

EMPLOYMENT LAND - UPDATE

HEADLINES: 2019-2020

Introduction:

For monitoring purposes, employment land is defined as that which during the 19/20 monitoring period falls into Use Classes B1 (a, b, c) business and light industry, B2 general industry and B8 storage and distribution. It does not include employment creating development associated with other uses such as retailing, leisure or *sui generis* uses, although these uses make an increasingly important contribution to the level of employment in the city.

Two types of employment development are monitored, 'additional' and 'redevelopment'. Additional includes employment development on sites that are not already in employment use and are a net addition to the employment land supply. Redevelopment is development on land that is already in employment use, therefore there is generally no net addition in terms of land supply, although redevelopment can have a net impact on the amount of floorspace provided.

In general, the progress of planning applications is monitored, as opposed to the development of individual units. This means that sites can remain as being classed as 'under construction' until all units are completed. It can also mean that the total land / floorspace delivered over a period of years is recorded as entering the supply in a single monitoring year. This can distort completion rates when assessed over a short time period, but evens out over longer timescales.

The Council only monitors applications that provide in excess of 500sqm (net) of floorspace due to the resource implications of monitoring more minor proposals.

Accurate monitoring of employment land is becoming increasingly difficult for a number of reasons including changes to permitted development regulations (which allow for the conversion of office space to residential use with no requirement to provide information relating to the amount of floorspace being lost through conversion) and demolition of industrial buildings (in general) not requiring planning permission, making it difficult to monitor losses / net changes in employment floorspace.

For these reasons, employment land monitoring information can only provide an indication of economic activity levels and should be considered alongside other economic indicators and more qualitative factors.

Recent amendments (1st September 2020) to the Use Class Order (UCO) provide greater flexibility to enable commercial units to be occupied by a range of different uses, without the need to apply for planning permission to establish the principle of development. Shops (A1), financial and professional services (A2), food and drink (A3), offices (B1a), research and development (B1b) light industry (B1c), non-residential institutions (D1) and indoor sport and leisure (D2) are now all part of a new use Class 'E'. This will mean that B1 uses can be 'lost' from the employment land supply without the need for a planning application.

This increase in flexibility is likely to further undermine the Council's ability to accurately monitor uses previously falling within the B1 use class and affect the comparability of data from the 20/21 monitoring year moving forward.

How Much Land Has Been Developed?

Approximately 7.3 ha of additional land was developed during the monitoring period, providing in the region of 38,000sqm of new floorspace. The majority (>32,000sqm) of this was provided through the completion of a further storage and distribution unit at Derby Commercial Park (Raynesway, Policy AC12). The overall area of additional land completed during the monitoring year is one of the largest recorded, reflecting the significant land take of modern storage and distribution facilities, such as those being developed at Derby Commercial Park.

Other noteworthy completions providing additional floorspace included the change of use of the former Post Office building on Victoria Street (Cubo) to create much needed flexible office space in the city centre and the change of use of D use class units at Stoney Cross (Spondon) and Wetherby Road (Ascot Drive), reverting back to the B use class.

Around 1.6ha of redevelopment land were completed during the monitoring period, providing upwards of 9,500sqm of floorspace. For the reasons noted above, where possible net floorspace figures have been used (taking account of any demolition), but where this isn't possible (where demolition hasn't been accounted for due to lack of information) a gross figure has been used. Notable completions on redevelopment sites during the monitoring period included the creation of new industrial units a Parcel Terrace (8307sqm – gross) by Clowes Developments, a new research and development facility (816sqm – net) for Pektron on Alfreton Road and new units on Haydock Park Close (circa 500sqm – net).

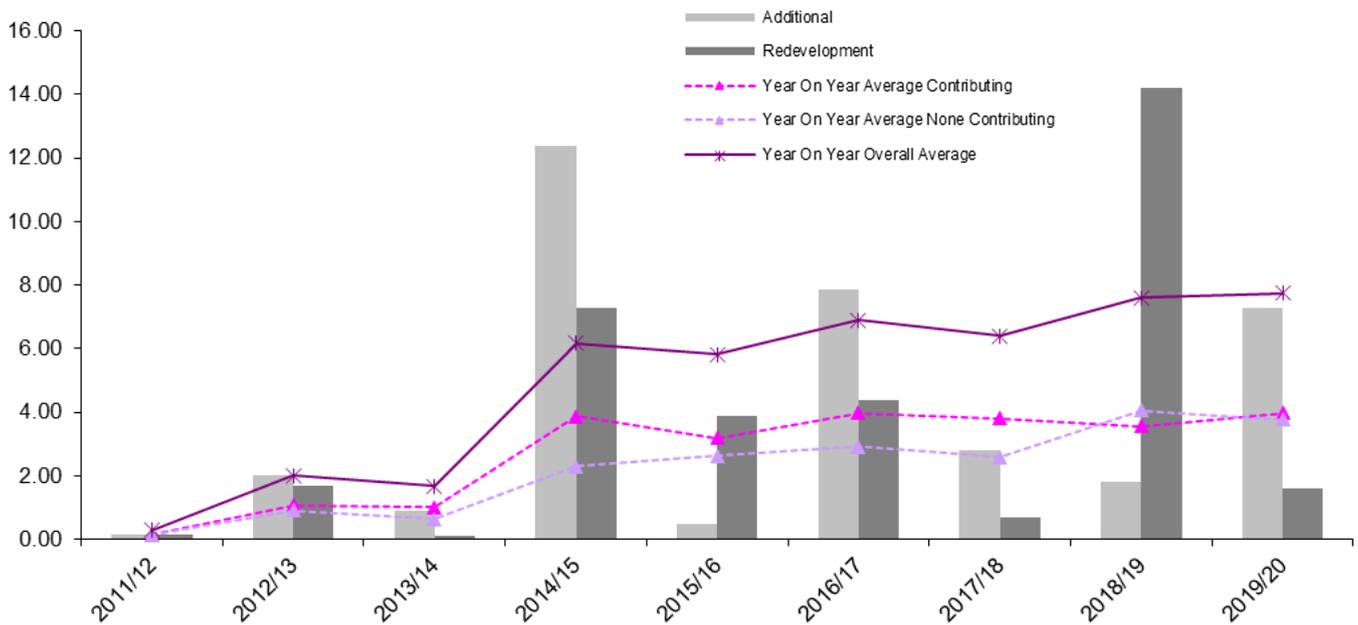
The level of completions on redevelopment sites is significantly lower this year compared to last but is in line with the average rate. The previous monitoring period benefited from the finalisation of key redevelopment sites such as Westside Park (Belmore Way), Eagle Park (former Draka Cables) and the Northedge development on Alfreton Road (former Hansons).

The enhanced completion figure for additional land and the return to average levels on redevelopment sites, has resulted in overall average completion levels on the two sources of land being broadly similar since the start of the plan period. However, as sites such as Derby Commercial Park are built out towards completion, there is a growing need to ensure that strategic employment sites providing new land such as Infinity Park Derby (AC15) and the Derwent Triangle (AC11) are brought on stream quickly to ensure that economic needs can continue to be met.

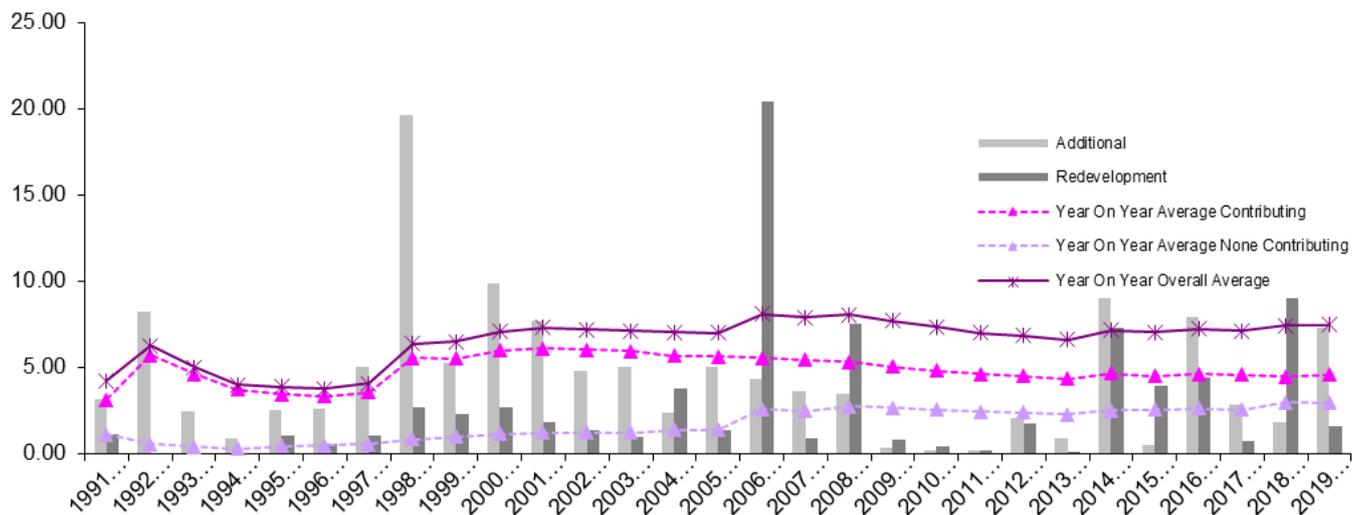
Past Completions:

Year	Additional Land Completed	Redevelopment Land Completed
2011/12	0.15	0.15
2012/13	2.03	1.69
2013/14	0.90	0.10
2014/15	12.39	7.28
2015/16	0.50	3.90
2016/17	7.87	4.39
2017/18	2.80	0.70
2018/19	1.80	14.20
2019/20	7.30	1.60
Totals:	35.74	34.01

Completed Employment Land Development (HA) 2011-2020



Completed Employment Land Development (HA) 1991-2020



How Much Land Has Been Lost From the Supply?

Following significant losses from the additional supply in previous years, the position in 2019/20 remains relatively stable, with the only notable loss from the supply being the DRI site, where a previous outline permission (including offices) has been superseded by an alternative scheme (with no office development), which is now being implemented.

The trend of losing office accommodation in the city centre to residential use, fuelled by changes to permitted development rights, has slowed in comparison to previous years, as the supply of sites that are readily available for conversion has started to be exhausted. However, a number of residential schemes

have been implemented which have led to a loss of office floorspace in locations such as Iron Gate, Wardwick and St Mary's Gate.

The redevelopment of existing employment land for new employment uses regularly results in the net loss of floorspace, particularly where old factories are demolished to make way for more efficient modern floorspace. Whilst replacement schemes have not been implemented, notable demolitions include the former Garrandale site on Alfreton Road, the former Aitons Pipeworks on Stores Road and the former Coes site on Thirsk Place.

There is also a general churn in the redevelopment of existing units / land to accommodate other commercial uses such as trade counters, leisure and education, as well as those sites that are redeveloped for residential use. Overall, approximately 1.7ha (circa 12,000sqm) has been lost from the existing supply during the monitoring period through 'major' losses, including around 1ha at Nottingham Road as an extension to the residential redevelopment of the former Technograv site. This does not account for the cumulative loss of land / units that do not meet the monitoring threshold.

How Much Land is Under Construction?

This monitoring period has seen a decrease in the amount of 'additional' employment land and floorspace under construction, compared to the previous monitoring year. The majority of this is associated with the completion of the 32,000sqm warehouse unit at Derby Commercial Park (AC12). The only site under construction at the point of survey, providing additional employment land was Dunstall Park Close (former Rolls-Royce car parks) providing in the region 9,500sqm of new floorspace.

	Additional Land (ha)	Redevelopment Land (ha)
2017/18	1.60	12.80
2018/19	9.20	3.10
2019/20	2.40	4.41

The amount of 'redevelopment' land recorded as under construction has increased from last year with the commencement of the last phase of development at Trafalgar Park (Victory Road). Other redevelopment sites under construction include the development of a new engine test facility at Derby Aerospace Campus (Wilmore Road), an extension to an existing unit at Hansard Gate and two new office buildings on City Road which are technically under construction as the flood wall elements of the application (associated with OCOR) have been implemented, although no work on the office buildings has commenced.

Overall Supply Calculation:

The DCLP1 identifies a gross allocated additional land supply of in the region of 199ha. This amount of land is identified in order to meet a 'need' generated by the planned housing growth in the Derby Urban Area (DUA) of around 150ha between 2011 and 2028. This figure is derived from the 'labour supply policy-on' methodology, with the HMA 'need' figure distributed in line with the housing strategy which focuses growth on the DUA.

The table below provides an indication of the overall additional land supply, which includes allocations and permissions. Whilst there have been some losses to the additional land supply, these have been

offset by new sites entering the supply, to the point that the supply has marginally increased.

Overall Gross Additional (ha)			
Component	2018	2019	2020
Land Completed Since 2011:	26.64	28.44	35.74
Land Under Construction:	1.6	9.2	2.4
Land with Planning Permission but Not Started:	90.40	83.40	83.10
Land Allocated but no Permission:	60.01	59.30	59.30
TOTAL:	178.65	180.34	180.54
Identified DUA Supply Located Outside of Derby City:	30	30	30
TOTAL:	208.65	210.34	210.54

A significant proportion of the land with planning permission but not yet started comprises land on strategic employment sites such as allocations AC15 (Infinity Park Derby) and AC12 (Derby Commercial Park). Land allocated but with no permission largely comprises land also identified by AC15 (to the south of Sinfin Moor Lane, not part of IPD) and the Derwent Triangle site (AC11). Outline permission for the Derwent Triangle site was issued in September 2020, following signing of the S106. This site will therefore move category in the next AMR.

South Derbyshire District Council (SDDC) has identified 30ha of additional employment land, as an extension to the AC15 allocation within the City. This land contributes to the overall DUA land supply.

The land supply calculation assessed against the DUA requirement (150ha) continues to show that more land is identified than is required to meet assessed needs in the Plan period and that the level of oversupply has remained constant through the monitoring year. This degree of oversupply provides useful flexibility whilst the extent of the oversupply is anticipated to reduce throughout the Plan period as elements of some allocated sites are lost from the gross developable area to accommodate further infrastructure, including major roads and flood alleviation measures.

Redevelopment (ha)			
Component	2018	2019	2020
Land Completed Since 2011:	18.21	32.41	34.01
Land Under Construction:	12.80	3.1	4.41
Land with Planning Permission but Not Started:	60.43	59.27	56.81

Land Allocated but no Permission:	5.60	5.60	5.60
TOTAL:	97.04	100.38	100.83

Importantly, the figures for redevelopment sites are 'gross' and do not take account of annual cumulative losses from the existing supply.

The majority of the redevelopment land supply with permission but not yet started is associated with the Rolls-Royce Aerospace Campus proposals. Some land within the area covered by the outline planning permission has been completed, whilst an area associated with the development of the new engine test facility remains under construction, leaving around 53 ha covered by the outline. However, as already noted earlier in this section, the campus proposals will result in a net decrease in employment floorspace overall.

The only redevelopment site which continues to be allocated but with no permission is the redevelopment element of saved CDLPR allocation EP4 (West Raynesway). This site has been brought back into beneficial use (without the need for planning permission as utilising existing buildings) and therefore is likely to be de-allocated through a future review of the Local Plan.