

Examination of the Central Lincolnshire Local Plan 2018 – 2040 Hearing Statement.

Matter 11 – Employment and Economic Development.

On behalf of St Modwen Development Ltd.

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1. Introduction.

- 1.1. This Hearing Statement has been produced by Pegasus Group on behalf of our client, St Modwen Development Ltd.
- 1.2. St Modwen Development Ltd have significant land interests across the district, as such, our client is an important stakeholder in the plan-making process.
- 1.3. Our client wishes to ensure that the Central Lincolnshire Local Plan (CLLP) is prepared in a robust manner that passes the tests of soundness contained in paragraph 35 of the NPPF, namely that the plan is:
 - Positively Prepared;
 - Justified;
 - Effective; and
 - Consistent with national policy.
- 1.4. The CLLP also needs to be legally compliant and adhere to the Duty to Cooperate.
- 1.5. It is understood that the plan is being examined against the 2021 version of the National Planning Policy Framework. All references within this hearing statement to the National Planning Policy Framework (NPPF) therefore relate to the 2021 version, unless otherwise stated.
- 1.6. Our client submitted representations to the previous stages of the Local Plan Review production including the Regulation 18 Draft Local Plan Consultation (June 2021) and Regulation 19 Proposed Submission Local Plan Consultation (March 2022). Despite the issues our client has identified with the CLLP, the amendments made to the plan do not reflect the comments which we have made. Accordingly, the Council have not overcome the issues identified and we therefore believe the CLLP is unsound.

2. Response to the Inspector's Matter 11 Issues and Questions.

- 2.1. We welcome the opportunity to comment on the Inspector's Matters, Issues and Questions (MIQs) and provide the following responses to selected questions. Our client reserves the right to respond to specific issues raised by the council and other parties within the hearing session in so far as they relate to our previous representations.
- 2.2. In relation to Matter 11, our clients' interests lie with their site which comprises two Important Established Employment Areas; Great Northern Terrace (Ref. E9) and Waterside South (Ref. E14). As such, our response relates to Issue 4 of Matter 11.
- 2.3. To assist the inspectors and provide context to our comments, a plan showing the extent of our clients' site is provided at Appendix 1 of this Hearing Statement.

Issue 4 – Q1: How were the sites selected and has a robust process been followed including the consideration of alternatives?

- 2.4. As articulated within Policy S31 and the Employment Policies S28–S34 Evidence Report (March 2022), Important Established Employment Areas (IEEA) have been defined and selected as sites located in tiers 1–4 of the Settlement Hierarchy, measuring 2ha or more, and with at least 7,500 sq. m. of ground floor space.
- 2.5. This blanket approach to site selection strictly focuses on a site's location, overall size, and the amount of ground floor space it accommodates. What this approach fails to take into account are the factors which are key in establishing what makes employment area 'important', such as the quality of its floorspace and the subsequent value it provides the Central Lincolnshire economy; and the site's long-term future potential over the Plan Period. On this basis, it is not considered that a robust process has been followed to site selection.
- 2.6. For example, a site could be located within tiers 1–4 of the settlement hierarchy, measure 2ha or more, and accommodate over 7,500 sq. m of ground floor space, however the actual value of that site to the Central Lincolnshire economy could be very little. In such a case, the IEEA allocation places great importance on the site than perhaps more than it is worth in real terms. Similarly, a site could meet the IEEA criteria and currently be performing well as a strategic employment site, however the use of the site could change within the Plan Period which means the site ceases operation. In such a circumstance, the IEEA allocation would place greater importance on the site, above its actual worth to the Central Lincolnshire economy.
- 2.7. Our clients' site meets the IEEA criteria and is currently recognised as an important operational employment site providing highly technical industrial employment within the City of Lincoln. The site is leased in its entirety to Siemens, with Siemens subleasing part of the site to Napier Turbochargers. The remainder of the site is occupied by Siemens Mobility and Siemens Energy. The existing lease is due to expire 31 December 2027.
- 2.8. As the landowner, St Modwen Development Ltd are committed to seeking to maintain the presence of these businesses on the site. Whilst our client is hopeful the current occupiers will renew leases at the appropriate time, it is entirely possible that current occupiers could relocate to alternate premises. Alternatively, further occupancy at the site may be agreed for a period which does not align with the full Plan Period to 2040. In these scenarios, until a

successive occupier is found, the site would not contribute towards the Central Lincolnshire economy and would not be an 'important' employment site.

- 2.9. If Important Established Employment Areas are to be retained, the site selection process needs to be more robust to consider both a sites existing condition and short-term opportunity as an important employment site, as well as the longer-term plans and potential for the site within the Plan Period, accounting for the potential for the operation of sites to change over time. This approach would ensure sites are not burdened by the IEEA designation if its role as an employment site changes during the Plan Period.
- 2.10. Paragraph 86(d) is clear that planning policies should be flexible enough to accommodate needs not anticipated in the plan.
- 2.11. Whilst it is acknowledged that Policy S31 incorporates a degree of flexibility for development within IEEA, in the case of our clients site the accepted uses are restrictive and do not account for the sites' significant sustainability credentials.
- 2.12. Policy S31 permits other E classes, beyond E(g) only where the sequential test against the network and hierarchy of town centres as defined in Policy S35 is passed or where the proposed use can be shown to be clearly ancillary to existing uses on the site; and other employment generating uses beyond those described previously where the proposed use is ancillary to the existing uses on the site. Policy S31 states that non-employment generating proposals will not be acceptable in IEEA.
- 2.13. In the case of our clients' site; a highly sustainable site located less than 50 metres of the city centre boundary, it would be acceptable for a wide breadth of uses including retail, residential and office development longer term, should the site become vacant. In its current form, the flexibility offered by Policy S31 does not align with the site's sustainability credentials and redevelopment potential. In our previous representations we have stated that our clients' site is more akin to a 'Regeneration Opportunity Area' or would be appropriate for a site-specific policy and allocation, alongside a supplementary planning document which seeks to guide its redevelopment, in the interests of promoting sustainable development in the event current site occupiers relocate during the Plan Period.
- 2.14. The Employment Policies S28-S34 Evidence Report (March 2022) identifies the alternate option to not designate IEEAs and to rely on national policy to ensure employment is directed to the most sustainable and appropriate locations. This alternative is considered to be appropriate in the case of our clients' site which is considered to be an appropriate location for a wide range of development, including main town centre uses.
- 2.15. A further option would be a commitment to undertake a selective review of the Local Plan in the event an Important Established Employment Site becomes vacant. Such a commitment would allow for Policy S31 to be reviewed following major changes to IEEAs, alongside other relevant policies if the site is identified to be appropriate for alternative uses such as residential, retail or commercial, or if the site is identified to be appropriate as a Regeneration and Opportunity Area.

Issue 4 – Q2: Is it clear to decision-makers, developers and local communities how applicants for planning permission should demonstrate that any loss would not have an unacceptable impact on the overall supply of employment land or premises?

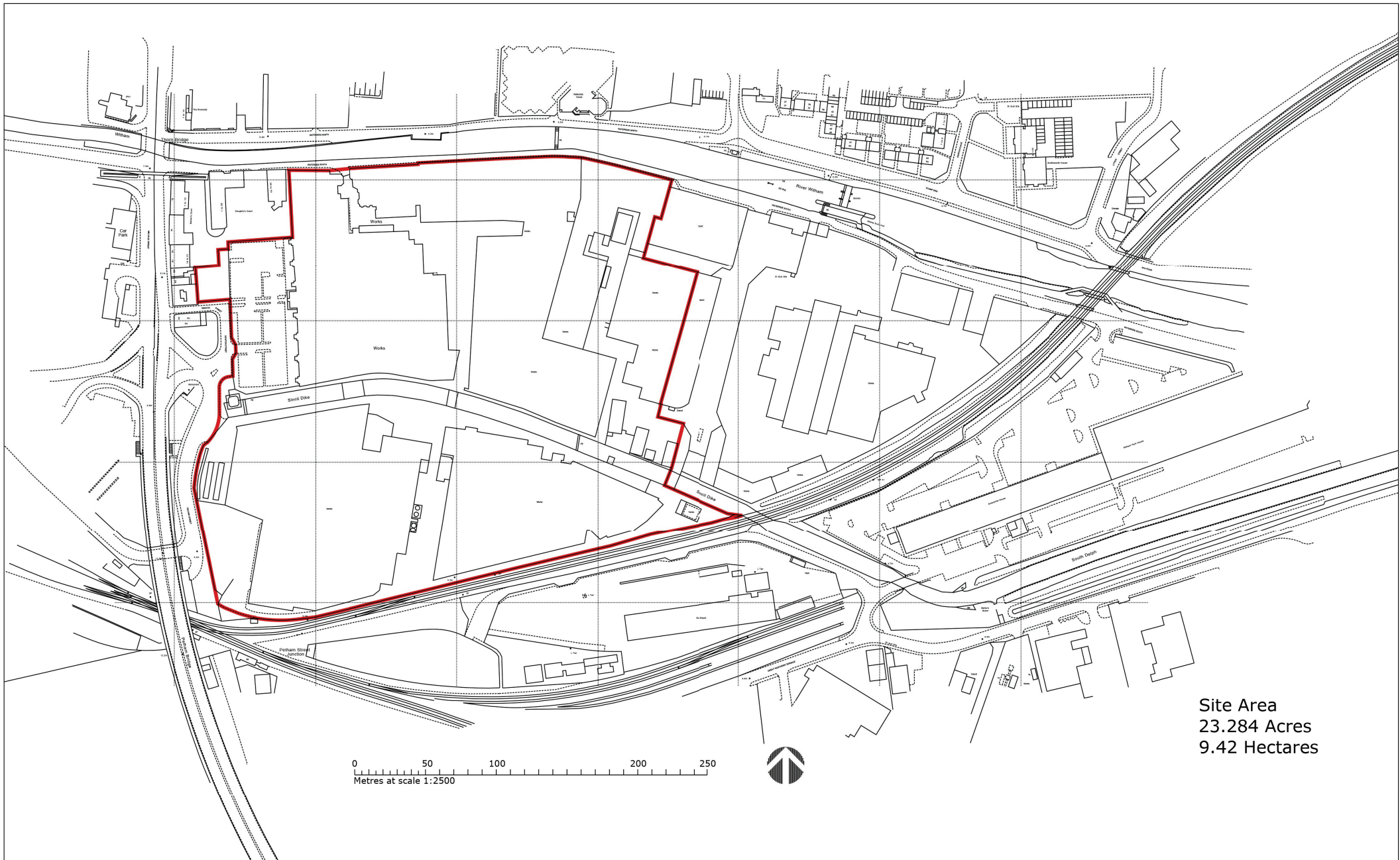
- 2.16. No, while Policy S31 is clear in relation to the situations where the loss of business uses under B2, B8 and E(g) use classes would be supported, it fails to clearly confirm how it should be demonstrated that any loss would not have an unacceptable impact on the overall supply of employment land or premises.
- 2.17. Consequently, Policy S31 takes a broadly restrictive approach to the loss of B2, B8 and E(g) use classes, notwithstanding that there may not be any material harm arising from such a loss to the overall supply of employment land or premises.
- 2.18. This is of concern, particularly because the Local Plan seeks to allocate significantly more employment land than required, as the Inspector notes in Matter 6, Issue 5, Q5. Therefore, it is highly probable that losses of B2, B8 and E(g) use classes may not have any material adverse impacts to the overall supply of employment land or premises.
- 2.19. Of further concern is the restriction of other E class uses, beyond E(g) unless the sequential test is passed or unless the proposed use is clearly ancillary to existing uses on site. This restriction contradicts the UK Government's aims of the Use Classes Order amendments introduced in September 2020. The aim of the introduction of Class E was that any change of use of a building or land between those uses falling within the new E use class will not constitute development and will therefore not require planning permission. This flexibility introduced by the UK Government enables the property market to be responsive to changing economic circumstances.

Issue 4 – Q3: What is the justification for suggested modification MMSC7? Is it necessary for soundness?

- 2.20. MMSC7 proposed to amend the first paragraph within Policy S31 to read:
- "IEEA make a substantial contribution to the Central Lincolnshire economy. They are defined as sites located in tiers 1–4 of the Settlement Hierarchy in Policy S1 (Large Villages and above), on sites of 2ha or more and have at least ~~7,500~~ **8,000** sqm of ground floor space **and with five or more units occupied by different businesses**. The following are categorised as IEEA:"*
- 2.21. The justification for the proposed modification is not clearly expressed within The Employment Policies S28–S34 Evidence Report (March 2022). Regardless, the proposed modification does not address the concerns we have raised with Policy S31 within this Hearing Statement.



Appendix 1: Site Location Plan



Site Area
23.284 Acres
9.42 Hectares

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