

Dunsbury Hill Farm - Section 73 application

APP/12/00338 - Condition B6

Planning Statement

1.0 Introduction

- 1.1 Dunsbury Hill Farm (DHF) is the pre-eminent site in South Hampshire capable of delivering large scale employment floorspace across a range of commercial, manufacturing and logistics business types. However, it is recognised that this prime opportunity has remained dormant and unexploited over many years, thus being discounted by potential occupiers and developers.
- 1.2 This is principally due to the fact the site has had no means of vehicular access or infrastructure and required significant public sector investment to build the link road to kick-start development activity. Not surprisingly, DHF has acquired a market perception of having tremendous potential but with no realistic prospect of delivery within a commercial timescale.
- 1.3 However, this perception can now be changed as Portsmouth City Council (PCC), in conjunction with the Solent LEP, is funding and constructing the access link road to act as a catalyst for the development of this regionally important employment site. The next step is to make the site as commercially attractive as possible, to secure the significant investment and job creation envisaged.
- 1.4 This statement has been prepared on behalf of PCC in support of a planning application under Section 73 (S73) of the Town & Country Planning Act following the grant of planning permission APP/12/00338 by Havant Borough Council on 19th February 2014.
- 1.5 The purpose of this S73 application is to change Condition B6 attached to the aforementioned permission, revising the amount of B8 floorspace permitted on the site. This application has been made after the landowner firstly entered into serious negotiations with an interested occupier over taking the first development plot, and then secondly prepared subsequent technical advice demonstrating that the proposal would be acceptable in environmental and planning terms.
- 1.6 There are no other amendments to the existing hybrid planning permission APP/12/00338 proposed as part of this application. The overall total floorspace, indicative site layout, building height parameters and access link road arrangements all remain the same.

1.7 Condition B6 is currently worded as follows:

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 20% of this floorspace (12,356sqm) and;
- b) Up to 5574sqm comprising a hotel with conference facilities.

1.8 PCC is seeking to revise Condition B6 to the following wording (changes in bold):

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 5574sqm comprising a hotel with conference facilities.

1.9 The reason attached to this condition would remain unchanged (reproduced below), and as this statement and appendices will demonstrate the revised Condition B6 would remain in accordance with relevant national and local policy.

Reason: To ensure that development can provide for a range of business and employment opportunities, including knowledge based businesses and a quality hotel with conference facilities, in accordance with policy CS18 of the Havant Borough Local Plan (Core Strategy) 2011 and policy AL1 of the Submission Version of the Havant Borough Local Plan (Allocations) December 2013, and the National Planning Policy Framework 2012.

1.10 PCC is seeking to increase the potential B8 floorspace on the site to a maximum of **30% (or 18,534 square metres)**. Whilst the modelling on various issues covered in Appendix B and section 5 of this statement demonstrate that the impact of lifting the restriction totally (i.e. 100% B8) would be acceptable in environmental terms, it is considered that DHF needs to be seen to retain the ability to provide certain core objectives within adopted policy, for example the innovation and enterprise centre and significant job creation for the borough. This application therefore has the purpose of making the DHF site suitable for the first occupier, which will act as a catalyst for the development of the remainder of the site. As such the retention of a minimum 70% B1/B2 element gives comfort to the local planning authority that as landowner, we remain committed to achieving these objectives.

2.0 Documentation supporting application

2.1 To support this application, four documents are appended to this Planning Statement:

- Appendix A - Market Perspective Report (Lambert Smith Hampton - LSH)
- Appendix B - Environmental Statement Addendum (Atkins)
- Appendix C - Indicative phasing plan

- 2.2 The reports attached as Appendices A, B & C have been prepared on behalf of PCC and reflect the two pre-application meetings held with officers at Havant Borough Council on 10th February 2015 and 16th April 2015.
- 2.3 The meeting in February discussed the general commercial principles behind PCC seeking to vary the restriction on the site to permit a higher % of B8 floorspace, whilst the meeting in April looked at the environmental issues around DHF and the revised modelling that would be required to support such a variation.
- 2.4 This statement will provide an appraisal of the key findings from both and demonstrate that the proposed variation to Condition B6 can be robustly justified, and most importantly will enable DHF to deliver the investment and jobs needed within the sub-region and local area.

3.0 Planning policy / strategic context of DHF

- 3.1 It is important to set both the national, regional and local context of DHF when considering employment opportunities and job numbers. At a local level the Havant Core Strategy, adopted in March 2011, identifies DHF in Policy CS18 as a key strategic site that could provide approximately a third of all new employment floorspace required within Havant during the plan period to 2026. The policy indicated this could take the form of a high quality business and technology park, with a focus on knowledge based businesses and space for start-up and growing businesses and an enterprise centre.
- 3.2 As paragraph 1.10 of this statement details, PCC as landowner shares the belief that DHF can provide some of these facilities, and indeed the overall concept of a high quality employment site helping to meet the job needs of the area.
- 3.3 At a national level, the NPPF published in March 2012 (after adoption of the Core Strategy) supports the notion that planning should facilitate and encourage growth, whilst also being flexible to address changes in economic circumstances (see Appendix A). 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. It is considered that this application to vary condition B6 accords with both of these issues in terms of responding to a change in the market and revising policy to help facilitate development.
- 3.4 The role of DHF in the region should also be analysed. As far back as 2008, a logistics study was carried out for PUSH. Even then the report identified an outstanding requirement for over 70,000m² of distribution space largely from major employers locally wishing to expand and remain in the area. The report stated that DHF was a good location for B8 uses and that consideration should be given to increasing the proportion of B8 allocated on the site.
- 3.5 Further DTZ work for PUSH on employment demand in 2010 indicated a need for 590,000 - 800,000m² of B8 compared to a supply of 531,000m². Such a deficit was considered to equal a risk of not being able to provide suitable industrial and warehousing sites to enable

the success of PUSH's economic development strategy. As Appendix A to this statement will demonstrate, even in the relatively short period since this work was carried out, the nature of the 'industrial and warehousing' sector has changed considerably.

- 3.6 The Marine and Maritime supplement in 2014 also recognises the need for port centric logistics in the area to support the growth of the ports and contribute towards developing the marine sector. The supplement identified DHF as a suitable site for port centric logistics especially as there is limited space at the ports. The accessible location adjacent to the A3, in conjunction with PCC's role as landowner of the international port further strengthen the connection to DHF as a potential site for expanding and new port related business.
- 3.7 It is clear that logistics and distribution have a part to play in the economic development of the area, however with the exception of DHF the market in South Hampshire is constrained by a shortage of available sites and development opportunities. This sector is often not looked upon favourably due to the perceived low employment densities associated with it. Although employment densities may be seen as lower than other uses, productivity (GVA) in this sector is higher than traditional manufacturing. Locally there are a number of HQ's with warehousing in the area that also include offices and research and development on site such as ABP, B & Q, Estee Lauder, SMEG and Garmin. This reflects the changing nature of commercial development where occupiers operate across the spectrum of B-class uses.
- 3.8 The wide range of enquiries PCC field in relation to DHF also shows that the site is likely to be attractive to businesses covering many different disciplines. Despite not formally commencing any marketing of the site, robust and significant enquiries have been received from firms within the B1, B2 and B8 sectors, many of whom touch all three. The underlying purpose of this application is to ensure that DHF can secure one of these high quality commercial opportunities and use it as a catalyst to drive forward development across the site.

4.0 Market perspective report (Lambert Smith Hampton)

- 4.1 Following a meeting with HBC planning officers in February, where the principle of a variation to the B8 floorspace at DHF was discussed, PCC appointed Lambert Smith Hampton (LSH) to prepare a market perspective report to support any s73 application. The purpose of the report was to analyse the evolving characteristics of the logistics sector, consider how the commercial market has changed since adopted local plan policy was put in place and to provide evidence surrounding the job generation of B8 operators. HBC officers considered that such evidence would be needed given the key role DHF is expected to play in providing a significant number of employment opportunities through the plan period and beyond.
- 4.2 The LSH report attached as Appendix A to this report clarifies a number of key issues, the most pertinent being the analysis of job generation from B8 uses. A total of 22 local occupiers were assessed, ranging in size from 25 to 485 employees and from 1,115 to 19,695 square metres across standard B1C, B2 and B8 use classes. The results show that

the average across all of these was 1 x FT employee per 49.8 sqm, whereas the result for those B8 uses alone surveyed was 1 x FT employee per 43.4 sqm, so a higher job yield. The historic perception that B8 'warehousing' does not provide the job numbers of other B-class uses has altered dramatically as this sector has evolved to embrace e-commerce and changing logistics characteristics.

- 4.3 These changing characteristics are reflected in the qualitative side of the sector, as described in paragraphs 3.10-3.12 and appendix 1 of the LSH report. The variety of jobs within the logistics market is now considerable, is not restricted to unskilled workers and compares well against percentages of managerial, professional and skilled operatives in other sectors.
- 4.4 In summary, Appendix A clearly demonstrates that the proposed variation to the amount of B8 floorspace that could be accommodated on site would not have a negative impact on the ability of DHF to provide either a significant numbers of jobs or a range in quality of jobs as envisaged in adopted policy.

5.0 Environmental Statement addendum (Atkins)

- 5.1 As noted in paragraph 2.3, the scope of the addendum to the Environmental Statement (ES) was discussed and agreed with HBC officers in April. It was agreed to model the site on the 'worst case' scenario of 100% B8 floorspace across the site. Clearly this is not a scenario envisaged by PCC, and indeed is not what this application is proposing; however the purpose was to demonstrate whether DHF could indeed accommodate more B8 floorspace and to potentially guide an appropriate level that the LPA could be comfortable with from an environmental perspective.
- 5.2 Appendix B to this statement provides a comprehensive addendum to the ES, specifically looking at issues of transport, air quality and noise as requested by HBC. Additional survey work, modelling and interpretation have been carried out using 100% B8 floorspace as the baseline. The conclusion within all three areas is that the original environmental impacts of the scheme, assessed on a 40% B1, 40% B2 and 20% B8 mix of 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.
- 5.3 A key changes can be demonstrated by briefly analysing the trip generation and HGV %'s for each modelled scenario:

Trip generation figures summary	All vehicles				HGVs				% HGVs			
	18 Hour		24 Hour		18 Hour		24 Hour		18 Hour		24 Hour	
	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
Approved scheme	2,980	3,007	3,059	3,085	246	225	315	301	8%	7%	10%	10%
100% B8	1,447	1,418	1,842	1,805	743	638	1,089	1,018	51%	45%	59%	56%

- 5.4 As the table on page 5 shows, the higher B8 scenario (100%) significantly reduces the number of vehicles entering and exiting the site over a 24 hour period compared to the approved scheme (6,144 to 3,647), however increases the number of HGV's (616 to 2,107). In terms of air quality and noise, Appendix B has shown that both scenarios offer an acceptable position for the site. The increase from 20% (approved scheme) to 30% B8 being sought by this application would result in a slight reduction to the vehicles entering and exiting the site across a 24 hour period, and a slight increase in the % of HGVs.
- 5.5 In summary, having received a serious enquiry around the first development plot and considered the market intelligence and analysis reported in section 4, following consultation with HBC officers, PCC undertook to model the DHF site on the basis of 100% B8 floorspace. The results show that such a level could be accommodated on the site with no negative change to the level of environmental impact assessed and approved under the existing permission. Given this application proposed increasing the approved level of B8 from 20% to 30%, it can be robustly justified that the environmental impact of this application is acceptable.

6.0 Phasing and marketing of the site

- 6.1 As the previous two sections have shown, the proposed variation to Condition B6 will give DHF the platform to deliver much needed jobs and investment in the area from the development of the first plot. Such a development would also ensure site-wide infrastructure is put in place (e.g. utilities) that will enable further plots to be developed in timescales appropriate for the commercial market. This statement will now look ahead and provide information on how the proposed variation would impact the immediate future of the site.
- 6.2 The phased delivery of plots will be key in DHF evolving as an attractive place for expanding and new businesses within the area. Based on known market demand and the ability to react flexibly to continuing enquiries, it is envisaged that there will be a marketing period of five years in which to agree and secure lettings on each building within Phase 1a, 1b and 1c, with a further year in each case to build the units, making a development period of six years i.e. completion of the final Phase 1 building by December 2021. The site wide infrastructure necessary to deliver all of DHF would be implemented as part of the first development plot work.
- 6.3 The indicative phasing plan submitted under Condition A3 of APP/12/00338 and attached as Appendix C to this statement show how Phase 1 could be split into three areas - clearly the ability for the site to respond to market demand is essential, and it is possible that a number of sites may come forward at once across each of these individual phases.
- 6.4 It is intended that Phase 2 will commence letting and construction in January 2021 with completion in December 2023 thus allowing a two year marketing period to complete lettings and with a further year added for the construction. As Table 1 overleaf shows, each potential phase has the ability to deliver a range of floorspace types.

Table 1: Indicative phasing across DHF site

PHASE	INTENDED FLOORSPEACE USE	POTENTIAL FLOORSPEACE (SQ FT (SQ M))	PROJECTED TIMESCALE TO COMPLETION	
			START	FINISH
1A	Hotel C1	53,089 (4,934)	Q1 2016	Q1 2018
	Retail/Food A1 – A3	6,888 (640)		
	Innovation Centre B1a	50,000 (4,645)		
	Offices B1a	27,491 (2,554)		
	Employment B1c, B2, B8	200,000 (18,581)		
1B	Employment B1c, B2, B8	218,203 (20,272)	Q1 2018	Q1 2020
1C	Offices B1a	39,299 (3,651)	Q1 2020	Q4 2021
	Employment B1c, B2, B8	40,000 (3,716)		
2	Employment B1c, B2, B8	90,000 (8,360)	Q1 2021	Q4 2023
TOTAL		724,970 (67,353)		

6.5 The marketing of the DHF site will also play a fundamental role in securing investment and growth. PCC has appointed Lambert Smith Hampton (LSH) as commercial property advisors for the site and it is considered that their comprehensive local and sub-regional knowledge of the commercial market, together with further reaching national links within their organisation will provide DHF with the best opportunity of being a success. As table 1 demonstrates, the site will be marketed across all phases as being able to meet the needs of any type of commercial operator, many of who now operate across the spectrum of B-classes rather than being pigeonholed into a single classification.

7.0 Working relationship with Havant Borough Council

7.1 Another key factor in taking DHF forward will be the ongoing relationship between PCC as landowner and developer, and HBC in their economic development role for the borough. There are two key strands to this aspect, firstly the local knowledge and relationships HBC Economic Development officers have with local firms and the market, and secondly the ability for DHF to offer tailored employment opportunities and training in conjunction with educational institutions.

7.2 The first strand will work in parallel with our commercial property advisors. HBC economic development officers have an important role in providing local market knowledge of firms looking to move, expand, recruit or diversify. A flexible site at DHF that has the ability to respond quickly to enquiries means that HBC officers can introduce the site into a wider range of discussions. This provides more opportunity to retain companies within the

borough and attract others from outside. An open dialogue between HBC and PCC over the availability of plots and phasing of development will continue.

- 7.3 In relation to the second strand mentioned in paragraph 7.1, as a requirement of the Section 106 agreement attached to planning permission APP/12/00338, PCC are preparing, in partnership with the HBC economic development team, an Employment & Skills masterplan (ESP) for the DHF site. Each plot will also be required to prepare and agree a site / occupier specific ESP. Positive discussions have already taken place between PCC & HBC around offering flexible solutions to potential occupiers at DHF - either the ability to fund HBC taking on the management of placements, training, apprenticeships etc or indeed direct provision of employment and training opportunities through firms' own such programmes. This flexibility is essential to ensuring the site remains as attractive to as many different types of occupier as possible.
- 7.4 This flexible approach may also enable HBC to assist in tailoring apprenticeships / training opportunities to the firms occupying the development plots, again making the site more attractive as a commercial proposition. For example, the shorter construction timescales associated with commercial development do not lend themselves to full apprenticeships; however it may be that with a continued dialogue over the type of firm occupying the eventual premises being built, an apprenticeship opportunity is opened up within that business instead. PCC are committed to this continued working relationship with HBC to deliver the best training and skills outcomes across DHF.

8.0 Summary

- 8.1 To conclude, PCC are committed to taking DHF forward and delivering a strategic employment site that meets the needs of both the commercial market and local economic development objectives. The proposed variation to the amount of B8 floorspace will increase the likelihood of the site being a success within the sub-region as it will allow a significant first step to be taken in developing the site, both in terms of infrastructure provision and occupation.
- 8.2 This statement and appendices demonstrate that the proposed variation is acceptable in planning terms and will accord with national and local policy. The core aims of delivering as many jobs across the site as possible and securing a wide range of employment types remain unaltered.