

TEIGNBRIDGE DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE 2

9 MARCH 2021

PART I

Report Title	Report of the Employment Delivery Task and Finish Group Findings and recommendations on making Employment sites work
Purpose of Report	<p>To</p> <ul style="list-style-type: none"> a) Take evidence from interested parties to establish reasons for non delivery of Employment sites b) Make recommendations to the Executive for changes to existing policies and practices to improve delivery
Recommendation(s)	<p>The Committee RECOMMENDS to Executive</p> <p>That the Executive produce an employment plan for Teignbridge that addresses the matters identified in the following section of this report and establishes the next steps necessary to develop and implement a successful employment strategic plan, including:-</p> <p>(Note, some of the recommendations may already be underway by TDC officers, the purpose of this recommendation list is to give them a specific focus under this banner)</p> <ul style="list-style-type: none"> a) Greater emphasis on creating Employment b) Establish specific policies that support the delivery of jobs c) Amend policies to enable additional funds to be generated d) Invest directly in resources to support new businesses e) Increase support for Rural economies f) Expanded current resources to bring forward employment g) Invest in new facilities to support business development h) Provide awareness training to councillors i) Make appropriate investments to create employment j) Lobby government and others for employment delivery support
Financial Implications	<p>Martin Flitcroft Email: martin.flitcroft@teignbridge.gov.uk</p> <p>Potential financial implications are contained throughout the report and specifically in 3.7 there will be a need to develop business cases for all projects and a review of available resources which may need rationalisation where necessary and due consideration of available funds within the capital programme.</p>
Legal Implications	<p>There are no direct legal implications arising from this report Paul Woodhead – Legal Services Team Leader and Deputy Monitoring Officer Email: Paul.Woodhead@teignbridge.gov.uk</p>

Risk Assessment	<p>Fergus Pate, Principal Delivery Officer Email: fergus.pate@teignbridge.gov.uk</p> <p>This report recommends preparation of a jobs plan. In itself, the associated risks are relatively limited and relate to resources. However, the specific areas for investigation that are identified in the report could result in significant implications as outlined in the officer comments below. These will need to be addressed as any jobs plan is prepared and confirmed.</p>
Environmental/ Climate Change Implications	<p>Fergus Pate, Principal Delivery Officer Email: fergus.pate@teignbridge.gov.uk</p> <p>The specific recommendations contained in this report could result in environmental impacts associated with landscape and ecology, particularly if new employment sites come forward without careful planning. Conversely, bringing forward new employment space that's closer to Teignmbridge's working age population could reduce impacts associated with travel and commuting. A well devised jobs plan and Local Plan will be capable of balancing these considerations.</p>
Report Author	<p>Councillor Phil Bullivant on behalf of the Task and Finish Group (Councillors C Nuttall, C Jenks, T Tume, H Cox) Email: Philip.bullivant@teignbridge.gov.uk</p>
Executive Member	<p>Councillor Jefferies (Jobs and Economy)</p>
Appendices / Background Papers	<p>Appendix 1 Officer presentation slides - Delivery of Employment Sites in Teignbridge</p>

<p>Lead Officer Comments</p>	<p>This report has been prepared by councillors from the employment delivery task and finish group. It identifies some themes that could be used to help inform the Council's work on supporting Covid recovery and job creation.</p> <p>The report acknowledges that the task and finish group's findings do not entirely reflect Teignbridge's existing role in bringing forward new employment development and supporting businesses looking for a new home. For example, we already play a significant <i>enabling</i> role in facilitating employment development and there is a significant pipeline of employment sites that are currently being brought forward.</p> <p>Some of the report's recommendations will result in practical and resource implications. For example, elements of the proposed approach to developer contributions may not be workable when considered against existing planning regulations. Approaching all of the landowners next to main roads would also be extremely resource intensive.</p> <p>Similarly, whilst the current draft 2021 capital programme identifies £2 million that could be invested to help deliver employment schemes, proposals to scale up funding of employment land and infrastructure delivery could require greater budgets and would need to be supported by a robust business case.</p> <p>Working with stakeholders and lobbying government remains key. Employment site opportunities are more likely to succeed if we can secure support with barriers to delivery, like infrastructure funding. Local discretion associated with matters like prioritising redundant buildings for employment-led conversion could also be important.</p> <p>The report's recommendations on training and knowledge sharing would also help to ensure that the council takes informed decisions associated with supporting employment developments.</p> <p>If the group's recommendations are to be taken forward as part of strategy and implementation plan preparation, resource and technical implications will need to be considered more thoroughly.</p>
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1. BACKGROUND

- 1.1 Teignbridge has a key role in supporting local people and helping lift unemployment and providing higher paid employment.
- 1.2 Employment site delivery has fallen short of targets for many years and this Task and Finish group was set up to look into the reasons and possible answers to this.
- 1.3 This report focuses on the delivery of employment sites only, but a much wider Council role exists that looks at those things the council does that supports the local economy through its policies and support. (See LGA report "Work Local" for the range of areas for further consideration).

2. EMPLOYMENT SITES INTRODUCTION

- 2.1 Teignbridge has not delivered any new employment sites of any size for many years.
- 2.2 The growth in employment seen over recent years has been through the expansion of existing businesses. There are pent up demands for employment units designed to meet current requirements.
- 2.3 There is a shortfall in availability of supply that is forcing local employers to consider relocation out

of Teignbridge with the potential resulting loss of employment locally.

- 2.4 Current Council policy focuses on the delivery of distributed employment sites within or adjacent to residential developments that conflicts with the needs of businesses for working hours and access requirements that are contrary to being a 'good neighbour' and is seen as a major impediment by prospective employers.
- 2.5 The current sites available within Teignbridge on the market amount to 20% of the demand identified. Current sites are mostly over 25 years old and lack the accessibility that current demand requires.
- 2.6 The infrastructure costs for new sites is seen as a major disincentive for new developments.
- 2.7 The disparity of land values between residential and employment sites is also seen as a major problem.
- 2.8 The need to promote Teignbridge for inwards investment has been constrained by the lack of suitable opportunities such that no significant activity now takes place to promote Teignbridge as a place to invest.
- 2.9 Demand for new facilities is coming from Manufacturing/Warehousing Distribution etc. where demand is strong even in the pandemic and seen and continuing post the current issues., the requirements for offices is weak.
- 2.10 The mix of rented and owned units is important as businesses seeking to expand want to acquire facilities rather than rent.
- 2.11 A summary of the current position outlined by Teignbridge officers is provided at Appendix 1

3. EMPLOYMENT SITES INTRODUCTION

- 3.1 The Task and Finish group was set up to include a representative group of councillors from each political group. Councillors Bullivant, Nuttall, Jenks, Tume and Cox have agreed this report.
- 3.2 The group met to review the current position and invited representatives from TDC and East Devon to understand the background and identified key players who work extensively with the businesses within Teignbridge to obtain their perspective of the issues faced by those businesses who potentially would make the investments to deliver employment sites.
- 3.3 Zoom meetings were held and discussions took place with EDDC, TDC, JLL and Tony Noon. (JLL and Tony Noon representing a broad range of interests including land owners with current permissions).
- 3.4 Telephone conversations took place with IMERYYS and Sibelco (both making the same points as JLL and TN).
- 3.5 Information on 'best practice' was sought and use made of LGA resources and HMG information where appropriate.
- 3.6 Current policies were reviewed and discussed with all those involved and a picture established that forms the basis for this report.
- 3.7 The financial implications and additional resources required are a matter for Executive decision and therefore require a detailed assessment by officers against any policies introduced.
- 3.8 If further work is required this should be based on information needed by the executive to support any decisions that they make.

4. GROUPS CONSULTED

4.1 Individuals and organisations consulted in assembling this report and its recommendations included the following:

- Teignbridge District Council (N Blaney, A Clark, M Luscombe, F Pate)
- East Devon District Council officer
- Jones Laing Lasalle International specialist in delivering commercial sites
- Noon Roberts, specialist in commercial property
- Imerys (by phone), minerals company with significant land holdings within Teignbridge
- Sibelco (by phone) minerals company with significant land holdings within Teignbridge

5. SUMMARY OF FINDINGS

- 5.1 There is a current demand for over 1,500,000ft² of commercial buildings required in Teignbridge. Majority of requirements are from businesses currently working in Teignbridge. (JLL/TN)
- 5.2 Significant number of Existing businesses currently in Teignbridge seeking to expand in Teignbridge are considering moving out of area to find suitable premises (JLL/TN)
- 5.3 Current available supply is less than 300,000ft² with 220,000ft² on one site (Drumbridges) (JLL/TN)
- 5.4 Majority of current facilities in Teignbridge are over 25 years old and not fit or economical to convert to modern requirements (JLL/TN)
- 5.5 Strong requirement for Industrial, Distribution, Warehouse space. Demand for office space is limited, (JLL/TN)
- 5.6 Businesses looking for sites with good access to major arterial routes and away from residential areas (JLL/TN)
- 5.7 Land for Construction in Teignbridge has a value of £2million/hectare for residential use, £500,000/hectare for Commercial use (HMG Statistics)
- 5.8 Cost of infrastructure (Access, Broadband, Power) to open new sites are major issues (JLL/TN)
- 5.9 Local starter units are desirable (TN)
- 5.10 Position of industrial sites too close to residential areas is a problem as working times and traffic movements can cause local issues (JLL/TN)
- 5.11 Requirement for mix of owned and rented units (JLL/TN)

From council officers

- 5.12 Residential developers are not the best deliverers of employment sites.
- 5.13 Lack of available supply of sites has resulted in TDC curtailing activity to attract new employers (TDC)
- 5.14 Requirements exist for both rented and owner occupied units (TDC)
- 5.15 Successful delivery of employment sites requires a dedicated team focus and integration of all areas of Council activity (EDDC)
- 5.16 Land ownership is a major factor in successful delivery, (EDDC/TDC)
- 5.17 Creation of "Employment Zones" helps (EDDC)

5.18 The current disparity in land values is encouraging residential developers to hold back on delivering employment sites (TDC/EDDC/JLL/TN)

6. SPECIFIC RECOMMENDATIONS AND REASONS

6.1 Drawing on the evidence that has been assembled and reviewed, the following specific recommendations are made.

6.1 Strategic Function

Create a primary strategic function within the Council by bringing together the appropriate functions, departments and resources to enable an effective and dynamic approach to creating employment and attracting funding from HMG ,LEP etc.

Reason: to focus on the need for creating economic opportunities for residents and deliver the resources required to be successful. Influencing and lobbying will play an essential part in ensuring that we secure the necessary funding and infrastructure investment.

6.2 Planning Policy

Have a separate planning policy that focuses on employment and has the delivery of employment sites as a primary objective whilst respecting environmental and ecological issues to accelerate development consents. Consider including the creation of 'Zones' or Local Development Orders for where Employment Development would be appropriate, through, or alongside the local plan review.

Reason: whilst there are current policies (S3, EC1,2,3 etc.) they are failing to deliver the employment sites the district needs. Therefore, to differentiate the need for employment sites within the district and identify specific policies that should be applied additional policies are required. Current policies focus on residential development and this is taking priority over employment

6.3 Planning contributions

Examine and change the current infrastructure contribution requirements (S106/CIL) attached to residential developments to generate the investment funds required to enable and reprioritise the funding of infrastructure needs for off site employment sites, fund the personnel required (if possible) and to promote the marketing of opportunities

Reason: providing employment sites will require investment in key areas for infrastructure, personnel and marketing etc. The generation of the required funds should include residential developer contributions as they benefit from a greater percentage of residential land within developments. If the 'Pepperpot' policy for employment sites change greater contributions should be sought for Offsite employment development.

6.4 Investment in starter units

TDC invest and create embryo/starter units in suitable areas across the District to kick start new business development and build on previous successful programmes.

Reason:- Embryo businesses need support and there is a lack of available sites. Previous examples in Heathfield and Teignmouth have been very successful and should be seen as an example for future development

6.5 Conversion of rural buildings

Examine, Simplify and establish policies to allow rural buildings or small scale new rural development for commercial uses (subject to size limitations, access etc.) to bring employment to rural communities

Reason:- Whilst we have existing policies that support permitted development the rural economy needs

greater support and there are established farms and agricultural sites where small scale development would provide more local employment and small scale units and offices would be appropriate uses subject to financial support from the council for improved infrastructure (broadband, access) etc. This approach is supported by the National Planning Policy Framework (Paragraphs 83 and 84), and national Industrial Strategy.

6.6 Employment development opportunities on main roads

Approach land owners alongside primary road routes where residential development would not be part of local plans to acquire land for employment uses.

Reason: access to sites of a size and with accessibility close to major arterial routes are key to a successful employment sites strategy. Teignbridge should identify and work with land owners to bring these sites forward. The current 'call for sites' as part of the Local Plan review will contribute towards this but we recommend a more specific targeted approach is required.

6.7 Coordination with mineral extraction plans

Approach Mineral rights owners to identify areas of mineral extraction zones where land could be used for industrial developments

Reason:- given the large areas of land affected by the need to protect minerals there are areas where industrial use would be acceptable where residential use would not. Areas approaching the end of life for mineral extraction or areas where extraction is not planned for the next 80+ years should be considered.

6.8 Councillor training

Provide training for Councillors and involve them on the needs for employment sites within their wards and across the district.

Reason: creating the environment for creating employment within the district and bringing work opportunities to residents is an important element of a councillor's role. To ensure appropriate consideration is given Councillors need to be given training to ensure they are aware of their roles and obligations. This would be officer led but the working group could assist with development of the training.

6.9 Separation between employment and residential development

That the current 'Pepper Pot' approach to integrating employment sites into residential developments is revised to promote separate development of employment sites

Reason: Modern employment sites have access and working arrangements that conflict with expectations of residential sites. Demand is also usually for sites of larger sizes than the 'Pepperpot' delivery can deliver. Also, it is not in the financial interest of residential developers to promote lower value land and too many sites are therefore overpriced and held back until the sites can revert to residential use and higher values. The value uplift should be used as a basis for generating the offsite development and funds needed to support this.

6.10 Infrastructure Investment

TDC undertakes appropriate infrastructure investment to ensure local delivery of employment sites (Broadband, Access, Power Etc.)

Reason: the costs of infrastructure for a new employment site can be considerable and has made some sites uneconomic, restricting their development. (e.g. Peamore). Teignbridge should be able to support the provision of essential services as appropriate.

Current Teignbridge budgets include some amounts to be used towards this objective.

6.11 Employment 'Enabler'

TDC identifies itself as 'an Enabler' to work with appropriate partners to deliver employment sites

within Teignbridge.

Reason: Bringing forward employment sites and the associated infrastructure costs can require coordination. Teignbridge should expand its current resources to facilitate and help things to happen. There is also a demand for a mix of tenures between new businesses renting and established businesses wanting to buy. Teignbridge should be in a position to support these options.

7. CONCLUSION

- 7.1 Teignbridge is not delivering the employment sites that the area needs. There is a danger that the ongoing failure to meet the needs of current, growing businesses will result in the loss of local employment.
- 7.2 Teignbridge needs a strategic plan and structure that works to deliver employment sites.
- 7.3 Teignbridge needs an investment plan that focuses on the delivery of employment sites.
- 7.4 Teignbridge needs a dedicated, cross function team to deliver employment sites.
- 7.5 It is noted that a broader view of Employment strategy (of which this review may form part) may be required by the Executive. If this is required a separate instruction to O&S will be required to facilitate the additional tasks.

Cllr Bullivant Chair
Cllrs Nuttall, Jenks, Tume, H Cox