

South Somerset Economic Development Monitoring Report (December 2016)

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1. Purpose of the Report

- 1.1. To consider the Employment Economic Development Monitoring Report and inform Members as to the implications for plan-making and decision-taking.

2. Forward Plan

- 2.1. This report was on the District Executive Forward Plan.

3. Public Interest

- 3.1. The Council previously published its Authority Monitoring Report (AMR) in September 2016. The AMR noted that additional analysis of employment land delivery in South Somerset would be presented in December 2016.
- 3.2. The monitoring of employment land and floorspace is important to judge the level of delivery against the objectives set out in the South Somerset Local Plan (2006 – 2028). The data is also useful for considering whether or not the policies in the local plan should be amended or revised as part of the Early Review of the Local Plan.

Recommendation(s):

That the District Executive:-

- i. note and consider the Economic Development Monitoring Report (**See Appendix A**); and
- ii. delegate responsibility to the Assistant Director for Economy in consultation with the Portfolio Holder for Strategic Planning to make any final minor text amendments which may be necessary to enable the Economic Development Monitoring Report to be published.

4. Background

- 4.1. The South Somerset Local Plan (2006 – 2028) sets out a policy approach for shaping and influencing employment land delivery in South Somerset. Policy SS3 (Delivering New Employment Land) sets out that just under 150 hectares of employment land should be delivered over the local plan period. The policy also sets out a spatial distribution of this employment land, with a focus on ensuring delivery in Yeovil, followed by the larger towns in the district.

- 4.2. In order to understand whether the policy approach in the local plan is being successful, it is necessary to regularly monitor delivery records, by year, by settlement, and by type of development.
- 4.3. This monitoring information will normally be documented in the AMR produced annually. The AMR (2016) did not include an analysis of employment land delivery because the data at that point in time was not in a suitable robust state to support a robust analysis. The reason for this is that the data had historically not been held and ordered in a uniform manner. As such, significant work has been required to restructure, re-order and re-present the data so that some clear conclusions can be reached. A substantial amount of “data cleansing” has also been required to remove errors and discrepancies.
- 4.4. The employment land monitoring database and overall approach to monitoring has now been rationalised and so the data present in Appendix A and summarised below is robust. The work carried out in the background will also ensure a consistency of approach in all monitoring work in the future.

5. Summary of Employment Land Monitoring

- 5.1. Since 2006, South Somerset has delivered 49 hectares of net additional land, and 200,000 square metres of net additional floorspace. Table 1 sets out the delivery of land and floorspace in more detail. Additional information relating to delivery of land and floorspace over each year since 2006, in each of the main settlements across the district, and by each Use Class is set out in Table 2, Table 3 and Table 4 respectively.

Table 1: Total Land and Floorspace Completed in South Somerset (2006/2007 to 2015/2016)

South Somerset		
	Land (Hectares)	Floorspace (Square Metres)
Gross	71.9	328,698
Losses	23.0	128,956
Net	48.9	199,742

Source: South Somerset's Employment Monitoring Database

Table 2: Annual Land and Floorspace Completed (2006/2007 to 2015/2016)

Year	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
2006/2007	1.9	0.0	1.9	9,017	656	8,361
2007/2008	15.7	3.1	12.6	63,993	22,011	41,982
2008/2009	9.4	1.8	7.6	29,950	10,417	19,532
2009/2010	6.0	0.9	5.1	43,794	12,323	31,471
2010/2011	4.4	1.7	2.7	39,769	13,542	26,227
2011/2012	4.6	0.9	3.7	18,561	4,519	14,041
2012/2013	8.5	4.4	4.1	34,609	12,951	21,658
2013/2014	2.4	0.2	2.1	20,893	12,208	8,685
2014/2015	3.9	2.0	1.9	12,056	7,221	4,835
2015/2016	15.3	8.0	7.2	56,056	33,107	22,949
Total	71.9	23.0	48.9	328,698	128,956	199,742

Source: South Somerset's Employment Monitoring Database

Table 3: Land and Floorspace Completed by Settlement (2006/2007 to 2015/2016)

Settlement	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
Yeovil	10.4	9.3	1.1	75,239	53,287	21,952
Chard	1.0	1.5	-0.5	38,882	13,874	25,007
Crewkerne	1.8	0.4	1.3	11,976	7,871	4,105
Ilminster	4.2	0.4	3.8	17,512	2,205	15,307
Wincanton	1.8	0.6	1.2	17,337	6,594	10,743
Somerton	2.3	0.9	1.4	14,976	4,832	10,144
Ansford & Castle Cary	9.3	0.4	8.9	18,265	1,953	16,313
Langport & Huish Episcopi	0.1	0.1	0.0	4,525	3,159	1,366
Bruton	0.9	0.4	0.5	6,031	2,814	3,218
Ilchester*	0.1	0.1	0.0	1,159	310	849
Martock & Bower Hinton	0.2	0.0	0.2	1,956	2,261	-305
Milborne Port	0.2	4.0	-3.8	909	8,716	-7,807
South Petherton	0.5	0.0	0.5	2,841	362	2,479
Stoke Sub Hamdon*	0.0	0.0	0.0	829	607	222
Rest of District	39.0	4.8	34.2	116,260	20,111	96,149
Total	71.9	23.0	48.9	328,698	128,956	199,742

Source: South Somerset's Employment Monitoring Database

* N.B. figures for net land completed in Ilchester and Stoke Sub Hamdon are (-0.03) and (-0.01) respectively

Table 4: Land and Floorspace Completed by Use Class (2006/2007 to 2015/2016)

Use Class	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
A1	6.0	4.7	1.3	28,660	20,237	8,423
A2	0.3	0.5	-0.2	7,143	4,262	2,880
A3	0.3	0.0	0.3	8,660	1,295	7,365
A4	0.5	0.2	0.3	3,623	3,231	392
A5	0.0	0.0	0.0	1,653	213	1,440
B1	13.5	6.9	6.6	54,115	41,031	13,084
B2	16.8	7.9	8.9	74,576	19,395	55,182
B8	10.5	0.6	9.8	51,460	15,061	36,399
C1	1.4	0.3	1.1	14,413	810	13,603
C2 (not Care Homes)	0.0	0.0	0.0	805	0	805
D1	2.9	0.7	2.3	25,897	6,642	19,255
D2	1.2	0.2	1.1	18,924	4,002	14,923
Sui Generis	11.2	0.3	10.9	20,425	7,502	12,923
Mixed Use	7.2	0.7	6.5	18,344	5,276	13,068
Total	71.9	23.0	48.9	328,698	128,956	199,742

Source: South Somerset's Employment Monitoring Database

- 5.2. Policy SS3: Delivering New Employment Land sets out that provision will be made for sufficient development to meet an overall district requirement of at least 149.51 hectares of land for economic development over the plan period (1st April 2006 and 31st March 2028).
- 5.3. The data set out above shows that 1,039 planning applications delivering economic development were completed between 1st April 2006 and 31st March 2016.
- 5.4. This has resulted in gross completions of 72 hectares of land, and 329,000 square metres of floorspace since 2006/2007.
- 5.5. After losses are taken into account, this equates to net completions of 49 hectares of land and 200,000 square metres of floorspace since 2006/2007.
- 5.6. Between 2006/2007 and 2015/2016 the annual amount of land and floorspace completed has been relatively consistent. Where year-on-year fluctuations do exist, these can be explained by unique larger-scale completions.
- 5.7. 70% (34 hectares) of the net additional land completed since 2006/2007 has been in the "Rest of the District", and therefore outside of the main settlements in South Somerset.
- 5.8. Yeovil has delivered 10.42 hectares of employment land, but this is a gross figure. Once losses have been taken into account (9.28 hectares), the net delivery falls to just over 1 hectare of additional land.
- 5.9. Given the size of settlement – Ansford & Castle Cary and Somerton have delivered impressive land and floorspace delivery figures. This may be due to large, possibly

one-off, developments in these locations (Royal Canin and Bancombe Road respectively).

- 5.10. Delivery figures for land and floorspace in the remaining Local Market Towns and the Rural Centres have been modest.
- 5.11. Traditional employment uses (B1 office, B2 general industrial, and B8 storage) continue to generate the largest amount of net additional land and net additional floorspace. Their role in the economy remains a vitally important one.
- 5.12. However, there is a clear rise in the amount of net additional land and floorspace generated by development which falls into the A use class, D use class, and Sui Generis. This is an indication of the increased prominence of the service-based industries to the economy of South Somerset.
- 5.13. The relationship between net additional land net additional floorspace is not directly proportional. At a settlement-level, there are places experiencing little net gain in land, but relatively high levels of net additional floorspace. This indicates that expansion of existing premises, changes of use within existing buildings, the intensification of use on an existing site are playing an important role in driving economic activity; as much, if not more so, than delivering new land for economic development.
- 5.14. The local plan policy is 10 years' into its life, which corresponds to 45% of the way through the plan's overall timeframe. In comparison, the total net land completion figure represents 33% of the local plan's overall target.
- 5.15. The level of progress towards the policy target is significantly enhanced by the "Rest of the District" figures. When looking at the level of delivery across the main settlements progress is somewhat mixed, with some of the larger towns only delivering small amounts of net additional land.
- 5.16. However, as the previous chapters have highlighted – achieving positive economic development is not solely about the delivery of net additional land. Therefore, in considering the effectiveness of Policy SS3, and the implications for the scheduled Early Review of the Local Plan, there must be question marks as to whether measuring performance only via analysing the quantum of net additional land realised is the correct metric; and whether a package of monitoring measures is required to provide a more rounded and more comprehensive assessment of how South Somerset's economy is performing.
- 5.17. Total jobs in South Somerset have increased over the period 2006 – 2016. And the economy appears to have recovered from the worst impacts of the recession. When considered alongside other factors – economic activity rates, claimant counts, GVA by sector, GVA per capita – then the general outlook for the South Somerset economy is strong.
- 5.18. However, it is fair to say that in terms of delivery of net additional employment land and floorspace that progress since 2006 is mixed. Total net land delivery since 2006 has been 49 hectares, and total net floorspace generated has been 200,000 square metres. When looking at progress against the target figure set out in the South Somerset Local Plan Policy SS3, the figures show that performance is behind a notional 'average' land delivery target after 10 years.

- 5.19. But it is also accepted that economic development activity doesn't really work in an average or uniform manner. Investment decisions respond to economic cycles and that decision making is not uniform.
- 5.20. The data and analysis begs the question – what does this mean for the longer term relationship between economic development and land delivery? Looking critically at the data versus the policy objective set out in Policy SS3 of the local plan, it would appear to signify the end of “predict and provide” style approaches to allocating employment sites and considering economic development purely through the lens of employment land requirements.
- 5.21. In addition, with significant delivery in the “Rest of the District” and very little in the main settlements as defined in local plan, it would seem that there is a real challenge in terms of delivering land. And, again, questions whether this narrow pursuit is the correct one to realise economic growth and productivity.
- 5.22. On this basis the data suggests there may be a need to re-consider the strategy on land requirements. The information suggests there are issues associated with unlocking ‘large’ sites and that this is a disconnect between land allocations and true business needs.
- 5.23. With changes of use, churn, recycling of land, and intensification of existing premises playing a critical role in driving forwards economic activity – a greater policy focus on these issues is required. Furthermore, a more flexible policy approach is likely to be required to cater to the trends in A1 – A3, and D1 and D2 Use Classes and the shift and change in economy; whilst still recognising that “traditional” B1, B2, and B8 have provided the greatest amount of land and floorspace in the district.
- 5.24. With delivery and supply dominated by Yeovil, Chard, and then the Rest of the District it also suggests a two-tier strategy for economic activity is required. And in bring this strategy to fruition; the Council may need to place as much emphasis on supporting existing businesses to expand on existing sites, as to simply support them in pursuing new development opportunities.

6. Next Steps

- 6.1. The data summarised above and presented in Appendix A will be incorporated within all future AMRs produced annually.
- 6.2. The data, intelligence and analysis will also be used in decisions on current and future planning applications, and the Council's corporate approach to facilitating future employment land delivery.
- 6.3. In addition, the data and analysis will be used to inform discussions, options and possible policy revisions as part of the Early Review of the Local Plan. Given that the data indicates that overall employment land delivery is below the expectations for this point in the local plan period, it would seem to indicate that a more tailored approach to employment land deliver across the district is required.
- 6.4. To this extent, a more nuanced understanding of the differences *and* relationship between employment “land” versus employment “premises” is required. The nature of the economy in South Somerset, along with the changing nature of permitted development rights and an overall relaxation of the rules surrounding change of use means that both the current and future strategies for delivering employment and economic growth need to recognise that this growth and regeneration does not

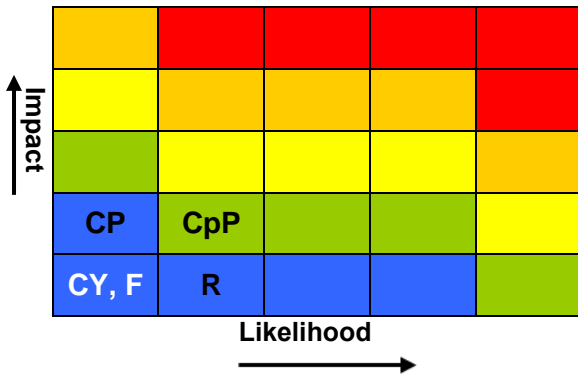
automatically equal “new” land. Accordingly, choices and decisions on the locations and sites for new land need to be scrutinised and where relevant, existing allocations re-appraised to ensure that the sites represent the right sites, in the right locations.

7. Financial Implications

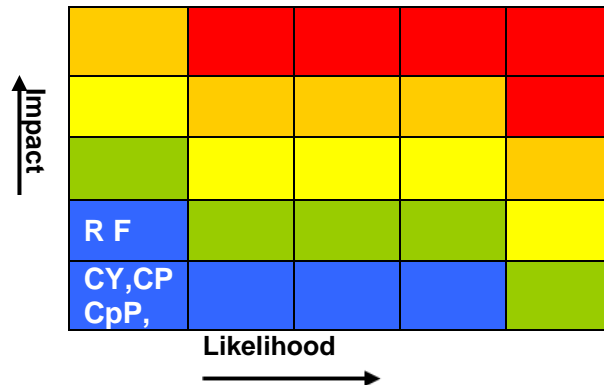
7.1. There are no direct financial implications stemming from this report or the decision of District Executive.

8. Risk Matrix

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

9. Corporate Priority Implications

9.1. The Council has consistently stated in the Corporate Plan that the delivery of land to support economic activity and growth is a high priority.

10. Carbon Emissions and Climate Change Implications

10.1. No direct implications.

11. Equality and Diversity Implications

11.1. No direct implications.

12. Privacy Impact Assessment

12.1. No direct implications.

13. Background Papers

13.1 Appendix A – Economic Development Monitoring Report