferences in the Bay, and through discussion with the England Development Agency, the TDA have been marketing Torbay to investors and businesses in North America. In addition to these efforts, it is recognised that the key to achieving sustainable economic growth is through nurturing indigenous business growth. In order to support this, the TDA has developed a package of premises and business advice that includes a network of three innovation centres in Torbay. Plus, a range of other projects are being identified through the Torbay Business Forum, Hi Tech Forum, Employment and Skills Board and other strategic partnerships.
- South Devon College – The FE/HE College has seen significant expansion at its campus at Long Road, Paignton, in recent years. The expansion has included the opening in 2011 of the £8 million University Centre. As well as providing teaching facilities, the building also includes a research centre and an Ideas Lab for links with local businesses. In addition to this investment, a £5m South West Energy Centre is currently being built which will provide a leading edge, state of the art, training facility and interactive centre. It will be a regional hub providing training, advice and information about green and sustainable energy.

## 3 Market Requirements and Projections

### 3.1 Introduction

- 3.1.1 This chapter provides a brief overview of the current commercial property market before focussing on current and forecast employment growth and the implications of this growth for employment land provision.

### 3.2 Market Profile

#### Employment trends

- 3.2.1 Industrial employment in Torbay and across Devon and the South West generally, has been in decline for many years. This has reflected changes in the structure of these economies, but also because of the increasing competition for land through higher-value uses such as housing and out of town retail, which have competed for available sites.
- 3.2.2 Coupled with this has been a growth in office based employment, which has partly reflected the strategic planning policy focus on sectors such as business services as key drivers of economic growth and competitiveness, in addition to a historical growth in public sector services. However, with the recent national downturn in the economy, these sectors have been doing less well; and public services, which are normally resilient to recessions, has been stymied and potentially reduced by cutbacks in Government spending.
- 3.2.3 These factors are reflected in the low growth in jobs in Torbay, which between 1998 and 2008 was growing at an average of almost 400 jobs per year, but since the recession starting in 2008 there has been an annual loss of about 50 jobs per year.

#### The Property Market Profile

- 3.2.4 In general terms the commercial property market in Torbay is relatively small and localised, with businesses generally focussed on servicing the local or sub-regional markets covering Devon and Plymouth. However, there are exceptions.
- 3.2.5 In particular Torbay supports a cluster of high technology advanced electronics businesses that operate in a global market. Some of these businesses spun out of the presence of Nortel, which at its peak employed some 5,000 workers at its Paignton factory, but because most of its output went to customers in North America and it was consequently more exposed to the US downturn, it closed its fibre optics electronics plant in 2001. With the loss of approximately 5,000 jobs its peak, new electronic firms were started by ex-employees.
- 3.2.6 In addition, to advanced electronics, the area supports clusters of call centre businesses, marine businesses, emerging environmental science and marine technology sectors, and healthcare research and technology sectors.
- 3.2.7 However, mostly the area is dominated by tourism business built on its attractive landscape in a bay along with surrounding small valleys and ridges, its coastline including a small fishing port in Brixham, and its English Riviera branding. However, its landscape has been less favourable to supporting good transport links, which has not helped the economy to diversify. Consequently, the area's transport constraints have impacted on the potential for attracting inward investment. It has also affected the growth of incumbent businesses, and some local commercial agents have commented that Torbay businesses will often relocate to Newton Abbot and Exeter in order to achieve better access to wider markets.

- 3.2.8 The area has a number of well-established industrial estates that provide a range of warehouse/workshop units, most of which are less than 2,500 sqm. These meet the premises requirements of small to medium sized local service businesses. With the area's location, away from strategic transport links, it is not attractive to distribution businesses, and therefore, the range of larger units is limited by a lack of demand. However, there are a number of small "white van distribution" storage units, again serving the local demand. Similarly, the office stock in the area is generally found above shops with few modern purpose built premises.
- 3.2.9 The most recent VOA data, released in 2008, shows that there was approximately 444,000 sqm of B-space in Torbay. Due to the onset of the recession from 2008, little additional space has been delivered apart from at Edginswell Business Park and Torbay Business Park. However, these two parks have delivered high quality spaces, and have been very successful in attracting tenants, albeit through some pre-lets. Of the 444,000 sqm, 27% was office space, 42% was industrial and the remainder was warehouse space. Between 2005 and 2008 the total office space grew by 8%, greater than across England as a whole (3%). Over the same period warehouse space in the area increased by just 1.5%, compared to 6% across England, and industrial space increased by 2.6%, compared to a 6% reduction across England (see Table 3.1).
- 3.2.10 Average industrial and office unit sizes in Torbay increased between 2005 and 2008 (see Table 3.2). Over the same period average warehouse sizes remained the same at 272 sqm. Despite the increases in average unit sizes, they remain significantly smaller than across England as a whole. This trend is particularly pronounced for average industrial and warehouse sizes, with Torbay stock being 304 sqm and 512 sqm smaller than the England average for industrial and warehouse units respectively. This is largely a reflection of the smaller business size profile in Torbay.

Table 3.1 B-Space in Torbay 2005-2008

	Torbay				England
	Sqm		Change		% Change
	Apr-05	Apr-08	Sqm	%	
Offices	110,000	120,000	10,000	8.3	3.4
Industrial	185,000	190,000	5,000	2.6	-6.2
Warehouses	132,000	134,000	2,000	1.5	6.3
<b>Total</b>	<b>427,000</b>	<b>444,000</b>	<b>17,000</b>	<b>3.8</b>	<b>0.2</b>

Source: VOA (2008) Commercial and Industrial Floorspace and Rateable Value Statistics

Table 3.2 Average Unit Sizes 2005-2008 (sqm)

	Torbay		England	
	Apr-05	Apr-08	Apr-05	Apr-08
Offices	228	236	303	291
Industrial	452	480	829	784
Warehouses	272	272	753	784

Source: VOA (2008) Commercial and Industrial Floorspace and Rateable Value Statistics

- 3.2.11 Local commercial agents report that demand for units is poor and that there is currently enough available stock to meet most requirements. In general terms most businesses require small, adaptable and accessible workshop units with plenty of car parking. However, businesses often make do with units that are not suited to their needs because there are few modern high specification units available. Agents also report that there is little available modern workshop/warehouse space over 1,000 sqm, and that expanding companies may be lost to the area as a result.

3.2.12 Although commercial premises are generally perceived to be ageing and inflexible with regard to modern business needs, the development and take-up of modern B1 premises at Edginswell Business Park and workshop units at Torbay Business Park have highlighted the fact that businesses can be attracted if the right accommodation is provided in the right places. Both these estates are newly built to a modern specification, and both were fully occupied during the time of the site visits.

3.2.13 At the moment, commercial agents report that poorer quality office units are achieving rents of approximately £54 per sqm. However, modern, high specification office units, such as those provided at Edginswell Business Park, are achieving as much as £129 per sqm. In contrast, industrial and warehouse units are achieving between approximately £54 and £64 per sqm. Rental levels are broadly consistent across Torbay and are generally affected by the quality of the unit as opposed to the location. These rental levels have changed little since before the recession. Figure 3.1 shows that per rental levels (measured here in sqft) are broadly in line with those being achieved in both Plymouth and Exeter, although these comparisons do not allow for the fact that rental levels have fallen considerably in these areas since the recession hit and that there are significantly more large units available (with rental levels becoming cheaper as units get bigger).

Figure 3.1 Rental levels in Torbay (£ per sqft)



Source: Plymouth and Exeter figures sourced from Vickery Holman Market Monitor 2012/2013

#### Business Barometer

The most recent Business Barometer survey undertaken by Torbay Development Agency was completed in the summer of 2013. This survey, with approximately 50 respondents, was aimed at gauging business performance as well as assessing what factors might be constraining growth.

3.2.14 One of the questions in the survey was ‘do you think your business will still be in Torbay in 10 years’ time?’. The most common reason given as to why businesses would move from the area was ‘a lack of appropriate commercial space/facilities’ (25% of respondents). Furthermore, when probed further on this point, 28% of businesses identified a lack of space for expansion as the thing most likely to constrain their growth’.

3.2.15 These responses highlight the need to improve the premises offer in the Bay if the business base is to be retained and grown. But this comes with a word of caution, since often a stated



need for better employment space is sometimes not a market signal for providing better space. This is because the demand is not always effective in that while there is a preference to occupy a better space, the required rents or capital values to deliver that space are not affordable. There may be good reason to encourage the supply to meet this demand, for example through government intervention in order to unlock economic growth (see Appendix A on delivery options), but care needs to be taken in that public money is not being used to subsidise space for poor businesses with a wish list; just because they cannot afford better space does not justify providing the space.

### **3.3 Future Employment Land Requirements**

3.3.1 This section of the chapter considers the forecast market requirements for employment floorspace and land space based on the target employment projections identified in the Torbay Local Plan Evidence Study (April 2013). The analysis focuses on a 20 year planning horizon to 2032, and we look at B-space and Non B-space jobs and discuss space requirements to support the projected job growth.

#### **Employment Projections**

3.3.2 As noted earlier in Chapter 2, economic changes are a key driver affecting housing demand and household formation rates, and the level of economic growth of Torbay was assessed in terms of employment projections informing the housing requirements as part of the Local Plan Evidence Base (2013) prepared by PBA. In this report we rely on the same projections to help identify the potential future demand for employment space in Torbay, but likewise, we would recognise here, as we do in the Local Plan Evidence Base report, that the prospects for employment growth are particularly uncertain at this point.

3.3.3 The Local Plan Evidence Base provides an extensive discussion of different growth projections, their strengths and weaknesses, which for succinctness we do not repeat here. Instead we briefly focus on the preferred projections from the Evidence Base, described as Scenario E3 in that report, and use these to consider the implications for future business space demand in Torbay to 2032.

3.3.4 In total, some 5,300 net additional jobs are projected in Torbay to 2032 under the Scenario E3. Table 3.3 provides a summary of the projections, and the number of projected jobs by standard employment sectors.

3.3.5 The work behind these projections does not provide a detailed understanding of each sector's growth predictions to identify their economic potential. Rather it uses a range of published data as a basis for a number of employment led scenarios and tests along with reasonable assumptions about the prospects for employment (in terms of the number of jobs) in Torbay in the future.

Table 3.3 Preferred Torbay Employment Projections by Number of Jobs and Sector

Industry	2011 (BRES)*	2016	2021	2026	2032	Net Change, 2011-32	
	No.					No.*	%
Agriculture, forestry and fishing	200	298	298	298	298	100	63%
Quarrying, manufacturing, and utilities	2,800	3,083	2,733	2,383	1,963	-800	-30%
Construction	1700	729	929	1,129	1,369	-300	-20%
Wholesale and retail	8,900	8,488	8,563	8,638	8,728	-200	-2%
Hotels and restaurants	7500	8,118	8,493	8,868	9,318	1,800	25%
Transport and communication	1,900	2,098	2,098	2,098	2,098	200	12%
Financial services	800	879	879	879	879	100	12%
Business services	6,700	6,843	7,293	7,743	8,283	1,600	24%
Public administration	2,100	1,773	1,773	1,773	1,773	-300	-15%
Education	4,800	4,569	4,819	5,069	5,369	600	12%
Health and social work	10,900	11,834	12,234	12,634	13,114	2,200	20%
Other service activities and arts	2,100	1,351	1,701	2,051	2,471	300	16%
<b>Total</b>	<b>50,300</b>	<b>50,064</b>	<b>51,814</b>	<b>53,564</b>	<b>55,664</b>	<b>5,300</b>	<b>11%</b>

\*The base ABI 2011 BRES figures need rounding, and therefore these columns may not sum correctly.

Source: The Torbay Local Plan Evidence Base (2013)

## Employment Space Requirements

- 3.3.6 To identify the requirement for space to meet the potential demand generated by the above jobs growth, we convert the number of net new jobs by sector into land class sectors using a conversion factor. We then consider the space and land requirements to support this job growth, by using employment densities and plot ratios.
- 3.3.7 Table 3.4 shows the assumptions for translating jobs by sector into jobs by type of space. The employment sectors are broad, covering a number of smaller sectors - for example, Retail and wholesaling is a single but broad employment sector with a retail subsector and warehousing subsector, which are likely to fit into two or three very different land use sectors covering shops, warehousing and trade outlets. Therefore, an indicative split of broad employment sectors by land uses sectors is applied in the 'jobs to space type weightings' column in Table 3.4.
- 3.3.8 It is important to note that while some jobs may seem to have no specific space requirements, e.g. peripatetic staff in education (supply teachers) and healthcare (staff solely providing care at home), they are normally counted based on their PAYE records which will locate them at a workplace even when they are mostly working elsewhere. Therefore, these non-space specific jobs are included in the future workspace requirement estimates provided later in Table 3.5.

Table 3.4 Torbay Projected Employment Growth by Land use sector

Land use type	Employment sector	Jobs to space type weighting	Total land use jobs		Change 2011-32	
			2011	2032	No.	%
<b>Industrial space</b>	Agriculture, forestry and fishing	1.00	183	298		
	Construction	0.50	854	684		
	<b>Sum</b>		<b>1,037</b>	<b>982</b>	<b>-54</b>	<b>-5.2%</b>
<b>Warehousing space</b>	Wholesale and retail	0.20	1,779	1,746		
	Transport and communication	0.50	938	1,049		
	<b>Sum</b>		<b>2,717</b>	<b>2,795</b>	<b>78</b>	<b>2.9%</b>
<b>Offices</b>	Financial services	1.00	784	879		
	Business services	1.00	6,663	8,283		
	Public administration	1.00	2,095	1,773		
	<b>Sum</b>		<b>9,542</b>	<b>10,935</b>	<b>1,393</b>	<b>14.6%</b>
<b>Shops and restaurants/catering</b>	Wholesale and retail	0.60	5,337	5,237		
	Hotels and restaurants	0.75	5,605	6,989		
	<b>Sum</b>		<b>10,942</b>	<b>12,226</b>	<b>1,284</b>	<b>11.7%</b>
<b>Trade counters/outlets</b>	Wholesale and retail	0.20	<b>1,779</b>	<b>1,746</b>	<b>-33</b>	<b>-1.9%</b>
<b>Hotels</b>	Hotels and restaurants	0.25	<b>1,868</b>	<b>2,330</b>	<b>461</b>	<b>24.7%</b>
<b>Education facilities</b>	Education	1.00	<b>4,784</b>	<b>5,369</b>	<b>585</b>	<b>12.2%</b>
<b>Health and care facilities</b>	Health and social work	1.00	<b>10,934</b>	<b>13,114</b>	<b>2,180</b>	<b>19.9%</b>
<b>Leisure/recreation facilities</b>	Other service activities and arts	0.66	<b>1,401</b>	<b>1,631</b>	<b>230</b>	<b>16.4%</b>
<b>Non space specific jobs</b>	Residual	-	<b>5,323</b>	<b>4,537</b>	<b>-787</b>	<b>-14.8%</b>

3.3.9 To translate these employment forecasts into demand for space, we use the standard densities shown in Table 3.5, based on the Employment Densities Guide (2001)<sup>2</sup>. There is less robust information about plot ratios, but industry standards would tend to suggest that they are typically between 3,500 to 4,000 sqm per hectare on business and industrial parks.<sup>3</sup> It is not possible, and in some cases not suitable, to apply this step to all the land use sectors (like health and education) because of a lack of available information; instead we deal with

<sup>2</sup> This standard guide, produced by English Partnerships, has been updated by the HCA in a new 2010 version. But due to concerns regarding some of the assumptions used in the new guide, we prefer the more widely used 2001 guide for identifying employment densities, which are used here. The main concern relates to the definition of floorspace per job, which the HCA's update claims to be floorspace per full-time job, whereas most research and space planning is based on floorspace per workspace irrespective of the worker's employment status. For some office sectors and retail, this could result in a significant underestimation of floorspace requirements.

<sup>3</sup> The neighbouring Teignbridge Employment Land Review assessed the plot ratios of recent developments on the Brunel Industrial Estate in Teignbridge, and found this to range between 30% and 50%, with a 40% average (i.e. 4,000 sqm per hectare).

these through the following discussions about the likely implication on land demand going forward.

Table 3.5 Jobs Space Floorspace Requirements

	Sqm per job	Total floorspace requirement (sqm)	Sqm per ha	Total land requirements (ha)
Industrial space	32	-1,723	3,500	-0.5
Warehousing space	50	3,875	3,500	1.1
Offices	19	26,473	4,000	6.6
Retail shops, restaurants and hotels	18	23,108	4,000	5.8
Trade counters/outlets	90	-3,000	3,500	-0.9
Leisure/recreation facilities	70	16,093	3,500	4.6

#### Industrial/warehousing floorspace requirements

- 3.3.10 Over the planning period, the industrial floorspace requirement is expected to remain largely unchanged, with a projected very small fall by around 1,700 sqm, which is less than a hectare of land. In contrast, the required warehousing floorspace increases, but again only marginally, by just less than 4,000 sqm which is around 1 ha of land requirement.
- 3.3.11 Production and distribution space jobs, which are normally found in industrial and warehousing, can be merged into one category, called 'industrial/warehousing'. This is because production and distribution can generally operate in the same buildings and, furthermore, subject to size limitations space can be transferred between production and distribution without planning permission.
- 3.3.12 Combining the two uses would suggest that little new industrial/warehousing land is needed to support employment job growth. However, with the number of businesses within Torbay already operating in these sectors, then gross demand will continue for this type of land to enable natural churn, whereby old/obsolete stock is replaced by new irrespective of employment change. There will also be individual businesses that will need to expand and therefore some available supply in the right locations will be necessary.

#### Office floorspace requirements

- 3.3.13 Based on employment projections alone, office floorspace requirements would increase by around 26,000 sqm to 2032. It can be more difficult to provide a land estimate for offices since plot ratios will differ widely from out of town office park locations to town centre locations where densities are much higher. Studies have shown that the blended average is likely to be somewhere in the region of a plot ratio around 40%, at least for out of town locations. Using this ratio, then some 7 ha of land will be required to accommodate the future requirements for office space.
- 3.3.14 For offices, town centre locations would be preferred and more in line with the NPPF described in Chapter 2, with potential to achieve higher plot ratio densities so that the total land requirement may be less. However, given some of the restraints for building large offices in the town centre, then it is important to make sure that there are enough good quality and suitable sites, close to the highway, to accommodate this requirement.

## Non Traditional Employment Sectors

- 3.3.15 Some of the existing planned employment land supply may be required for other forms of employment (i.e. non B-space) uses, which are briefly considered here. The results are summarised in Table 3.5 above and described below.

### Retail and Restaurants/Catering

- 3.3.16 In line with the approach for B-space above, employment densities and plot ratios are used to convert the net additional jobs in Shops and Restaurants into notional additional floorspace requirements. The floorspace requirements for the A land use classes covering is therefore expected to be some 31,000 sqm. While this provides an indication on future space requirements based on meeting the projected 1,745 jobs in these sectors, a more informed assessment of floorspace requirements and locations for these uses should be taken from the Torbay Retail Study Update (2011) which considers floorspace based on expenditure rather than jobs growth.
- 3.3.17 For now, we rely on assessing the projected jobs to provide an estimate of what this might mean in terms of overall new space provision. Our estimate assumes a net demand for nearly 6 ha of additional retail space. In line with the national framework, this should be met through supply in the town centres. However, in the case of future out of centre housing expansions and mixed uses scheme, then allocating some retail land within or adjacent to these scheme may better comply with the sustainability agenda in the national framework to support more sustainable development and more work opportunities within new large scale neighbourhoods.
- 3.3.18 Some retail is likely to occur in trade counters and large retail outlets found in out of centre locations. The projected employment for these uses shows a minor loss of jobs, and therefore there would be no need for planning new land other than to accommodate natural churn within these sectors, which is not expected to be significant.

### Hotels and Leisure

- 3.3.19 Hotel jobs are more reliably converted into space requirements based on the bed spaces rather than floorspace. Here we assume two beds per job for medium range hotels. Therefore, using the jobs growth projections, it is expected that in the order of an additional 230 bedroom space to 2032 will be required.
- 3.3.20 The leisure sector is largely represented in the D2 land use class. The total floorspace requirement is for an additional 16,100 sqm of Leisure floorspace, which sets a requirement for nearly 5 ha of land for leisure uses within Torbay to 2032.

### Healthcare

- 3.3.21 The growth in healthcare represents mainly growth in hospitals and residential care institutions. It is quite strong in Torbay with a potential requirement for an additional 2,200 jobs across these sectors.
- 3.3.22 We expect to see continued growth in employment alongside change in the way health services are delivered, and potentially some technical change in the sectors identified. It will be important to plan and respond to the need for new sites and premises across the Borough in order to support service delivery and administrative/ support services within the sector, and to maximise the economic value of this strong existing sector.
- 3.3.23 Such institutions are likely to locate anywhere, although there is likely to be some benefit in having easy access to facilities and families. In terms of supply, residential institution land could be met by redeveloping parts of the existing Torbay hospital site. Communal uses such as sheltered housing and old people's homes should be considered within new extensions to

the town centres and within any large scale housing developments to support more sustainable development and more work opportunities within these new neighbourhoods.

### Education

- 3.3.24 The Education sector is represented in the D1 Non-Residential Institutions use class. Based on the growth in education jobs, new floorspace requirements is likely to be required. The expansion of South Devon College is likely to account for a number of these jobs, as are new or expanded schools serving new housing developments.
- 3.3.25 Such institutions are likely to locate close to urban areas next to, or within easy reach of, residential areas, where demand for education will be stronger.

## **3.4 Total Space Requirements**

- 3.4.1 In summary, some 65,000 sqm of net additional floorspace is identified to be required in order to accommodate the preferred scenario for jobs and housing growth in Torbay. This is equivalent to around 17 ha of additional employment land supply. Over half of this (36,200 sqm or some 9.5 ha) should be for uses that fall outside of traditional B-space land uses, like retail and leisure, which should mostly come forward from town centre/waterfront regeneration. (Note that this figure excludes healthcare and education, which are discussed at 3.3.21-25 below.) The floorspace requirement for B use classes would be for around 28,600 sqm. Most of this would be for office workplaces (26,500 sqm; rounded up to some 7 ha) and a small amount (2,150 sqm; rounded up to 1ha) for industrial/warehousing uses mostly in business area locations, including business parks close to strategic access routes serving the borough and town centres.
- 3.4.2 Further space is likely to be required to support other jobs in schools, healthcare facilities and hospitals etc, rather than new business estates or leisure parks. It is not possible to provide an indicative space assessment for these types of jobs and uses since some will be accommodated within existing facilities and some may feature as part of new larger housing schemes, to serve the increasing population within the local area.
- 3.4.3 It is also vitally important that there is enough space immediately available to provide for choice and competition, and enough land for natural churn whereby old/obsolete stock is replaced by new stock to meet changing business requirements (and not necessarily growth in job numbers). Some of this choice and competition will be self-generating through churn, whereby employment space is released onto the market when an occupier moves elsewhere. But for this to happen there will always be a requirement for deliverable land at any point in time. It is not easy to estimate how much land this might be, but it does require planning for more space than is required for employment growth alone. Therefore the planned/allocated land supply should be comfortably above the potential requirement for new space serving net jobs growth.

### **Meeting Requirements with a Suitable Supply of Land**

- 3.4.4 All of this net new demand should be positively met on the supply side through employment land allocations and town centre regeneration initiatives. On top of this, and in compliance with paragraph 21 of the NPPF (discussed in Chapter 2), additional space should be found which will enable Torbay to have flexible enough land space to accommodate changes in economic circumstances e.g. new/emerging business sectors and space for existing business sectors to move around. Without a deliverable land supply, and at least a developable supply with a business plan for bringing forward, there may not be enough flexibility to allow a rapid response to changes in economic circumstances.
- 3.4.5 We look at these supply side matters in the next chapter.

## 4 Site Assessments

### 4.1 Introduction

- 4.1.1 Torbay Council have identified 14 sites to be assessed on their potential to deliver employment space, which as described in Chapter 1, will mean principally offices and industrial/warehousing uses, plus also other forms of employment uses including retail, leisure and tourism related activities, or even schools and community/health centres which may be required through a residential led mixed use scheme.
- 4.1.2 This chapter summarises the results of visual site appraisals of existing employment land and development sites. This in turn is used to guide our recommendations for the future potential of the identified land provision to meet the demand for land identified in the previous chapter.

### 4.2 Site Identification and Assessments

- 4.2.1 Of the selected sites, three are existing employment sites, two are sites that have planning permission, four have either had masterplanning development briefs produced for them or will shortly do so, three sites are 'other' sites to be considered and the remainder are town centre regeneration sites. The sites surveyed during the course of the study are listed below, and their locations are identified in Figure 4.1 overleaf.

#### Existing employment estates:

- Woodlands
- Northfields
- Yalberton

#### Planning permissions:

- White Rock
- Edginswell

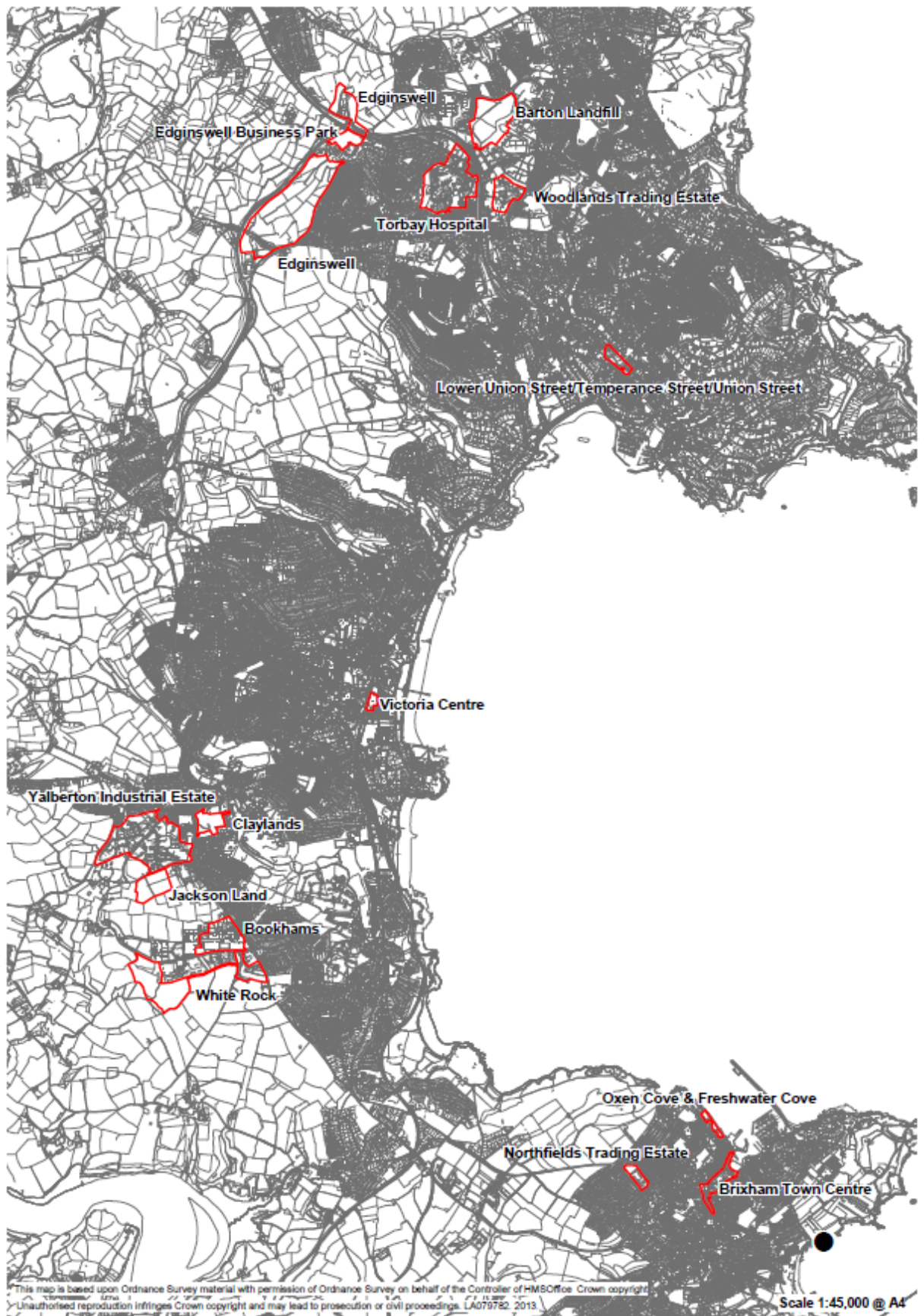
#### Masterplanning development briefs:

- Bookhams
- Edginswell
- Oxencove and Freshwater Cove
- Claylands
- Barton Landfill
- Yalberton (Jackson Land)

#### Town centre regeneration:

- Torquay
- Paignton
- Brixham.

Figure 4.1 Site locations





4.2.2 Each of the sites/areas assessed in this report has been evaluated in a consistent manner by PBA. PBA visually inspected each employment site during June and July 2013. Each of these sites are considered against the following categories before an overall policy recommendation is provided:

- General location - here we consider the location of the area from a sustainability perspective, assessing its location relative to urban/town centres. For example, whether it is in an edge of centre or out of town location, its accessibility by a choice of means of transport and the proximity of facilities that would be of benefit for existing or future occupiers.
- Accessibility – this criterion takes account of the proximity of a site to the public transport network and good quality roads, which are important locational factors both for industrial and office occupiers. We also consider the quality of the area/site in terms of its local access characteristics, for example, whether it is located on near unclassified roads, or constrained by congestion or other physical factors.
- Environment – this criterion takes account of the nature and extent of the area’s neighbouring uses and in particular, considers the likely risk of conflict arising from existing or potential future employment uses of the area. And reviews the internal environment of employment areas, with regard to prominence and internal layout of the employment area. It also considers whether there are potential areas of risk that are likely to influence the cost of future development, such as contamination, environmental or conservation issues (e.g., listed status, floodplain, area of landscape value, etc).
- Market conditions/perception and demand – looking at recent market activity, likely market demand and the level of vacancy within the area, in terms of either vacant floorspace or land that is disused or derelict.

4.2.3 Policy recommendations are made at the end of each site appraisal. With regard to existing estates, the following policy recommendation categories are used:

- Retain: Good quality employment site, serving incoming or local clients with a local, regional or national presence, and of a scale and vibrancy to be regarded as an important contributor to the local economy. These sites should be safeguarded for employment use and pressure from non B class employment should be resisted.
- Potential for redevelopment: These sites are important to the local market at present, providing valuable employment premises. Loss of employment use should be strongly resisted, except in circumstances where the only way to stimulate re-use of vacant property is through the mixed use redevelopment of the site. However, in circumstances where there has been long term vacancy of buildings, then a degree of flexibility should be exercised within this category, combined with proactive support, to bring about new modern employment (non B class) re-use.
- Managed release of employment site: These are obsolete employment sites and premises that are no longer suitable for modern efficient employment requirements because they have come to the end of their economic life and have been vacant for a long time, combined with poor site suitability in terms of access, site layout and location. These sites should be removed from the employment sites portfolio and should be allowed for managed release to other uses.

4.2.4 With regard to undeveloped allocations or potential new allocation sites, the following policy recommendation categories are used:

- Deliverable – the site is available (subject to being allocated), there are no major problems of physical condition or infrastructure problems in relation to site potential, and

it is considered capable of being developed for employment uses within the next five years (i.e. in the period 2013 to 2018).

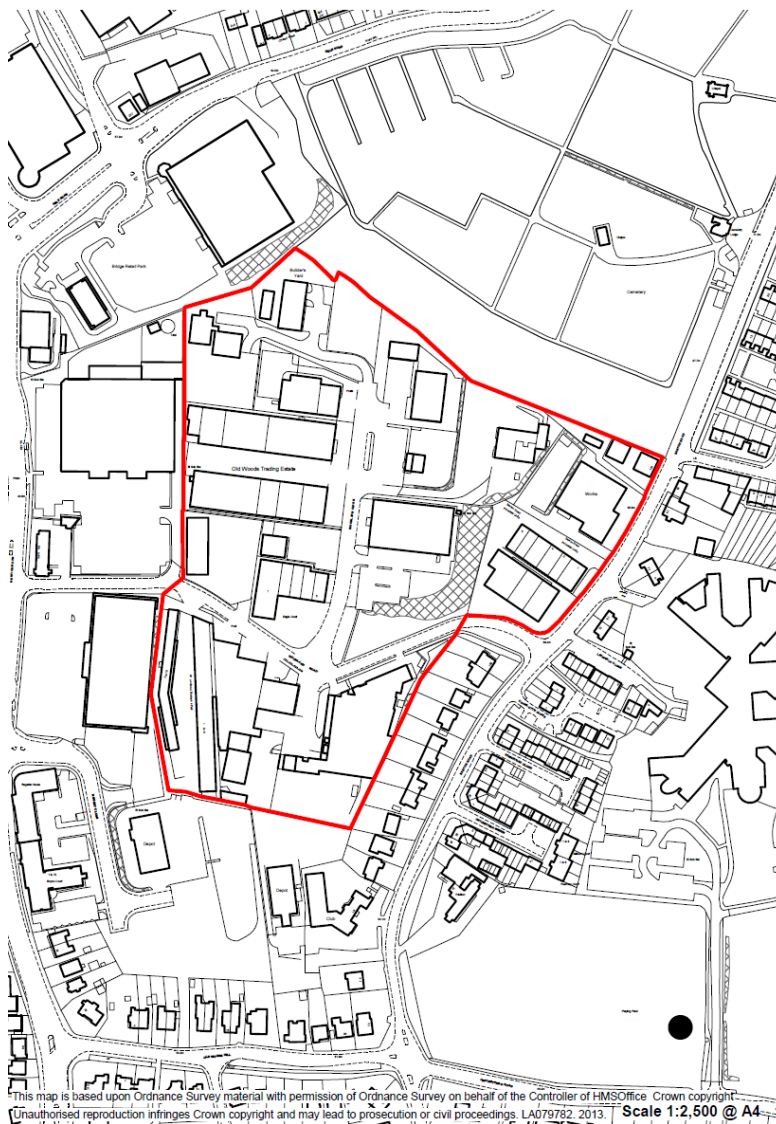
- Developable – the land is suitable for employment uses and has reasonable prospect of being developed within the planning period to 2032. It is difficult to assume when this supply will be ready to accommodate requirements for space. This may depend on any necessary land remediation, new/upgraded infrastructure and eventual build, and changes in the current market.

4.2.5 Given that current market rental/sale levels are not sufficient to deliver speculative schemes in the vast majority of cases (see Chapter 2), and because the vast majority of areas would be dependent on pre-let or sales to deliver employment led development, we do not include viability in the assessment. Instead, we look at which sites offer the best prospects should viability either improve as the economy grows or if a business has a specific requirement to develop sites in Torbay.

## 4.3 Existing Employment Estates

### Woodlands

Figure 4.2 Woodlands



#### Site description/surrounding uses

- 4.3.1 Woodlands is a large industrial estate situated off the A380 (Newton Road) in Torquay. It is an established industrial estate that has been built out, predominantly with small to medium sized B8 and trade counter premises, most of which date back to the 1970s and 1980s. An area adjoining the A3022 has recently been redeveloped for a retail park. Surrounding uses include residential, bulky retail and a cemetery.
- 4.3.2 The site is in multiple private sector ownership and some of the roads are unadopted.

Environmental quality/constraints

- 4.3.3 The site is fully built out with little potential for expansion due to surrounding uses and topography. There may be some potential for intensification of uses through redevelopment. The general environment is reasonable but could be improved.

Accessibility/strategic access

- 4.3.4 Accessibility onto the A380 is good. The proximity of the site to the new link road will also help to improve its links to Exeter and beyond. A funding bid has been submitted to the Heart of the South West Local Transport Board for improvements to the A3022 junctions ('Torquay Gateway and Town Centre'), which should improve access to local markets (businesses and residents) within the town of Torquay.

Demand/commercial attractiveness

- 4.3.5 The site is an important local employment centre that is predominantly occupied by local service sector businesses, including auto trades and household appliances. Businesses on site include Hymid, A.G.Motors, Electron Technology, Fireworld, Carlsberg, Mill Autoequip and Carpet Factory.
- 4.3.6 A warehouse/workshop unit is currently being marketed at £41 per sqm per annum, which is lower than the average rate for poorer premises identified by local agents.
- 4.3.7 Vacancy rates were identified as being low and no development plots were identified during the survey. This possibly is a reflection on the low rental values, but it would also suggest that there is a healthy demand for premises on this estate too.

Recommendation

- 4.3.8 It is considered that this site should be retained for employment use (B1/B2/B8 uses). It is recommended that the Council support proposals resulting in the intensification or redevelopment of ageing units. This could be achieved in part through the development of a Local Development Order for the site that restricts certain dirty uses and allows permitted development rights for external premises improvements and extensions in particular.

## Northfields Trading Estate

Figure 4.3 Northfields



### Site description/surrounding uses

4.3.9 Northfields is a small estate (covering 0.26 ha) situated on the eastern fringe of Brixham. The site is fully built out with small workshop units, which were predominantly constructed during the 1980s and 1990s, with some older units, mainly to the rear of the estate. The site surrounded on all sides by residential areas, which infringes on further outward expansion.

4.3.10 The estate is in private ownerships.

### Environmental quality/constraints

4.3.11 The environment is considered to be reasonable for a local employment centre, although it could be updated and improved in the short term as a minimum to remain attractive. There is no potential for expansion because the site is surrounded by residential uses. Its proximity to residential areas also holds back its potential for some employment uses, which may require more flexibility in working hours, in addition to tolerances around noise and pollution.

4.3.12 The Foundry site is likely to be contaminated and redevelopment would therefore be costly.

Accessibility/strategic access

4.3.13 The site is accessed from the A3022 via Lindthorpe Way. Access to the site is through residential areas, which is not considered suitable for HGVs.

Demand/commercial attractiveness

4.3.14 The site serves a local market with occupiers including a mix of car repair, trade counter and marine industries. The marine businesses on site include Mcleod Trawlers Ltd, Reid Scallop Gear, Brixham Marine Services, Marine and Leisure, Stride Marine Engineering and Darthaven. The location of a marine based cluster on site may be a result of unavailable premises closer to the harbour.

4.3.15 Approximately 10% of units were identified as being vacant during the survey.

Recommendation

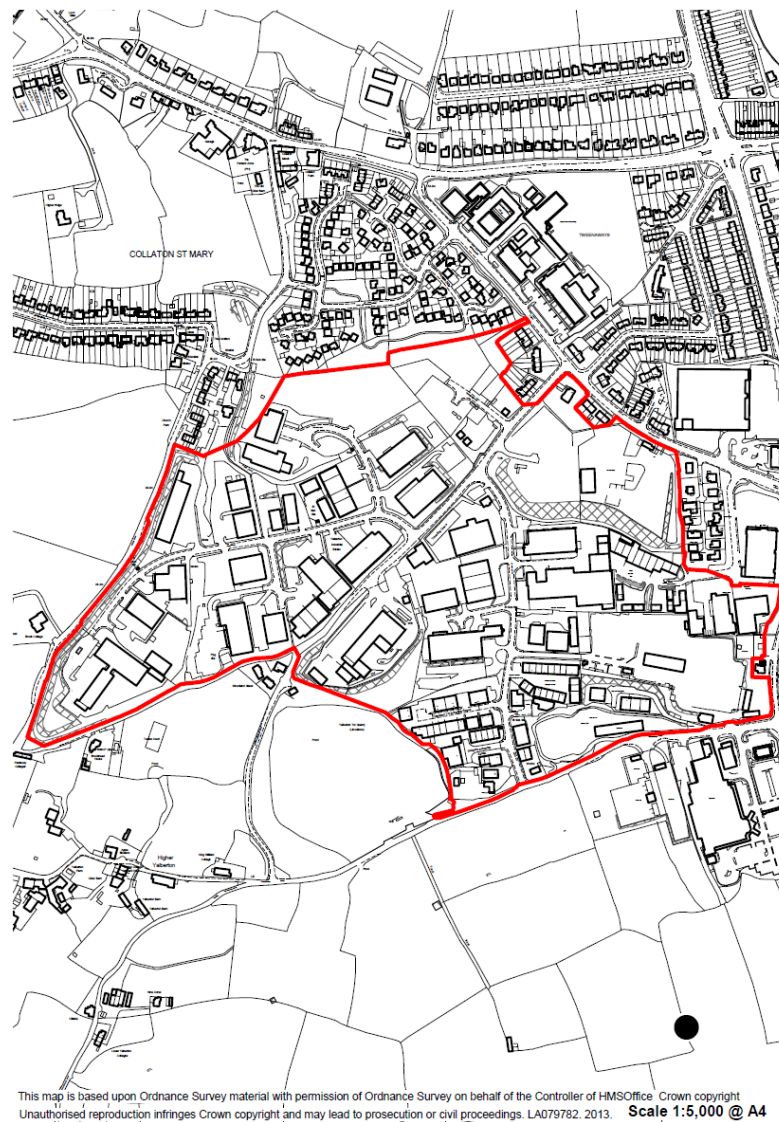
4.3.16 The existing site provides valuable space for local businesses but is poorly located within a residential area. Without higher value uses, it is unlikely to benefit from any investment to notably improve its appearance. It would also appear to lack any recent investment.

4.3.17 It should be retained for employment uses unless a lack of demand can be proven, and only if alternative sites can be found either closer to the harbour or out-of-town for these types of businesses, in which case then a managed release of the site from employment uses should be employed.

4.3.18 The redevelopment of the site for a residential and possibly a mix of tourism/leisure uses may generate a capital receipt to cover the relocation of existing businesses to a new site, although the feasibility of redevelopment on the contaminated Foundry site, which is still in use, would need to be fully investigated.

## Yalberton Industrial Estate

Figure 4.4 Yalberton



### Site description/surrounding uses

- 4.3.19 This is a large industrial estate, covering 23 ha. It is part owned by Torbay Council, with a mix of other freehold ownerships.
- 4.3.20 It is situated by the A3022 to the east of Paignton. The buildings on the estate comprise a range of medium to large B1/B2/B8 units, dating back to the 1980s. The estate has been more recently extended onto Aspen Way, which includes a mix of modern B1/B8 units and trade counters.
- 4.3.21 The estate is surrounded by agricultural land and residential areas.

### Environmental quality/constraints

- 4.3.22 The visual environmental quality of the estates is considered to be good, particularly along Aspen Way. But there are some 'dirty' uses which could potentially be relocated to improve

the general condition of the estate. There is potential to extend the estate onto adjoining land, although the surrounding topography is considered to be a constraint.

Accessibility/strategic access

- 4.3.23 Access to the site is via the A3022. Strategic access will be improved by the link road. Connectivity will also be improved if the funding bid to the Heart of the South West Local Transport Board for the improvement of junctions along the A3022 is successful.

Demand/commercial attractiveness

- 4.3.24 The site has proved attractive to a wide range of local service providers, construction companies, high technology providers and manufacturers. Occupiers include Sierra, KWest, Paignton Flatroofing, Tor<sup>2</sup>, Howden Joinery, Caterfood and Spirent.
- 4.3.25 Rents currently available range between £39 per sqm for larger warehouse units to £85 per sqm for small units.
- 4.3.26 Few vacant units or readied development plots were identified during the survey.

Policy recommendation

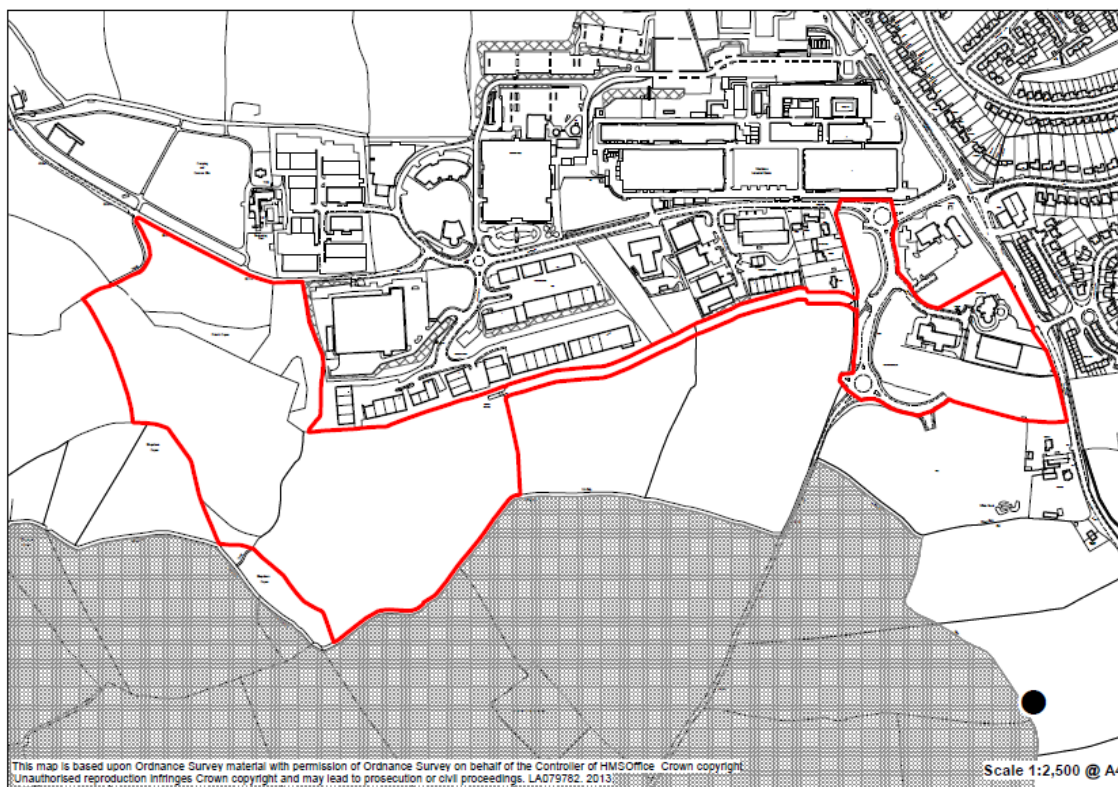
- 4.3.27 This site should be retained for employment uses (B1/B2/B8 uses). There is some potential for redevelopment on the site adjoining the entrance that is currently occupied by Dr Bump Scratch and Scuff Surgery, although this could be for residential uses including live work units.
- 4.3.28 Extensions to the estate could be sought into the land covered by Policy E1.16, although this may be more suitable for alternative uses, again including live work units. The development of the Jackson land adjacent to the site would help to improve access to the rear of Yalberton Industrial Estate, which is currently blocked.



## 4.4 Sites with Planning Permission

### White Rock

Figure 4.5 White Rock



#### Site description/surrounding uses

- 4.4.1 White Rock is a mixed use urban extension to the east of the A3022 at Paignton. The site is predominantly flat farmland, with some redundant employment premises close to the A3022. The land closest to the A3022 has already been serviced and the most visible sites have been developed for a Premier Inn, Beefeater Restaurant and the South West Energy Centre (part of South Devon College). Surrounding uses include Waddeton Industrial Estate, Westfield and Torbay Business Parks, and the Bookhams site.
- 4.4.2 The site is owned by Abacus Developments and Deeley Freed Estates. Planning permission (P/2011/0197) was granted in 2013 for the mixed use development of 39 ha for 350 dwellings, 36,800 sqm gross employment floorspace and a local centre. Linden Homes have taken on the site and will commence construction works shortly.

#### Environmental quality/constraints

- 4.4.3 The land is greenfield. It has already been granted planning permission for employment purposes.

#### Accessibility/strategic access

- 4.4.4 The site is well connected to the A3022 and the new link road, and proposed improvements to the A3022, will help to improve strategic linkages.

#### Demand/commercial attractiveness

- 4.4.5 The area of land identified for employment in the masterplan is adjoining Torbay Business Park (located off Long Road) to the rear of the White Rock site (i.e. away from the A3022). The modern units in Torbay Business Park and adjoining sites are predominantly taken up by a range of local service businesses, as well as high-technology companies that have spun out of Nortel. The site is therefore considered to be commercially attractive and well connected to the strategic road network and South Devon College. Rents currently being offered for modern light industrial/workshop units on Torbay Business Park are approximately £62 per sqm.
- 4.4.6 The land is currently undeveloped. Take up rates on the neighbouring Torbay Business Park have been good.

#### Deliverability

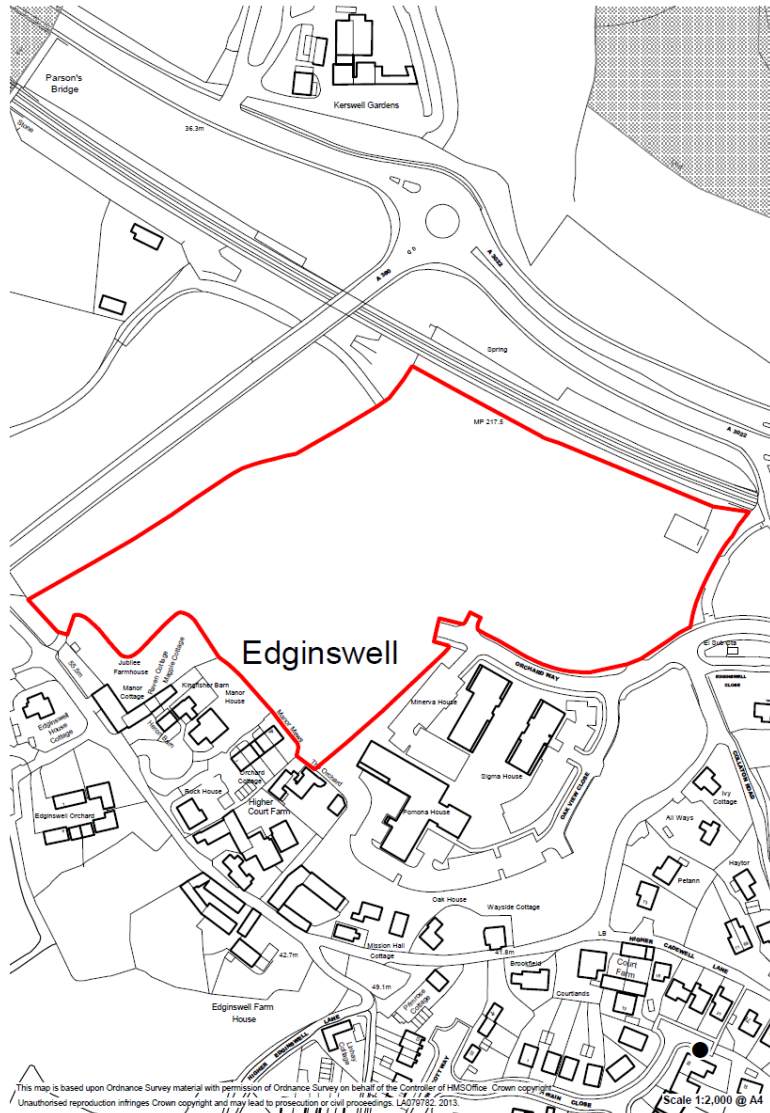
- 4.4.7 The land is greenfield, with a gentle sloping and well drained profile. Should access to the site be via the existing Torbay Business Park, then the access road would need widening and a newly built small unit would need to be demolished to make way, with the existing occupier being relocated.
- 4.4.8 The first phase of the development will see the construction of an access road and infrastructure to the Western Bowl site and construction of a 20,000 sqft industrial unit.

#### Recommendation

- 4.4.9 This site should be retained for B1 premises. Given the cluster of local businesses and FE/HE College, this is likely to be a suitable location for businesses and organisations involved in research and technology, including spin-out activities from South Devon College.
- 4.4.10 The delivery of site servicing and premises will be triggered shortly, at the same time as construction commences on housing. However this may not necessarily align well with market demand since it is a housing rather than employment driven time-line. Further incentives may be required to drive demand to this site earlier than the market, such as reduced rent periods focused on businesses which may spin out of the College. Should initial demand be faltering, then this could be easily addressed by the Torbay Growth Fund or marketing it to the HotSW LEP funding focused on incentivising inward investment and small business occupiers.

## Edginswell Business Park

Figure 4.6 Edginswell



### Site description/surrounding uses

- 4.4.11 Edginswell Business Park is a modern office park located to the north of Torquay close to Newton Abbot and on route to Exeter from Torquay. The site is located on the A3022/A380 junction, close to the end of the new link road. From the site visit, the site looked part built out with 2 to 3 storey B1 units. There are remaining development plots and potential for expansion up to the road and rail boundaries. The south and western edges of the site are residential.
- 4.4.12 The site is owned by the Hawkins Trust, and planning permission (P/2007/1743) was granted in 2007 for a mixed use development comprising B1, car show room, retail warehouse, residential and A3/A4 uses. A hybrid planning application (P/2013/0677) for a Tesco store plus 977 sqm for B1, and outline for 2,090 sqm for B1 has recently been refused.

Environmental quality/constraints

- 4.4.13 The employment land is very well presented, with modern, well designed B1 units and landscaping. Few constraints to the development of remaining plots were identified, although site levelling will need to be undertaken and therefore will require some earthworks to re-grade the site for design and access purposes for non-residential uses.

Accessibility/strategic access

- 4.4.14 Access to the site is currently indirectly from the A380. Strategic linkages are good and will be improved significantly by the opening of the South Devon Link Road, which will link to the existing road network close to the site.

Demand/commercial attractiveness

- 4.4.15 The site is highly visible and very well connected to the strategic road network. As such it is a highly attractive location for a number of uses, including self-contained office and high tech uses. Occupiers of the existing office spaces cover a range of professional businesses and organisations, including Kitsons, NHS Kidney Renal Satellite Centre, Francis Clark and the Pavey Group.
- 4.4.16 None of the built space is currently vacant. However, these units will have come forward through pre-let deals.

Deliverability

- 4.4.17 The site is being marketed and buildings will be delivered as and when tenants are lined up.

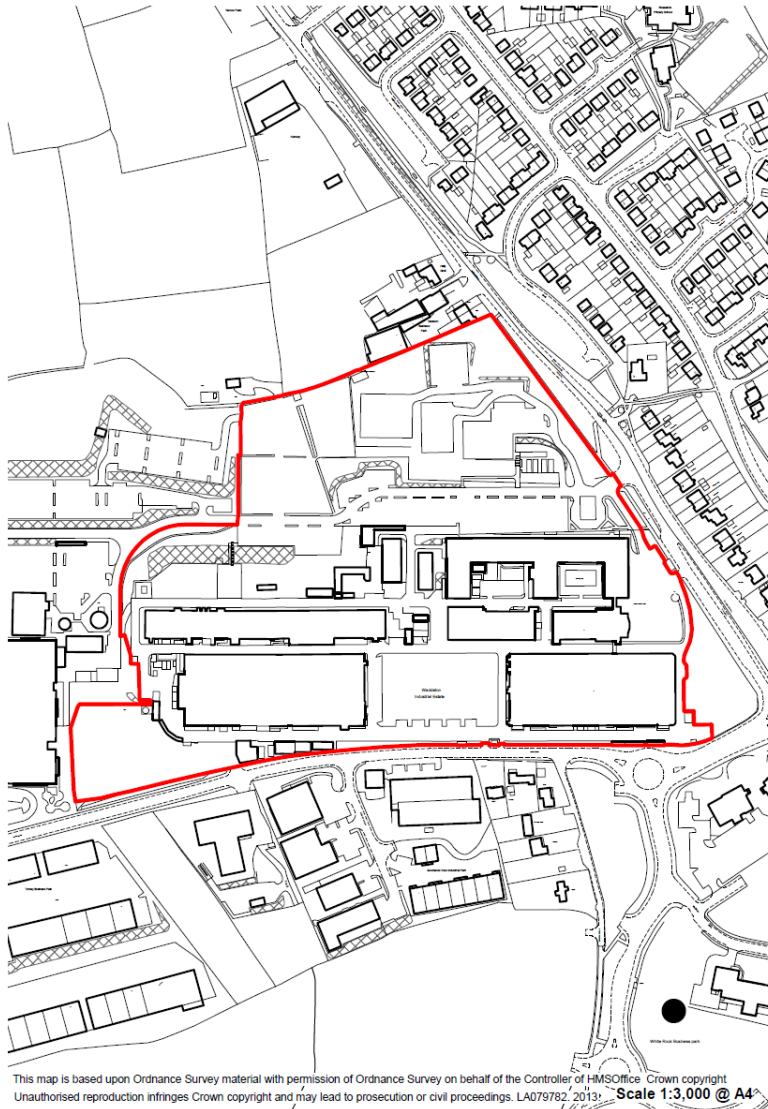
Recommendation

- 4.4.18 This site has been part built out as an attractive office park, with some high profile tenants. The remainder of the site should be retained for high quality B1 employment uses. Given its highly visible location, at the gateway to Torbay, it is considered to be a premier business site that will be attractive to well established businesses in the professional services sectors.
- 4.4.19 It is likely that the build out of the remainder of the site can be delivered by the private sector without the need for cross subsidisation or public sector support as and when potential tenants are identified.

## 4.5 Masterplanning Development Briefs

### Bookhams

Figure 4.7 Bookhams



#### Site description/surrounding uses

- 4.5.1 A large brownfield site located on the Long Road/A3022 junction at the entrance to Waddeton Industrial Estate. The site was previously part of the Nortel/Bookhams factory complex, which has been split up to provide accommodation for South Devon College and Syntech Technologies. The redundant buildings on site have been part demolished, although this may be for tax reasons rather than any real commercial activity. A substantial amount of demolition remains in order to bring the site forward for re-use.
- 4.5.2 The site was purchased by Devonshire Park Limited in 2011. Planning permission (P/2011/0769) was granted in July 2011 for the demolition of buildings on site. At the time the owners announced that 'we have acquired this site with a view to creating an exciting and innovative development which will provide considerable levels of sustainable employment for

the local and wider community'. The site has been part cleared and a masterplan is being developed by the owners.

#### Environmental quality/constraints

- 4.5.3 The site is brownfield and flat. Although demolition has largely been completed it is likely that significant decontamination and site servicing will be required in bringing the land forward for new uses.

#### Accessibility/strategic access

- 4.5.4 Accessibility from the A3022 is very good. Linkages with the new link road should also be good.

#### Demand/commercial attractiveness

- 4.5.5 The site is well located and is adjacent to other, well occupied, employment sites and South Devon College. It is considered that the land would be suitable for B1 and other employment uses, including leisure and retail uses given its accessible location.
- 4.5.6 The remaining plots are subject to a planning application. They are being marketed by Maze.

#### Deliverability

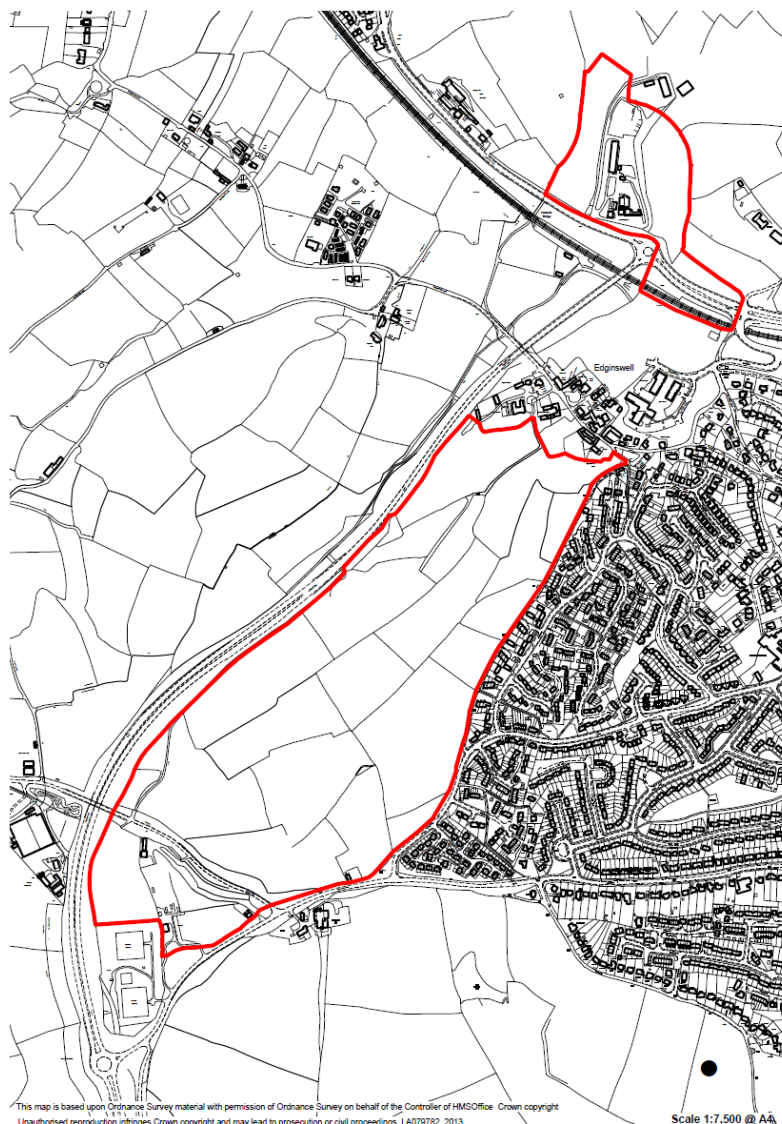
- 4.5.7 Preparing the site for development will be expensive, but it is developable with no significant development constraints other than the scale of preparation. Given the continuing lull in employment land take up, and the rental levels that are being achieved, it is unlikely that the site will be developed in the short term unless a potential tenant requires all or most of the site for a specific purpose relevant to their own business plan.
- 4.5.8 With limited public sector support available it is likely that a mixed use development, including higher value uses, will be the only way of viably delivering some employment space on site. The SHLAA identifies the potential of the site to yield approximately 270 dwellings, leaving the remainder of the land for employment uses, subject to viability.

#### Recommendation

- 4.5.9 It is considered developable for some employment uses, although a viability assessment would be required to confirm this. In line with the recommended approach in the SHLAA, it is considered that this site should be allocated for mixed use redevelopment. Higher value uses, like residential and retail, will be required to cross subsidise the delivery of good quality B1 units on site, or built space for leisure activities. Subject to masterplanning and viability it is considered that more than 25% of the site area could accommodate B and non-B Space jobs.

## Edginswell

Figure 4.8 Edginswell



### Site description/surrounding uses

- 4.5.10 Large parcel of greenfield land located between the A380, Edginswell Business Park and a housing estate. The land is gently sloping and appears to be well drained. A new cycleway runs around the edge of the site. The site will be opened up with the arrival of the South Devon Link Road.
- 4.5.11 The site is in private ownership, including the Hawkins Trust. There is no planning history on the site, although the Prince's Foundation have explored development options as part of the support it has provided to the Torquay Neighbourhood Plan Forum.

### Environmental quality/constraints

- 4.5.12 The area is protected under Policies L2 (Areas of Great Landscape Value) and L4 (Countryside Zones). Policy L2 states that development which is likely to affect, directly or

indirectly, designated AGLVs will only be permitted where it will maintain or enhance the special landscape character of the AGLV.

- 4.5.13 The land is in agricultural use, with a mix of grazing and arable. Apart from habitat mitigation requirements, there are no known constraints to development, although access and utility installations will need to be achieved, along with technical assessments up as part of the application process for bringing the site forward.

#### Accessibility/strategic access

- 4.5.14 Access to the site could either be achieved through extending existing access routes through Edginswell Business Park and/or new access from the A380. Strategic access to the north of Torbay is good and will be improved significantly by the opening of the South Devon Link Road, which will end directly opposite the land. The direct access on to a strategic route should prove attractive for B8 storage and distribution uses in addition to some B1 uses.

#### Demand/commercial attractiveness

- 4.5.15 The site is in a very visual location which has already attracted some well-known businesses. It would be highly attractive to B1 and B8 users in particular should the opening up constraints be overcome for the site to come forward.
- 4.5.16 The land is currently vacant. The adjoining Edginswell Business Park has been part developed and has attracted some high profile tenants.

#### Deliverability

- 4.5.17 The development of the site for some B1 and/or B8 uses is feasible and likely to be deliverable. The site could come forward as and when occupiers are found for the remaining plots at Edginswell Business Park. Given the size of the site, it should be considered for a residential led mixed use scheme with the B1/B8 uses and other employment uses in community buildings and small retail units on site. The SHLAA identifies a potential yield of approximately 500 dwellings. These would serve to cross subsidise the employment uses, and potentially could support higher quality enterprise centres for new and expanding small business.

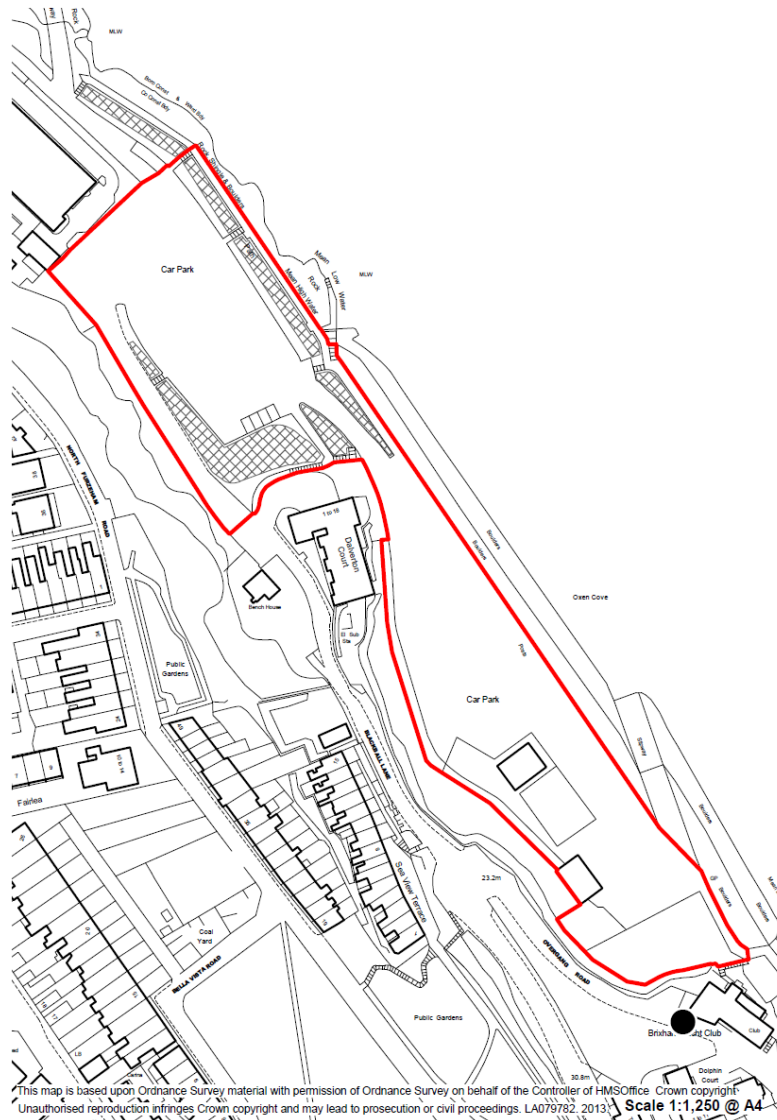
#### Recommendation

- 4.5.18 Given its 'gateway' location, the site, along with the adjacent Edginswell Business Park, has the potential to become one of Torbay's premier employment sites. It is therefore recommended that this site should be allocated for a mixed use urban extension, potentially incorporating some 25% or more land for employment uses subject to allowing enough land for higher value uses, like residential, which would fund the necessary infrastructure to bring the site forward. With the likelihood for this site to remain undeveloped for 5 to 10 years, there will be plenty of time to monitor the performance of Edginswell Business Park which will allow flexibility to revise any employment allocation at Edginswell.



## Oxen Cove and Freshwater Cove (Brixham)

Figure 4.9 Oxen Cove and Freshwater Cove



### Site description/surrounding uses

- 4.5.19 Oxen Cove and Freshwater Cove are hard standing areas on the edge of Brixham Harbour, some of which was reclaimed from the sea in 1988/89. The land is currently used for two surface car parks – Oxen Cove car park provides 84 car and 12 coach spaces, whilst Freshwater Cove has 122 car parking spaces. During the winter the areas are used for boat storage. The site is located between the town centre and the fishing harbour/Brixham Fish Market.
- 4.5.20 The site is owned by the Harbour Authority and the surface car parks are managed by Torbay Council.
- 4.5.21 Local Plan policy TU1 sets out that regeneration and enhancement of the harbour side should protect the economic, maritime, tourism and retail roles of the area; resist changes of use which detract from the special qualities of the area; support the introduction of appropriate

new development which contributes to the enhancement of the area; and supports the refurbishment of existing premises and frontages.

#### Environmental quality/constraints

- 4.5.22 The area is within a Conservation Area and development must therefore be designed appropriately.
- 4.5.23 Development proposals should also take into account the fact that the area is within a flood zone.
- 4.5.24 Oxen Cove is reclaimed land and consequently underlying ground conditions may impact on the engineering solution required to develop the site, with a likely impact on development costs.

#### Accessibility/strategic access

- 4.5.25 Accessibility to the site is already established. New routes through the site should take into account potential conflicts with pedestrians etc. Access to the wider strategic network is poor.

#### Demand/commercial attractiveness

- 4.5.26 Given the location of the site, it is considered that it would be most attractive to marine industries linked to the fishing fleet and also leisure uses as part of the proposed new marina, should this come forward. In this regard the Plymouth City Deal, which incorporates Torbay, is seen as a key opportunity (see Appendix A for further information). The City Deal proposals focussed on a vision of Plymouth and the peninsula as a world leader in the maritime sector and the bid names Brixham as one of the key strategic locations for delivering the vision.
- 4.5.27 The area is also important for tourism and therefore retail and leisure activities should also be considered as part of the development. Although the area is unlikely to be attractive to large scale office occupiers, due to the difficulty of accessing the site, it may appeal to small scale businesses. Higher value residential uses on the upper floors would help with regards to viability.
- 4.5.28 The sites are currently in use as surface car parks and for marine storage, which will have an existing value.

#### Deliverability

- 4.5.29 The land has been identified in a development brief for a mixed use development comprising employment uses, ideally marine uses, on the Freshwater Cove site and residential, leisure and retail uses on the Oxen Cove site. The development potential of the site would be enhanced by the delivery of a masterplan for the harbour which includes proposals for a northern arm, which would help to create an attractive environment for a marina and other uses.
- 4.5.30 A capital receipt obtained for the sale of the Freshwater and Oxen Cove sites would go some way to helping to fund the delivery of the northern arm.
- 4.5.31 The redevelopment of the site would need to take into account the car parking provision that is well used. The need for this car park should be identified, and the number of required spaces should either be provided on site (e.g. through decking) or relocated elsewhere.
- 4.5.32 Public funding options could be sought from the European Maritime and Fisheries Fund administered by the LEP, and the Governments Regional Growth Fund, including that

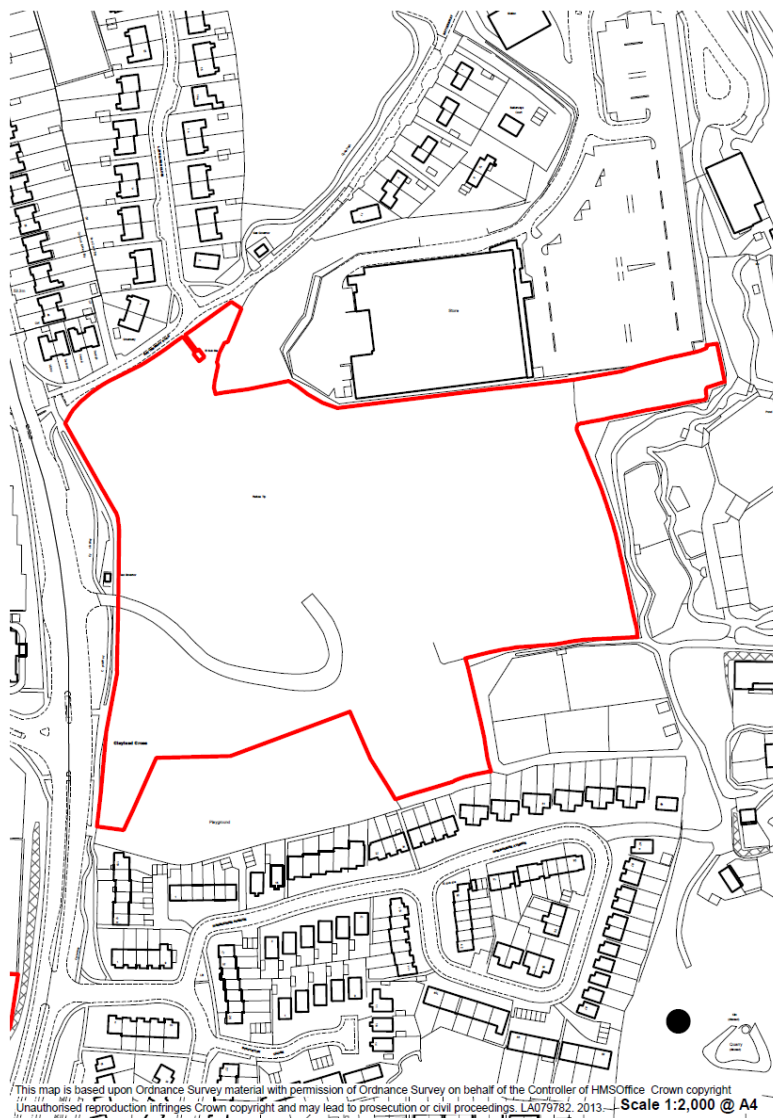
available through the Plymouth Western Morning News Growth Fund (see Funding in Appendix A).

Recommendation

- 4.5.33 It is recommended that this site should be allocated for employment uses. The site has the potential to cater for the types of maritime businesses/organisations that are being targeted through Plymouth's City Deal. However, if there proves to be a viability gap, alternative solutions may be required, which could include mixed use development proposals to help pay for the opening up costs.

## Claylands

Figure 4.9 Claylands



### Site description/surrounding uses

- 4.5.34 Claylands is a large brownfield site located off the A3022 on the edge of Paignton. It is currently redundant brownfield land, having previously been a brick works up to the 1980s. Surrounding uses are residential to the north and south, a Morrisons and bulky retail, as well as Paignton Zoo.
- 4.5.35 The whole site is allocated under Policy TU2 'Proposals for new tourist facilities' as being reserved for the potential extension of Paignton Zoo. However, the Zoo operators have since indicated to Torbay Council that they no longer plan to extend their site.
- 4.5.36 Torbay Council own the site.

#### Environmental quality/constraints

- 4.5.37 The land was previously a landfill site and will require remediation works. The contamination is likely to preclude certain uses, including residential.
- 4.5.38 The land slopes down towards the zoo from the A3022 and is thickly vegetated. The land is not covered by any environmental designations and appears to be well drained.

#### Accessibility/strategic access

- 4.5.39 There is an existing access point from the A3022, although the suitability of this would need to be reassessed. Access to the strategic network is good and will be improved further by the opening of the link road.

#### Demand/commercial attractiveness

- 4.5.40 The site is well located in relation to the A3022 and is likely to be attractive to B1 users in particular. Torbay Council has informed us that they have already received inquiries about the site from businesses located in the area that are looking to expand/consolidate their operations.
- 4.5.41 The site is vacant and inaccessible due to security fencing, possibly because of some contamination and land remediation being required.

#### Deliverability

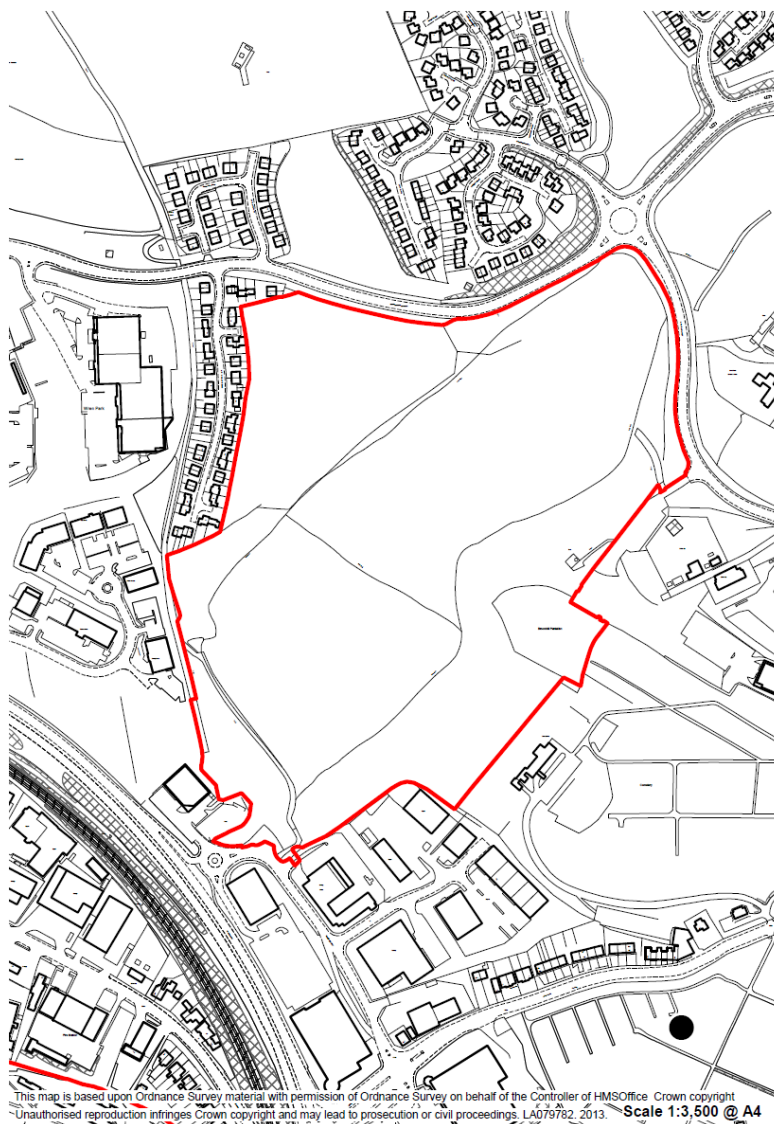
- 4.5.42 The site is well located but will need significant works, including remediation, levelling, access and utilities, before development can occur. A viability assessment undertaken by TDA indicates that the scheme requires £1.75m for highways access, surveys, estate roads and site preparation.
- 4.5.43 We would expect residential and potentially some out of centre retail uses may be viable, but given that the site was previously landfill, the underlying contamination means that higher value uses like residential cannot be used to cross-subsidise the delivery of the site. Therefore, it is likely that delivery of any development on this site would be achievable with public sector intervention, possibly through a JV arrangement and potentially with LEP funding support. With the site being under council ownership, there is scope to secure those uses that might support the local growth targets but may not otherwise come forward solely through private sector delivery.

#### Recommendation

- 4.5.44 This site is considered to be developable in the short to medium term with some public funding, including from Torbay Council as the land owners. It is well located on the west side of Paignton to provide additional employment land to meet expanding business needs. But the delivery of the site will be expensive due to contamination remediation requirements and, given that mixed use development is not achievable, public sector intervention will be required. Support from the LEP and potentially EU will therefore be required to bring this site forward, along with the Council's own investment in its site to lever in money and to make things happen. To start this process, the Council should consider a suitable business plan for levering in public and private investment in order to deliver the site.

## Barton Landfill

Figure 4.10 Barton Landfill



### Site description/surrounding uses

- 4.5.45 Barton Landfill is a very large brownfield site situated off the A380/A3022 to the north of Torquay town centre. It was previously a landfill site. The land is covered in mature vegetation, including large areas of woodland. Surrounding uses include residential to the north and east, office and retail parks, as well as the cemetery.
- 4.5.46 The land is identified for a range of uses in the Local Plan. These are amenity space, new cricket and playing fields (Policies R3.1, 4.1 and 7.4), a park and ride facility off Riviera Way (Policy T11) and an office park off Barton Hill Way (Policy E1.4).
- 4.5.47 Torbay Council own the site.

### Environmental quality/constraints

- 4.5.48 The land is contaminated and will require significant remediation and ground stability works.

#### Accessibility/strategic access

- 4.5.49 The site is close to the A380 and A3022 but it lacks suitable easy access to this arterial route into Torbay and Exeter. Accessibility to the site could be achieved from Browns Bridge Road and/or from existing access points at Riviera Retail Park.

#### Demand/commercial attractiveness

- 4.5.50 Much of the land is detached from the main strategic road network. The lack of visibility across most of the site may detract from the visual attractiveness of the site. However, local services and dirty uses could be accommodated, but there would be too much land stymied by such neighbouring uses to make this a practical option.
- 4.5.51 The land is currently not used for employment uses, although there are some waste uses on the northern fringes of the site.

#### Deliverability

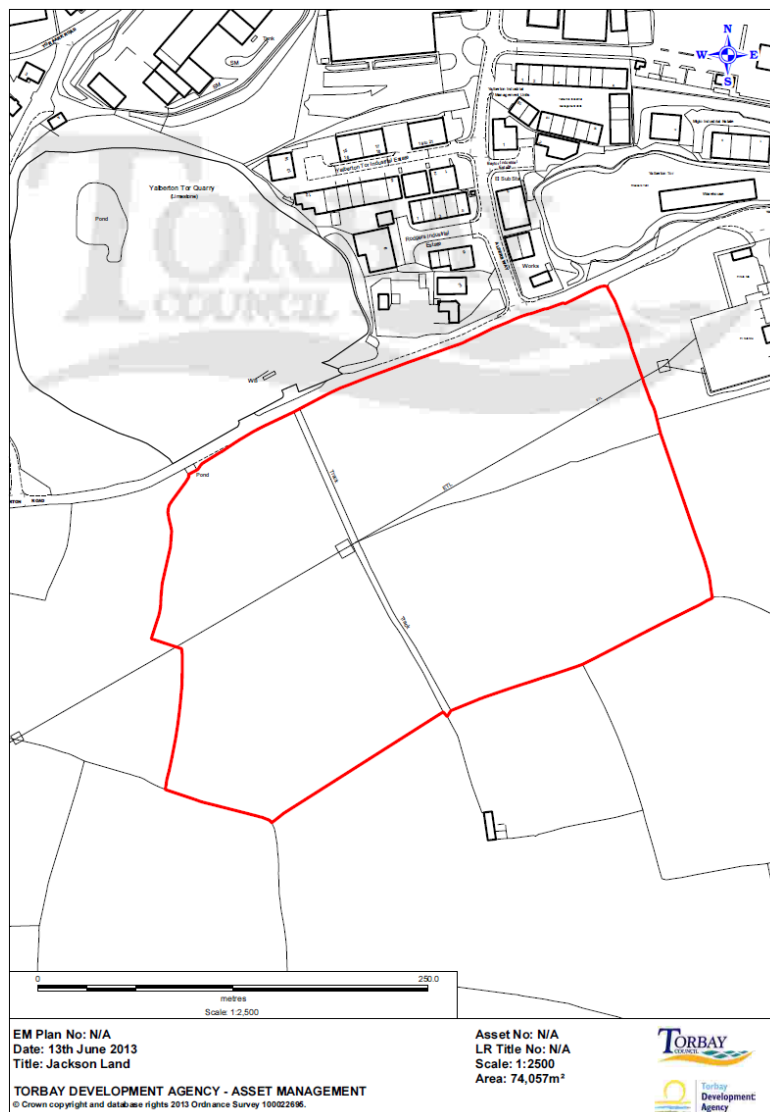
- 4.5.52 The large site would be very expensive to deliver for any employment uses. Significant abnormal costs would be associated with remediation, ground stabilisation, access and utilities. Large pylons across the site would likely need to be diverted or to underground them, and mature vegetation would need removing. These costs would make development of the whole site for employment uses unviable without significant public sector financing. That said, it is considered that a flatter section to the south of Browns Bridge Road could be developed for employment on the basis of its convenient access to the A380/A3022. The Council has also considered leisure uses on other parts of the site, which given that it is fairly close to the strategic road network, and it is a large site within the English Riviera, it might function (with some public sector support) as a sub-regional destination venue for sports and leisure uses.

#### Recommendation

- 4.5.53 Owing to its relatively poor access to the strategic road networks and the high costs associated with site remediation, it is considered that the area as a whole is not suitable for employment land. The exception is an area, accessed from Browns Bridge Road, which could be opened up for some employment. This area, which could extend to up to 50% of the site, would be suited to employment and/or leisure uses, potentially for a regional centre of excellence for sports activities.

## Yalberton (Jackson Land)

Figure 4.11 Yalberton (Jackson Land)



### Site description/surrounding uses

- 4.5.54 A large greenfield site located between Policy E1.16 C land (which is currently being developed for housing), a Sainsbury's store and the existing Yalberton Industrial Estate. The land is currently in agricultural use. Pylons run across the site, which link to a sub-station immediately to the north.
- 4.5.55 The adjoining land, previously covered by EC1.6 C is being developed for a mixed use development (i.e. it is a departure from the Local Plan). The permission (P/2010/0289) is for 220 dwellings, approximately 5,600 sqm of B1 and a local centre.

### Environmental quality/constraints

- 4.5.56 The land is greenfield, possibly with some agricultural uses. No obvious constraints were identified, although the site is next to a large electricity sub-station and new residential areas.



#### Accessibility/strategic access

- 4.5.57 Strategic access, with the A3022 running nearby, is good. But local access to the A3022 is limited by a narrow road which in its current form would be unsuitable for HGVs and large volumes of traffic associated with employment uses. Should local access be improved by new road connection with the A3022, which is being provided through the EC1.16 C allocation as part of the mixed use development, this would mean employment traffic passing through a new residential community.

#### Demand/commercial attractiveness

- 4.5.58 The land would form a natural extension to Yalberton Industrial Estate which is fully occupied and cannot be extended to the north, west or east. Although the site is not easily visible from the A3022, levels of take-up at Yalberton Industrial Estate suggest that the site would be attractive to local service and storage and distribution businesses.

#### Deliverability

- 4.5.59 The site is deliverable if improved access can be achieved from the A3022. The only option for achieving this appears to be through the residential areas being built on Policy EC1.16 C land. Cables stretching across the site may need to be undergrounded or diverted to allow development to take place to facilitate a higher quality development. However, the large scale size of the site is likely to discourage any single comprehensive development for employment uses.
- 4.5.60 Given its size and location, it would be easier to deliver the required infrastructure investment by developing the site with some housing uses. The construction of the access road from the A3022 to enable housing development will also open up the site for employment. This will make the site more favourable to delivering good quality employment uses. As such, the Yalberton site is identified as a possible site for housing as part of a wider mix in the SHLAA (site T843), and subject to viability, it could support at least 50% of the land for employment uses.

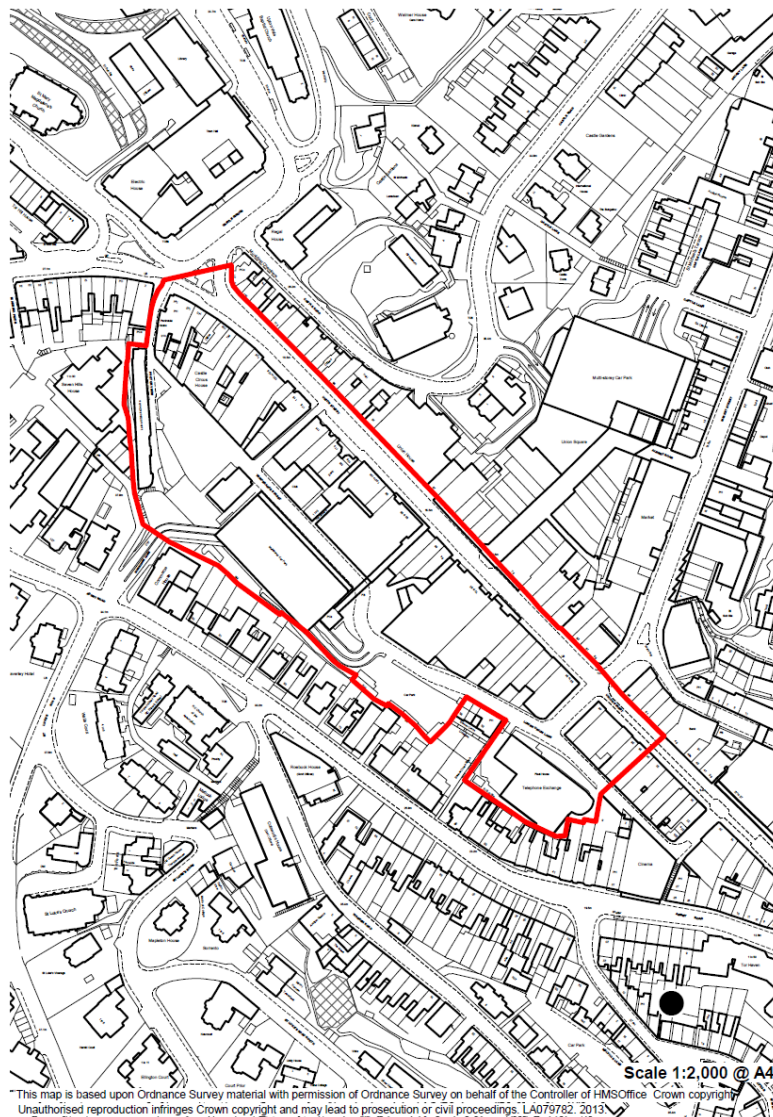
#### Recommendation

- 4.5.61 It is recommended that this site should be allocated as a mixed use site, but with a significant share (about half) for employment purposes, particularly B8 storage and distribution, subject to viability. It represents an opportunity to extend the existing successful Yalberton Industrial Estate, which is currently fully taken up.

## 4.6 Town Centre Regeneration Sites

### Torquay Town Centre

Figure 4.12 Torquay Town Centre



#### Site description/surrounding uses

- 4.6.1 Large section of Torquay Town Centre, comprising the southern side of Union Street, Temperance Street and Lower Union Street. Union Street has a mix of retail uses and Temperance Street provides rear servicing, as well as a multi-storey car park (containing a Gala Bingo on the ground floor), a BT exchange and a mix of uses.
- 4.6.2 This area is a mix of private and public sector ownership.

#### Environmental quality/constraints

- 4.6.3 Temperance Street and Lower Union Street are poor quality environments that could be deemed to be unattractive and unsafe at night. The redevelopment of the area will be difficult

due to the mix of ownerships, shape of the site access through a busy high street area, and the need to retain the existing rear servicing to the shops on Union Street

Accessibility/strategic access

- 4.6.4 Access to the site is currently achieved via Union Street/Market Street and Abbey Road. Access from/to Market Street crosses busy pedestrian sections of Union Street.

Demand/commercial attractiveness

- 4.6.5 The Retail Summary for 2012 identifies the Torquay Central area to have a high vacancy rate (18%), although on visual inspection this did not appear to be significant. The secondary location of the site may not be attractive to high street retail operators, who would find far higher footfalls and vitality closer to the harbour-side. Given the site's location, and dated/inefficient building at the back of the linear high street at the top end, it has little potential for further retail/leisure expansion without comprehensive redevelopment.
- 4.6.6 The site is likely to be suitable for a mixed use development comprising office, leisure, car parking and, potentially, residential uses. The site is likely to be attractive to smaller, local service based, office businesses as opposed to the types of sub-regional based businesses requiring larger office spaces at Edginswell Business Park and other B1 locations outside of the town centre.

Deliverability

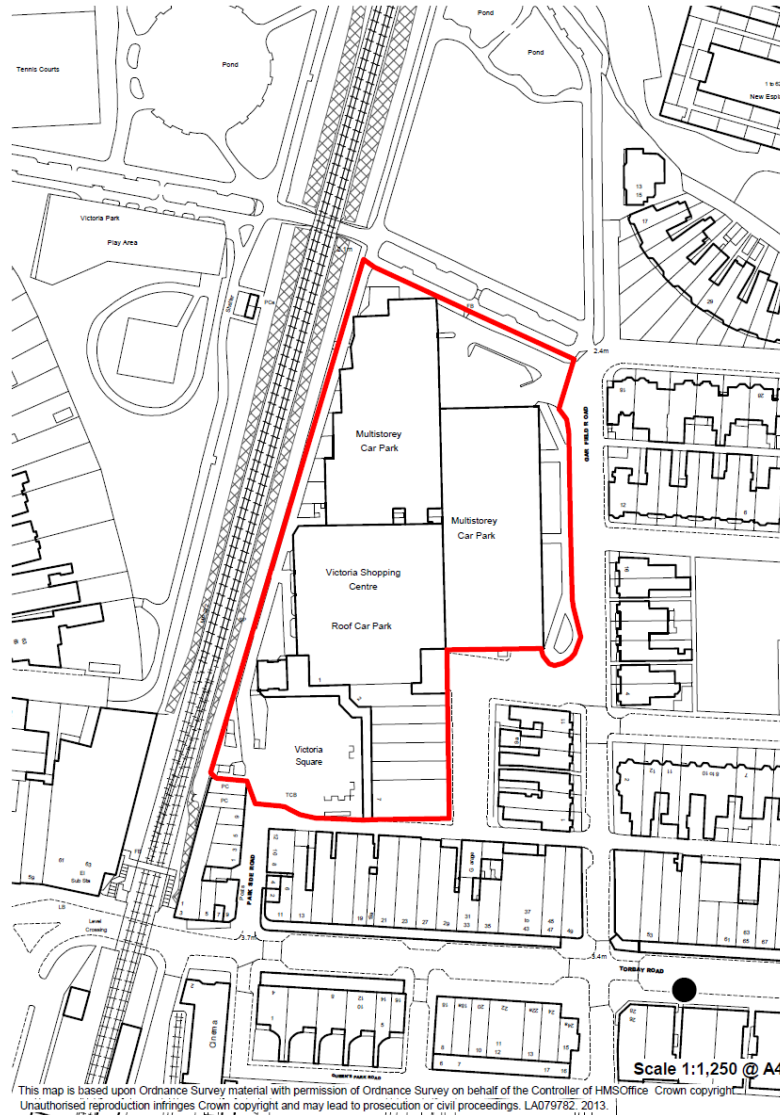
- 4.6.7 The redevelopment of the site will be expensive due to the mix of ownerships, the buildings to be demolished, the levelling of the land and working access to this busy area with shoppers. It is unlikely that a solely private sector led development will be achievable in the short to medium term due to a lack of demand and the continuing economic difficulties facing the retail sector in particular.

Recommendation

- 4.6.8 It is recommended that this site is allocated for mixed use development including office, leisure and residential. It is recommended that development is progressed through private/public joint venture approaches in order to secure development in line with Local Plan aspirations for relocating retail towards the better footfall areas around the harbour-side area.

## Victoria Centre, Paignton town centre

Figure 4.13 Victoria Centre, Paignton town centre



### Site description/surrounding uses

- 4.6.1 There are three sites in Paignton town centre that have been identified for regeneration. These include the train station (Station Lane), the car parks next to the train station and the Victoria Centre. The car parks have recently seen investment in new bus station facilities and the £6.4 million Paignton Library and Information Centre (opened in 2010). The station has been earmarked for £1.13 million of restoration work to buildings, canopies and the footbridge. The car park and station sites are therefore not part of this assessment. Victoria Centre, which is appraised here, is located on the edge of the town centre and comprises a Lidl supermarket and two multi-storey car parks. It is surrounded by a park, residential areas, the railway and other retail along Station Road.
- 4.6.2 Torbay Council own the site.

#### Environmental quality/constraints

- 4.6.3 The site is a mix of 3 to 4 storey buildings which are not visibly attractive by modern standards. The site is constrained by surrounding uses, including residential areas to the south.
- 4.6.4 The area is within a flood zone, which would only be suitable for non-residential uses on the ground floor.

#### Accessibility/strategic access

- 4.6.5 Accessibility to the site is achieved via Torbay Road and Garfield Road, both of which are busy and relatively narrow. Links to the strategic road network are via the town centre and would not be considered suitable for some employment uses.

#### Demand/commercial attractiveness

- 4.6.6 The site is large and is well related to the town centre. As such it could offer potential for a mix of uses including office space. The development mix might attract some retail with parking on the ground floor and residential uses on the upper stories. The Prince's Foundation, in its consideration of the site, estimated that between 300 and 350 flats could be provided on site as part of a mixed use scheme.

#### Deliverability

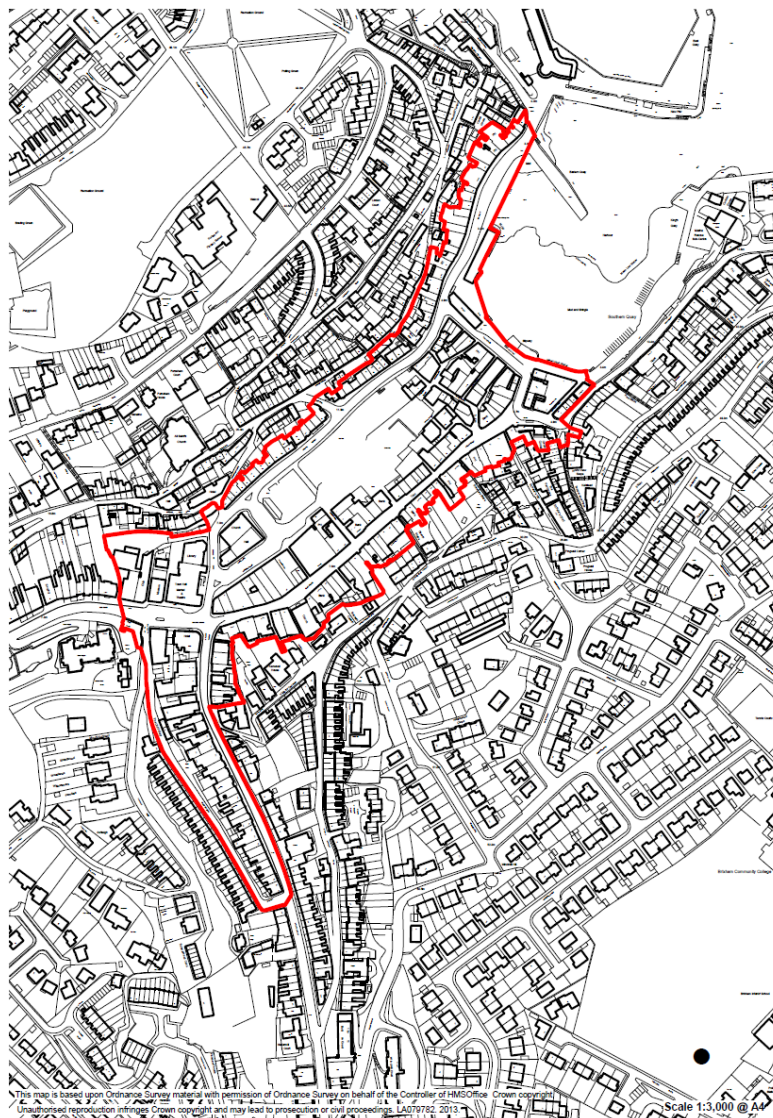
- 4.6.7 The redevelopment of the site would be expensive to due to the extent of the demolition work and buying out and decanting of existing occupiers should they still have leases remaining on their properties. This makes lower value uses, like employment, unviable unless public sector intervention is secured or they are cross subsidised by higher value uses. A mixed use scheme incorporating residential units with sea views may stack up. This is supported by the SHLAA, which identifies potential for the delivery of 60 dwellings on site.

#### Recommendation

- 4.6.8 It is recommended that this site is allocated for mixed use redevelopment including residential uses and, potentially, some service based offices possibly as part of a wider civic centre encompassing the library and railway station.

## Brixham Town Centre

Figure 4.14 Brixham town centre



### Site description/surrounding uses

- 4.6.9 The red line boundary illustrates much of Brixham town centre.
- 4.6.10 A planning application for a Tesco store, small scale retail units and office space has recently been approved on the main opportunity redevelopment site within the town centre (the main surface car park). Comments in this site assessment are therefore focussed on the town centre as a whole, relating to small sites and vacant properties.

### Environmental quality/constraints

- 4.6.11 The centre is in a Conservation Area, with many listed buildings. Any redevelopment will therefore have to be sympathetic of and in keeping with the historic townscape.
- 4.6.12 Much of the area is within a flood zone. Therefore, site preparation works will need to take into account sea level rise and river flooding.

Accessibility/strategic access

- 4.6.13 Access into the town is via the A3022, which is earmarked (although not yet supported) for being upgraded. Links to the strategic road network are reasonable, but not as good as out-of-town sites on the edge of Paignton and Torquay.

Demand/commercial attractiveness

- 4.6.14 A mixed use redevelopment of the surface car park site for a scheme that includes a Tesco supermarket is being progressed by Albourne Property Plc. In addition, a workhub, offering flexible, easy in easy-out space for predominantly home based businesses, will be opening in Brixham Town Hall in November 2013. These could act as a catalyst for investment, with increased levels of footfall helping to enhance town centre vitality and viability.
- 4.6.15 Larger office requirements will be better met on the edges of Torquay and Paignton and therefore this area is only likely to be attractive to the types of small retail and office occupiers that require town centre locations.

Deliverability

- 4.6.16 The viability of small scale redevelopment and vacant property conversion options will need to be appraised on a site by site basis. Issues relating to design and flood alleviation will add to development costs.

Policy recommendation

- 4.6.17 It is recommended that the centre should be allocated for town centre uses, including retail, offices and leisure/cultural. Residential uses should be encouraged above retail uses and the Council could consider change of use from shops to dwellings in secondary areas, should vacancy rates increase.

## 4.7 Torbay Hospital

Figure 4.15 Torbay Hospital



- 4.7.1 The employment provision within the existing Torbay Hospital site was considered as a potential opportunity in the advent that the site and its uses are consolidated through an upgrading of the hospital facilities.
- 4.7.2 The Hospital has already developed a well-regarded range of teaching, research and innovation activities in addition to its primary care functions. This has culminated in the South Devon Healthcare Trust developing the state-of-the-art Horizon Centre.
- 4.7.3 The Trust is planning the phased redevelopment of Torbay Hospital. As the Trust is planning the future development of existing and new research areas, it is likely that new R&D and incubation facilities will be required. These will need to be factored into the phased redevelopment of the overall Hospital site.
- 4.7.4 Despite having some potential, any future development would be some way off. It is therefore too early to say if there would be real potential for delivering employment space, and any decision on this would be better left to a time closer to when something might actually be



planned. For now, we would not acknowledge this as a potential employment site to help deliver Torbay's growth aspirations within the emerging plan, and going forward the Council should be willing to work with the hospital to ensure that any redevelopment enhances the scope for healthcare related businesses, which is identified as a growing sector in Torbay.

## 5 Delivery Options

### 5.1 Introduction

5.1.1 This chapter discusses the delivery of employment sites and premises to meet the needs of Torbay businesses and to support the protected employment growth over the short to medium term of the period covered by the Local Plan. It begins by reviewing feedback on local development constraints, and assessing the viability of development before discussing alternative approaches to delivery. A more extensive discussion of these issues is provided in Appendix A.

### 5.2 Development Constraints

5.2.1 Within Torbay, bringing new business floorspace forward onto the market has sometimes proved problematic, hence the often cited response of agents that there is a lack of "good quality space for offices and industrial units", which would hold local businesses back. The major constraints we have identified in this study are:

- Market viability, where development risks and costs for employment uses exceed achievable values, this creates negative site values and thus no incentive to investment (see further comments about market viability below).
- Development for employment uses may not come forward, either because a landowner holds out for development for higher value uses, e.g. residential, (possibly contrary to planning policy) or because a prospective developer cannot afford to purchase the site for development for the use sought by policy.
- Compared with industrial/warehousing premises, B1 office space can be more expensive to build and riskier for developers because:
  - higher cost development, with significantly higher rents being put on occupiers;
  - substantial holding costs during any letting or sale void, including heating, plant maintenance, insurance and empty rates;
  - rental income stream delays following letting to cover office fitting out costs;
  - the way development is financed - for lenders to be willing to finance, they want to know what lease lengths and covenants will be forthcoming, which usually means a pre-let for a substantial part of a development and the willingness of the pre-let to sign a substantial lease.
- If site servicing and preparation raises costs to uneconomic levels, development will not be forthcoming.
- There is general concern along about access to and from the three town centres, and that road capacity has been a constraint to economic development, although the opening of the South Devon Link Road at the end of 2015 would mitigate this to some extent.
- The ability of the market to absorb large developments of a single use class.
- Fragmented ownerships of employment areas, resulting in uncoordinated and piecemeal maintenance and improvements, which deters occupiers
- Planning policy (site allocations) may be out of sync with the market, such that land fails to be developed because:

- There is insufficient pressure on land (i.e. insufficient demand) to raise values to levels needed to make development attractive;
- More land is allocated for a use than the market wants or can absorb;
- Sites are allocated for a scale or particular use that the market cannot deliver (because of the relationship between demand/market for the end use, development risks and costs, a developer's required rate of return and the end value of development); or
- Lack of progress on high quality property, small business spaces, freeholds and large development sites identified solely for employment use are likely to be the consequence of one or a combination of the above factors.

5.2.2 These factors are not unique to Torbay, and there are no magic solutions to solve these problems. Greater realism is often required where planning policy allocations are made on the basis of aspiration so that development becomes frustrated in the long run. The completion of this study and the integration of the findings with the new Local Plan may now offer the right stimulus to mitigate these deliverability problems either through policy or intervention.

### **5.3 Development viability**

5.3.1 Even before the recession, the cost of the land and construction plus associated fees on commercial property developments in Torbay was often in excess of resultant market value of the building. The fragile occupier market, low rental levels being achieved, the lack of credit, the taxation of empty properties have brought speculative development to a halt.

5.3.2 By way of indication, developers would expect to achieve rental levels of more than £16 per sqft (£172 per sqm) for office space and between £6 and £7 per sqft (£64 to £75 per sqm) for SME workspace to justify up front speculative investment. These rental levels are generally higher than those currently being achieved across Torbay.

5.3.3 In most parts, if not all, of Torbay therefore it is not currently viable to carry out new significant/major office developments on a speculative basis. Because employment land development may be economically unviable, some flexibility in considering mixed use (business) schemes, particularly for larger sites could be seen as encouraging economic regeneration. There is also a role for the HotSW LEP and TDA to step in to encourage more market confidence through delivering strategic infrastructure to the Bay area, so that Torbay's growth and objectives for tackling its past economic and employment disadvantages, become achievable.

### **5.4 Alternative approaches to delivery**

5.4.1 With regard to delivery of site servicing and/or premises, although public sector funding streams continue to be tightened by rounds of Government austerity cuts, Torbay will receive EU transitional funding from 2014 onwards. Torbay Development Agency will be able to access this funding, in addition to pursuing match funding through any future rounds of the Regional Growth Fund and the Coastal Communities Fund. Other mechanisms that can be pursued are identified in an appendix to this chapter. These include:

- Outright disposal of the Council's own land assets – one simple approach to funding future investment in employment land and buildings is to dispose of existing assets to investors and to plough this back into economic development initiatives. Some of the sites surveyed during this study are deemed to be unsuitable for employment purposes, and therefore could potentially be sold off in order to achieve this.

- Investment of assets in a joint venture vehicle with the private sector – a number of models for on-going joint venture initiatives between the public and private sector are now being used to finance interventions in the property market aimed at delivering physical, social and economic regeneration. One model often used by local authorities is to tender for a JV partner to deliver a masterplan, with a contribution from the local authority in the form of land or of site servicing.
- Community Infrastructure Levy – Infrastructure requirements for unlocking strategic sites could potentially be funded, or part funded, through CIL which is proposed to be levied on residential and out of town uses. This could include funding for large infrastructure items like new roads or flood relief schemes which will benefit employment sites. Alternatively, more localised requirements like junction improvements and/or site servicing of employment land could potentially be part funded by planning obligations, however this will require a viable scheme and therefore a mixed scheme with high value uses like residential and out of centre retail will be required along with the employment uses that would benefit from the site specific infrastructure improvements. There is also likely to be a lot of demand on the CIL possibly at a time when viability is limiting the scope for development and CIL receipts.
- Encouraging and permitting mixed use developments – introducing higher value uses such as adjoining residential uses through mixed use developments on sites lacking viability for employment uses may be an option. An element of retail, such as retail warehousing or trade counters is likely to attract business and may need to be part of the mix. The higher values achieved can help to cross subsidise and bring employment sites forward. This approach is necessary to deliver employment elements within the mixed use urban extensions that are being considered around Torbay; some of which require significant investment in infrastructure to unlock land. The delivery of employment land at White Rock is a good example of this approach, with planning consent for housing and other uses being granted provided that employment land is delivered up front.
- Pragmatic implementation of the above and releasing value can lead to a rolling fund for funding infrastructure which supports employment sites. This would operate whereby CIL and other funding receipts are reused for infrastructure investments that will encourage more land development for active uses that help to secure more funding for reinvesting in future projects in the area, including more CIL, council tax and business rates receipts (through the supplement scheme). In doing so there will need to be effective demand to raise the value, and therefore encouraging a mix of uses which can create the necessary land demand, which inevitably will include housing, will be important

## 5.5 Economic Development Issues

- 5.5.1 This study is not a general economic development strategy. The focus is on sites and premises. But the sites and premises issues need to be co-ordinated with wider economic development activity for the future prosperity of the Torbay economy and its residents. We therefore briefly comment on some of these issues.

### Strategic Economic Role

- 5.5.2 Before identifying any actions it is first necessary to look at the economic role that Torbay will play. Our view is that Torbay and its three towns are underperforming and that any actions should be aimed at supporting more jobs and enhancing Torbay's current sub-regional role with higher value jobs. Therefore, more positive intervention, such as the use of Local Development Orders and area action plans, are required if the objectives of the Torbay Economic Strategy are to be realised. We comment further on this below.

## Partnership Working

- 5.5.3 The functional role of Torbay and its three towns may be better understood by aligning them with their relevant sub-regions. The role of partnership working with neighbouring authorities, particularly Teignbridge, the Devon County Council and the HotSW LEP will be important. Thus development of the town centre regeneration projects and strategic employment parks outside the towns may be facilitated through co-ordinated activity with the LEP and adjoining local authorities whose residents and businesses may benefit from the investments.

## Transport

- 5.5.4 Transport is probably the biggest single area of concern and was confirmed as a problem by the various stakeholders that we have consulted. The strategic infrastructure network should be improved when the South Devon Link Road is complete. But there remains a problem with local transport and easy access into the Torquay in particular. We would therefore recommend that TDA and TBC should seek to push forward the Western Gateway transport corridor and the upgrading of the A3022, possibly by co-ordinating dialogue between the LEP, the business community and the planning and transportation departments of the local authority.

## Workspace

- 5.5.5 In terms of premises there is likely to be good demand for small enterprise workshops. The short lease “easy-in easy-out” premises have appeal to those who wish to set up businesses. As such their appeal will in part be to local residents looking to work closer to home after a previous commuting existence. They therefore can also make a small contribution to retaining more workers in the district.
- 5.5.6 There are successful models of this type of development in Torbay through the South West Innovation Centres, supported by the TDA. Supporting such enterprise centres can be expensive since they rarely can be delivered by the private sector outside of prime business locations which benefit from agglomeration economies. However, they can deliver enterprise, which leads to new business formations and jobs growth. For this reason, it is sensible to continue to support such initiatives and seek to encourage more private sector interest in delivering them on the strategic employment sites in Torbay, like Base Point has done in Exeter. As a minimum, TDA and Torbay Council should assist through facilitated planning terms and in identifying an appropriate location and a developer.

## Smart Growth

- 5.5.7 As a planning authority, while it might be considered logical for Torbay Council to support economic growth through the allocation of more employment space, some consideration should be given to smart (or spaceless) growth, which is growth driven by productivity gains and high value activities that require disproportionately fewer resources (i.e. people and land). Specifically, smart growth might be appropriate for the three town centre areas, through focussing on town centre intensification.
- 5.5.8 Therefore the employment policies of the Plan, may consider directing job-creating development to those locations which can bring about an urban renaissance through intensification of space. Subject to market demand wanting to go there, this also has the advantage of re-using and intensification of sites within existing urban areas without needing to release further greenfield land.

## 6 Conclusions and Recommendations

### 6.1 Conclusions

- 6.1.1 The Torbay economy continues to lag behind the South West region as a whole. It is characterised as a low wage, low skill economy that is still heavily reliant on the tourism sector. This is largely reflected in the commercial property market, which has developed to meet the basic premises needs of small local service businesses. The commercial stock is generally ageing and there are few available good quality office or warehouse premises. Agents also report poor levels of demand for space, although the Business Barometer Survey highlights that businesses may consider moving from the area if they cannot find appropriate premises to meet their needs.
- 6.1.2 Whilst this is the case, however, significant effort is being made by Torbay Development Agency and partners to generate increased levels of inward investment as well as business start-ups and indigenous business growth. Furthermore cluster development strategies, focused on advanced engineering, marine and call centres as well as key emerging sectors, have been developed. These efforts, combined with long awaited road improvements, are instilling a new sense of optimism in the future diversification of the local economy. Appropriate employment land needs to be identified and allocated in order to support the delivery of these aspirations in addition to a projected growth of around 5,300 jobs, which will require a minimum of 17 hectares of net additional deliverable and/or developable employment land.
- 6.1.3 Based on these conclusions, and an assessment of the sites identified to support the employment growth, the following site recommendations are offered next.

### 6.2 Recommendations

- 6.2.1 A total of 14 sites have been appraised for employment potential during the course of this study. These sites were appraised based on their commercial attractiveness, and/or their deliverability or developable potential. Table 6.1 summarises the findings of the survey.

Table 6.1 Appraisal of Sites – Summary Table

Site	Town	Size (ha)	Deliverable	Developable	Policy recommendation
<b>Existing Estates</b>					
Woodlands	Torquay	0	N/A	N/A	Retain
Northfields	Brixham	0	N/A	N/A	Retain unless more suitable alternative location is found
Yalberton	Paignton	0	N/A	N/A	Retain
<b>Sites with Planning Permission</b>					
White Rock	Paignton	8.8	✓		Allocate for B1 uses

Site	Town	Size (ha)	Deliverable	Developable	Policy recommendation
Edginswell	Torquay	2.8	✓		Retain
<b>Masterplanning Development Briefs</b>					
Bookhams	Paignton	4.1		✓	Allocate for mixed use including B1 and/or leisure
Edginswell extension	Torquay	37.4		✓	Allocate for mixed use including B1/B8
Oxen Cove & Freshwater Cove	Brixham	1.3		✓	Allocate for B1/B2/B8 uses, targeted at the maritime sector
Claylands	Paignton	6.8	✓		Allocate for B1 uses with public investment
Barton Landfill	Torquay	16.3		✓	Allocate for B1/B2/B8 and/or leisure uses, with public money
Yalberton (Jackson Land)	Paignton	7.4		✓	Allocate for mixed use including B1/B8 uses
<b>Town Centre Regeneration Sites</b>					
Torquay town centre	Torquay	0		✓	Allocate for mixed use including B1
Victoria Centre, Paignton town centre	Paignton	0		✓	Allocate for mixed use including B1
Brixham town centre	Paignton	0	✓		Allocate for mixed use including B1

6.2.2 In total, apart from the town centre regeneration sites and existing estates, approximately 18.4 ha of land has been identified that is considered to be deliverable, i.e. could come forward in the next five years given that no major constraints have been identified. The remaining developable sites are only likely to be delivered through two approaches:

- TDA delivering sites and premises on Torbay Council owned land with funding assistance from CIL, LEP, EU and other potential streams
  - Achieving an element of employment provision as part of mixed use developments on private sector owned land.
- 6.2.3 The whole area covered by the Edginswell extension is considered to be developable for employment uses over the plan period, but only on part of the site to avoid the problems of single allocations being a deterrent to investment. The same applies to the Yalberton (Jackson Land). With these additional allocations to the deliverable sites, this will offer some flexibility for meeting future employment growth within the Bay area.
- 6.2.4 The Bookhams and Oxen Cove sites are not considered to be deliverable but possibly with some public investment and/or changes in market conditions, they are developable sites within the Plan period. The option of public sector investment would be relevant to Oxen Cove, possibly for delivering spaces for marine businesses, although this would require the involvement of the Harbour Authority as the land owners, and the Council.
- 6.2.5 Both Claylands and Barton Landfill are former landfill sites that are under Torbay Council ownership. These sites will be expensive to deliver as a result of high remediation costs associated with landfill. Of the two, Claylands is considered better located in relation to the strategic road network and, with LEP and/or EU funding support, could be delivered in the short to medium term for B1 uses. In addition, the more level parts of Barton Landfill could be developed for employment and/or leisure uses in the medium to longer term, subject to viability assessments.
- 6.2.6 Since the public sector can be an atypical developer, i.e. not guided purely by market conditions, then there is a possibility for delivering some of the right types of uses at Claylands and Barton Landfill through the alternative delivery options which have been set out in Appendix A. The Council should write business plans for both sites, which focusses on capturing the public funding and private investment.
- 6.2.7 The delivery of both Edginswell Business Park, including some of the extension land, and White Rock, are considered to be strategic priorities for Torbay. These sites are well located in relation to strategic road networks and are adjacent to employment areas that have proved to be attractive to commercial occupiers. These sites are considered to have potential for accommodating B1 occupiers in some of Torbay's target employment sectors.
- 6.2.8 Whilst Edginswell and White Rock are considered to be strategic priority sites, this should not diminish the importance of other sites, including existing employment estates, in providing a range of premises for local businesses. Such sites include Yalberton and Woodlands, and potentially the Jackson Land at Yalberton. Although Northfields is considered to be an important site for local businesses, it is poorly located, and it is suggested that there may be potential to relocate existing users to Oxen Cove should it continue to become poorly maintained.
- 6.2.9 On the assumptions of some of the deliverable and developable sites coming forward through mixed use schemes over the plan period, then on the indicative proportions identified in Table 6.2, there is a potential allocation of 42 ha of land for employment uses. This would be in addition to existing employment spaces and the town centres.



Table 6.2 Potential Employment Land over the Plan Period

Type	Site	Size (ha)	Employment Proportions	Employment Land Potential (ha)
<b>Sites with Planning Permissions</b>	White Rock	8.8	100%	8.8
	Edginswell Business Park	2.8	100%	2.8
<b>Masterplanning Development Briefs</b>	Bookhams	4.1	25%	1.0
	Edginswell extension	37.4	25%	9.4
	Oxen Cove & Freshwater Cove	1.3	100%	1.3
	Claylands	6.8	100%	6.8
	Barton Landfill	16.3	50%	8.2
	Yalberton (Jackson Land)	7.4	50%	3.7

- 6.2.10 As a planning authority, while it might be considered logical for Torbay Council to support employment growth through the allocation of more employment space, some consideration should be given to smart (spaceless) growth with growth focussed in town centres through intensification. A solution is to encourage smart growth through regenerating the town centres.
- 6.2.11 On the basis of planning for space to deliver jobs which supports Torbay's growth plans, and to provide a margin for local churn (including competition and choice), then the findings of this review would suggest that there is enough employment space in Torbay, and a fairly even spread across the Borough. Potentially there could be some excess within the Council area, although this is not significant and we would urge caution in allocating too close to the projected requirements since projections can be very uncertain, and when land is lost to other uses, in our experiences it can be difficult to claw it back should they be needed.
- 6.2.12 In addition, it may in practice be necessary to increase the amount of sites used for non-employment uses: either enabling uses such as residential or landscaping/biodiversity offsetting. On this basis it may not be possible in practice to achieve 4,000 sqm on a gross hectare of land, or the recommended proportions of employment space within the identified potential allocation sites. For these reasons we would recommend that the eight sites in the planning pipeline (as listed in Table 6.2) should be wholly allocated for employment uses or mixed use schemes with an element of employment uses on them, subject to viability/and or the business plans to bring them forward. The town centres should seek to deliver smart growth and regeneration. And the existing employment sites should be retained for continued employment uses, subject to on-going monitoring and review. It will be noted that paragraph 22 of the NPPF cautions against oversupplying employment land, and that allocations should be reviewed regularly.

## Appendix A Delivery Options for Unlocking Sites

### Introduction

Failure to bring sites forward for can undermine local objectives for future growth, and in relation to major employment this may undermine an area's potential to deliver jobs. In this appendix note we look at factors constraining employment land development in Torbay and offer ideas on delivery options and implementation tools to help bring developable sites forward.

### Market Signals

Keeping aware of market signals in planning for space is a key point emphasised back in 2006 by the Barker Review of Land Use Planning which states that... "Market signals provide important information for planners in determining the most efficient use of land"<sup>4</sup>, and this understanding is now a common thread for informing development plans under the National Planning Framework. The critical point to understand is that just because an allocated employment site is not developed it does not mean that the problem is one of 'delivery'. It can be interpreted as a market signal indicating that this is not the best use for the site.

However, in an area with high levels of housing pressure, such as Torbay, this may not be a fair reflection of the situation.

### Market Viability

The viability of the development of any given site will depend on market conditions at that particular time, including rental and capital values, and on site specific factors such as higher than average project costs. For example, the need for piling due to poor ground conditions; remediation of contaminated land; flood protection measures and/or need to raise floor levels and provide compensatory flood storage; infrastructure costs such as new access roads, highway improvements/roundabouts; availability and capacity of utility supplies; Section 106 Agreement costs; costs incurred in obtaining planning consent including professional advisors etc. If development does not provide an adequate profit margin then schemes are unlikely to proceed.

Understanding market viability in development planning decisions is emphasised in two planning for viability guides prepared in 2011 separately under the Harman Review and RICs on Local Plan Viability.

### Delivery Options

In generating recommendations for development options, we have considered a number of the conclusions from the consultations and research as part of this study. They include the following observations:

#### Anchor developments

Pre-lets or anchor developments are important to realising the larger development schemes. But for this to be identified as a 'practical' solution the developer will need to have an identified end user, to know how much space they will buy and when.

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<sup>4</sup> Box 1.1 - Barker Review of Land Use Planning – (December 2006)

## Mix of uses

Re-allocating employment land across a wider number of uses will improve the marketability of land supply because it shares the infrastructure costs across these other uses, hence reducing development costs for employment space. This is very cost effective; however it would need to balance with Torbay's needs and aspirations. In the following bullet points we look at where planning may improve take up of land:

- Mixed use development is likely to be more marketable than single uses on larger sites. The reason the market likes mixed use schemes is that it spreads developers' risks – but this also depends on the site, the local market and the mix of uses and scale of development.
- Following on the above comment, an element of retail, such as retail warehousing or trade counters is likely to attract business and may need to be part of the mix. However, this needs to depend on where the development is and the strategic importance of the site for the sub-area.
- Allow residential use as an enabling development on larger sites to help kick start development of the commercial elements, but again this would need to be assessed against the strategic importance of a particular site and its suitability for business use without any residential element.

## Increasing Intensity

It is possible to achieve more intensive use of space in designing the site development options, for example the mixed use options could be conditional on achieving higher densities, which would increase or maintain employment numbers on less space than the existing users. But the viability of these uses will be a critical consideration, and location is particularly important from a planning perspective. Where developments are in or close to town centres and transport hubs, then the potential for delivery of intensive schemes improves. However if occupiers are to be attracted, it is vital for any schemes to allow for adequate servicing, circulation and parking space.

## Transport and Communication Improvements

Access and capacity on the strategic road network is important to businesses for gaining access to labour, receiving supplies and distributing goods. Therefore this affects a location's ability to attract investors.

## Implementation Tools

There are various tools planning authorities may rely on for bringing sites forward for development. These mostly relate to planning gain by allowing developers to build something that will generate profit beyond the normal developer mark-up. Achieving planning gain may be achieved through the statutory planning system, either via planning documents, a CIL charging schedule or by individually negotiating S106 agreements on a site by site basis or through a combination of the approaches.

## S106 Agreements and CIL (Community Infrastructure Levy)

Currently most developer contributions towards infrastructure are through the S106 system, and S106 is only justified under certain circumstances to make development appropriate where it would not be otherwise. However, it is important to capture planning gain for wider infrastructure for the whole area, not just infrastructure that is local to the development. Further to this, the arrival of CIL will enable strategic and non-site specific contributions to cross subsidise infrastructure/employment

development. But it is also possible that S106 can help to pay for or subsidise employment space, e.g. small workspaces.

### **Development Plan Documents**

It is often considered that the role of planning in fostering economic development is perhaps not as well developed as it should be, especially in comparison with other land uses issues, such as housing or conservation. A range of new and emerging national initiatives are currently providing new opportunities in this direction, including Enterprise Zones, BIDs, Local Development Orders and potentially a Tax Increment Finance. We look at some of the relevant ones here.

### **Local Development Order (LDO)**

Similar to the above, positive planning can provide a boost to local economic development. In this regard, Local Development Orders (LDO) can be adopted by local authorities to allow certain types of development within defined employment areas without the need to obtain planning permission. The purpose is to boost business confidence in an area and generating investment in employment space by improving their certainty of having a greater a degree of flexibility and autonomy over their investment in property in addition to faster speed of delivery which should all combine to reduce cost.

Torbay's Enterprise Areas are key development sites within Torbay, which have financial incentives through the Torbay Growth Fund (see below) and will be complemented by Local Development Orders enabling suitable businesses to move onto the sites quickly and with reduced planning restrictions.

### **Masterplans and Area Action Plans**

Planning should also intervene positively to stimulate demand and encourage development, through tools like development briefs, Area Action Plans and masterplans, which would assist in addressing economic development issues in a wider, spatial context. These would be able to address economic objectives and to integrate them with infrastructure, housing and environmental considerations in a holistic manner. They would also identify any cross subsidy required to be identified and planning gain to be shared out in a manner consistent with the overall policy objectives of the LDPs and in a transparent fashion open to public scrutiny. Complementary strategies to tackle issues such as skills will enhance the market attractiveness of the area as a place for inward investment.

### **Business Plan**

In planning for bringing sites to the market, and in seeking to maximise the wider economic returns for Torbay, it is helpful to develop business plan(s) for key sites. On a site specific basis it may help to first set out a better understanding of why new development does not come forward and then to look at the types of initiatives that have been tried in order to facilitate development of employment floorspace.

Among other things, it is important that each site/area business plan identifies the following:

- Outcomes being sought, e.g. amount of commercial space, type of space;
- Types of interventions, if necessary, required for bringing sites forward;
- Delivery arrangements;

- Where investment might be sourced, for example:
  - S106 agreement/CIL;
  - Local authority prudential borrowing; and
  - LEP, Government and European funding.

This approach is clearly needed in order to bring forward potential allocations in Torbay.

### **Land Contributions**

One specific form of gap funding can be through a contribution from the local authority in the form of land or of site servicing. Land at nil value reduces overall development costs, hence improving viability. Clearly such a step has opportunity costs and needs weighing in terms of the Council's overall objectives and will most importantly depend upon the location and suitability of land holdings. The Joint Venture business model relies heavily on the use of selling Council land to generate receipts to assemble sites for onward sale to private developers.

### **Joint Venture Partnerships**

Where there is effective demand for new space, and rationale for bringing forward sites for employment uses, the joint venture approach between the planning authority and a private sector developer can be an effective tool. This is because the partnership will often bring a combination of skills together, with the local authority benefitting from private sector expertise while also retaining some control over the type of development to align with its own objectives. The developer will benefit from tools like CPO which can be used by the partnership under the local planning authority. But importantly is the sharing of risk, with greater scope for residual risks being transferred to the party most appropriate to deal with them.

### **Compulsory Purchase Orders**

Also, local authorities may help facilitate developments where there are land ownership issues by purchasing land using developer funding. For instance if a site is in multiple ownership then the Council through use (or threatened use) of CPO powers may be more persuasive in acquiring land into single ownership to release development. However, in most cases this should be used only as a last resort.

### **Funding**

It is more likely that commercial development will be driven by the private sector and therefore intrinsic viability will be a crucial issue. However, there may be some scope for public funding that could support employment site delivery and this would need investigating with a project in mind. Public sector support for office and industrial development may rely on Government and European funding.

In considering funding options, discussions should be carried out with Economic Development and External Funding officers within the councils and Development Managers in the region through higher tiers, including Local Economic Partnerships. Here we note the main ones with potential for unlocking or encouraging sites for delivering employment uses.

### **Community Investment Levy (CIL)**

CIL will be the main new system for securing developer contributions to cover the cost of upfront infrastructure improvements for future developments. CIL will move away from the current ties of developer contributions being specific to their development. It is proposed that developers contribute to the CIL which then acts a pool of developer contributions for funding infrastructure within the local or even sub-region without being connected to the developers' schemes. It may help secure upfront funding which could then improve the marketability of employment sites for development. CIL regulation also offers forward funding mechanisms to pay for infrastructure upfront, such as public sector bodies guaranteeing loans from the private sector which are repaid using subsequent developer contributions. However, there is likely to be a lot of demand on the CIL to deliver funding possibly at a time when viability is limiting the scope for development and CIL receipts.

### **S106 Agreements**

Currently most developer contributions towards infrastructure are through the S106 system, although with the introduction of the CIL on certain forms of development (most likely residential and retail), this is likely to change. However it will remain possible that S106 on viable development schemes can help to pay for, or subsidise, employment space e.g. small workspaces. S106 is only justified under certain circumstances to make development appropriate where it would not be otherwise but it can be used not only to cross subsidise infrastructure/employment development on the same site, but may be used on other sites. So long as the contribution is relevant to planning.

S106 can also be an issue in restricting the viability of employment development where significant levels of S106 are required, for example to help fund new access roads. Consequently, the mix of uses required to make a development viable might also need to include non B-class uses as enabling development. Gaining S106 funding in this way will require developers to achieve high residual values after allowing for any other demands placed on them such as affordable housing. If the development is not affordable it will not happen.

### **New Homes Bonus (NHB)**

Local authorities have control over how they spend the money secured through the Central Government's initiative to encourage more house building by matching the council tax raised on each new house for six years. This therefore can be used by the Council to encourage employment development. However, from 2015/16, there are plans to top slice the New Homes Bonus grant and give some of the money to Local Enterprise Partnerships.

### **Regional Growth Fund**

The Regional Growth Fund (RGF) is a central government fund helping companies throughout England to create jobs. RGF supports projects and programmes that are using private sector investment to create economic growth and sustainable employment. It is a flexible and competitive fund, with bidders able to submit bids either as a project or a programme. It has a minimum bid threshold of £1 million. Following the June 2013 Spending Round allocation of a further £600 million to the Regional Growth Fund, ministers are considering the scope and timings of Round 5 of the RGF, which will be announced in autumn 2013.

### **Plymouth Western Morning News Growth Fund**

This is a RGF funded pot (community chest arrangement), which is aimed at the private sector delivering and supporting job creation in areas of high deprivation like Torbay, which have a dependence on public sector employment. The money can be spent in a number of ways, which might support investment in business space.

### **City Deal**

City Deals aim to act as a catalyst for economic growth in urban areas, with a particular focus on reducing dependency on the public sector and giving more responsibilities for some aspects of policy and funding to local areas. Plymouth has been awarded City Deal status, although the aim is to extend the benefits to a wider area. This includes a focus on marine science, clusters of marine and manufacturing business research and development that will benefit areas such as Torbay.

### **Torbay Growth Fund**

This is a small local fund, wholly supported by Torbay Council in targeting businesses to deliver jobs and skills through criteria based assessments for allocating between £1 and £4k per job which would be created/supported by this fund. The businesses can reinvest this money how they wish, so long as it links back to jobs, which may include investment in developing business accommodation.

### **Heart of the South West Local Economic Partnership (HotSW LEP) Funding**

The HotSW LEP is responsible for distributing the £21.5 million **Growing Places funding**, which is a new funding initiative to unlock infrastructure throughout the area to create jobs. This fund is to support projects that will contribute to economic growth, but is quite wide ranging in the type of investment it will support. Capital funding for premises, infrastructure, new equipment, new products and research and development will all be considered – as long as they lead to the creation of new jobs. Criteria to assess the bids will normally include investment readiness, how they fit with the HotSW strategy and other local strategies, value for money of public investment required for creating new jobs and likelihood of the project happening in the absence of public funding.

From 2015 a large proportion of Government funding will be allocated into a **Single Local Growth Fund** which HotSW will bid into through a **Local Growth Deal**. Through this ‘Single Pot’ funding stream, the Government will be devolving some of the central Government’s own funding down to the local level to support transport and other infrastructure funding plus skills training. The LEPs have been commissioned to write a strategy for spending this money, which is due to be submitted by December this year (2013). Within this, there may be suitable funding for bringing forward some of the infrastructure that will unlock sites which have stalled in Torbay. This strategy should form the basis for Torbay’s case for investment and it will be important to ensure links are made between the local investment strategy and the LEPs emerging EU prospectus, particularly around growth and jobs.

### **European Funding**

With restricted public finances across the UK, securing future EU funds, likely to be worth £8bn to the UK during the 2014-2020 programme, will be crucial to driving growth in local areas. The next tranche of European Funding, from 2014 onwards, will be channelled through the HotSW LEP, which will have notional allocations for the seven years covering European Regional Development Fund (ERDF), European Social Fund (ESF), and some European Agricultural Fund for Rural Development (EAFRD)

as appropriate. HotSW has been allocated 118m euros (currently £78m), to Devon including Torbay, which is proportionally higher than its neighbour Somerset due to its Transitional Status. In obtaining access to this funding for helping to deliver sites, it will be important to ensure that links are made between the planned investment and the HotSW's emerging EU prospectus. The latter is still under development but HotSW has to get a strategy in draft form together by the 7th October 2013. The Operational Programme – Strategic and Investment Strategy – is proposed to be signed off early next year and will form the Local Programme which will then result in a call for projects.

The emerging LEP Smart Specialisation Strategy is being developed as part of LEP's EU Structural and Investment Fund Strategy. This will focus on the sectors and clusters which drive innovation, with a specific focus in Torbay on the Hi Tech and high value sectors and on providing the commercial space required to make Torbay a destination for this type of business. Core Sectors in Torbay are the electronics and photo-technics (optical equipment, which anecdotally have been disadvantaged in Torbay by a lack of available sites and purpose built premises due to many of the companies being too small to meet the required investment.