



Local Development Framework Core Strategy

Examination - 24 June to 11 July, 2008



Hearing Statement in respect of Matter 5



MATTER 5

CENTRES AND EMPLOYMENT

Whether the scale, distribution and type of employment development are consistent with the underlying spatial strategy, soundly based and supported by robust evidence with particular reference to:

- 5/1 Overall scale of provision and Employment Zones.**
- 5/2 Town Centre and District Centres, retail, tourism and hotels.**

Tests: 4-9

Policies: CE1, CE2, CE3

ISSUES

5/1 Overall scale of provision and Employment Zones

- (a) Are the strategy/policies consistent with national guidance and are they in general conformity with regional policies?

Core Policies CE1 to CE3 outline the preferred strategic approach to delivery of employment floorspace in Colchester. The Sustainability Appraisal (CBC/SUB/002) and the Centres and Employment Topic Paper (CBC/EB/059) provide supporting information and evidence.

The Core Policies CE1 to CE3 are considered to be consistent with national and regional policy (see Section 2 of the Centre and Employment Topic Paper (CBC/EB/059)) as follows:

- The policies align with the sequential approach in PPS6 (CBC/NAT/003) which is also reflected in the Draft PPS4 (para. 18) that give priority to the town centre, and other established centres, before out of centre development. The core policies seek to prevent the inappropriate location of retail and other commercial development in employment zones which should instead be located within mixed-use centres.
- The policies align with PPS1 (CBC/NAT/001) in terms of giving priority to previously developed land, over greenfield land.
- The policies provide a strategic framework for the delivery of the Colchester element of the East of England Plan's Haven Gateway jobs target of 20,000 between 2001 and 2021 (CBC/REG/014A). The Plan includes Colchester as a Strategic Employment Location. Accordingly the Haven Gateway Framework for Growth identifies three Strategic Employment

Zones in Colchester; North Colchester, Stanway and the University Research Park.

- The Strategic Employment Zones are located in areas that are accessible to the primary employment catchment in Colchester Town and therefore reduce the need to travel, in accordance with PPG13 para's 3, 4 etc (CC/NAT/018).
- (b) Are the employment targets distributed appropriately and are they validated by robust evidence?

The employment targets are distributed appropriately and are validated by robust evidence. Colchester Borough Council commissioned a number of employment studies to provide an evidence base for developing policies for sustainable employment growth. The Centres and Employment Topic Paper (Section 3) (CBC/EB/059) outlines the outcomes of the following studies that inform the centre and employment aspects of the Core Strategy and LDF:

- The North Essex Authorities Retail Study 2006 (CBC/EB/026 and 27)
- The Colchester Employment Land Study 2007 (CBC/EB/030)
- Haven Gateway Employment Land Study (December 2005) (CBC/EB/001)
- The Colchester Hotel Market Demand Study 2007 (CBC/EB/028 and 029)

These studies identified the employment floorspace necessary to meet demand and achieve the employment targets in Colchester Borough. These can be broken down as follows:

- 67,400 sqm of net internal retail floorspace (2006-2021)
- 106,000sqm of gross office floorspace (2004-2021)
- 45,000sqm of other gross business floorspace (2004-2021)
- 270-390 hotel bed spaces (2006-2015).

The Core Policies provide a strategic framework for the delivery of the above employment floorspace at the most sustainable locations and in a manner that is consistent with national and regional policy.

The Councils employment study work has analysed the likely net change in all employment sectors up to 2021, and formed a view about how much employment, retail, leisure, and other commercial floorspace/land should be delivered in physical terms to achieve the job target [accepting that other employment sectors will also make a contribution]. The annual monitoring process will thereafter examine the net change in all employment sectors within the borough's local

economy, and provide information about whether the physical land-use provision should be adjusted.

Taking this strategic approach to the accommodation of employment development ensures that there is no conflict between the regeneration of existing employment land and the accommodation of new employment developments.

- (c) Are the Centre and Employment Hierarchy and the land uses in Tables CE1a and CE1b appropriate to meet identified needs for different types of employment uses?

The Centres and Employment Hierarchy and the land uses in Tables CE1a and CE1b are appropriate to meet identified needs for different types of employment use. National planning policy (PPS6) (CBC/NAT/003) requires local authorities to set out a hierarchy and network of centres to accommodate main town centre uses (e.g. retail, office and entertainment). A hierarchy is designed to optimise accessibility of shops, employment and services to Colchester's residents and visitors. Section 4.5 of the Centres and Employment Topic Paper (CBC/EB/059) provides an explanation of the role and elements of the hierarchy.

The Centre and Employment Hierarchy directs employment development towards the most appropriate locations, in regard to economic productivity, environmental sustainability and social amenity. Major retail, entertainment and office developments that attract large numbers of customers or employees should be located in or adjoining the town centre in order to benefit from the high levels of accessibility and the synergistic advantages of mixed use environments. Manufacturing and warehousing uses on the other hand involve significant impacts (e.g. heavy vehicles) and occupy large amounts of space, and therefore are not usually compatible with mixed use environments. These developments benefit from having good access to the strategic road network, but also need to be accessible to their work forces, in order to reduce the need to travel. The Core Strategy identifies 3 Strategic Employment Zones (SEZs) that have ample capacity to accommodate the majority of non-centre employment development up to 2021. These locations have good access to the strategic road network as well as Colchester Town, and minimise impacts on surrounding land uses.

Please note that Table CE1c was printed incorrectly. The Schedule of Minor Changes accordingly provides that hotel developments are provided at the North Colchester SEZ and the University of Essex as well as the Town Centre, and industry and warehousing is supported in the Stanway SEZ as well as the North Colchester SEZ.

(d) How will jobs be delivered apart from through the allocation of land?

The Core Strategy seeks to facilitate employment delivery through the following means:

- The provision of well located land -The Employment Land Study (CBC/EB/030) focused on the provision of land for office, industrial and distribution uses within the 'B' Use Class, but noted that the provision of land needed to be flexible enough to accommodate a wide range of growth in different sectors to continue what was considered to be an 'impressive' economic performance (p. 46). Growth has been particularly concentrated in the areas of banking, finance and insurance; distribution; hotels and restaurants; and public administration, education and health (p. 43). Continued growth in these sectors will accordingly go beyond the allocation of 'B' use employment land and will include direct and indirect employment enabled and provided by infrastructure provision, mixed-use developments and supporting community facilities.
- The regeneration and revitalisation of rundown areas.
- Supporting mixed use environments that will help stimulate interaction between complementary economic activities, facilitating more robust and dynamic local economies. Mixed use policies also help to provide employment premises to meet the needs of local catchments.
- Supporting a diversity of employment premises to support small and medium enterprise, including business incubation space at North Colchester and the University Research Park.
- Delivering supporting infrastructure (e.g. strategic road improvements) and enhancing accessibility (e.g. regenerating railway station gateways) to attract and support employment developments.
- Improving the quality of the public realm to attract tourism and economic investment.
- Working with partners such as the University of Essex and Colchester Institute to increase provision of training, enhance links between business and education and provide the right conditions to encourage more graduates to remain in the borough.

(e) Might delays in infrastructure delivery put constraints on the successful delivery of employment e.g. new A12 junction, South West Distributor road?

Overall levels of employment delivery are not considered to be constrained by infrastructure delivery delays. Non-centre employment delivery will be focused into the 3 Strategic Employment Zones - Stanway, North Colchester and the University Research Park.

For Stanway the northern section of the SWDR has already been constructed, which provides improved access to the A12 and has sufficient capacity to accommodate the planned employment development at this location.

For the University Research Park a Section 106 Agreement is already in place, which provides direct access to the A133 as well as additional funding to improve the local highway network and public transport infrastructure/services.

For North Colchester, through Section 106 funding, the East West Link Road (United Way) has already been constructed providing improved access to the A12 and the local highway network for 30 hectares of employment land.

For this strategic employment zone to reach its full potential, the new A12 junction at Cuckoo Farm and the final phase of the Northern Approaches is required. This is linked to a Section 106 Agreement for the Severalls development and will provide sufficient capacity for the remaining employment land.

To accelerate delivery, alternative sources of funding are currently being sought to deliver the junction as soon as possible. Further information is included in the Infrastructure Trajectory. A copy of the background paper to the Community Infrastructure Fund bid and the EERA Regional Planning Panel Management Papers are attached in the evidence base (CBC/EB/81).

Please also see the response to question 6(q).

(f) Are the policies flexible enough?

It is considered that Core Policies CE1 to CE3 provide clear strategic direction for employment developments in Colchester, whilst also retaining sufficient flexibility to adapt to changing economic circumstances. Spatial planning has new implications for employment delivery that are different from the previous land use planning approach. More emphasis is placed on the importance of mixed use development at accessible locations rather than simply allocating more land at the urban fringe. This necessitates a greater emphasis on regeneration, and clear management of out-of-centre development. Policy CE1 has been worded to ensure that employment developments are located appropriately in regard to economic productivity, environmental sustainability and social amenity. It also sets out the primary land uses but incorporates secondary uses to add flexibility. Table 5.2 of the Employment Land Study (CBC/EB/30 p.60) provides an indicative breakdown of the number of jobs each site in Colchester, with potential for employment development, could provide to meet Colchester's share

of the Haven Gateway jobs target of 20,000 additional jobs by 2021. The gross requirement for 'B' use land is 6,500 additional jobs, and the table demonstrates that the allocated sites could support over 8200 jobs.

There is considered to be ample capacity for regeneration within the identified centres and sufficient land within the employment zones to accommodate the required employment floorspace, and many approvals have already been granted to achieve these targets. Section 5 of the Centres and Employment Topic Paper (CBC/EB/59) provides further information on the flexibility of employment delivery.

(g) Are clearer definitions required?

The definitions in the Core Strategy of the Centres Hierarchy and Employment Zones are considered to provide sufficiently clear direction at a strategic level to guide economic growth over the plan period. Further elaboration on their definition and justification is set forth in the Centres Employment Topic Paper (CBC/EB/059). The Core Strategy only provides the broad strategic framework and will be supplemented by the Site Allocations DPD and the Development Policies DPD.

(h) Should policy CE1 be reworded to allow for changes of use of employment land to provide flexibility?

Policy CE1 provides overall guidance for the identification of employment land and support for economic development. It is not considered that it needs to be reworded to allow for changes of use of employment land to provide flexibility. Flexibility is already catered for in the Town Centre through a focus on mixed uses. Elsewhere, changes of use of employment land will be addressed on a site by site basis using assessments from the Employment Land Study and any other site and area specific concerns.

(i) Should CE3 be reworded to clarify the role of Local Employment Zones? Should it include encouragement to setting up rural businesses in disused farm buildings?

Policy CE3 is considered to provide sufficient clarity on the role of Employment Zones, given that they are intended to provide a wide range of employment uses. Further refinement of uses appropriate to specific zones can be pursued through the Site Allocation and Development Policies DPD process. Policy CE3 relates to employment zones and it would be inappropriate to refer to rural businesses in farm buildings that are not located within employment zones. This issue is touched on in a broad sense in the Rural Communities policy (ENV2), but such a specific issue is best dealt with in a Development Policies DPD.

- (j) Consideration of business park element of Regulation 32 park and ride site at Langham. Is the Core Strategy unsound without this site being included? What tests does it fail? What changes would be required and how would they make the Core Strategy sound?

The proposed housing, employment, and park and ride site at Langham is opposed in principle, for reasons already explained in the response to matter 3/3.

Specific employment reasons for discounting the site include that although it is located in close proximity to the A12 trunk road, the village of Langham is an inappropriate area for new strategic employment development. Local employment opportunities are already provided at the nearby Langham Airfield Rural Business site which provides for local employment need. Given the poor public transport accessibility to central Colchester or to towns and villages further afield, additional industrial or warehousing employment uses would be inappropriate as it would result in dependency on the private car for employees' journeys to work. The disturbance in the form of noise, lighting and fumes caused by such uses and the additional traffic they generate would conflict with the residential amenity and in particular the rural character of the village. Given that office or light industrial uses would be likely to generate an even greater density of employees, the accessibility problems at Langham are an even greater constraint to such uses. The Core Strategy makes clear that B1(a) and B1(b) land uses should be considered primary land uses for mixed use centres and table CE1c indicates that the town centre will accommodate a significant amount of new office provision in accordance with the proposed sequential approach. Additional office development along with other employment (B use class) land will be provided within employment zones (Table CE1b). These strategic employment zones are designated as they are well located in relation to transport infrastructure and minimise impacts on other land uses. Further employment development at Langham would not be easily accessible by public transport and would have significant negative impacts on both the residential amenity and rural character of Langham, and the landscape and countryside value of the surrounding areas. The Langham area is described as Farmland Plateau of 'moderate' value which still retains some secluded pockets of countryside amidst the farmed landscape (CBC/EB/037 p. 15).

5/2 Town Centre and District Centres, retail, tourism and hotels

- (a) Is there adequate provision for achieving the expected job growth if developments in the Town Centre do not deliver as expected?

The Centres and Employment Topic Paper (CBC/EB/059) expands on the multi-faceted approach of the Core Strategy to support the delivery of job growth. It notes that National Policy PPS6 (CBC/NAT/003) requires local authorities to:

- focus development in the town centre and plan for expansion if necessary
- assess the need for further main town centre uses and plan to accommodate them
- promote the vitality and viability of the town centre.

The Core Strategy promotes the following development in the Town Centre during the life of the plan:

- 67,000sqm of net retail floorspace between 2004 and 2021
- 40,000sqm of gross office floorspace between 2004 and 2021.

The Town Centre will also be a primary location for the delivery of 270-390 hotel bedrooms between 2006 and 2015.

The historic core of the Town Centre is constrained by its historic character, but there are also rundown areas such as St Botolphs that are being regenerated and will offer significant capacity for future employment development. The Core Strategy seeks to expand the Town Centre beyond the boundaries of the historic core to include the key gateway provided by North Station and also the surrounding employment land, including the Cowdray Centre, which offer significant employment redevelopment potential.

The St Botolphs Regeneration Area and the North Station Regeneration Area offer substantial potential for employment redevelopment. The Vineyard Gate planning application alone involves 46,450sqm of gross floor space, including approximately 35,000sqm of net retail floor space, although this has not yet been finalised. North Station Regeneration Area also offers potential to deliver over 40,000sqm of employment floorspace. Section 5 of the Centres and Employment Topic Paper (CBC/EB/059) provides further information on employment delivery in the town centre.

There is considerable confidence that the proposed Town Centre developments will go ahead. The evidence base supports the proposals (e.g., retail needs studies); planning permissions exist; design briefs have been published; land is in the ownership of developers; the Council

is entering into partnerships with developers and other key stakeholders; funding streams are being used; and the Infrastructure Trajectory will support the development.

In the unlikely event that these developments do not deliver the expected employment outcomes, and other town centre developments (e.g. around Hythe Station) are unlikely to deliver the employment targets for the Town Centre during the life of the plan, than alternative employment developments will be supported in accordance with the centre and employment hierarchy, which is consistent with the sequential approach in PPS6 (CBC/NAT/003). Alternative developments at the District Centres will be supported to ensure that the employment and economic outcomes are achieved in Colchester.

- (b) Does the inclusion of Highwoods, Tollgate and Turner Rise as Urban District Centres risk future expansion of out of town retailing?

The identification of Urban District Centres will not risk expansion of out-of-town retailing because Core Policy CE2b clearly states that “New retail proposals (including change of use) will not be supported, unless they meet identified local needs and do not compete with the Town Centre.” There is no reason to support major increases in retailing provision in the District Centres, because the Town Centre is more accessible and provides sufficient capacity to accommodate the forecast need for retail growth in the Borough during the plan period. Small retail developments that provide for the local catchment and do not compete with the town centre can be appropriately located in district or local centres without undermining the vitality and viability of the town centre or allowing for unsustainable travel behavior.

- (c) Should policy CE2 allow Tollgate provide for more retailing?

The Strategic Employment Zone adjacent to the retail provision at Tollgate is considered to provide an important source of employment land well-located in relation to the strategic road network. The Employment Land Study (CBC/EB/030 p. 60) gives the Tollgate site a suitability score of 80.2 out of 100, which is the highest suitability score of all the allocated sites studied. This means the site ranks highly on all the indicators of access, sustainability, marketability and lack of development constraints. Expansion of retail provision at Tollgate would be to the detriment of the supply of employment land, and as noted above, would prejudice the Town Centre focus of retail development. After applying the sequential test in PPS6, there is no need or justification to provide more retailing at Tollgate, since capacity already exists in the Town Centre and District Centres in more sustainable locations. Local Plan policy provided for limited retail element of Employment Zones of 10%. This allowed for a few retail/restaurant uses to support the Employment Zone workforce while restricting the wider

spread of a higher value uses that could reduce the valuable supply of manufacturing and warehousing space.

- (d) Is there a need for a section/policy on tourism and leisure?

Tourism and leisure are addressed at many points in the Core Strategy, in relation to strategic issues such as the management of the countryside, provision of open space, centre employment delivery, the historic character of the town centre and regeneration of gateways. It was not considered appropriate to have a specific policy on tourism and leisure in the Core Strategy, to avoid excessive repetition; however it is likely that there will be a specific policy in the Development Policies DPD.

- (e) Is the identification of the number and location of hotel rooms too limited - should locations other than the Town Centre be considered? Should there be reference to meeting demand?

Table CE1c is entitled Indicative Employment Delivery and is not intended to be completely restrictive. The number of rooms is a guide and does not limit further hotel developments as these are compatible with mixed use centres. Likewise the floorspace for offices and retail are not restrictive and simply provide an indication of the need to plan for this approximate level of development at these locations during the life of the plan.

Small hotels are likely to be supported in countryside locations (in accordance with PPS7 (CBC/NAT/004) and policies CE1 and NE2), but large scale developments should be consistent with the Centre and Employment Hierarchy. The Core Strategy is not a Development Control document, but it does need to coordinate compatible developments at a strategic level to ensure sustainability. There may be market demand for large hotels scattered along the A12, but this would not support sustainable travel and the Core Strategy's focus on the Town Centre and growth areas. Hence site selection for major hotel developments should follow a sequential approach in accordance with PPS6 and be directed towards the Town Centre in the first instance. PPS 6 paragraph 1.8 makes it clear that hotels should be considered town centre uses, and the sequential approach in PPS6 paragraph 2.44 sets out that a preference should be given to town centre sites (CBC/NAT/003). The Hotel Market Demand Study (Hotel Market Demand Executive Summary (CBC/EB/29) and Hotel Market Demand Sequential Sites Assessment (CBC/EB/028)) however, found that while there are centrally located potential sites for boutique or limited service hotel provision, there is demand for a full service hotel which could not be accommodated within the town centre. It accordingly provided scope for hotel development of this type outside the Town Centre in the North and East Growth Areas (Community Stadium site and University of Essex site). The study states 'The market would favour the Community Stadium site, over the

University site, although if the town centre and edge of centre sites are delayed in coming forward, then there may be capacity for both these sites with existing permission.' The List of Minor Changes (CBC/EB/078) accordingly amends Table CE1c to provide potential for hotel development in North Colchester and the University of Essex as well as the Town Centre.

- (f) Consideration of Regulation 32 hotel site. What part of the Core Strategy is unsound without this? What tests does it fail? How can it be made sound? What is the precise change/wording that is sought?

The allocation of a hotel site on Cymbeline Way, adjacent to access (but not an exit) to the A12 is considered to be too small to be dealt with through the Core Strategy process. Furthermore, it is contrary to the strategic policy direction for hotel development guided by PPS6, the Core Strategy and the Hotel Market Demand Study noted in e) above. In the hotel study, this geographical area was not identified as a priority for hotel development.

Policy CE1 of the submitted Core Strategy states that the Council will promote and maintain a Centres and Employment Hierarchy (Tables CE1a & CE1b). Table CE1b (Appropriate Land Uses) sets out that Hotels (Use Class Order C1) will be considered to be a primary land use appropriate in Mixed Use Centres. This approach will provide reasonable flexibility through supporting hotel use in mixed use centres that provide highly accessible locations and can support a wide mix of land uses. Table CE1c sets out an indicative employment delivery and shows that 270-390 hotel rooms will be delivered in the period 2006-2015, based on the findings of the Hotel Market Demand Study (CBC/EB/028 Hotel Market Demand Executive Summary, CBC/EB/29 Hotel Market Demand Sequential Sites Assessment). The study identifies an immediate opportunity to develop a new-build budget/limited service concept with between 50 and 100 bedrooms. As noted in the response to e) above, if an out-of-town location is required in the absence of a Town Centre site, the study states that the North Colchester growth area would be the most appropriate location for this taking into account the good public transport links to the town centre in the form of the North Transit Corridor. The alternative site put forward at Cymbeline Way is an out-of-centre site, and is not accessible by a range of means of transport. It is not immediately adjacent to either the town centre or the railway station, is not easily accessed by foot or cycle, and has extremely poor bus service provision (weekdays only between 06.02 – 07.53 to the station only and in the opposite direction between 17.55 – 19.30).

A planning application for a hotel on the site (application reference 07/3130) has recently been refused by the Council. The report on this application found that the site is not a sustainable location for a new hotel, as made clear in the sequential analysis of the Hotel Study

(CBC/EB/028 and 29), advice in PPS6 (CBC/NAT/003) and consultation responses from the Highway Authority and Leisure/Tourism Services. The report states that the landscape context is of a site within a "green" approach to Colchester, which is sensitive to change, and a modern, 4-storey building would be harmful to this setting. The alternative site consultation also highlighted a number of constraints on the development of this site. These are detailed in the regulation 33 statement and full copies of the representations submitted are available on the Council's website.

The proposed alternative site is a greenfield, undeveloped plot of land adjacent to a Site of Importance for Nature Conservation (SINC) and an existing touring caravan site. It is located outside of the urban area of the town and is designated as a Countryside Conservation Area in the 2004 Local Plan (CBC/EB/011). Along with the SINC and the area of public open space on the opposite side of road, this site provides an important green gateway to the built up area of Colchester. The site is on the fringe of the urban area, with good access to the A12. This site is a distance of approximately 2.5km from nearest railway station (Colchester North Station). Although there is a bus stop located nearby, access to public transport is extremely poor as detailed above and the hotel use would result in increased dependence on the private car. The provision of hotel accommodation in a more central location, better related to public transport provision would provide a viable alternative to car use for both business and leisure users, contributing towards the sustainable growth of Colchester.

(g) Does the preferred approach reflect the sequential approach in PPS6?

PPS6 (CBC/NAT/003) sets out the sequential approach for accommodating main town centre uses as follows:

- first, locations in the existing town centre
- next, locations on the edge of the town centre that are well connected to the town centre
- finally, out-of-centre sites which are linked by a range of transport modes to the town centre.

National planning policy also requires local authorities to set out a hierarchy and network of centres to accommodate main town centre uses (e.g. retail, office and entertainment). A hierarchy is designed to optimise accessibility of shops, employment and services to Colchester's residents and visitors. Section 4.5 of the Centre and Employment Topic Paper (CBC/EB/059) provides an explanation of the role and elements of the hierarchy.

The Centre and Employment Hierarchy in Colchester's Core Strategy is highly consistent with the sequential approach in PPS6. The Town Centre is at the top of the hierarchy in accordance with the sequential

approach. The Town Centre is somewhat constrained by its historic character, therefore the Core Strategy has supplemented this by including edge of centre locations at North Station and Hythe Station Urban Gateways. These locations are well connected to the Town Centre and offer substantial redevelopment potential to accommodate new employment growth. The Core Strategy does not foresee a need for significant out-of-centre development, because the forecast employment development can be accommodated within the expanded Town Centre. Local scale development will be supported at district and local centres to meet the needs of local residents without undermining the viability and vitality of the town centre or exacerbating unsustainable travel behaviour. Colchester Borough Council has however, already approved some office and retail developments at out-of-town locations such as Stane Park (within a Strategic Employment Zone in accordance with the submitted Core Strategy) to enhance the town's overall employment land offer on the basis that they were not considered to prejudice Town Centre development. The Core Strategy must take these developments into consideration when planning for the future growth of the Borough.