

## **EPSOM & EWELL LOCAL PLAN: LONGMEAD & NONSUCH INDUSTRIAL ESTATES CAPACITY STUDY**

<b>Head of Service/Contact:</b>	Ruth Ormella, Head of Planning
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	
<b>Annexes/Appendices (attached):</b>	Annexe 1: The Longmead & Nonsuch Industrial Estates Capacity Study
<b>Other available papers (not attached):</b>	Strategic Housing Land Availability Assessment (June 2017) Strategic Housing Land Availability Assessment (March 2009)

### **Report summary**

The Longmead & Nonsuch Industrial Estates Capacity Study has been prepared to explore and assess the potential opportunities that these areas may provide as sources of housing land supply. This latest Study positively contributes to our developing narrative that explains how we have “looked under every stone”.

### **Recommendation (s)**

- (1) That the Committee notes the contents of the Study and agree to it being used to inform the preparation and production of the new Local Plan and the associated Transformation Masterplan.**

### **1 Implications for the Council’s Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 The delivery and implementation of the Epsom & Ewell Local Plan contributes towards all of the Council’s Key Priorities. Our emerging new Local Plan will set out how we will meet our objectively assessed housing need through sustainable growth over the next twenty years. The Longmead & Nonsuch Industrial Estates Capacity Study is an important piece of evidence that will sit alongside other documents that inform the preparation and production of our new Local Plan.

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### **2 Background**

- 2.1 The government's National Planning Policy Framework (NPPF) requires local planning authorities to identify land for new homes. Specifically the NPPF requires that we have a clear understanding of "...the land available in our area through the preparation of a strategic housing land availability assessment. From which planning policies should identify a sufficient supply and mix of sites..." (NPPF Paragraph 67).
- 2.2 In the course of identifying new site allocations to meet our housing need the Borough Council has already prepared two Strategic Housing Land Availability Assessments. These have sought to identify potential sources of housing land supply that are genuinely available, deliverable and developable – namely, sites that can come forward straightaway to meet our housing need. The most recent of these Assessments came before this Committee during June 2017, whilst the earlier came before the Borough Council's Planning Policy Sub-Committee during 2009. Both are considered comprehensive and robust pieces of evidence, and have informed the development of the new Local Plan.
- 2.3 The Borough Council may not have fully considered every piece of existing urban land that could become available as sources of housing land supply. The Borough's large employment areas could provide a source of housing land supply – through comprehensive redevelopment delivering a mix of employment (on the ground and lower levels) and residential (on the upper floors).
- 2.4 In order to ensure that we have a clear understanding of the land that is genuinely available for future housing we have carried out additional assessments of all possible sources of housing land supply located within the Borough's existing urban area. The first of these assessments focusses on the possible housing land supply opportunities that may exist on the Longmead and Nonsuch Industrial Estates. A copy of the Study is included under Annexe 1.

### **3 The Longmead & Nonsuch Capacity Study**

- 3.1 The Longmead & Nonsuch Capacity Study considers the potential housing land supply capacity that could be available from these two important employment sites. The Study examines the landownership parcels within these sites and assesses their ability to become available, deliverable and developable sources of housing land supply during the new Local Plan period. In simple terms it asks the question; could these sites come forward with certainty during the next twenty years and if so how many new homes might they deliver?
- 3.2 The Study objectives are as follows:
  - Identify existing on-site and adjacent uses to the industrial areas

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- Gather intelligence relating to occupation, investment, potential constraints or opportunities, aspirations of landowners and accessibility
- Explore scenarios as to how the sites could evolve in the future to deliver a varying degree of housing alongside a mix of employment uses
- Conduct a SWOT analysis (strengths, weaknesses, opportunities and threats) of these scenarios and make conclusions and recommendations.

3.3 A desktop review and site visits were carried out and the findings were analysed to create three potential scenarios for housing development on the site. These importantly all included the retention of as much commercial floorspace as possible to maintain the economic vitality of the Borough. In order to ensure that the resulting development mix remained financially viable, and therefore deliverable; the three scenarios focussed upon high density housing types.

3.4 The three potential redevelopment scenarios are summarised below:

*1. Retention of the majority of the site as employment land*

This scenario envisages the retention of the majority of the site as Employment Land, broadly in accordance with its current uses. It welcomes the opportunities for new residential uses on an ad-hoc basis, if and when they arise.

This scenario requires the minimum level of intervention from the local planning authority. As a consequence it would result in piecemeal loss of employment sites as and when the market dictates. This is similar to our current approach but would require a change in policy to allow for the loss of some employment floorspace in the identified employment area. It is anticipated that the delivery of this option would only deliver a modest number of new homes – approximately 100 units.

*2. Redevelopment of a proportion of the area as high density residential accommodation*

This scenario envisages the redevelopment of a significant proportion of the site. Primarily those that fall within one or a limited number of landownerships. Again this scenario envisages mixed-use development including high density residential uses to the upper storeys. It is assumed that the second scenario would seek the retention of the remainder of the site for intensified employment land uses but would welcome residential opportunities on an ad-hoc basis

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The Study concludes that this approach is more likely to be implemented in the long-term. That is beyond the new local plan period (post 2032). The Study makes this conclusion on the basis that there is no evidence that any of the existing landowners (including long leaseholders) are looking to redevelop or re-locate. This option would require intervention from the Borough Council. It is also concluded that it would require a change in the commercial land market to make the scenario viable<sup>1</sup>.

### 3. *Comprehensive Transformation*

This final scenario envisages the comprehensive redevelopment and transformation of both Industrial Estates in their entirety. The Study envisages that this scenario would be comprised of high density residential and intensified employment uses provided in the most appropriate locations across both Industrial Estates.

The Study concludes that this approach is more likely to be implemented in the long-term. As with the second scenario, implementation would be beyond the new local plan period (post 2032) as there is no evidence currently that any landowners are looking to redevelop or re-locate. This option would require significant intervention from the Borough Council and a change in the commercial land market to make the scenario viable. This option would inevitably result in the loss of a considerable amount of employment floorspace. This would have a negative effect on the economic vitality and viability of the Borough.

## 4 Conclusions

- 4.1 The main purpose of the Study was to evaluate the two industrial estates as potential sources of housing land supply. The Study concludes that the three emerging scenarios could yield between 100 to 2700 additional new homes.
- 4.2 However, the Study concludes that there is no certainty to any of these approaches. The Study has found no evidence to indicate that any of the sites across both Industrial Estates are genuinely available for redevelopment for non-commercial uses. The evidence does demonstrate that there are very few vacant units across both Industrial Estates; that there is a diverse range of well-established commercial activities; and that there is strong evidence of recent and on-going investment in the existing commercial uses and operations. The Study concludes that the evidence demonstrates that both Industrial Estates are economically vibrant and viable as commercial/ employment locations.

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<sup>1</sup> The example landowner we have used is purely indicative and we have no reason to believe that they are looking to redevelop/ re-locate or any other information.

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- 4.3 The Study identifies some significant constraints to the prospect of mixed-use development coming forward on this site during the Local Plan period. These constraints include practical operational matters, such as lack of land for temporary relocation; development viability constraints, namely that existing uses are very successful, so accordingly land prices and value remain very high; and 'industrial/bad neighbour' uses, which suggest that satisfactory living conditions for future residential uses would not be met.
- 4.4 It is noteworthy that the National Planning Policy Framework 2018 Paragraph 121 states that employment land should only be used for housing if it would not undermine key economic sites. The Study concludes that the redevelopment of the two industrial estates for a mix of commercial and residential uses would undermine their offer as economic sites, and would have an adverse impact on the economy of the Borough.
- 4.5 It is highlighted that the first scenario, comprised of modest ad-hoc residential development, would only deliver a small number of new homes. The Study also notes that it would result in piecemeal development for a relatively small housing yield. The potential housing yield from this scenario would have little impact on the Borough's identified housing need whilst having a negative impact on the overall economic vitality of the site.
- 4.6 The Study concludes that the re-development of the Nonsuch and Longmead Industrial Estates is not a viable option for housing delivery within the new local plan period. There are currently no market drivers indicating that this will be the case. Both Industrial Estates function well with the existing commercial uses. Together they serve as the principle economic/ industrial hub for the Borough. Any loss of economic activity would seriously undermine the economic vitality of the Borough. This consequential impact is a significant consideration to any proposals to identify either as housing allocation sites.
- 4.7 The Borough Council has recently commissioned the preparation of a Borough-wide Transformation Masterplan. It will consider how housing delivery within the existing urban area will be optimised through the application of high quality design, higher residential densities and where appropriate taller buildings. It is recommended that the Masterplan includes how existing commercial and employment sites could be incorporated across the Borough as it transforms.

## **5 Financial and Manpower Implications**

- 5.1 The preparation, publication, examination and implementation of our new Local Plan imposes significant demands on staff in the Planning Policy Team and the wider Planning Department. Since the preparation of our latest Local Plan Programme additional staff resources have been secured and successfully deployed.

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- 5.2 However, given the increasing level of complexity to the local plan process (introduced through the new NPPF), particularly in relation to reviewing the local plan every five years, meeting our objectively assessed housing need and the Duty to Co-operate, it may prove necessary to deploy further resources.
- 5.3 Any requests for further resources, to meet our required responsibilities, would need to be referred to the Strategy & Resources Committee for approval.

5.4 ***Chief Finance Officer's comments: None for the purposes of this report.***

## **6 Legal Implications (including implications for matters relating to equality)**

- 6.1 The new Local Plan will need to demonstrate that it meets the four tests of soundness set out in national planning policy. By providing evidence that we have considered all reasonable and available sources of housing land supply we will be able demonstrate that our new Local Plan has been positively prepared and is justified.
- 6.2 ***Monitoring Officer's comments: None arising from the contents of this report.***

## **7 Sustainability Policy and Community Safety Implications**

- 7.1 The preparation of a new Local Plan will contribute towards delivering the Council objectives for maintaining and enhancing the Borough as a sustainable place to live, work and visit by providing guidance to new development proposals.
- 7.2 The new Local Plan will be subject to a full Sustainability Appraisal report. This will be subject to public consultation at an appropriate time in the process.

## **8 Partnerships**

- 8.1 The Duty to Co-operate requires that Local Planning Authorities engage with partners and neighbouring authorities on strategic issues, including provision of housing land and meeting housing need in full.
- 8.2 We continue to engage with our neighbours as we seek to discharge our Duty to Co-operate. Demonstrating that we have explored all reasonable housing land supply opportunities within the Borough will provide evidence to that process and may influence the identification of an appropriate strategy to respond to housing need.

## **9 Risk Assessment**

- 9.1 The Council is currently unable to demonstrate a five year supply of housing land to meet its objectively assessed housing need and, as such, our Local Plan is considered out of date. Work is progressing to prepare a new Local Plan that will include a new housing target to deliver sustainable growth and respond to our objectively assessed housing need.

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- 9.2 Failure to produce a new housing target and the necessary 5 year housing supply could lead planning applications for residential development need to be determined in accordance with Paragraph 49 of the National Planning Policy Framework. This states that without a five year supply adopted Council policies on the supply of housing cannot be considered up-to-date. Without a five year supply there is a presumption in favour of granting planning permission to applications for new housing unless the development can be shown to cause demonstrable harm to other factors that outweigh the need to provide new housing.
- 9.3 By proactively planning for future growth identifying where it should and should not go, we will place ourselves in a stronger position to resist unsustainable levels of growth in the wrong locations. Providing evidence that we have considered all reasonable and available sources of housing land supply supports this approach.

## **10 Conclusion and Recommendations**

- 10.1 That the Committee notes the contents of the Study. The Committee are asked to especially note that there is no evidence that the two Industrial Estates can provide available, viable, deliverable and developable sources of housing land supply, to meet our immediate objectively assessed housing need during the new local plan period.
- 10.2 It is recommended that the Study be used to inform the preparation and production of the new Local Plan and the associated Transformation Masterplan.

**Wards affected: Court Ward and Town Ward**