

Economic Development Monitoring Report: Land and Floorspace Delivered in South Somerset (December 2016)

Executive Summary

Report provides specific data and analysis of economic development to complement the overall Authority Monitoring Report (AMR) produced in September 2016. It sets out data on the amount of land and floorspace delivered between 2006 and 2016; and also outlines land and floorspace which is currently “*under construction*”, and that which has planning permission but has “*not yet started*”.

In overall terms, South Somerset has delivered **49 hectares of net additional land** since 2006. Over the same timeframe, South Somerset has generated **300,000 square metres of net additional floorspace**.

The vast majority of the net additional land and floorspace has occurred outside of the main settlements as defined in the South Somerset Local Plan (2006 – 2028). In locations outside of the main settlements, identified as the “*Rest of the District*”, the level of delivery has been 34 hectares of net additional employment land and 96,000 square metres of net additional floorspace. This equates to 70% of the total land delivered, and 32% of the total floorspace delivered.

The relationship between net additional land and 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, and 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.

Analysing land and floorspace which is currently “*under construction*” allows for a perspective on the strength of the short term supply. At 31st March 2016, there were 74 permissions for economic development, where the development site was “*under construction*”. These proposals are set to yield 59 hectares of net additional land, and 11,000 square metres of net additional floorspace.

As with the completion figures, the “*Rest of the District*” is expected to deliver the majority of the short-term future supply of net additional land and floorspace – accounting for 63% of future land and 93% of future floorspace provision.

Looking at the longer term pipeline, there are 113 approved planning applications for economic development in South Somerset, where the development has “*not yet started*”. These applications equate to 35 hectares of net additional land and 79,000 square metres of net additional floorspace. Some sizable Local Plan allocations in Yeovil are included in this longer term potential, including the Bunford Park site, Lufton Business Park (Phase III) and land at Seafire Park on the Lynx Trading Estate.

The land and floorspace illustrated as “*not yet started*” is expected to be delivered over the plan period, but there is a degree of uncertainty over delivery as circumstances change - applications can lapse, can be superseded, and therefore never get built. The degree of uncertainty is greater than that associated with sites “*under construction*” because in that scenario investment decisions have already been made.

Traditional employment Use Classes (e.g. B1, B2, and B8) continue to provide significant amounts of new land and new floorspace. Taken together these three Use Classes represent nearly 52% of net additional land, and over 52% of net additional floorspace. This would appear to reflect and respond to the nature of the existing South Somerset economy, with, for example, prominent advanced manufacturing and aerospace sectors requiring these Use Classes.

However, there is a noticeable rise in the amount of new land and new floorspace created by non-traditional, service-sector based Use Classes (e.g. A, D and Sui Generis). It will be important to continue to monitor the inter-relationship between these two different facets of the economy, to understand whether those Use Classes associated with the service-sector may overtake and dominate traditional uses in terms of their impacts on land-use planning.

Of course, it is not just the use of land and buildings which needs to be borne in mind when analysing this data. There are wider issues associated with the number of jobs, the productivity of those jobs, and the type and location of businesses that these non-traditional Use Classes support. Nonetheless, any shift in the economy and way that land and buildings are being used and developed is an important factor in future policy-making and decision-taking.

Robust data on land and floorspace is important to properly judge the performance of the South Somerset Local Plan (2006 – 2028) policies. 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.

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.

Little net additional land delivery has occurred in the main settlements as defined in the local plan. Delivery in the Local Market Towns and Rural Centres has been especially low. Taken together, all of the 14 settlements identified in the local plan have delivered 14.7 hectares of net additional employment land. A simple average figure would mean that only 1.05 hectares has been delivered per settlement, which would mean only 0.105 hectares per annum.

This would suggest that the delivery of net additional land is complicated and challenging. It would also suggest that facilitating economic activity and economic development is not solely about realising new additional land. There are clearly other factors at play. 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.

Exploring the data in more detail highlights that the relationship between net additional land and net additional floorspace is not directly proportional. Challenges in terms of the availability of finance, increased levels of risk, fluctuations in the economy, the long term impacts of the recession on investor confidence, and the short term impact of external factors (such as Brexit) mean that businesses are still being cautious in their plans. Feedback from stakeholders confirms there is no appetite for speculative development, and it seems clear that alternative approaches to grow businesses and/or raise productivity are being followed, which does not necessarily translate into additional employment land requirements.

Looking at the pipeline of future land and floorspace, the data indicates that supply is somewhat limited. What supply is consented (either “*under construction*” or “*not started*”) is focused mainly in Yeovil and Chard, and the “*Rest of the District*”, outside of the main settlements. Reflecting on what this means for the economy in the short and long term; and South Somerset’s ability to be competitive and increase productivity will be important questions for future economic policy-making. It may be that that a greater emphasis is required on supporting existing businesses to change or expand on existing sites, rather than simply pursue new land?

Furthermore, whilst the data suggests that delivery of net additional land and floorspace may be below perhaps what was expected in South Somerset as laid out in the policy of the local plan; the jobs generated in South Somerset has increased over the period 2006 – 2016.

The economy appears to have recovered from the worst impacts of the recession; and 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.

In terms of what this means for the longer term plan for stimulating economic development, it may suggest there is a need to move away from a sole focus on the delivery of new employment land. The data suggests that the strategy of “*predict and provide*” for new employment land is overly simplistic, and that there may be a disconnect between the Council’s approach to allocating land, and what is truly needed by the business community.

Having considered the findings and drawn conclusions there are some important questions that need addressing when looking at the Early Review of the Local Plan and the future economic development policies for the district. These are set out below:

Q1. Is a two-tier economic development strategy – focussing on the five large towns and opportunities across the Rest of the District – now required?

Q2. Given the quantum of net employment land and floorspace realised since 2006, is there a need to re-think the overall scale of anticipated employment land set out in Policy SS3?

Q3. The work carried out in September 2015 indicates that the Function Economic Market Area for South Somerset extends primarily along the A303. How should this shape future economic development allocations? How does South Somerset utilise its locational advantages?

Q4. What does the proposed A303 and A358 strategic highway upgrade mean for locations along the A303 corridor? Will these locations be more, or less, attractive for businesses?

Q5. What is the relationship between traditional economic development Use Classes (B1, B2, and B8), and the wider shift towards a service-sector economy and the rise in developments linked to A1 – A3, D1, D2 and Sui Generis Use Classes?

Q6. Future discussions about economic policy should develop a greater understanding of associated issues, and their impact on the competitiveness of the South Somerset economy, such as:

- size and age of the labour force;
- productivity and the need to increase GVA per capita;
- the current low wage, low skill economy in the district;
- infrastructural deficiencies (transport, utility, communication);
- land acquisition and viability; and
- business needs in terms of land and/or premises.

1. Introduction

- 1.1. The South Somerset Authority Monitoring Report (AMR) was produced in September 2016¹. The report gave an overview of the economy in South Somerset, using secondary data from sources such as ONS, NOMIS and Census to set out the overall scale of the economy, key economic sectors, levels of employment and productivity, and economic forecasts.
- 1.2. The AMR set out that a subsequent paper would provide a more in-depth analysis of the delivery of economic development in South Somerset.
- 1.3. This paper provides an analysis of employment land and floorspace, which has gained planning permission in South Somerset over the period 2006/2007 to 2015/2016. Analysing data across the timeframe allows for a robust appraisal of the Council's track record of delivery against the targets set out in the South Somerset Local Plan (2006 to 2028).
- 1.4. The report sets out in detail the amount of land and floorspace:
 - **“Completed”** –including separating the data by:
 - overall total;
 - annual total for each year between 2006/2007 and 2015/2016;
 - the main settlements in South Somerset; and
 - the different *“economic development”* Use Classes.
 - **“Currently Under Construction”**; and
 - **“Not Yet Started”**.
- 1.5. Further analysis on the average amount of time taken for economic development to be “completed”; along with an assessment of the average size of land and floorspace “completed” in the district is also provided.
- 1.6. The data and analysis set out in this paper will be incorporated in to all future AMRs produced by the Council.

¹ South Somerset Authority Monitoring Report (September 2016)
http://www.southsomerset.gov.uk/media/849925/authroity_monitoring_report_final_issue_to_website_090916.pdf

2. Background and Context

Employment Land Monitoring in South Somerset

- 2.1. The Council has been monitoring the use and development of employment land for over 15 years, and has electronic records dating back to 1999. The focus of the monitoring since 1999 has been on “*traditional*” employment uses, i.e. those classified under the Town and Country Planning (Use Classes) Order 1987 (as amended) as:
 - **B1 Business** (Offices [other than those that fall within A2], research and development of products and processes, light industry appropriate in a residential area);
 - **B2 General Industrial** (all industrial processes excluding incineration, chemical treatment, landfill or hazardous waste); and
 - **B8 Storage and Distribution** (including open air storage).
- 2.2. As such, previous monitoring reports have specified the amount of employment land developed in the district, separating out the data by B1, B2, and B8 Use Classes only.
- 2.3. Consideration of other employment generating uses has previously been addressed through the monitoring of “*town centre*” activities, i.e. those classified under the Town and Country Planning (Use Classes) Order 1987 (as amended) as:
 - **A1 Shops;**
 - **A2 Financial and Professional Services** (other than health and medical services); and
 - **D2 Assembly and Leisure** (cinemas, music hall, swimming baths, indoor and outdoor recreation etc.).
- 2.4. Therefore, there has been little consolidated analysis of the full range of economic development activity occurring within South Somerset. The previous analysis has also tended to report the amount of land taken up for employment purposes, and has not explored the relationship between employment ‘land’ and employment ‘floorspace’ in any detail. This disjointed approach leaves the Council potentially vulnerable to challenge as to whether it is truly meeting the economic needs of residents and businesses.
- 2.5. Furthermore, over the last decade, a greater awareness as to the range of functions which constitute “*economic development*” has emerged. This is linked to a clearer understanding of the structural changes in the UK economy, with recognition that the country is generally moving more towards a service-based economy, and away from traditional sectors. This prompts the need to take a more inclusive approach to monitoring and analysing the full range of economic development activity.
- 2.6. This stance has been strengthened since the publication of the National Planning Policy Framework (NPPF) in 2012. The publication of the NPPF did two things:
 - First – it emphasised that local planning authorities should positively recognise the role that other services and industries play in the economy and cater to their needs; and

- Second – it placed a greater responsibility on local planning authorities to introduce more robust monitoring and analysis of employment land requirements to support policy making and a sound Local Plan.

2.7. Annex 2 within the NPPF defines “*Economic Development*” as:

“development, including those within the B Use Classes, public and community uses and main town centre uses (but excluding housing development)”.

2.8. Paragraph 161 of the NPPF also introduces a requirement for local planning authorities to have an evidence base which enables the assessment of the needs for land and/or floorspace for economic development. This includes the needs for all foreseeable types of economic activity including retail and leisure development.

2.9. In line with the NPPF, the South Somerset Local Plan (2006 – 2028) sets out a requirement for land for economic development (Policy SS3). In order to robustly monitor this policy, the Council’s monitoring database has therefore been updated to monitor traditional *and* other employment generating uses.

South Somerset Local Plan (2006 – 2028)

2.10. The South Somerset Local Plan (2006 – 2028) contains a number of policies which support the delivery of economic development:

- **Policy SS2: Development in Rural Settlements** – strictly controls development, allowing proposals which provide employment opportunities appropriate to the scale of the settlement.
- **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 local plan period (206 to 2028). It also specifies the distribution of economic development across the each settlement, which is presented in Table 2.1 below.
- **Policy EP1: Strategic Employment Sites** – identifies Crewkerne Key Site and the three sites in Ilminster as strategically significant sites for local and inward investment.
- **Policy EP2: Office Development** – identifies that office development should be located within the defined Town Centre and where this is not possible a sequential approach to the location of such developments is identified.

2.11. Given section 2.9 above, this report focuses on the progress made towards achieving the land requirements set out in Policy SS3. This also provides evidence for what is Subsequent AMRs will consider Policy SS2, Policy EP1 and Policy EP2.

Table 2.1: Policy SS3: Delivering New Employment Land

Settlement	Employment Land Requirement (2006-2028) (Hectares)
Yeovil Town	44.84
Yeovil Urban Extensions	5.16
Chard	17.14
Crewkerne	10.10
Ilminster	23.05
Wincanton	7.94
Somerton	6.63
Ansford/Castle Cary	18.97
Langport / Huish Episcopi	4.01
Bruton	3.06
Ilchester	1.02
Martock / Bower Hinton	3.19
Milborne Port	0.84
South Petherton	2.47
Stoke sub Hamdon	1.09
Rural Settlements	n/a ²
Total	149.51

Source: South Somerset Local Plan (2006 – 2028)

² There is no land requirement for the Rural Settlements set out in Policy SS3. Given the small-scale nature of development expected in the Rural Settlements, no figure is required. A number of job target figure is set out in Policy SS3, with a total of 1,181 jobs by 2028.

3. Monitoring Land and Floorspace for Economic Development

Overhauling the Employment Land Database

- 3.1. The extant employment monitoring database held by the Council only recorded information for traditional employment uses (B1, B2 and B8 uses), and certain 'Town Centre' uses. It also lacked data for certain years within the local plan timeframe (2006 to 2016). Without resolving these data gaps it would prevent the Council from fully monitoring the effectiveness of the South Somerset Local Plan (2006 – 2028) policies.
- 3.2. In order to make the database complete and ensure robust monitoring of the full range of economic development activities, the database required a significant overhaul. To make the database fit for purpose, all planning permissions granted across all “*economic development*” related Use Classes, in each year since 2006 were added. This has required an appraisal of over 3,000 individual records, linked to planning applications and planning permissions.
- 3.3. The progress these various planning applications and planning permissions had made on the ground, whether they had been “*completed*”, were “*currently under construction*”, or had “*not started*” also needed to be added and tracked.

Methodology

- 3.4. The basic methodology to generate a complete database was as follows:
 - i. **Record all planning approvals for economic development activities in South Somerset:**
 - The planning application database was interrogated to capture all planning permissions approved for economic development uses since 1st April 2006.
 - Application numbers were cross-referenced against those held on the extant database to avoid duplication. Duplicates were removed.
 - For each new application further details were obtained from the planning application file. This included: a description of the development, approval and expiry date, the use class, the site area (floorspace/hectares), and location (e.g. within a town centre or business park).
 - ii. **Establish the progress made on each approval:**
 - Once the complete list of records was compiled, each application was appraised to establish the progress made on-site (in any). For example, an application approved in 2006 could by 2009 have expired; been renewed; been superseded by another application; be under construction; or have been completed.
 - The following sources were used to establish the progress:
 - Building Control records;
 - Commencement notices on planning application system;
 - Council’s Housing and Retail monitoring databases;
 - Officer knowledge; and
 - Google Maps / Internet searches.

iii. Confirm the Assumptions:

- For any approved applications, where there is a known commencement date, but no known completion date, but it has been proven that the scheme is built-out in full; the land and/or floorspace completed has been assigned to the monitoring year after the known commencement date. Sources to confirm the development has been completed include: Building Control records, Officer knowledge, and site visits.
- Any applications approved before 1st April 2012, where no information exists regarding progress, have been automatically expired following discussions with Officers and attempts to liaise with a known point of contact.

3.5. Whilst this approach has been very time intensive, it has resulted in the Council being able to monitor planning permissions for all economic development uses. Going forward this will enhance the Council's understanding of the economic development activities occurring across South Somerset and will be valuable evidence, not only to inform the Early Review of the Local Plan, but also the policy and strategy-making across other corporate working agendas, such as: Economic Development Strategy.

3.6. Over 3,000 records have been analysed, including those already on the employment monitoring system to ensure that all the information now held is accurate and fit for purpose. To comply with the NPPF, and provide the Council with a more comprehensive database, the following types of "*economic development*" are now monitored:

- A1 Shops;
- A2 Financial and Professional Services (other than health and medical services);
- A3 Restaurants and Cafes;
- A4 Drinking Establishments;
- A5 Hot Food Takeaways;
- B1 Businesses (offices);
- B2 General Industrial (all industrial processes excluding incineration, chemical treatment, landfill or hazardous waste);
- B8 Storage and Distribution (including open air storage);
- C1 Hotels;
- C2 Residential institutions (excluding Care Homes and nursing homes);
- D1 Non-residential institutions (for example clinics, vets, schools, health centres);
- D2 Assembly and Leisure (cinemas, music hall, swimming baths, indoor and outdoor recreation etc.); and
- Sui Generis (uses which do not fall within any use class such as nightclubs, betting offices, casinos etc).

N.B. Residential Care Homes and Holiday Lets are recorded separately because of their implications for residential development.

3.7. The database can now identify where development has taken place and whether it is located within a defined 'Town Centre' (as set out in the South Somerset Local Plan) or a Business Park, or Trading Estate (as defined in the Employment Land Review, 2009³). Additionally, the build out time of each development can be established.

³ The defined Business Parks and Trading Estates need to be reviewed.

4. Land and Floorspace: Completed

SUMMARY OF KEY ISSUES:

- 1,039 planning applications delivering economic development were completed between 1st April 2006 and 31st March 2016.
- This has resulted in gross completions of 72 hectares of land, and 329,000 square metres of floorspace since 2006/2007.
- 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.
- 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.
- 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.
- 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.
- 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).
- Delivery figures for land and floorspace in the remaining Local Market Towns and the Rural Centres have been very modest.
- 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.
- 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.
- 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.

Overview

- 4.1. Between the 1st April 2006 and 31st March 2016, 1,039 planning applications for economic development have been “*completed*” (i.e. built out and finished) across South Somerset.
- 4.2. Of these completions, there are four typologies that emerge:
- Development that generates new land, and new floorspace (e.g. brand new development on greenfield land);
 - Development that generates new land, but no new floorspace (e.g. land used for open storage – relatively uncommon);
 - Development that generates new floorspace, but no new land (e.g. expansion of an existing business premises, or an existing building being used more intensively); and
 - Development that generates no new land and no new floorspace (e.g. the change of use of a building from one economic development activity to another, but with no change in land or buildings).

Total Land and Floorspace Completed

- 4.3. Between 2006/2007 and 2015/2016, the gross completions for land and floorspace in South Somerset adds up to 71.9 hectares of land (gross); and 328,698 square metres of floorspace (gross).
- 4.4. Over the same period of time, there have been losses of land and floorspace, this adds-up to 23.0 hectares of land; and 128,956 square metres of floorspace.
- 4.5. Therefore, taking the losses into account, between 2006/2007 and 2015/2016, the net completions for land and floorspace add-up to: **48.9** hectares of land (net); and **199,742** square metres of floorspace (net).

Table 4.1: Total Land and Floorspace Completed (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

Annual Land and Floorspace Completed

- 4.6. It is possible to breakdown the total amount of completed land and floorspace by each year of the local plan period. The annual rates of delivery are set out in Table 4.2 below.
- 4.7. The data illustrates that the net annual completions for land and floorspace have been relatively consistent, albeit with some notable peaks and troughs. The data shows an annualised average delivery rate of 4.9 hectares per annum.

Table 4.2: 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

- 4.8. The local plan is 10 years in to its life, and at this point in time, based upon a simple average figure, the district may have expected to have delivered 68 hectares of land by 2016. As such, the data would indicate that the district is behind target.
- 4.9. However, comparing economic development activity rates against an annualised average figure should be treated with caution. Decision-making associated with purchasing land, or committing capital expenditure to refurbish a building, or build new premises is not made in a consistent manner. These decisions respond to a multitude of different internal and external factors, linked to the success of the business in question, its expected future competitiveness, and strategy for growth.
- 4.10. As such, it can be expected that fluctuations in the delivery of land and floorspace occur across the local plan period, as businesses respond to the prevailing market circumstances at that time. A smooth annualised average delivery figure is highly unlikely.
- 4.11. For example, the modest net land completion figures seen since 2010/2011 are likely to be explained by the continued effects of the global recession, with businesses taking a more precautionary approach to investment, growth and expansion.
- 4.12. More positively, the figures for 2015/2016 show a significant upturn in delivery, with the completion rate akin to pre-recession levels. This can be explained by some recent sizable completions across the district, and may be an indication of a return in confidence in the market. Next year's monitoring data will be able to explore whether this represents a true upturn in confidence, or whether external factors, such as the vote to leave the European Union, and the Autumn Statement, may or may not affect business confidence and decision-making.

4.13. Notable completions in 2015/2016 include:

- Extensions to Cadbury Business Park and Lopen Head Nursery;
- Extensions to existing buildings for Bradfords (Crewkerne), Brecknell Willis (Chard), Rochfords (Wincanton), Wydale Plastics (Crewkerne), and Toolstream (Yeovil);
- Completion of the Keymarket House development in Yeovil Town Centre; and
- Replacement building at Numatic, Chard.

Land and Floorspace Completed by Settlement

4.14. The rates of delivery by settlement over the period 2006/2007 to 2015/2016 are identified in Table 4.3 below. It is interesting to note that the figures seem to indicate that there is not a direct relationship between the delivery of employment land and the delivery of employment floorspace. Locations with only modest net land completions have seen reasonably high levels of net floorspace completion. This seems to indicate that there are other aspects which influence the delivery of economic development, and that it is not solely a case of delivering new and extra land.

4.15. The table illustrates that the “Rest of the District” has delivered the vast majority of the land and floorspace completed in South Somerset since 2006. This figure includes some significant development, including land at Henstridge Airfield, Lopen Head Nursery, and the expansion of Cadbury Business Park.

4.16. Such a significant amount in the Rest of the District poses some interesting questions as to the strategy for delivery of land in the main settlements across South Somerset. To emphasise the point, if one was to remove the Rest of District amount from the total figures, the delivery levels would reduce to 14.7 hectares and 103,593 square metres of floorspace. This would represent just 10% of the total land delivery expected through via the local plan.

4.17. Yeovil has delivered the most employment land in gross terms (10.42 hectares) but once losses have been taken into account (9.28 hectares) this figure falls to just over 1 hectare.

4.18. Policy SS3 of the local plan is focused on net, new employment land delivery, and so the 1.1 hectares is somewhat off the target for Yeovil. However, the gross land delivery figure should be borne in mind when reflecting on what is happening in the settlement, and it demonstrates that the town is clearly capable of realising a reasonable level of new employment land. But, what the data is also showing is that other changes are occurring in the town, with high levels of existing employment land being lost to other uses, and changes of use generating net additional floorspace but without necessarily requiring new land.

4.19. Given that Yeovil is the largest urban area in the district, it is expected that there will be a degree of replacement, churn and loss as older buildings and premises become obsolete and new land/buildings are developed. To some extent, this represents the natural cycle of stock upgrades and replacement seen within all urban areas.

- 4.20. The majority of losses have been to residential use and include developments such as the loss of a warehouse and premises on Newton Road and construction of 83 flats and change of office at Goldcroft to 11 residential apartments. The losses also include the change of use of land for open storage on Pen Mill Trading Estate (3.3 hectares recorded as a loss of B2, general industrial but gain of 3.3 hectares B8 storage land) and the demolition of the Box Factory and use as public car park.
- 4.21. Ansford & Castle Cary has delivered the most land for economic development (net) over the plan period. This can be explained by the Royal Canin pet food factory development, which was 8.1 hectares. There is a question mark as to whether this scale of development can be replicated within Ansford & Castle Cary, and whether this represents a unique set of circumstances linked to the decision-making of one firm.
- 4.22. Ilminster has delivered the next largest quantity of land at 3.78 hectares. Development of Tesco, the new medical centre at Canal Way, and development of the public house at Harts Close are included in this figure.
- 4.23. Chard, Milborne Port and Stoke Sub Hamdon have all delivered net losses of employment land. In Chard, this is a result of the redevelopment of a number of small sites to residential uses. The loss of the Tannery site, Clark House and Wheathill Nurseries to residential contributes to the loss of 3.8 hectares in Milborne Port. The change of use of the hairdresser's at 12 High Street, in Stoke Sub Hamdon to residential explains the loss recorded.
- 4.24. When looking more closely at the floorspace delivery figures it can be seen that the relationship to the delivery of land is not proportional. For example, Crewkerne has delivered only 4,100 square metres of net additional floorspace for a net gain of 1.3 hectares. Whereas, for approximately the same amount of net additional land, Yeovil has realised over five times as much net new floorspace. Similarly, whilst actually recording an overall net loss of employment land, Chard has realised over six times as much net additional floorspace as Crewkerne.
- 4.25. Given the quantum of development that has been realised in the Rest of the District, it has delivered the most amount of net additional floorspace. To put the rate of net additional floorspace in to context, the Rest of District has delivered more than the largest five settlements in South Somerset combined (Yeovil, Chard, Crewkerne, Ilminster and Wincanton).
- 4.26. It must be borne in mind that even with the scale of development witnessed since 2006, the overall level of floorspace which exists in the Rest of the District will, in overall terms, be much smaller than that in the urban areas. But the data does highlight the significant role that areas outside of the main settlements play in supporting economic activity in the district. And, in relation to the objective of meeting the policy target set out in Policy SS3, the Rest of the District's figures play a major role in being able to get close to the target. With the Rest of the District's figures the overall level of progress at 2016 is 33%. Without the Rest of the District, the main settlements would have achieved less than 10% of the overall policy target.
- 4.27. Appendix A2 of this report provides a more detailed breakdown of delivery levels per settlement. The data in Appendix A2 is set out by year and by use class, and is accompanied by a summary of key points.

Table 4.3: 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

Land and Floorspace Completed by Use Class

4.28. The rates of delivery by use class over the period 2006/2007 to 2015/2016 are shown in Table 4.4 below:

Table 4.4: 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

- 4.29. The data shows that traditional employment uses, e.g. B1 office, B2 general industrial, and B8 storage) continue to deliver the largest amount of net additional employment land (25.33 hectares). These uses also continue to deliver significant amounts of net additional floorspace, with B2 uses generating the most amount of net floorspace, representing nearly a quarter of the overall net floorspace created since 2006.
- 4.30. This highlights that whilst there are structural changes in the economy, and a general shift towards a service sector based economy (as highlighted in September's AMR), traditional sectors with historical links to manufacturing / advanced manufacturing continue to play a vital role in the economy of South Somerset.
- 4.31. Sui Generis uses, which are those uses that do not fall within any use class, feature strongly in the land completion figures. It is these figures, when combined with the levels of delivery in the 'A' uses and the 'D' uses, which reflect the rise of the service sector economy in South Somerset. It will be interesting to continue to monitor this apparent 'split' in the South Somerset economy, with traditional uses vying with alternative economic activities.
- 4.32. In theory if both elements are growing, this should bode well for the economy in South Somerset, as resilience through diversification is built in to the economy. It will be important to make sure that sufficient support is provided to the alternative development uses, and flexible policies are put in place to adequately address their needs.
- 4.33. It is interesting to note that traditional uses seem to generate both additional land and floorspace. In comparison, A-uses and D-uses seem to generate reasonable amounts of net additional floorspace but without the need for net additional land. This can, in part, be explained through the changes of use that occur in the Town Centres, from retail to alternative town centre uses, and sui generis uses.
- 4.34. D uses, which includes leisure and non-residential institutions (schools, health centres etc) have delivered a significant amount of floorspace over the plan period. This can be explained by a number of applications for additional school classrooms, to cater for growing school population, as well as the delivery of some significant health care improvements, for example in South Petherton and Ilminster.

5. Land and Floorspace: Under Construction

SUMMARY OF KEY ISSUES:

- As at 31st March 2016, there were 74 permissions for economic development, where the development site was “*under construction*”.
- These proposals total a gross amount of 65 hectares of land, and 30,000 square metres of floorspace. After losses are taken into account, the proposals are set to yield a net amount of 59 hectares of land and 11,000 square metres of floorspace.
- As with the “completion” figures, the Rest of the District is expected to deliver the majority of the short-term future supply of net additional land and floorspace – accounting for 63% of future land and 93% of future floorspace provision.
- Figures for economic activity “under construction” also indicate that the relationship between land and floorspace is not directly proportional. For example, Yeovil is expected to deliver 1.6 hectares of net additional land, but is expecting to see a net loss of nearly 2,500 square metres of floorspace.
- The figures only include the built development area of the visitor attraction currently being completed at Hadspen House. This is because the overall site area at Hadspen House is very large, and would disproportionately skew the data and lead to some unjustified conclusions.
- The majority of proposals “*under construction*” have commenced within the last 12 months. However there a number of proposals where the scheme has been under construction for a considerable period time, with some stretching back as far as 2006. There must be some question marks as to whether these proposals will ever be completed. Future monitoring will explore these longstanding sites in more detail and may result in them being removed from the database.

Overview

- 5.1. As at 31st March 2016, there are 7 planning applications for economic development, which can be classified as “*under construction*”. For a site to be “under construction”, a material start must have occurred on-site.

Total Land and Floorspace Under Construction

- 5.2. Development sites under construction are set to provide 18.3 hectares of land (gross); and 29,603 square metres of floorspace (gross). Expected losses are set to occur, and these equate to 6.5 hectares of land and 18,278 square metres of floorspace. It is noteworthy that all of the 6.49 hectares of land which is expected to be lost will be to residential uses.
- 5.3. Taking the losses into account, leaves **11.8 hectares** of land (net), and **11,324 square metres** of floorspace (net) under construction.

Table 5.1: Total Land and Floorspace Under Construction (As at 31st March 2016)

South Somerset		
	Land (Hectares)	Floorspace (Square Metres)
Gross	18.3	29,603
Losses	6.5	18,278
Net	11.8	11,324

Source: South Somerset's Employment Monitoring Database

Land and Floorspace Under Construction by Settlement

- 5.4. The employment land and floorspace under construction in each settlement, as at 31st March 2016, is set out in Table 5.2 below.
- 5.5. The table illustrates that the short-term future supply of land represents approximately two years' worth of the land target set out in the local plan. Similarly to the "completion" figures, the majority of planned future supply is expected to occur in the Rest of the District – 63% of net additional land, and 93% of net additional floorspace.
- 5.6. Yeovil is set to experience a net gain in employment land, but interestingly will expect to have an overall reduction in floorspace. This can primarily be explained by planned losses to residential development.
- 5.7. Chard and Ilchester have the most amount of floorspace under construction. In Chard, this includes a storage building for CPL Industries on the Beeching Close Trading Estate and in Ilchester the development of commercial units at Costello Hill.

Table 5.2: Land and Floorspace Under Construction by Settlement (As at 31st March 2016)

Settlement	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
Yeovil	2.0	0.4	1.6	7,884	10,312	-2,428
Chard	2.5	0.3	2.2	1,819	303	1,516
Crewkerne	0.0	0.1	-0.1	0	250	-250
Ilminster	0.5	0.1	0.4	1,062	245	817
Wincanton	1.4	0.8	0.6	2,975	2,722	253
Somerton	0.0	0.1	-0.1	0	168	-168
Ansford & Castle Cary	0.2	0.0	0.2	496	0	496
Langport & Huish Episcopi	0.0	0.1	-0.1	1,202	702	500
Bruton	0.0	0.3	-0.3	0	285	-285
Ilchester	0.4	0.0	0.4	1,140	0	1,140
Martock & Bower Hinton	0.0	0.3	-0.3	553	620	-67
Milborne Port	0.0	0.0	0.0	0	0	0
South Petherton	0.0	0.2	-0.2	0	700	-700
Stoke Sub Hamdon	0.0	0.0	0.0	0	0	0
Rest of the District	11.4	3.9	7.4	12,472	1,972	10,500
Total	18.3	6.5	11.8	29,603	18,279	11,324

Source: South Somerset's Employment Monitoring Database

- 5.8. Hadspen House, which is under construction, is set to deliver 3,450 square metres of floorspace and 47.8 hectares of land. These figures do not truly reflect the development, which is for a visitor attraction which will leave the majority of the estate untouched. To better reflect the scheme, 1 hectare is taken for the site.
- 5.9. There are a series of planned developments which involve a straight change of use of land and/or floorspace from one economic development use to another. An example is the planned scheme at 5 Market Place, Wincanton where development was approved to change 170 square metres of existing floorspace from a commercial office (A2 use) to a mixed use children's activity centre with cafe (A3/D2 use). There is not net gain here, but a variation in economic activity is occurring and needs tracking to see what, if any, impacts may be generated on the back of these changes of use.
- 5.10. Some relatively large schemes are currently under construction, including:
- renovation of barns and change of use to B1 offices and workshop space for a decorative arts company at Bratton Seymour;
 - The medical centre (and its associated development) at Wincanton which is set to deliver 2,052 square metres of commercial/economic floorspace;
 - 1,540 square metres of floorspace for a warehouse and premises at Higher Holton; and
 - The erection of an extension on site at Bow Bridge Works, Henstridge Airfield would deliver 1,250 square metres of B8 storage floorspace.
- 5.11. Appraising the sites "under construction" in more detail shows that the majority of schemes have commenced within the last 12 months, with only a small number having been "under construction" for a number of years. This would seem to indicate that when developments get permission, and commence construction, that the Council can have confidence that they are built out in full. Therefore, there is a high degree of confidence in the pipeline of net additional land and floorspace set out in Table 5.2.

6. Land and Floorspace: Not Yet Started

SUMMARY OF KEY ISSUES:

- As at 31st March 2016, there were 113 approved planning applications for economic development in South Somerset.
- These applications equate to 99,919 square metres of floorspace and 45.61 hectares of land (gross).
- Taking potential losses into account, the net figure for applications approved for economic development uses is 79,083 square metres of floorspace and 38.54 hectares of land
- Some sizable Local Plan allocations in Yeovil are included in these commitments, including the Bunford Park site, Lufton Business Park (Phase III) and land at Seafire Park on the Lynx Trading Estate.
- The land and floorspace illustrated here is expected to be delivered over the plan period but there is a degree of uncertainty over delivery as circumstances change - applications can lapse, be superseded or never get built. The degree of uncertainty is greater than that of the sites under construction as investment has been made in these sites already.

Overview

- 6.1. As at 31st March 2016, there were 114 approved planning applications for economic development in South Somerset.

Total Land and Floorspace Not Yet Started

- 6.2. These applications have the potential to deliver up to 42.2 hectares of land and 99,919 square metres of floorspace and (gross). Once losses of 7.1 hectares of land and 20,836 square metres of floorspace have been taken into account this leaves a potential net gain of **35.1 hectares of land** and **79,083 square metres of floorspace**.
- 6.3. These figures reflect land and floorspace which is consented, but has not yet started. Therefore, the development is “on the books”, but it has to be accepted that there is a degree of uncertainty as to whether all (or any) of it will be built out. As has been highlighted, business decision-making to open up a development site and outlay capital expenditure to construct a building or new premises are highly complex. Decisions will not be taken lightly and will reflect the strength of the business in question and its ability to shoulder the risk of expansion / re-development / re-location whilst still delivering a product or service.
- 6.4. Accordingly, it will be true that as circumstances change, some of the permissions set out will lapse, be superseded, and/ or never get built out. The degree of uncertainty is greater than that associated with the sites that are already “under construction”. For those sites “under construction” the investment decision has already been made.

Table 6.1: Total Land and Floorspace Not Yet Started (As at 31st March 2016)

South Somerset		
	Land (Hectares)	Floorspace (Square Metres)
Gross	42.2	99,919
Losses	7.1	20,836
Net	35.1	79,083

Source: South Somerset's Employment Monitoring Database

Land and Floorspace No Yet Started by Settlement

- 6.5. The employment land and floorspace approved, as at 31st March 2016, but not yet started in each settlement is illustrated in Table 6.1 below.
- 6.6. These commitments include some sizable allocations from the local plan, including:
- Yeovil – 20.30 hectares (59,759 square metres of floorspace) for B1 office use on the Bunford Park site;
 - Yeovil – 4.98 hectares of land for B1, B2 & B8 uses at Lufton Business Park (Phase III); and
 - Yeovil – 4.24 hectares of land for B1, B2 & B8 use at Seafire Park (Lynx Trading Estate).
- 6.7. Taken together these schemes in Yeovil account for 29.52 hectares, nearly 65% of the gross supply of land.
- 6.8. Other significant potential developments include:
- the development of a community building and sports facilities at Kingsbury (Rest of District) for 3.55 hectares of land and 496 square metres of A1(etail) and D2(assembly & leisure) floorspace;
 - The relocation of a business from Yeovil to Henstridge Airfield accounts for 2.13 hectares of B1 land and 8,212 square metres of floorspace in the Rest of the District;
 - A 1.6 hectare site at Stoke Road, Martock which was previously in agricultural use that has had approval to convert the existing five buildings, and existing grain silo, to provide 15 B1/B8 units, ranging from 48 square metres to 260 square metres in floor area. The primary use of the site is expected to be as an artisan craft facility providing craft and studio space, however the site would offer flexibility to allow for a diverse range of occupants. In total 2,130 square metres of B1 and B8 floor space is proposed.
- 6.9. Extensions to existing Business Parks account for a significant level of potential growth, including:
- Badgers Cross, Somerton - 1.39 hectares;
 - Oakland Road Industrial Estate, Martock - 1.29 hectares;

- Land at Willows Business Park, Langport - 2,945 square metres on 0.95 hectares⁴; and
- Expansion of Cadbury Business Park - 2,457 square metres on 0.45 hectares.

6.10. Table 6.2 indicates that apart from Yeovil and the Rest of the District, there is very little long term supply of net additional land. This is particularly stark in the Market Towns and Rural Centres, where the level of net additional land supply is extremely low. However, there is a reasonable long terms supply of floorspace across the main settlements, with some particularly positive opportunities for net additional floorspace in Langport and Martock.

6.11. As an aside, the figures underline feedback received from the development industry that there is little or no appetite for planning applications seeking approval on a speculative basis.

Table 6.2 Land and Floorspace Not Yet Started by Settlement (As at 31st March 2016)

Settlement	Land (Hectares)			Floorspace (Square Metres)		
	Gross	Losses	Net	Gross	Losses	Net
Yeovil	29.7	0.8	28.9	64,575	5,220	59,355
Chard	0.3	0.6	-0.3	47	903	-856
Crewkerne	0.2	1.0	-0.8	242	5,327	-5,085
Ilminster	0.2	2.1	-1.8	1,343	2,362	-1,019
Wincanton	0.1	0.0	0.1	1,745	1,199	546
Somerton	0.0	0.1	-0.1	682	327	355
Ansford & Castle Cary	0.0	0.0	0.0	221	53	168
Langport & Huish Episcopi	1.0	0.0	0.9	3,005	380	2,625
Bruton	0.0	0.0	0.0	995	409	586
Ilchester	0.0	0.0	0.0	62	40	22
Martock & Bower Hinton	2.9	0.0	2.9	4,307	537	3,770
Milborne Port	0.0	0.0	0.0	313	215	98
South Petherton	0.0	0.0	0.0	0	0	0
Stoke Sub Hamdon	0.0	0.5	-0.5	0	731	-731
Rest of the District	7.8	2.0	5.8	22,383	3,134	19,249
Total	42.2	7.1	35.1	99,919	20,837	79,082

Source: South Somerset's Employment Monitoring Database

⁴ The Council has received a further planning application on this site to reduce the employment land provision and develop houses. Illustrating uncertainty with delivery of some site with planning permission.

7. Progress against Local Plan Target

- 7.1. Having analysed the level of completed economic development since 2006, it is possible to relate this progress to the targets set out in Policy SS3 of the South Somerset Local Plan (2006 – 2028).
- 7.2. The local plan’s intention is to deliver additional employment land, and therefore Table 7.1 only compares the net additional land completed in the district since 2006. Table 7.2 provides a wider assessment of progress, but includes figures associated with sites that have not yet started. As such these figures must be considered with caution.

Table 7.1: Comparison of Progress against Local Plan – “Completions” only

Settlement	Local Plan Employment Land Requirement	Total Employment Land Completions (2006-2016) (Net)	Residual Employment Land Requirement
Yeovil	50.00	1.14	48.86
Chard	17.14	-0.48	17.62
Crewkerne	10.10	1.34	8.76
Ilminster	23.05	3.78	19.27
Wincanton	7.94	1.23	6.71
Somerton	6.63	1.37	5.26
Ansford & Castle Cary	18.97	8.92	10.05
Langport & Huish Episcopi	4.01	0.04	3.97
Bruton	3.06	0.49	2.58
Ilchester	1.02	-0.03	1.05
Martock & Bower Hinton	3.19	0.20	2.99
Milborne Port	0.84	-3.79	4.63
South Petherton	2.47	0.49	1.98
Stoke Sub Hamdon	1.09	-0.01	1.10
Rest of the District	n/a	34.19	n/a
Total	149.51	48.88	100.63

Source: South Somerset Local Plan and Somerset’s Employment Monitoring Database

- 7.3. 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.
- 7.4. 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.
- 7.5. 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.

Table 7.2: Comparison of Progress against Local Plan – including sites “under construction” and “not started”

Settlement	Local Plan 2006-2028 Total Employment Land Requirement (A)	Total Employment Land Completions (2006-2016) (net) (B)	Employment Land “Under Construction” at 31st March 2016 (net) (C)	Employment Land “Not Started” at 31st March 2016 (net) (D)	Total “Completions”, “Under Construction” & “Not Started” (net) (B) + (C) + (D) = (E)	Residual Employment Land Requirement After “Completions”, “Under Construction” & “Not Started” (net) (A) – (E)
Yeovil	50.00	1.14	1.63	28.93	31.70	18.30
Chard	17.14	-0.48	2.22	-0.27	1.47	15.67
Crewkerne	10.1	1.34	-0.07	-0.81	0.46	9.64
Ilminster	23.05	3.78	0.36	-1.84	2.30	20.75
Wincanton	7.94	1.23	0.56	0.13	1.92	6.02
Somerton	6.63	1.37	-0.12	-0.08	1.17	5.46
Ansford & Castle Cary	18.97	8.92	0.19	-0.03	9.08	9.89
Langport & Huish	4.01	0.04	-0.07	0.92	0.89	3.12
Bruton	3.06	0.49	-0.28	0.02	0.23	2.84
Ilchester	1.02	-0.03	0.43	0.00	0.40	0.62
Martock & Bower Hinton	3.19	0.20	-0.29	2.89	2.80	0.39
Milborne Port	0.84	-3.79	0.00	0.00	-3.79	4.63
South Petherton	2.47	0.49	-0.23	0.00	0.26	2.21
Stoke Sub Hamdon	1.09	-0.01	0.00	-0.49	-0.50	1.59
Rest of District*	n/a	34.19	7.43	5.75	47.37	n/a
Total	149.51	48.88	11.76	35.12	95.76	53.75

8. Relationship to Jobs

- 8.1. The total number of jobs in South Somerset was presented in the AMR in September. This is a workplace-based measure and comprises employee jobs, self-employed, government-supported trainees and HM Forces. The number of residents aged 16-64 figures used to calculate jobs densities are based on the relevant mid-year population estimates.
- 8.2. Table 8.1 indicates that the total number of jobs fell in the years following the recession, but have now recovered slightly, and are at 82,000 in 2014. It should be noted that some fluctuations are also related to the accuracy of the ONS data rather than structural changes in the economy.

Table 8.1: Total Jobs and Job Density (2001 – 2014)

Year	South Somerset	South Somerset	South West	Great Britain
		(density)	(density)	(density)
2001	77,000	0.83	0.82	0.8
2002	76,000	0.82	0.83	0.8
2003	78,000	0.83	0.83	0.8
2004	80,000	0.84	0.83	0.8
2005	81,000	0.85	0.82	0.8
2006	81,000	0.84	0.82	0.79
2007	84,000	0.85	0.82	0.79
2008	82,000	0.83	0.81	0.79
2009	80,000	0.81	0.82	0.77
2010	81,000	0.82	0.82	0.77
2011	85,000	0.87	0.82	0.78
2012	80,000	0.82	0.81	0.78
2013	83,000	0.85	0.83	0.79
2014	82,000	0.84	0.86	0.82
Change (2001 – 2014)	5,000			
Change (2006 – 2014)	1,000			

Source: NOMIS / ONS

- 8.3. Data on economic activity rates, employee jobs by sector, unemployment, claimant counts, and sectoral productivity are also set out in Chapter 5 of the AMR. Taken together this data shows that South Somerset's economy is resilient and has recovered from the worst impacts of the recession. Unemployment is low, claimant count levels are low, and productivity is increasing. As such, the wider story about the strength of the economy in South Somerset is a positive one.
- 8.4. Only after looking at these datasets in conjunction with one another it is clear that just analysing data on land and floorspace is not sufficient to understand the full picture on economic performance. It is advocated that a more comprehensive, in-depth assessment of performance continues to be carried out through the next iterations of the AMR; and that the economic issues that need to be tackled are brought in to sharper focus. This should mean that the policies in the local plan are adapted and refined to address these issues, and do not remain narrowly focused on delivering additional employment land.

9. Conclusion

- 9.1. The data set out in this report shows that the delivery record for net additional employment land and net additional floorspace in South Somerset has been mixed.
- 9.2. Since 2006, total net land delivery 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.
- 9.3. However, it is accepted that economic development activity doesn't really work in an average or uniform manner; and that investment decisions respond to economic cycles and are linked to the strength and hoped future competitiveness of a particular business.
- 9.4. The data shows significant delivery outside of main settlements. The Rest of the District has delivered approximately 70% of all net additional employment land, and nearly 50% of all net additional floorspace in the district.
- 9.5. Little net additional delivery has occurred in the main settlements as defined in the local plan. Delivery in the Local Market Towns and Rural Centres has been especially low. Taken together, all of the 14 settlements identified in the local plan have delivered 14.7 hectares of net additional employment land. A simple average figure would mean that only 1.05 hectares has been delivered per settlements, which would mean only 0.105 hectares per annum. This would indicate that the delivery of net additional land is complicated and challenging. It would also suggest that facilitating economic activity and economic development is not solely about realising new additional land. There are clearly other factors at play.
- 9.6. Exploring the data in more detail highlights that the relationship between net additional land and net additional floorspace is not directly proportional. Challenges in terms of the availability of finance, increased levels of risk, fluctuations in the economy, the long term impacts of the recession on investor confidence, and the short term impact of external factors (such as Brexit) mean that businesses are still being cautious in their plans. Feedback from stakeholders confirms there is no appetite for speculative development, and it seems clear that alternative approaches to grow businesses and/or raise productivity are being followed, which does not necessarily translate into additional employment land requirements.
- 9.7. When looking at the floorspace figures, it is clear that a major part of economic development in South Somerset stems from changes of use of existing buildings, the recycling of land or premises, churn within existing trading estates and business parks, intensification of uses within existing premises, and incremental expansion within an overall site envelope.
- 9.8. From the perspective of trends in Use Classes, it is true that there has been a rise in A1 – A3, D1 and D2, and Sui Generis uses. This links with the overall shift towards a service-sector economy, and also marries up with the fact that development is happening via changes of use and incremental expansion of existing premises.
- 9.9. However, it is undeniable from the data that the South Somerset economy continues to be heavily influenced by 'traditional' uses (B1, B2, and B8). Taken together these three Use Classes represented nearly 52% of all net additional land, and over 52% of

net additional floorspace. The type of the existing South Somerset economy, with the prominent advanced manufacturing and aerospace sectors, and their increasing productivity, would seem to indicate that B1, B2 and B8 uses will still have a very prominent role to play in the future.

- 9.10. Looking at the pipeline of future land and floorspace, the data indicates that supply is somewhat limited. What supply is consented (either “*under construction*” or “*not started*”) is focused mainly in Yeovil and Chard, and then within the Rest of the District, outside of the main settlements.
- 9.11. Reflecting on what this means for the economy in the short and long term; and South Somerset’s ability to be competitive and increase productivity will be important questions for future economic policy-making. It may be that that a greater emphasis is required on supporting existing businesses to change or expand on existing sites, rather than simply pursue new land?
- 9.12. Whilst the data suggests that delivery of net additional land and floorspace may be below perhaps what was expected in South Somerset as laid out in the policy of the local plan; the jobs generated in South Somerset has increased over the period 2006 – 2016.
- 9.13. The economy appears to have recovered from the worst impacts of the recession; and 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.
- 9.14. In terms of what this means for the longer term plan for stimulating economic development, it may suggest there is a need to move away from a sole focus on the delivery of new employment land. The data suggests that the strategy of “predict and provide” for new employment land is overly simplistic, and that there may be a disconnect between the Council’s approach to allocating land, and what is truly needed by the business community.

10. Next Steps

10.1. Having considered the findings and drawn conclusions there are some important questions that need addressing when looking at the Early Review of the Local Plan and the future economic development policies for the district. These are set out below:

Q1. Is a two-tier economic development strategy – focussing on the five large towns and opportunities across the Rest of the District – now required?

Q2. Given the quantum of net employment land and floorspace realised since 2006, is there a need to re-think the overall scale of anticipated employment land set out in Policy SS3?

Q3. The work carried out in September 2015 indicates that the Function Economic Market Area for South Somerset extends primarily along the A303. How should this shape future economic development allocations? How does South Somerset utilise its locational advantages?

Q4. What does the proposed A303 and A358 strategic highway upgrade mean for locations along the A303 corridor? Will these locations be more, or less, attractive for businesses?

Q5. What is the relationship between traditional economic development Use Classes (B1, B2, and B8), and the wider shift towards a service-sector economy and the rise in developments linked to A1 – A3, D1, D2 and Sui Generis Use Classes?

Q6. Future discussions about economic policy should develop a greater understanding of associated issues, and their impact on the competitiveness of the South Somerset economy, such as:

- size and age of the labour force;
- productivity and the need to increase GVA per capita;
- the current low wage, low skill economy in the district;
- infrastructural deficiencies (transport, utility, communication);
- land acquisition and viability; and
- business needs in terms of land and/or premises.

Appendix 1: Completions by Settlement, by Year

Yeovil

	Land in hectares		
	gross	losses	net
2006	1.81	0.01	1.80
2007	1.18	0.03	1.15
2008	0.20	0.10	0.10
2009	0.19	0.58	-0.39
2010	1.18	0.43	0.75
2011	0.65	0.02	0.63
2012	3.61	3.93	-0.32
2013	0.03	0.09	-0.06
2014	0.97	0.03	0.94
2015	0.60	4.06	-3.46
Total	10.42	9.28	1.14

Floorspace in square metres		
gross	losses	net
5,933	66	5,867
12,354	6,762	5,592
8,119	6,256	1,863
7,988	4,240	3,748
8,204	4,421	3,782
4,489	1,416	3,073
8,341	6,328	2,013
8,111	7,235	877
1,634	781	852
10,067	15,782	-5,715
75,239	53,287	21,952

Chard

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.02	-0.02
2008	0.60	0.62	-0.02
2009	0.01	0.01	0.00
2010	0.00	0.01	-0.01
2011	0.02	0.46	-0.44
2012	0.10	0.10	0.00
2013	0.00	0.01	-0.01
2014	0.00	0.00	0.00
2015	0.31	0.30	0.02
Total	1.04	1.53	-0.48

Floorspace in square metres		
gross	losses	net
290	0	290
5,585	4,126	1,459
348	477	-129
4,430	1,427	3,003
6,154	1,373	4,781
1,508	98	1,410
5,312	1,808	3,504
626	746	-120
33	191	-158
14,595	3,629	10,967
38,882	13,874	25,007

Crewkerne

	Land in hectares		
	gross	losses	net
2006	0	0	0.00
2007	3,698	3,173	525.00
2008	3,499	298	3200.70
2009	308	339	-31.00
2010	589	226	362.80
2011	456	523	-67.00
2012	1,701	834	867.50
2013	408	345	63.00
2014	0	0	0.00
2015	1,318	2,134	-815.95
Total	11,976	7,871	4,105

Floorspace in square metres		
gross	losses	net
0.00	0.00	0
0.00	0.03	0
1.18	0.00	1
0.00	0.03	0
0.00	0.03	0
0.00	0.00	0
0.21	0.09	0
0.00	0.00	0
0.00	0.00	0
0.38	0.25	0
1.77	0.42	1.34

Iminster

	Land in hectares		
	gross	losses	net
2006	1,801	316	1485.00
2007	6,944	0	6944.00
2008	2,085	246	1838.50
2009	3,107	389	2717.60
2010	137	151	-13.60
2011	0	0	0.00
2012	2,466	315	2150.55
2013	718	248	470.00
2014	0	0	0.00
2015	255	540	-284.60
Total	17,512	2,205	15,307

	Floorspace in square metres		
	gross	losses	net
	0.00	0.00	0.00
	2.03	0.00	2.03
	0.00	0.00	0.00
	1.60	0.01	1.59
	0.00	0.13	-0.13
	0.00	0.00	0.00
	0.26	0.08	0.18
	0.00	0.00	0.00
	0.00	0.00	0.00
	0.32	0.21	0.11
Total	4.21	0.43	3.78

Wincanton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.37	0.02	0.35
2008	0.86	0.55	0.31
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.00	0.00	0.00
2012	0.58	0.01	0.57
2013	0.00	0.00	0.00
2014	0.01	0.00	0.01
2015	0.00	0.01	-0.01
Total	1.82	0.59	1.23

	Floorspace in square metres		
	gross	losses	net
	425	0	425.00
	3,225	1,303	1922.00
	2,354	517	1837.02
	831	272	559.85
	1,979	1,714	265.00
	1,158	885	273.00
	3,775	120	3654.50
	64	79	-15.00
	910	188	721.50
	2,617	1,517	1100.00
Total	17,337	6,594	10,743

Somerton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	1.21	0.00	1.21
2008	0.51	0.00	0.51
2009	0.24	0.00	0.24
2010	0.00	0.20	-0.20
2011	0.26	0.00	0.26
2012	0.01	0.01	0.00
2013	0.00	0.01	-0.01
2014	0.08	0.00	0.08
2015	0.00	0.72	-0.72
Total	2.31	0.94	1.37

	Floorspace in square metres		
	gross	losses	net
	0	0	0.00
	6,871	908	5963.00
	2,675	0	2674.60
	1,081	406	675.00
	360	505	-145.00
	1,620	0	1620.00
	219	542	-323.00
	379	225	154.00
	1,039	0	1039.00
	732	2,246	-1513.90
Total	14,976	4,832	10,144

Ansford & Castle Cary

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	9.06	0.00	9.06
2008	0.00	0.01	-0.01
2009	0.00	0.08	-0.08
2010	0.00	0.10	-0.10
2011	0.00	0.02	-0.02
2012	0.25	0.00	0.25
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.00	0.18	-0.18
Total	9.31	0.39	8.92

Floorspace in square metres		
gross	losses	net
0	0	0.00
13,872	361	13511.00
0	90	-90.00
636	468	168.00
33	389	-356.00
0	244	-243.50
522	0	522.40
0	0	0.00
3,111	0	3111.00
91	401	-310.10
18,265	1,953	16,313

Langport & Huish Episcopi

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.00	0.01	-0.01
2009	0.00	0.00	0.00
2010	0.10	0.00	0.10
2011	0.00	0.00	0.00
2012	0.00	0.00	0.00
2013	0.00	0.06	-0.06
2014	0.00	0.00	0.00
2015	0.02	0.01	0.01
Total	0.12	0.08	0.04

Floorspace in square metres		
gross	losses	net
0	0	0.00
1,038	260	778.00
131	209	-78.00
1,005	1,040	-35.45
356	203	153.00
0	0	0.00
40	22	18.50
963	612	351.00
400	400	0.00
592	413	178.70
4,525	3,159	1,366

Bruton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.07	0.00	0.07
2009	0.07	0.00	0.07
2010	0.00	0.00	0.00
2011	0.01	0.00	0.01
2012	0.13	0.01	0.12
2013	0.00	0.00	0.00
2014	0.10	0.00	0.10
2015	0.50	0.38	0.12
Total	0.88	0.39	0.49

Floorspace in square metres		
gross	losses	net
0	0	0.00
570	30	540.00
1,584	70	1514.00
1,355	699	656.00
132	132	0.00
49	0	48.60
1,296	517	778.95
117	200	-83.00
351	201	150.00
578	965	-387.00
6,031	2,814	3,218

Ilchester

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.01	0.01	0.00
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.08	0.00	0.08
2012	0.01	0.13	-0.12
2013	0.01	0.00	0.01
2014	0.00	0.00	0.00
2015	0.00	0.00	0.00
Total	0.11	0.14	-0.03

	Floorspace in square metres		
	gross	losses	net
	0	0	0.00
	206	137	69.00
	214	48	166.00
	283	0	283.00
	60	60	0.00
	365	0	365.00
	12	65	-52.85
	19	0	19.00
	0	0	0.00
	0	0	0.00
	1,159	310	849

Martock & Bower Hinton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.01	-0.01
2008	0.00	0.00	0.00
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.20	0.00	0.20
2012	0.00	0.00	0.00
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.01	0.00	0.01
Total	0.21	0.01	0.20

	Floorspace in square metres		
	gross	losses	net
	80	80	0.00
	853	50	802.70
	70	349	-279.00
	164	0	164.00
	0	0	0.00
	480	0	479.90
	260	260	0.00
	7	0	6.50
	28	0	28.00
	15	1,522	-1507.00
	1,956	2,261	-305

Milborne Port

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.21	2.40	-2.19
2008	0.00	0.01	-0.01
2009	0.00	0.00	0.00
2010	0.00	0.04	-0.04
2011	0.00	0.34	-0.34
2012	0.00	0.00	0.00
2013	0.00	0.00	0.00
2014	0.00	1.20	-1.20
2015	0.00	0.01	-0.01
Total	0.21	4.00	-3.79

	Floorspace in square metres		
	gross	losses	net
	0	0	0.00
	380	4,280	-3900.00
	252	309	-57.00
	45	0	45.33
	181	90	91.08
	0	345	-345.00
	0	0	0.00
	51	51	0.00
	0	3,540	-3540.00
	0	101	-101.00
	909	8,716	-7,807

South Petherton

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.01	-0.01
2008	0.00	0.03	-0.03
2009	0.00	0.00	0.00
2010	0.00	0.00	0.00
2011	0.00	0.00	0.00
2012	0.49	0.00	0.49
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.04	0.00	0.04
Total	0.53	0.04	0.49

Floorspace in square metres		
gross	losses	net
0	0	0.00
166	31	135.00
178	134	44.00
106	0	106.00
1,040	0	1040.00
0	0	0.00
900	68	832.00
28	28	0.00
0	0	0.00
423	101	321.72
2,841	362	2,479

Stoke Sub Hamdon

	Land in hectares		
	gross	losses	net
2006	0.00	0.00	0.00
2007	0.00	0.00	0.00
2008	0.00	0.00	0.00
2009	0.00	0.01	-0.01
2010	0.00	0.00	0.00
2011	0.00	0.00	0.00
2012	0.00	0.00	0.00
2013	0.00	0.00	0.00
2014	0.00	0.00	0.00
2015	0.00	0.00	0.00
Total	0.00	0.01	-0.01

Floorspace in square metres		
gross	losses	net
0	0	0.00
180	0	180.00
48	48	0.00
45	23	22.46
0	0	0.00
0	0	0.00
506	506	0.00
50	30	20.00
0	0	0.00
0	0	0.00
829	607	222

ROD

	Land in hectares		
	gross	losses	net
2006	0.10	0.01	0.09
2007	1.63	0.57	1.06
2008	5.94	0.46	5.48
2009	3.85	0.14	3.71
2010	3.13	0.73	2.40
2011	3.34	0.06	3.28
2012	2.82	0.04	2.78
2013	2.33	0.07	2.26
2014	2.76	0.81	1.95
2015	13.08	1.90	11.18
Total	38.98	4.79	34.19

Floorspace in square metres		
gross	losses	net
488	194	294.40
8,051	590	7461.33
8,393	1,366	7027.40
22,411	3,022	19389.32
20,545	4,278	16266.75
8,436	1,009	7426.88
9,259	1,566	7692.88
9,352	2,410	6942.20
4,551	1,920	2631.25
24,773	3,756	21016.69
116,260	20,111	96,149