

Planning Statement

Dunsbury Park: Removal of B8 restriction (APP/15/00732
Condition B6)



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Contents

1.	Introduction	1
2.	Supporting plans and information	2
3.	Planning history	3
4.	Relevant condition from APP/15/00732	4
5.	Planning policy context	5
6.	Market perspective and case studies	9
7.	Environmental Statement (ES) Addendum	15
8.	Site masterplan	16
9.	Summary	17

1. Introduction

- 1.1. Savills Planning has been instructed by landowner and developer Portsmouth City Council (PCC) to submit a Section 73 application to remove the B8 use class restriction at Dunsbury Park, Fitzwygram Way.
- 1.2. The application is being made following positive discussions with Planning Officers and Economic Development Officers at Havant Borough Council (HBC) in June 2017, and reflects the updated commercial market. A positive determination will place Dunsbury Park in a favourable position to continue to attract a range of employers and jobs to the borough.
- 1.3. This Planning Statement will summarise the planning history and policy context, give an overview of the market activity related to Dunsbury Park since its formal launch earlier in 2017, and demonstrate that a flexible offer across B1/B2 & B8 is the most appropriate solution for the long term employment objectives of the borough. Commercial property agents Lambert Smith Hampton and GVA have been jointly appointed by PCC to market Dunsbury Park, and Section 6 of this statement includes insight and information from both agents into the market perspective associated with this application.
- 1.4. The application also includes a revised building heights parameter plan for the Dunsbury Park site. This is a result of the recently approved cut and fill strategy (see paragraph 3.4) and would result in a change to the list of approved plans on any decision notice.
- 1.5. Once validated, a Deed of Variation will also be prepared in parallel to this application referencing the new application to update the current Section 106 agreement between PCC, HBC and Hampshire County Council (HCC).

2. Supporting plans and information

2.1 This application is supported by the following plans and information:

Document	Reference
Dunsbury masterplan	DHF-BMD-MP-XX-DR-A-10004-S2-P6
Environmental Statement addendum	ES Addendum (June 2015)
Revised Parameter plan	

3. Planning history

- 3.1 Planning permission was originally granted for Dunsbury Park in 2014 with a hybrid application (ref: APP/12/00338), providing full permission for the access link road (now constructed - Fitzwygram Way) and outline permission for the development plots totalling 61,779 square metres of B1/B2/B8 floorspace.
- 3.2 A subsequent Section 73 application (APP/15/00732) was permitted in October 2015 to increase the % of B8 on site from 20% (12,356sqm) to 30% (18,534sqm). This was followed by the first Reserved Matters application (APP/15/01156) for the development of a 120,000 sq. ft. B8 distribution centre for Fat Face Ltd. This was granted permission in December 2015 and has recently been completed with Fat Face now in occupation.
- 3.3 The site was formally launched at a marketing event in March 2017 and this has generated significant interest in further plots, with likely Reserved Matters applications forthcoming in the early part of 2018 on Plots 4a and 5.
- 3.4 Submissions to approve the cut and fill strategy, layout, access and scale (APP/17/00866), together with the first internal estate road (APP/15/00732 - Discharge of Condition B9), were approved in November 2017. The works covered by these schemes represent the landowner making a multi-million pound investment in site wide infrastructure to prepare all development plots on Phase 1 of site.

4. Relevant condition from APP/15/00732

- 4.1 This Section 73 application is being submitted to seek the removal of wording from Condition B6 of APP/15/00732, reproduced below:

B6: Range of uses

The development hereby approved shall not exceed the following totals:

- a) 61,779sqm comprising a range of uses within Classes B1, B2, B8 of the Use Classes Order 1987 as amended. Furthermore the B8 component shall not exceed 30% of this floorspace (18,534sqm) and;*
- b) Up to 5,574 sqm comprising a hotel with conference facilities*

- 4.2 We propose the following wording:

B6: Range of uses

The development hereby approved shall not exceed the following totals:

- a) 61,779sqm comprising a range of uses within Classes B1, B2, B8 of the Use Classes Order 1987 as amended;*
- b) Up to 5,574 sqm comprising a hotel with conference facilities*

- 4.3 As noted in paragraph 1.4, a revised building heights Parameter Plan is also submitted following the cut and fill exercise. This will ensure future reserved matters schemes on all plots across the site will be capable of accommodating standard commercial buildings. This will result in a revision to Condition A19, with the stated 'Environmental Statement Volume 2 Drawings' including in the Date of revision column 'Building Height Parameter Plan Rev B December 2017'.

5. Planning policy context

5.1 From a local perspective, Dunsbury Park is allocated in policy CS18 of the Havant Core Strategy (adopted March 2011) as a strategic employment allocation, capable of delivering over a third of all new employment space (approximately 60,000 square metres) in the borough in the plan period to 2026. A detailed site policy contained various development parameters that were then taken forward in the original planning permission for the site (APP/12/00338).

5.2 At a national level, the NPPF published in March 2012 (after adoption of the Core Strategy) contains the golden thread of a presumption in favour of sustainable development. The NPPF supports this notion by detailing that planning should facilitate and encourage growth, whilst also being flexible to address changes in circumstance (see extracts from paragraphs 17, 18, 19 & 187 below).

'17 - proactively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made objectively to identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth.'

'18 - The government is committed to securing economic growth in order to create jobs and prosperity, building on the country's inherent strengths.'

'19 - Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore significant weight should be placed on the need to support economic growth through the planning system.'

'187 - Local planning authorities should look for solutions rather than problems, and decision-takers at every level should seek to approve applications for sustainable development where possible.'

5.3 It is evident that the commercial market has changed considerably since early 2011 and, indeed, the years preceding this when the Core Strategy was being formulated and its evidence base is derived from. It is considered that this application to vary condition B6 not only promotes sustainable development, but responds to market signals and will help deliver economic growth to create jobs and prosperity.

Employment Land Review (ELR) - July 2016

5.4 To support the forthcoming review of the Local Plan, in July 2016 an Employment Land Review (ELR) was prepared and released by HBC. The purpose of the ELR, as stated within the document, is reproduced below:

'The ELR provides a robust evidence base on which to base Local Plan allocations and planning policies for employment sites across Havant Borough, and will inform the development of the Havant Borough Local Plan 2036. It will also inform decisions on individual planning applications and support activity to stimulate economic growth.'

- 5.5 The ELR provides an up to date appraisal of the market and considers how future policies can address changes in working patterns and business operation. As noted in paragraph 1.8 of the ELR:

'Market forces will dictate demand for both office and industrial premises, therefore flexibility is key both in terms of the amount of land provided and the uses to which it is put. This should be borne in mind in allocating new employment sites and rolling forward existing allocations.'

- 5.6 The issue of flexibility is paramount - enabling a site to respond to market forces creates the optimum position to help deliver growth and jobs in the local economy. This application seeks to remove the B8 restriction at Dunsbury, not to enable the whole site to be filled with B8 sheds offering few jobs, but to enable development plots to come forward offering bespoke, up to date facilities to a wide range of business types. As section 6 of this statement will outline, many businesses now cross over between B classes and ensuring these opportunities can be captured at Dunsbury is essential so they are not lost to other sites outside of the Solent region.
- 5.7 The availability of stock is also a key factor when considering this point - paragraph 6.16 of the ELR highlights that there is a calculated availability of just 18,580 sqm of built industrial and warehouse premises on the market, which is very low. Whilst there is a significant amount of land available for new development, if this land is restricted in terms of the type of business it can accommodate, then growth opportunities may be missed.
- 5.8 The ELR goes on to provide an insight into occupier requirements following contact with a wide variety of local businesses. Paragraph 8.1 of the ELR states *'Discussions with local businesses in Havant Borough have confirmed that there is a high demand for industrial use buildings in the B2/B8 class. The B8 is integral to manufacturing capabilities and thus linked directly to B2 in many instances.'* This is an accurate representation of the market interest PCC has received for Dunsbury Park since the official launch in March 2017.
- 5.9 The ambition is to extensively promote Dunsbury Park to the national and regional marketplace, to attract occupier requirements from all B Class sectors and to generate new jobs from companies wishing to relocate to Havant from outside the area – the current limitation on B8 floorspace is an impediment in marketing the site as other employment sites from other regions that DP competes against all have flexibility and can offer the ability to accommodate either B1, B2 or B8 uses.
- 5.10 As paragraph 5.7 of this statement notes, the availability of stock is vital. The ELR provides a review of both the office and industrial sectors and, for the former, reports that supply is falling as businesses demand higher quality office space to accommodate modern working practices. This space could be stand-alone B1 office building or part of a more mixed use facility serving multiple business needs.
- 5.11 For the industrial market, paragraph 8.10 of the ELR concludes that:

'In the industrial sector, there is an acute lack of Grade A space in Havant Borough, where apart from new build opportunities on development sites, such as Fat Face's new distribution centre which is under

construction at Dunsbury Hill, there is virtually no standing stock of this quality.'

- 5.12 A number of characteristics that define Grade A space are listed and these include attractive and modern design, minimum eaves heights of up to 12m for 50,000+ sq ft units, typical office content of 10-15% and accessible locations for staff. Dunsbury Park has the ability to deliver this Grade A space that is attractive to the market and in short supply. A key contributing factor explored in Section 6 is that job densities from the industrial and warehouse sector have grown rapidly and often mirror, or exceed, those within the manufacturing sector.
- 5.13 Section 10 (titled 'Dunsbury Hill Site Delivery') of the ELR then provides a detailed appraisal of Dunsbury Park and the benefits it offers to the local and regional employment market. It recognises that with a high overall score in the employment site assessment (see paragraph 5.18) the site will be able to provide for a wide range of business and employment opportunities.
- 5.14 The second part of Section 10 in the ELR then looks at the need for local plan policy to be as flexible and market orientated as possible to enable and influence development. This is referenced as being '*adaptable towards a wider range of businesses within B1, B2 and B8 uses*'. The report notes that in practice many businesses undertake a range of activities across B1/B2/B8 use classes and utilise space for combinations of offices, manufacturing and assembly, material and finished goods storage/distribution. This issue will be expanded on in more detail in Section 6 of this Planning Statement.
- 5.15 As outlined in paragraph 5.5 of this statement, removing the B8 restriction at Dunsbury is not being sought so as to fill the site with large sheds. Aside from the approved site masterplan creating a series of smaller development plots (to cater for 20,000 - 120,00 sq.ft units) which is expanded on in Section 8 of this statement, the ELR highlights that the 'coastal belt' location of Dunsbury Park means it is unlikely that 'super big box' logistics will be attracted here. They are more likely to seek sites better placed in a central hub to service the whole UK. This is reflected in the marketing interest shown since the launch earlier in 2017.
- 5.16 Paragraph 10.10 of the ELR then mentions the Market Perspectives report prepared in support of planning application APP/15/00732. It highlights the key finding that:

'...which tested the commonly held past perception that B8 occupiers do not provide enough quality jobs. Their findings.....discredit this view with figures indicating that employment densities vary wildly between occupiers and use types and that, on average, densities for B8 premises are no better or worse than for other B class activities.'

- 5.17 This section of the ELR is then concluded by noting the previous application to increase the B8 would make that part of the site easier to let without reducing its ability to employ high numbers of local residents. Looking forward the ELR outlined in paragraph 10.12:

'As the site continues to progress and expand, the Council will give due consideration to further proposals to increase the flexibility of approved uses in response to market demand'.

- 5.18 Section 13 and Appendix B of the ELR then detail the individual site assessments carried out on all allocated, unallocated and proposed employment sites in the borough. Eight different categories made up the evaluation including strategic location, planning status, occupier perception and redevelopment prospects.
- 5.19 The concluding paragraphs of the ELR make some clear observations about the market position and the essential need to high quality commercial floorspace:

'Whilst the supply pipeline of B2/B8 employment land is healthy in terms of quantity, quality and deliverability, the immediate availability is critically low and suppressing the necessary churn in the market'.

'...the ability to significantly accelerate the office sector in the borough is untenable given the reality of its occupier profile, which is heavily biased towards the B2/B8 sector'.

'Ultimately market forces dictate demand for employment uses; therefore flexibility is key both in terms of the amount of land to be provided and uses to which it is put. This should be borne in mind in allocating new employment sites and rolling forward existing allocations'.

- 5.20 Adopting a flexible approach through a positive determination of this application will assist in providing swift availability of bespoke Grade A B1/B2/B8 floorspace that meets the needs of both expanding local businesses, and those from outside the region looking for new premises.

Havant Borough Local Plan 2036

- 5.21 HBC is currently reviewing their Local Plan, primarily to address the high need for new housing in the borough, but this will also see core policies updated including the site specific policy for Dunsbury Park. Recent discussions between HBC and PCC over this emerging Havant Local Plan to 2036 and site specific policy have centred on Dunsbury Park retaining its strategic importance within the borough. The draft policy has been worded to not only reflect the changes on site and potential additional phases of development, but to also address the structural shift in the employment market and the type of floorspace that is delivered.
- 5.22 Whilst this draft policy is not due for publication and consultation until early 2018, it will provide a clear steer over the direction that HBC sees Dunsbury Park heading, which takes forward much of the evidence borne out of the July 2016 ELR.
- 5.23 The emerging policy promotes sustainable economic growth and seeks to introduce alternative measures to gauge the acceptability of further B8 development in future phases. These measures are using employment densities (see Section 6 of this statement for more analysis of this issue) and/or that a facility provides a range of employment opportunities with different skill levels that balance against the number of warehouse staff. These are considered much more appropriate than basic % thresholds and allow flexibility to cover future market changes.
- 5.24 It has been demonstrated in this section that national policy, the updated local evidence base and emerging policy, are all supportive of what this application is trying to achieve. Waiting for a revised local plan policy to be adopted (first half of 2019 at the earliest) before seeking the amendment is likely to lead to development opportunities to create and bring jobs into the area being lost and the stagnation of the site.

6. Market perspective and case studies

6.1 The Sub-Regional Strategy for South Hampshire formulated by PUSH and reinforced by the Solent LEP (Transforming Solent: Growth Strategy Oct 2014) identifies DP as a key site to improve the sub-region's economic performance. To do this, the site needs to be able to respond to the changing employment market that has been referenced at various points through this statement so far. This section will provide analysis and assessment of these changes together with the impact they have had on the characteristics of commercial development.

6.2 The previous submission to increase the % of B8 permitted at Dunsbury Park was supported by a Market Perspective Report prepared by commercial property experts Lambert Smith Hampton (LSH). This report is also referenced in the HBC Employment Land Review and provided a valuable and up to date insight into how market and occupier dynamics were changing, together with an appraisal of how best to create the economic conditions necessary to deliver jobs and growth.

6.3 Paragraph 2.1 of the LSH report sets the scene and presents a trend that has continued since the report was written in mid-2015:

'From a Use Class perspective, there is a distinct difference between occupation for warehouse and logistics property (B8), light industrial space (B1c) and general industrial (B2). Whilst there is a clear definition for certain operations, in practice, many businesses cross over the planning boundaries and now occupy space for combined manufacturing and assembly, material and finished goods storage, distribution and often a variable office content. This is a trend that is likely to grow in the foreseeable future making flexible commercial sites more attractive.'

6.4 As part of their research, LSH undertook an analysis of a wide range of Hampshire based businesses encompassing 22 different firms, varying in size from 2,000sqm to over 19,000sqm across all B use classes. On a quantitative basis, the purpose was to demonstrate how employment densities have significantly increased as floor space is utilised more efficiently and occupiers derive greater value from their property overhead. This aspect is discussed in more detail later in this section, however, summarising this analysis paragraph 2.9 of the LSH report states:

'Perhaps the most important conclusion from the above is that there are many occupiers who require space across all categories (B1, B2 and B8 from a single property) and this can only come with flexibility.'

6.5 A third of those firms analysed utilised floorspace in a single building that covered two use classes, the most popular being a mixed B1c and B8 use. As noted in paragraph 6.3 above, consolidating operations such as assembly, manufacture and distribution into a single building reflects modern working practices and being able to capture such opportunities at Dunsbury Park is one of the primary reasons for the submission of this application. A firm requiring a building of 5,000 sqm split equally between B2 and B8 would, under present circumstances, either be unable to locate at Dunsbury or have to go through an individual process to further relax the B8 restriction, adding considerable risk and time to delivery, often making a proposal unattractive to investors.

6.6 As well as the general market changes around how increasing numbers of businesses operate and cross use class boundaries, the B8 warehouse/distribution sector has also undergone significant change in recent years. The LSH report analysed the qualitative aspect of jobs within these types of operation, seeking to refute historical views that B8 jobs were largely unskilled and could act to suppress beneficial economic impact. Areas of research were referenced that identified the range and type of employment opportunities. Paragraph 3.11 states:

'These reports all point to significant growth in the sector, they indicate that within the sector many of the jobs (existing and to be created) are skilled or semi-skilled and that there is a particular shortage of skilled management staff in the sector identifying a range of opportunities for which there will be demand for both staff and training.'

6.7 The comparison of the distribution / logistics sector to other types of commercial floorspace with regard to skilled and semi-skilled jobs also demonstrates that the contribution of B8 uses to employment opportunities is often little different to the rest of the sector. Paragraph 3.12 of the LSH report states:

'...of all sectors 10% of staff are managers and directors whilst 14% of logistics staff fall into this category. Overall 45% of staff in logistics are managerial, professional, skilled operatives and administrative, compared with 54% across all other sectors. The difference here is limited and the skills include a higher proportion of process, plant and machine operatives (24% v 6%) whilst also including a high level of elementary occupations (unskilled works) 25%.'

6.8 Another valuable piece of research is the British Property Federation (BPF) report from December 2015 titled 'The Economic Impact of the UK Logistics Sector'. Some of the headlines from the report reproduced below not only challenge historic perceptions of the B8 sector, but offer extremely positive outlooks for the future about the role B8 floorspace will play in the local economy:

- *Only around 15% of employees in the sector work part time, compared to an average of 32% nationally.*
- *The average salary has grown at a higher rate (7%) over the last five years than the national average (3%).*
- *Evidence indicates that every 1,000sqm of logistics development supports 14 full time equivalent employee jobs and £850,000 GVA per annum.*
- *The rate of employment growth in the sector (31%) is projected to exceed the national average (20%) between 2013 and 2035.*
- *The logistics sector's economic productivity is projected to grow by 83% between 2013 and 2035.*

6.9 Picking up on the issue of the type of jobs provided within the sector, the BPF report states that logistics businesses have an above national average representation of managers, directors, senior officials and administrative / secretarial occupations, whilst further research by Prologis found that office-based jobs in the industry have continued to rise in recent years.

6.10 Combining two of the issues covered in this section, namely buildings operating across use classes and increasing employment densities for the B8 sector, two specific case studies are referenced in the BPF report that highlight the changing face of new commercial floorspace:

Planning Statement

Dunsbury Park - Removal of B8 restriction (APP/15/00732 Condition B6)



- When office floorspace, office staff and drivers are taken into account, DPD Group UK's employment density at their Hinckley Depot (circa 18,800 sqm) is equivalent to 48 sqm per FTE.
- The office floorspace within Sainsbury's national distribution centre supports one FTE for every 34 sqm.

6.11 Employment density is one of the factors that LSH assessed in their analysis of Hampshire based businesses as referenced earlier in this section. Of the 22 firms looked at, of which 9 straight B8 and a further 7 were mixed use including B8, the average employment density was 1 x FTE employee per 49 square metres. The lowest employment density (1 x FTE per 85sqm) was for a substantial B2 business of over 10,000sqm.

6.12 As the emerging HBC Local Plan policy for Dunsbury Park confirms, employment densities are an appropriate way to assess the contribution of employment land to meeting the economic growth needs of the site and wider area. The Homes and Communities Agency (HCA) Employment Density Guide (3rd Edition – November 2015) provides a robust benchmarking tool to assess some case studies against, in relation to the removal of the B8 restriction being sought. The guide is widely used by property, planning and economic development professionals in policy development, site appraisals and impact assessments. The extract below from chapter 4 of the HCA guide lists the benchmarked likely employment densities for the B class uses that are permitted at Dunsbury Park.

Use Class	Sub-Category	Sub-Sector	Density (sqm)	Notes
B1a Offices	General Office	Corporate	13	NIA
		Professional Services	12	NIA
		Public Sector	12	NIA
		TMT	11	NIA
		Finance & Insurance	10	NIA
	Call Centres		8	NIA
B1b	R&D Space		40-60	NIA lower densities will be achieved in units with higher provision of shared or communal spaces
B1c	Light Industrial		47	NIA
B2	Industrial & Manufacturing		36	GIA
B8	Storage & Distribution	National Distribution Centre	95	GEA
		Regional Distribution Centre	77	GEA
		'Final Mile' Distribution Centre	70	GEA

6.13 The benchmarking within the HCA Guide is robust and is based on a previous 2010 edition. The density matrix within that 2010 document was tested against current usage trends, with modifications made where necessary. Extensive literature and research underpinned the guide, utilising information and data from both academia and the industry. The information within it can be considered sound and a reliable source to base judgments on.

6.14 When outline consent for Dunsbury Park was granted in 2014 (based on local plan policy adopted in 2011), the available evidence at the time indicated that B8 Storage and Distribution uses tended to generate less than half the job density of other employment floorspace (B1 office, light industry and research & development, and B2 general industry). This led to the restriction on the amount of B8 floorspace that

could be accommodated being placed within Condition B6. As the market analysis and HCA Guide confirm, the increasing range of occupations in this sector mean that actual employment densities have risen in recent years. Indeed, as previous paragraphs have set out, the warehouse and distribution sector provides for an increasing variety of employment opportunities at a range of skill levels including warehouse staff (including forklift drivers), drivers, administration, managerial and other activities such as ICT support.

- 6.15 Paragraphs 3.71 & 3.72 of the HCA Guide report that in the UK, it is estimated that employment densities in the warehouse/distribution sector increased from one person for every 95 sqm of floorspace in 2006 to one person for every 77 sqm in 2010, and that this had risen again to one per 69 sqm in 2014. This trend is also reflected in the case studies outlined in the following paragraphs.
- 6.16 Three different case studies will be assessed, the first being the completed Fat Face distribution centre on Plot 2 at Dunsbury Park. The first phase of 7,500 square metres of B8 floorspace is employing 140 FTE staff. This gives an employment density of **1 x FTE member of staff per 53 square metres of floorspace for a B8 use**. This is a significantly higher employment density than the 1 x FTE per 70-95m² in the HCA Guide for B8 uses.
- 6.17 The potential forthcoming reserved matters applications will be on Plots 4a and 5. Whilst exact details of the occupiers cannot be released due to commercial confidentiality, the Plot 4a development is for a mixed B1/B8 unit (approximate 30/70% split) totalling 9,200 square metres. Initially the facility will employ 180 staff, increasing to 250 as the company expands. This gives employment densities of **1 x FTE member of staff per 51 square metres of floorspace, rising to 1 x FTE member of staff per 37 square metres of floorspace**, where a high proportion of the floorspace would be classified as B8.
- 6.18 Finally, Plot 5 is being considered for a 9,200 square metre B2 manufacturing building. This will employ 110 FTE staff, giving an employment density of **1 x FTE per 83 square metres of floorspace**. This is the lowest employment density across the 3 plots considered, yet is the use that could be delivered with no adjustment to the planning permission.
- 6.19 Using the benchmark figures in the HCA Guide, if similar sized buildings to those on Plots 2 and 4a were proposed for B1(b) research and development purposes (**at 1 x FTE per 60m²**) then they would employ 125 and 163 people respectively (compared to 140 and 180 actual). A similar exercise for buildings in B1(c) light industry (**at 1 x FTE per 47m²**) would employ 159 and 195 people respectively (vs. 140 & 180).
- 6.20 These numbers clearly demonstrate that further B8 development at Dunsbury Park would have no detrimental impact on the number of jobs that could be delivered across the site. Whilst it is accepted that every occupier presents a different profile in terms of the number of jobs to floorspace created, the difference between B8 and B1b, B1c and B2 uses can often be negligible (as shown in the HCA Guide – 1 x 60sqm for B1b, 1 x 70sqm for B8) and, in some cases, B8 can deliver more jobs due to the aforementioned changes in the way the sector operates.
- 6.21 The HCA Guide summarises these sector changes in paragraph 3.71, whilst paragraph 3.65 also raises another important feature of Dunsbury Park, namely 24 hour operation:

'3.71: Despite increased mechanisation and deployment of technology the data suggests that as logistics

becomes more specialised both a greater number of employees and range of skills are required to operate a modern distribution facility.'

'3.65: Similarly changing shift patterns towards 24 hour working as distribution needs increase are also offsetting reductions in the number of workers per shift.'

- 6.22 Given the location surrounded by ancient woodland and with significant distances to the nearest residential properties, Dunsbury Park benefits from the ability to operate on a 24/7 basis. This makes the site attractive for those businesses who require 24 hour shift patterns to deliver comprehensive manufacturing or distribution services. This also makes likely employment densities higher as firms can employ 3 separate shift patterns across a 24 hour period.
- 6.23 Another important aspect is delivery of timescales, and more specifically Dunsbury Park being able to place itself in the best possible position to secure high quality growth and investment. Discussions with HBC had considered whether continuing to assess each plot on its individual merits as they came forward would be appropriate. However, the ability to respond quickly to occupier enquiries and present a planning process with less perceived risk is a significant benefit when seeking to attract investment and growth to the area.
- 6.24 The experience of PCC's appointed commercial property agents is that both developers, and more importantly the occupiers, (PCC fulfilling the former role at DP) are discouraged by planning consents which limit the amount of floor space use to be built as this will deter and preclude certain occupiers from progressing their interest in the site; cause unacceptable delays in having to wait and resolve any variation required; could undermine the future flexibility of user for the building; and will position the site unfavourably in comparison to competing sites in the region and beyond. Competitors with flexible open B class sites can present a more 'concrete' offer to a wide range of occupiers. Avoiding having to submit a section 73 application every time an occupier comes forward that is outside of any B8 restriction, was seen as a more appropriate way forward for the site to help deliver economic growth and jobs.
- 6.25 Market trends and research also demonstrate that the long term decline in B2 manufacturing activity in the UK is well documented (and Havant has suffered worst than other South East Local Authorities) and the need for large scale specialist industrial facilities has decreased substantially. Whilst these B2 requirements, between say 50,000 and 100,000 sq ft do still exist, they do so with unpredictable timing and therefore employment land should be allocated for their use (as DP is), but not exclusively. Commercial property agents' records reveal that the number of B8 occupier enquiries received, compared to B1c, B2 for larger units, is on average 30% higher. However, more relevant is the fact that over the last three years the actual take up is 60% higher for specifically logistics use. Some notable transactions include the following, with the resultant number of jobs created or projected:
- Lidl – Regional Distribution Centre, Southampton – 400+
 - UPS – Millbrook, Southampton – 190+
 - Rolls Royce – Technology & Logistics Centre, Bognor Regis – 200+
- 6.26 The UK economy continues to exhibit strong commercial activity and improved productivity which, in turn, raises the demand for employment space. In South Hampshire, the market has been starved of new development and there is an acute shortage of available B1c B2 and B8 class floor space, forcing

occupiers to seriously pursue pre let/bespoke design and build solutions to satisfy their requirements, such as at DP, which is regarded as a prime development opportunity. In master planning any development scheme, the primary consideration must be the profile of the likely occupier demand for the end product, otherwise the target market will be constrained, the delivery timescales compromised and the beneficial economic will be restricted.

- 6.27 On the basis of the information within this section, and in the interests of appealing to a wide range of businesses, it is considered that a more flexible approach at Dunsbury Park to different employment sectors is fully justified for a number of reasons including the range of jobs provided, employment densities and being able to capture businesses operating across use classes.
- 6.28 The measures of beneficial economic impact are typically job numbers and GVA growth, and employment densities are benchmarking data on the average number of employees who can be accommodated per unit of floor space provided. As explained in this section, these benchmarks can then be applied to estimate the gross employment and GVA outcome of physical developments. Commercial property agent research and other independent studies clearly demonstrate that the differential between B1c/B2 and B8 in terms of job creation is considerably more marginal than previously presumed, given the dynamic growth in the UK logistics sector in recent years, and the changing nature of B8 occupation.
- 6.29 It is also clear that occupiers want and need operational flexibility through the course of any tenancy. The business and economic environment can change quickly and business's need their real estate to adapt to any change. In addition, companies also want to mitigate any 'legacy' issues on commercial property. Being able to sub-let or assign a premises without major restriction on use is often a key consideration when taking a property in the first place. In order to sustain a cohesive and vibrant economy, logistics and distribution activity is essential to maintain an effective supply chain to service manufacturing, retail, leisure and the general consumer market. The proposal fully accords with the core planning objectives of the site to deliver sustainable, economic growth for the region.

7. Environmental Statement (ES) Addendum

- 7.1 As part of planning permission APP/15/00732, an addendum to the Environmental Statement (ES) was prepared which covered key issues such as transport, air quality and noise, the scope having been agreed with HBC officers. The purpose of this was to demonstrate whether Dunsbury Park could accommodate more B8 floorspace with no adverse impact from an environmental perspective.
- 7.2 The additional survey work, modelling and interpretation were carried out using 100% B8 floorspace as the baseline, to represent the 'worst case' scenario. Whilst the site will not be 100% B8 (indeed the potential forthcoming reserved matters submissions will include a significant proportion of B1 offices and B2 manufacturing). It was agreed by HBC and PCC to use this position as the baseline.
- 7.3 The conclusions reached and accepted through the grant of permission APP/15/00732 was that the original environmental impacts of the scheme, assessed on a 40% B1, 40% B2 and 20% B8 floorspace, would not be changed by a switch to 100% B8 in a way that would result in a material change to the findings of the original ES.
- 7.4 Given the limited time period that has elapsed since this work was carried out and the position that would be permitted by a positive determination of this application being the same as that modelled, a further revision or addendum has not been carried out. For completeness, the ES addendum from 2015 has however been submitted with this application.

8. Site masterplan

- 8.1 Accompanying this application is a revised site masterplan (ref: DHF-BMD-MP-XX-DR-A-10004-S2-P6) which has been generated from both the cut and fill exercise being undertaken and a market appraisal from commercial property advisors appointed by the applicant. Dunsbury Park, as originally envisaged in the original hybrid application, will be split into a number of different development plots.
- 8.2 The development plots are set out within the mature landscape boundaries and minimise the amount of internal estate road to help preserve the natural setting. A total of 8 plots are proposed that can deliver 9 or 10 different sized buildings, ranging from 22,000 square foot to 120,000 square foot. Each plot will benefit from its own access off either Fitzwygram Way or the internal estate road.
- 8.3 The impact of this masterplan is that the opportunity for a single, large 'super logistics shed' in excess of 250,000 sq. ft. north of Fitzwygram Way no longer exists. One of the concerns previously expressed by the LPA around removing the B8 restriction was that the site would be able to accommodate such a building. As a whole Dunsbury Park would then lose the ability to offer a range of employment opportunities and business types.
- 8.4 By terracing the 3 separate development plots north of Fitzwygram Way and ensuring retention of the north / south hedgerow (which provides dormice connectivity), Dunsbury Park will house a variety of building sizes and types, maximising the opportunity for a wide range of job roles to support the local economy.

9. Summary

- 9.1 This statement has assessed a number of factors, all of which combine to fully support and justify the proposal to remove the B8 floorspace restriction at Dunsbury Park. The application accords with national planning policy by promoting sustainable economic growth on a deliverable site. The landowner is committed to taking the site forward through a multi-million pound investment in site wide infrastructure and is able to respond to market demands.
- 9.2 A positive determination of this application will ideally place the site within the marketplace to continue to attract both businesses from outside the region and expanding companies from within Havant and the surrounding area.

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