

SUPPLEMENTARY PLANNING DOCUMENT 14

EMPLOYMENT LAND

AND PREMISES

SEPTEMBER 2007
(UPDATED OCTOBER 2011)



This Supplementary Planning Document is aimed at developers seeking to redevelop existing employment land and premises especially those outside Employment Generating Areas for higher value use and includes information on:

- **Local Economic Context**
 - Existing Employment Land and Premises
 - Employment Land Supply
- **Advice**
 - The Council's Approach
 - Land Use Issues
 - Viability Issues
 - Mixed-Use
 - One-Off Payment
 - Calculating One-Off Payments
 - Outline Planning Applications
 - Site Size Threshold
- **Contacts**
- **Relevant UDP Policies**
- **Justification for One-off Payments**

PRE-TEXT

This pre-text sets out the details of the consultation and publicity steps that were undertaken during the preparation of this Supplementary Planning Document (SPD)

This SPD has been produced to support policies contained in Bury's adopted UDP (adopted 31st August 1997). In particular, the SPD supports the aims of UDP Policy EC1 which is concerned with the provision of employment land and EC2/2 which relates to existing employment land and premises outside the defined Employment Generating Areas. This Document provides a more formal basis to advice which is given to applicants on a regular basis and is now a material consideration in the determination of planning applications.

The Council is currently working on the production of the Local Development Framework (LDF) and this SPD will be reviewed in accordance with the introduction of new policies through the LDF process.

This SPD was approved for consultation purposes by the Council's Executive on the 21 February 2007. This was after a period of internal consultation with Officers in various Sections of the Council. Views were sought from members of the public and private organisations and relevant interest groups over a six-week period (5 March 2007 to 16 April 2007). Copies of the draft SPD, comment forms and associated documents were placed at the locations referred to in the Press Notices. This included the Planning Division Reception, Bury Town Hall and all the public libraries during their normal opening hours.

The draft SPD was revised in the light of the comments received through the consultation process. The revised version went to the Council's Executive on the 12 September 2007 and was formally adopted.

In accordance with the requirements in PPS12, a Statement of Consultation was produced, which outlined the representations received and the Authorities response to these. This statement is available for inspection on request, together with the adopted version of the SPD.

This SPD has also been subject to a Sustainability Appraisal, as required by the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Development) (England) Regulations 2004.

The SPD has been updated to take account of revised land values as reported by the Valuation Office Agency (as at 2011).

1 INTRODUCTION

- 1.1 This Supplementary Planning Document (SPD) supports the Council's planning policies relating to employment land and premises, both in terms of proposals to redevelop those employment sites that are subject to UDP Policy EC2/2, as well as the need to ensure a suitable supply of developable land for employment purposes. As an SPD, this document should be treated as a significant material planning consideration in the determination of planning applications.
- 1.2 The SPD builds upon the Council's economic objectives as expressed through the UDP Strategy and supplements UDP Policy EC1 which specifies that the Council will endeavour to ensure that a comprehensive range of employment sites is identified to meet the needs of manufacturing and service employers as well as Policy EC2/2 which seeks to retain appropriate employment land and premises outside Employment Generating Areas.
- 1.3 In addition, the Council has commissioned King Sturge to undertake an Employment Opportunities Study for the Borough in order to guide the approach towards economic development and economic planning policy in the Bury Local Development Framework. This Study was finalised in December 2006 and it was endorsed by the Council's Executive Committee in January 2007 as a material planning consideration in the determination of planning applications. The Committee also approved the bringing forward of recommendations from the Study relating to the suggested approach towards proposals involving the loss of existing employment land and premises and for these recommendations to be built into a SPD prior to the adoption of the LDF. This SPD builds upon these recommendations.
- 1.4 It should be noted that the advice contained in this SPD does not generally relate to employment land currently situated within Employment Generating Areas as identified under UDP Policy EC2/1. The Council will continue to strenuously resist proposals involving the loss of employment land and premises within Employment Generating Areas (EGAs). However, in exceptional circumstances and as an absolute last resort, the Council may give consideration to applying the approach specified in this SPD to employment sites within EGAs.
- 1.5 The SPD evaluates the local economy and the challenges that the Council faces in terms of ensuring that the Borough's economy remains sustainable and competitive. It then describes the Council's approach towards redevelopment proposals on those employment sites that are under the greatest pressure.
- 1.6 The Employment Opportunities Study drew attention to a number of main issues with regard to Bury's local economy. One such issue was the threat to the local economy posed by pressures to redevelop existing employment land and premises for higher value uses, such as housing and retail.

- 1.7 The Council monitors the supply of housing land on a continuous basis, which in recent years has shown an oversupply of housing land in relation to the requirements of the Regional Spatial Strategy (RSS).
- 1.8 The Council is concerned that the continued release of land for housing in the Borough without a more managed system of control will exacerbate an already significant oversupply of housing land in the Borough to the detriment of urban regeneration, both in the Borough and in the Region as a whole. As a result, the Council has adopted SPD7: 'Managing the Supply of Housing Land in Bury') which has essentially introduced restrictions aimed at managing and controlling the future release of land for housing more effectively.
- 1.9 A number of exceptions to this restriction have, however, been identified and before the Council will consider the principle of redeveloping an existing employment site for housing, the applicant must be able to clearly demonstrate that their proposal meets one of these exceptions. Further details of these exceptions can be found in SPD7.
- 1.10 As such, the Council's approach towards proposals for any residential development will have a fundamental bearing on the content of this Employment Land and Premises SPD.
- 1.11 For the purposes of this SPD, the term 'employment' relates to Business (B1), General Industrial (B2) and Warehousing (B8) uses as defined in the Use Classes Order 1987.

2 LOCAL ECONOMIC CONTEXT

- 2.1 Given Bury's relatively low rate of unemployment, the local economy looks to be reasonable healthy. However, this masks the fact that the Borough has an over-reliance on the declining manufacturing sector, has the highest levels of out-commuting in Greater Manchester and generally accommodates low waged, low skilled jobs. Those with higher skills commute to the better paying jobs outside the Borough, mainly in Manchester City Centre. To start to address this situation it is imperative that the Borough creates and attracts better quality and paying jobs. This is important if the economy is to be diversified and modernised.
- 2.2 The Borough is at a significant disadvantage to its neighbouring boroughs in having limited access to grant funding. This impacts on the Borough in two ways. Firstly, it restricts the ability of the Council to attract and retain employers and, secondly, it restricts the amount of funding that is available to assist in making sites and premises available.
- 2.3 In addition, the Borough's urban area is tightly bounded by the Green Belt and, as a result, the Council is not in a position whereby it can allocate large, new, high quality 'greenfield' sites. To a large extent, the focus has to be on employment land within the existing urban area. The Council is seeking to address this issue through promoting office-based employment opportunities within town centres. However, for other forms of employment, such as

manufacturing, the restriction imposed by the Green Belt represents a significant constraint on the future economic development of the Borough. This is reinforced by the current lack of suitable and genuinely available sites for employment uses within the urban area.

Existing Employment Land and Premises

- 2.4 Government policy guidance advocating development to take place on previously-developed land is resulting in many of the Borough's existing employment sites coming under considerable pressure from higher value uses, such as residential and retail, and many are being lost. The most intense pressures have been on the more isolated pockets of employment land and premises in the Borough. Such sites are currently subject to UDP Policy EC2/2 and it is these sites that are the focus of this SPD in terms of how the Council will approach proposals for their redevelopment to other higher value uses.
- 2.5 Given the Borough's industrial heritage, there is a significant amount of older industrial premises, many of which are located in what can be described as secondary locations, and sometimes located close to residential areas. It is often argued by developers and owners that these premises are no longer suited to the requirements of modern industrial practices. However, it should be recognised that although such sites may not necessarily represent high quality, prestigious employment opportunities, they do, nevertheless, fulfil a role in providing for more affordable land and premises that would be attractive to the local market and, in this respect, play an integral role in strengthening the local economy. In addition, such sites also offer the opportunity for people to work close to where they live, thus potentially reducing travel distances and reliance on the private car as a way of travelling to work.
- 2.6 The substantial difference between employment and other higher value uses in the Borough means that companies that have received an offer for their site based on a higher land value will often retain a 'hope value' that is out of the reach of other employers or industrial developers that may be interested in the site. This has led to situations where businesses have closed down or relocated because it was more lucrative to sell their land to a developer of higher value uses, to the detriment of local employment. It is anticipated that this trend will continue given that employment land values in the Borough are far lower than those for other uses such as residential and retail.
- 2.7 It is also a common argument that there is no demand for a site and that its retention or its redevelopment for new employment uses is not a viable option. In some cases this may be true. However, it needs to be recognised that employment land is a finite resource and once it is lost, it is effectively lost for good. Employment yields the lowest value for developed land and, therefore, land developed for other uses is highly unlikely to return to employment use. This issue is particularly acute given that the tightness of Bury's Green Belt precludes the identification of additional sites. As such, the focus of economic development is confined to sites within the existing urban area. In addition, although the retention or redevelopment of a site for employment use may not

be viable at a particular time, the economics of development may change over time and its redevelopment for employment uses may become a viable proposition in future. On this basis, the loss of such sites to other uses would be regarded as a loss to the Borough's economic resource.

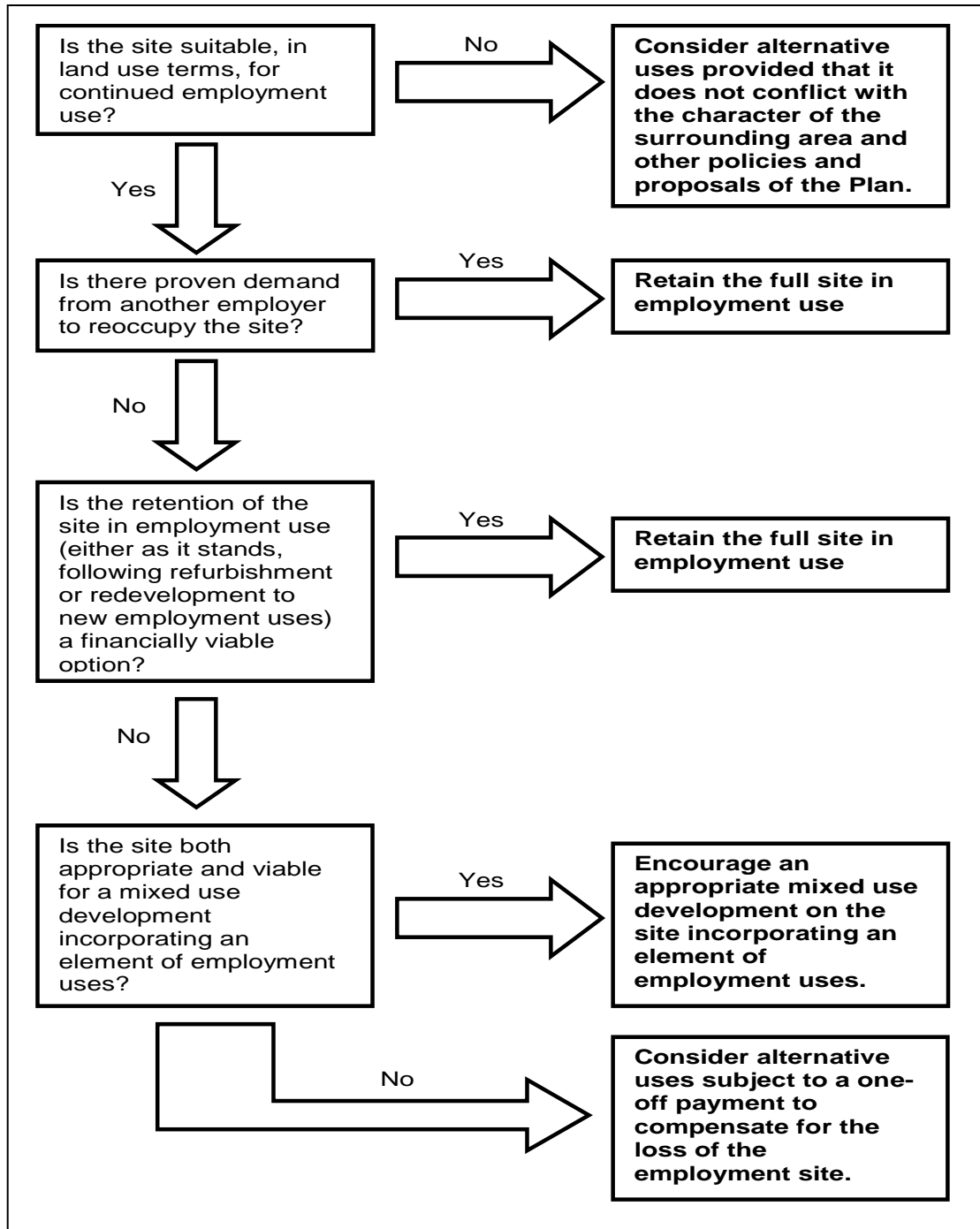
Employment Land Supply

- 2.8 The Employment Opportunities Study, undertaken by King Sturge in 2006, included an analysis of the main growth and target sectors in the North West economy and this showed that the Borough does have the characteristics to attract a number of these better quality employment sectors, including the digital and creative industries, finance and professional services, healthcare, biotechnology and public sector offices.
- 2.9 The key to attracting firms in such sectors is through easy access to genuinely available and readily developable sites. However, in recent years, it has become apparent, through monitoring of employment land availability, that a significant amount of the Borough's employment land supply is suffering from constraints for reasons of access, ownership or other difficulties. Such constraints mean that much of the Borough's employment land cannot be considered to be genuinely and realistically available for development without enabling action. Only a limited amount of the supply can be considered to be completely free from constraints and immediately available for development.
- 2.10 In addition, the size distribution of the available sites is also less than ideal with little above 0.4 of a hectare in size and the majority of sites less than 0.2 hectares. This lack of supply will restrict the Borough's ability to diversify and modernise its economy.
- 2.11 The genuine availability of a wide range of land and premises in terms of quality, size and location is a fundamental component in attracting new inward investment and in enabling the growth and sustainability of indigenous business. It is the lack of these characteristics, rather than the mere quantity of land, that makes the Borough's current employment land supply inadequate, particularly in terms of meeting the requirements of the better quality growth and target sectors.
- 2.12 The Employment Opportunities Study concluded that the current rate of take up of employment land cannot be sustained into the future given that a large amount of land is constrained for one reason or another. Providing a suitable forward supply of land to match projected take up will require a stronger promotion of identified employment land, the identification of mixed use or opportunity sites particularly close to, or on the edge of, town centres and external intervention to remove constraints and unlock suitable sites for development.

3 ADVICE

The Council’s Approach

3.1 Subject to proposals meeting other policy requirements, the following section highlights the approach that the Council will take towards proposals that involve the loss of employment land and premises to higher value uses. This approach is illustrated in the flow diagram below. Where such a proposal involves the redevelopment of an employment site for housing, the Council will, in the first instance, ensure that the proposal satisfies the requirements of SPD7 – ‘Managing the Supply of Housing Land in Bury’ or any other subsequent replacement or modification.



- 3.2 The overriding objective of this SPD is to ensure that where the loss of an existing employment site occurs, it is not at the expense of the local economy. It therefore provides guidance aimed at overcoming the difficulties associated with suitable, yet unviable, employment sites for which there is a proven lack of demand. Furthermore, the SPD seeks to provide solutions to the fact that a significant amount of the Borough's employment land supply suffers from constraints and is not readily developable.
- 3.3 Under UDP Policy EC2/2, the Council seeks the retention of employment land and premises outside Employment Generating Areas unless it can be clearly demonstrated that the land and premises are no longer suited, in land use terms, to continued employment use. In such circumstances, consideration will be given to alternative uses provided that it does not conflict with the character of the surrounding area and other policies and proposals of the Plan.
- 3.4 The Council will assess all applications for the redevelopment of employment sites on their individual merits. However, **the Council's starting point will be to retain all employment sites that are considered suitable, in land use terms, for continued employment use.** Consideration will only be given to alternative uses where an applicant is able to clearly demonstrate that there is no demand for the site and that it is unviable to retain the site in employment use, including the prospects of refurbishment of the existing premises or the redevelopment of the site for new employment uses.

Land Use Issues

- 3.5 Where an applicant is seeking to demonstrate that an existing employment site is not suitable, in land use terms, to continued employment use, the Council will expect a planning application to be accompanied by a detailed supporting statement that seeks to demonstrate that this is the case.
- 3.6 In determining the application, the Council will come to a view as to whether the site is suitable for continued employment use taking into account the evidence supplied in the supporting statement. **It should be noted that in determining the suitability of the site in land use terms, the Council will take into account the fact that there are considerable differences between employment uses and although one use may, at present, cause amenity issues, this is not to say that the site could not accommodate a less disturbing employment use.**
- 3.7 **It should also be noted that a site's proximity to existing housing is not a justifiable reason in its own right for a site or premises to be deemed unsuitable for employment use.**

Viability Issues

- 3.8 In determining the viability of an existing employment site, the Council will expect applicants to provide evidence in relation to both economic viability as well as whether there is a demand for the site.

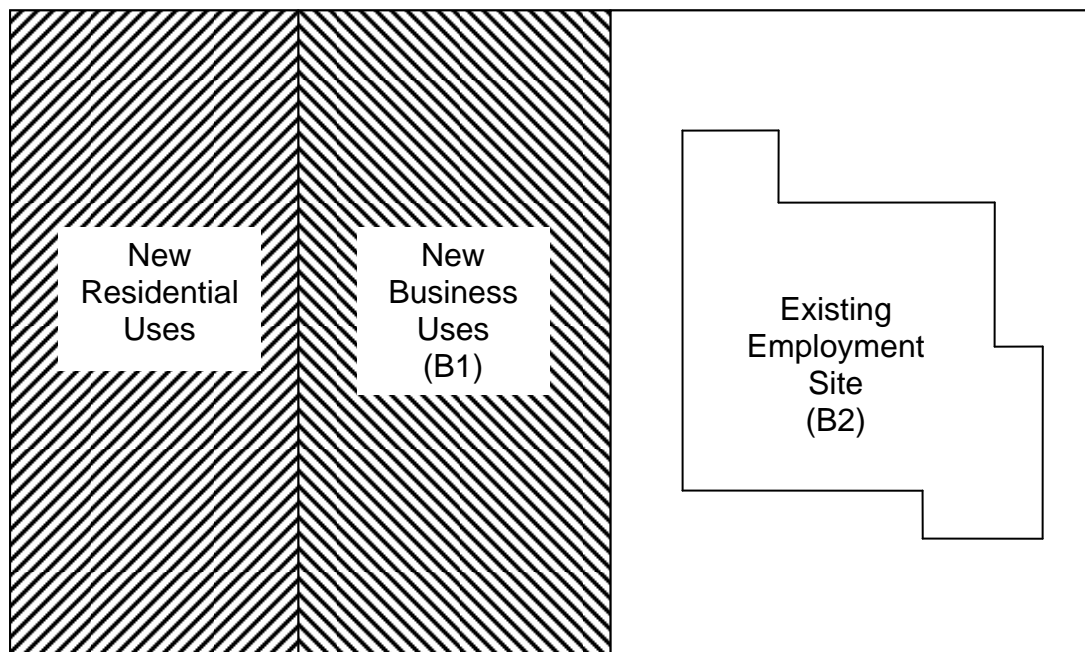
- 3.9 There may be instances where an applicant is seeking to demonstrate that the retention of a site in employment use is not economically viable. In such cases, the Council will expect the applicant to provide detailed development appraisals. In undertaking detailed appraisals, consideration should be given to the viability of retaining the site:
- as is existing;
 - following selective demolition;
 - following clearance and complete redevelopment for new employment uses; and
 - following clearance and redevelopment for a mixed-use development incorporating an element of employment uses within it.
- 3.10 One of the key indicators of viability is whether or not there is a proven market demand for the site. As stated previously, the Borough contains a significant number of older, more traditional industrial buildings that may not necessarily be suited to modern industrial requirements. Nevertheless, these do provide a valuable source of affordable accommodation for which there is a local demand and, on this basis, form an integral component of the Borough's economic resource. Where it is proposed to redevelop an existing site that is considered suitable, in land use terms, for continued employment use, applicants will be expected to clearly demonstrate that the site has been actively and robustly marketed at a realistic price that reflects the employment use. Such marketing should normally be undertaken for a minimum of 12 months (although this timescale may need to be reviewed if the market is slow at that time or if the site is large and/or more complex).
- 3.11 Applicants will be expected to submit a supporting statement that accompanies the planning application that demonstrates that the site has been comprehensively marketed and that there is no demand for the site. The supporting statement should be prepared by a suitably qualified professional, such as a Chartered Surveyor, that is active within, and familiar with, the Bury employment land market.
- 3.12 The Council will expect employment sites to be marketed in a way that identifies all the options available in retaining the site in employment use. This will include, where appropriate, the potential for refurbishment, redevelopment for new employment uses, sub-division, amalgamation or selective demolition in order to improve the format, layout and access arrangements.
- 3.13 The supporting statement will be expected to include evidence of:
- Widespread marketing for employment purposes through an agent dealing in commercial property at the prevailing market rate for the site or premises for employment use, and that no reasonable offer has been refused. Any alterations in market price made during the course of marketing will need to be shown. The Council will require evidence that the site is being marketed for a price which accords with other commercial property of a similar type in the area. This is to ensure that the price does not reflect any aspirations for alternative uses on the site, such as residential;

- Advertisement in the regional and local press, the property press and specialist trade papers, on a regular basis throughout the agreed marketing timescale. Subject to the location and scale of the site, local advertising should include the Manchester Evening News;
 - Continuous inclusion on the agent's website, own papers and lists of commercial/business premises;
 - Continuous and prominent advertisement on site by way of an agent's advertisement board on each site frontage to the highway throughout the period;
 - Circulation at the outset to other local property agents, specialist commercial agents and the Council by way of mail shots and/or hard copies of sales particulars, and circulated again if any significant details change; and
 - Referral to the local business community, including the Greater Manchester Chamber of Commerce for consideration of its potential for reuse or redevelopment for employment use;
 - Referral to other relevant support agencies, such as MIDAS (Manchester's Investment Agency) and the North West Development Agency;
 - All expressions of interest/offers received including rental interest. Where possible the applicant should obtain from interested parties reasons/explanations as to why they were not able/ willing to proceed; and
 - On-going reviews, with a view to adjust the marketing as necessary.
- 3.14 The Council reserves the right to contact any party who has expressed an interest and to send details of the land / property to any party which it feels may be interested in purchasing / occupying the premises for occupation, investment or redevelopment purposes.
- 3.15 A lesser financial return on investment relative to other development or reuse options will not be sufficient to justify the site not continuing to be available for employment use.
- 3.16 Owners/agents for business land and premises currently being marketed for continued business use are advised to keep a comprehensive record of the steps involved in marketing their site (taking account of the criteria set out above) in case they wish at a later stage to apply for permission for redevelopment for non-employment use.
- 3.17 In instances where the Council considers that the marketing strategy has been inadequate, the applicant will be advised that it is likely that the planning application will be recommended for refusal.
- 3.18 Irrespective of whether the retention of the site in employment use may not be viable at a particular moment in time, the economics of development may
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change over time and its refurbishment/redevelopment for employment uses could potentially become a viable proposition in future. Indeed, a site may be able to be brought forward following investment from funds secured under this SPD. In this respect, such sites are still considered to have value as an employment resource and their loss would be deemed as detrimental to the Borough's employment land resource.

Mixed-Use

- 3.19 Where an applicant can clearly demonstrate that the redevelopment or refurbishment of an existing employment site is unviable, and where it is considered appropriate to do so, developers will be expected, subject to other policy considerations, to explore the prospect of a mixed-use development which incorporates an element of a higher value use to cross-subsidise the partial redevelopment of the site for employment uses. In doing so, employment opportunities can be retained on the site.
- 3.20 For example, the Council may encourage mixed use development where the juxtaposition of the site in relation to other existing employment uses would mean that a mixed use development is the preferred solution in terms of avoiding a conflict between uses. Where a proposal involves the redevelopment of a site which lies adjacent to another existing industrial use and involves an element of residential development, it may be appropriate to separate the residential element from the existing industrial use with less disturbing business, light industrial or office uses that are generally acceptable in residential areas. In doing so, not only will the amenity of the new development be preserved, but it will also prevent a situation which may give rise to pressure to curtail the existing industrial use. This concept is shown diagrammatically below:



- 3.21 When determining the proportion of the overall site to be developed for employment uses, the Council will assess the individual merits of each case,

but in doing so will take account of the employment resource being lost and the potential level of employment that can be achieved within the mixed use development.

- 3.22 It is advised that a prospective developer should approach the Council at an early stage in order to enter into pre-application discussions to determine the appropriateness of a site for mixed-use development and what level of employment provision the Council may be seeking to achieve.
- 3.23 Where a mixed-use approach is pursued, any planning permission will be conditional on a programme of phasing whereby the delivery of the employment element is linked to the progress of the higher value use.

One-Off Payment

- 3.24 The constraints on some existing employment sites may be of such a scale that the provision of *any* new employment uses on the site may be proven to be unviable at that point in time. Irrespective of this, the Borough's employment land is a finite resource and once it is lost it is highly unlikely to ever return to that use. In addition, the economics of development can change over time and although the retention of employment uses on the site may not be economically viable at that time, this is not to say that it would not become a viable proposition in the future. As such, the loss of the site would still represent a depletion of the Borough's economic resource in a location that is considered to be acceptable in land use terms.
- 3.25 Where a developer can demonstrate that a current employment site that is considered suitable in land use terms has no prospects for continued employment use under economic conditions that prevail at that time, the Council will give consideration to other uses (subject to other UDP policies) on condition that the developer provides compensation for the economic harm arising from the loss of the site to housing or another higher value use.
- 3.26 This compensation should take the form of a one-off financial contribution secured via a Section 106 Agreement. This financial contribution will normally be payable prior to the commencement of the redevelopment of the site. However, in exceptional circumstances, the Council may allow for payments to be staged in order to minimise the risk to the developer.
- 3.27 All payments received will be held in a ring-fenced 'Employment Land Development Fund' (ELDF). The underlying principle of securing monies into the ELDF is to enable the development of employment land and thus bring forward new employment opportunities for the Borough in accordance with wider economic aspirations and the general approach toward economic development.
- 3.28 The use of monies held within the ELDF will be strictly governed by both State Aid ceilings as well as the tests set out in Circular 05/2005 on Planning Obligations. Specifically, the ELDF will be used for the following purposes:

- Assisting with the acquisition and assembly of other employment land in the locality¹;
- Assisting in the access and servicing of other employment land in the locality;
- Assisting in the clearance and remediation of other employment land in the locality;
- Assisting in the construction of, or assisting developers to deliver, incubator units, managed workspace and workshops for small and medium sized businesses;
- Funding general operational improvements that will be of wider benefit to existing employment areas in order to make them more attractive for development; and
- Pursuing other measures that, from time to time, are considered capable of improving the supply of land and buildings for employment purposes in the Borough.

3.29 Provision will be made within any Section 106 Agreement for the return of funds if they have not been spent within 10 years of payment.

Calculating One-off Payments

3.30 A land value led approach will be used by the Council in calculating the amount payable. This approach will require the developer to make a payment that reflects the Borough's average employment land value. This information has been derived from the Valuation Office Agency (VOA) Property Market Report. Prior to the January 2010 report, the VOA provided specific figures for industrial land values in Bolton and Bury. As at 1 July 2009 the latest quoted figure for Bolton and Bury stood at £450,000 per hectare (£182,108.50 per acre). However, subsequent Property Market Reports no longer provide figures specifically for Bolton and Bury and only included details for Manchester and Liverpool within the north west.

3.31 Nevertheless, by assessing the trend in values for Manchester and assuming that the same trend was applicable to Bury, it has been possible to identify a value for industrial land in Bury. Using July 2009 as the base value the 2011 VOA report showed that there has been a 13.33% decline in land values in Manchester. Applying this level of decline to Bury's employment land value means that the amount of compensation payable will be calculated on the basis of £450,000 (July 2009) minus 13.33%. This equates to a typical land value of **£390,000 per hectare (£157,833 per acre)**.

3.32 The use of a land value based approach is intended to not only be reflective of the type of land that is being lost, but is also intended to reflect what it would cost to replace the employment site that is subject to the proposed change of use with a similarly sized employment site elsewhere in the Borough.

¹ Within the context of economic development, the term 'locality' is ultimately considered to extend Borough-wide.

- 3.33 **The employment land value quoted above will be used as the basis for determining all levels of compensation. Only in *exceptional* circumstances will the Council enter into negotiations regarding the amount payable. The Council’s approach is on the basis that a particular site has been, or is in the process of being, bought at a price which includes all known development constraints including, for example, the potential need to make provision for employment, affordable housing, open space and public art.**

Worked Example:

A planning application for residential development is submitted on a 0.5 hectare site that is currently used, or was last used, for employment purposes and which is still considered to be suitable, in land use terms, for such a use.

Typical employment land values currently stand at £390,000 per hectare*.

As such, the required amount of compensation = £390,000 x 0.5
= £195,000.

* Source: based on the Valuation Office Agency Property Market Report – 2011.

- 3.33 The justification for requiring one-off compensatory payments for the loss of employment land and premises is described in detail in Appendix 2.

Outline Planning Applications

- 3.34 Any outline approval granted for residential development on an existing employment site will normally be conditioned to ensure that any subsequent reserved matters conform with the agreed approach, whether that be in relation to a mixed use proposal or where the Council will seek a one-off financial payment to compensate for the loss of the employment land.

Site Size Threshold

- 3.35 It is not considered to be appropriate to use a site size threshold against which the requirement for a compensatory payment will be applied for a number of reasons.
- 3.36 It is considered that where a site is suitable in land use terms for continued employment use then it would consequently have a value. As such, the loss of this site would represent a depletion of the Borough’s current economic resource irrespective of the size of the site.
- 3.37 The nature of the Borough’s supply of existing employment sites is such that many of them are relatively small-scale and compact operations which, nevertheless, provide valuable sources of local employment. Where such

sites are considered suitable for continued employment use, their loss would not only be felt on an individual basis, but the cumulative loss of small-scale sites could be particularly damaging to the Borough's overall economic aspirations.

- 3.38 This, coupled with the fact that the Borough's future housing supply is, to some extent, likely to be reliant on small sites, means that there may be significant pressures to redevelop small-scale employment sites.

4 CONCLUSIONS

- 4.1 The recent trend of increasing numbers of proposals for the redevelopment of employment land and premises to non-employment uses, most notably housing, has prompted the Council to clarify its approach towards such proposals in the form of this SPD. The Council is concerned that the loss of employment sites to other uses will have a negative impact on the competitiveness and social inclusiveness of the local economy. In addition, the Council is also concerned that a reduction in local employment opportunities will exacerbate the unsustainably high levels of out-commuting – particularly when employment sites are most commonly lost to residential development.
- 4.2 The success of the local economy is also threatened by a lack of genuinely available employment land. Much of the Borough's supply is suffering from constraints. Where existing employment sites are to be redeveloped for other uses, this SPD highlights the following sequential approach towards such proposals:
- To retain suitable and viable sites in employment use;
 - To seek mixed-use development to cross-subsidise the delivery of new employment uses on part of the site;
 - To seek a one-off payment to compensate for the loss of the employment resource being lost.
- 4.3 The successful implementation of this SPD will be complimentary and integral to the achievement of the aims and objectives of the Bury UDP and the Regional Spatial Strategy for the North West.

5 BACKGROUND DOCUMENTS

- Bury Unitary Development Plan (August 1997).
- Bury Employment Opportunities Study (December 2006).
- Bury Employment Land Availability Schedule (updated annually)
- Planning Policy Guidance Note 4 – ‘Industrial and Commercial Development and Small Firms’ (November 1992).
- Planning Policy Statement 3 – ‘Housing’ (November 2006).
- Planning Policy Guidance Note 13 – ‘Transport’ (March 2001).
- Regional Spatial Strategy for the North West (RPG13) (March 2003).
- Circular 05/2005 – Planning Obligations (July 2005).

6 CONTACTS

For information regarding the implementation of this SPD, contact:

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APPENDIX 1 – RELEVANT UDP POLICIES

EC1 - EMPLOYMENT LAND PROVISION

The Council will endeavour to ensure that a comprehensive range of employment sites is identified to meet the future needs of manufacturing and service employers.

Justification

The Plan's policies for the economy have a dual thrust. Firstly, to strengthen and diversify the local economy and, secondly, to allow existing employers to modernise and expand their operations in the Borough. By ensuring that a comprehensive range of employment sites is available the Council can contribute to this process, fulfil one of the aims of "Strategic Guidance for Greater Manchester", and help preserve and attract jobs to the Borough.

EC2/1 - Employment Generating Areas

In the defined Employment Generating Areas, as identified on the Proposals Map, the Council will only allow development for the uses specified. Other uses will only be permitted where they constitute limited development or do not substantially detract from an area's value as an Employment Generating Area. The following areas have been identified for the uses specified:

Business (B1), General Industrial (B2), Warehousing (B8) and Leisure and Tourism Uses:

EC2/1/1 - Ramsbottom.

EC2/1/2 - Pilsworth Industrial Estate, Bury. A Traffic Impact Assessment may be required for any development proposals within this area.

Business (B1), General Industrial (B2), and Warehousing (B8):

EC2/1/3 - Tetrosyl, Bury.

EC2/1/4 - Fernhill, Bury.

EC2/1/5 - Freetown, Bury.

EC2/1/6 - Bury Bridge/Daisyfield, Bury.

EC2/1/7 - Bridge Hall Lane, Bury. A Traffic Impact Assessment may be required for any development proposals within this area.

EC2/1/8 - Macphersons, Bury.

EC2/1/9 - Dumers Lane, Bury.

EC2/1/10 - Eton Hill Road, Radcliffe.

EC2/1/11 - Bradley Fold.

EC2/1/12 - Radcliffe East.

EC2/1/13 - Radcliffe West.

EC2/1/14 - Radcliffe South.

EC2/1/15 - Halsteads, Whitefield.

EC2/1/16 - Park 17, Whitefield.

EC2/1/17 - Mountheath, Prestwich.

Justification

The Borough contains a number of distinct areas where employment generating activities are concentrated. These areas range from the older, inner industrial areas of Bury, Radcliffe and Ramsbottom to the modern purpose-built industrial estates of Pilsworth, Park 17 and Mountheath. If existing firms and jobs are to be protected in the Borough it is important that investment for employment generating purposes is encouraged. The Employment Generating Areas identified and shown on the Proposals Map will help to achieve this by providing a degree of certainty as to the future use of these areas.

The Employment Generating Areas will also have an important part to play in protecting existing employment land. Too often in the past land once used for employment has been lost to other uses, particularly housing. The defined Employment Generating Areas will protect the future of these areas for employment uses.

It is not the aim of the Council to remove or prevent the improvement of uses such as existing housing, local shops and community facilities in these areas. However, development for uses other than employment uses will be limited in scale so as not to detract from the aims of the Employment Generating Areas.

The increasing value of leisure and tourism in generating employment and other economic benefits is recognised. In recent years Ramsbottom and Pilsworth have become important in these respects, the former in relation to the East Lancashire Railway, and the latter with the opening of the Multiplex cinema, bowling alley and fast food restaurants. It is proposed that within the Employment Generating Areas of Ramsbottom and Pilsworth further developments related to leisure and tourism will be looked upon favourably where they do not conflict with other policies and proposals of the Plan.

In certain Employment Generating Areas the Highways Agency may require a Traffic Impact Assessment to be carried out in order to fully assess the traffic implications of any development proposals on trunk roads, including motorways. See Highways and Transportation Policy HT2/10 - Development Affecting Trunk Roads.

** Note: The inclusion of UDP Policy EC2/1 is for information purposes only. As stated previously, this SPD is NOT generally applicable to this Policy.*

EC2/2 - Employment Land and Premises Outside the Employment Generating Areas

The Council will seek the retention of existing employment land and premises outside the Employment Generating Areas except where it can be clearly demonstrated that an existing employment site or premises is no longer suited in land use terms to continued employment use. In such circumstances consideration will be given to alternative development providing it does not conflict with the character of the surrounding area and other policies and proposals of the Plan.

Justification

As well as the Employment Generating Areas defined in Policy EC2/1 there are a number of isolated pockets of industry in the Borough. These provide valuable sources of local employment, often in the more deprived areas of the Borough. As such the Council will seek to protect them where it can be shown that, in land use terms, continued use of the site or premises for employment use would not have a detrimental effect on the surrounding area.

However, the Council recognises that in some instances this will no longer be possible. In some cases sites that have become vacant may no longer, for a variety of reasons, be suitable for continued employment use. In these cases, the Council will assess development proposals in relation to other policies and proposals of the Plan.

APPENDIX 2 – JUSTIFICATION FOR REQUIRING ONE-OFF PAYMENTS.

Circular 05/2005 specifies that where local authorities do not have existing high level policies specifically relating to planning obligations in their adopted local plan or Unitary Development Plan, they should set out the implications for planning obligations in a Supplementary Planning Document. The Circular goes on to state that this practice should only be followed in the transitional period before policies are in place in the relevant Development Plan Document and for this to accord with Planning Policy Statement 12 paragraph 4.40. In this respect, all the matters covered in the SPD relate to and conform with saved UDP Policies EC1 and EC2/2 and are consistent with national and regional planning policy.

Circular 05/2005 states that planning obligations should be:

- (i) relevant to planning;
- (ii) necessary to make the proposed development acceptable in planning terms;
- (iii) directly related to the proposed development;
- (iv) fairly and reasonably related in scale and kind to the proposed development; and
- (v) reasonable in all other respects.

The Circular emphasises that any financial contribution, payable through a planning obligation, should not be a form of betterment tax but confirms that a financial contribution compensating for the loss of a resource is acceptable. However, the Circular qualifies this by advising that any compensation should be to offset through substitution, replacement or regeneration the loss of, or damage to, a feature or resource present or nearby. It is emphasised that there should be some relationship between what is lost and what is to be offered.

The importance of ensuring a successful local economy is a fundamental element of planning policy at all levels and is an integral component of the Government's objectives for ensuring sustainable development. However, the success of the Borough's local economy and its ability to respond to change is threatened by pressures to redevelop existing employment sites as well as the lack of genuinely available employment land. The continued loss of the Borough's employment resource is clearly unacceptable if the aims of sustaining and enhancing the local economy are to be realised. In addition, the loss of the Borough's employment resource will necessitate a further increase in the levels of out-commuting contrary to the principles of sustainable development. As such, the aim of preventing economic decline through the requirement for compensatory employment provision is directly relevant to planning.

The Borough's employment land is a finite resource. Once it is lost, it is highly unlikely to ever return to that use. In this respect, all employment land, irrespective of the quality and location, has a value although this may not

necessarily be recognised by the market due to the cost of removing constraints at that particular point in time. In seeking to ensure that any losses are compensated for by a financial contribution, the Council will be in a position to help bring forward alternative employment opportunities that can potentially attract local residents and in turn benefit the local economy and reduce levels of out-commuting. In this respect, the Council would ensure that the redevelopment of existing employment land and/or premises would be acceptable in planning terms and would bring the development in line with the objectives of sustainable development.

Given that any financial contributions would be used to compensate for the loss of part of the Borough's economic resource, there will be a direct functional link between the loss of the employment resource arising from the proposed development and the enabling of alternative employment provision elsewhere. In addition, there will also be a geographic link arising from the compensation being used to remove constraints on appropriate sites that are local and accessible. In the absence of such contributions, the loss of the economic resource would be considered to conflict with the principles of sustainable development and ought not to be permitted. On this basis, seeking a compensatory employment contribution is considered to be within the categories of acceptable obligations.

Contributions will be fairly and reasonably related in scale and kind to the proposed development and reasonable in all other respects by virtue of the fact that in calculating the amount of compensation payable, it is intended to adopt a land value based approach which ensures that the level of financial contribution will be directly related in scale to the adverse economic impact arising from the loss of the employment site in that it reflects what it would cost to replace a site of that size and use elsewhere in the Borough.



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(October 2011)

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