Takeley Development Proposal

Uttlesford Local Plan Examination
Matter 1
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1. Introduction

1.1.1. Savills has been appointed by Pigeon (Takeley) Ltd (‘PTL’) to represent their interests concerning a proposed employment site in Takeley. PTL are a company jointly owned by Pigeon Investment Management Ltd and Mantle Capital Management Ltd. Pigeon are promoting over 16,000 residential units across the East and South of England and managing investments with a projected value of £250m. Mantle is a locally based regional commercial property developer and investor, operating in Greater London, the South East and Eastern England. Mantle have built up a commercial property portfolio over the last twenty years which consists of office and industrial investments in Essex, Hertfordshire and Cambridgeshire. They are the freehold owners and managers of a number of business centres including the Thremhall Park Business Centre which provides office, meeting and conference facilities immediately in the vicinity of Stansted Airport.

1.1.2. PTL is seeking to have the Takeley site allocated for employment in the Uttlesford Local Plan for a new light industrial and distribution development to help meet identified needs in a strategic location close to Stansted Airport and junction 8 of the M11. The site is currently not proposed for allocation in the Uttlesford Local Plan.

1.1.3. The proposed employment site is 27.35 hectares (67.60 acres) in size. It is located directly south of London Stansted Airport between the A120 to its north and the B1256 to its south. The site is currently in agricultural use and within the Council’s Countryside Protection Zone (CPZ). It is not in the Green Belt.

1.1.4. The masterplan for the site (Figure 1.1) shows potential to deliver up to 80,313 square metres (864,490 square feet) GIA of employment space in 13 modern light industrial (B1c) and warehouse and distribution (B8) units with access off Dunmow Road (B1256).

Figure 1.1 Proposed Masterplan with Buffer to the North and Other Landscaping on Site Edges
1.1.5. Attached is one of a number of Matter responses prepared in response to the Inspector’s questions and in support of our position for an additional employment land allocation at Takeley. The full list of Matters responded to include -

- Matter 1; Q2 & Q3. Here we address the absence of market factors; the economic benefits of commercial development and viability and deliverability considerations as part of the SA process.
- Matter 2; Q10 & Q11. Here we evidence market factors concerning light industrial and warehouse development in Uttlesford and the wider FEMA. It is our view the Council’s employment evidence significantly underplays the strategic importance of the airport and market requirements for light industrial and warehousing.
- Matter 4; Q4 & Q9. Here we address specifically Policy SP10 “Protection of the Countryside.” In light of our submission on the need for additional employment allocations and the inconsistency of approach by the Council to the existing “Countryside Protection Zone,” we request that the policy should be more flexible and less restrictive. We also request the removal of the proposed Takeley employment site from the defined CPZ in parallel with its allocation for employment.
- Matter 5; Q14, Q15 & Q17. Here we address the weakness in methodology from the Council’s evidence base for translating job forecasts to estimated employment land need. The evidence also underestimates the regional need for warehousing and distribution. We present Savills own estimate of light industrial and warehouse land need over the plan period.
- Matter 6; Q14. Here we outline the lack of evidence from the Council in justifying that North Stansted is able to deliver all of Uttlesford’s light industrial and warehousing need over the plan period.

1.1.6. The above Matter responses are supported by a number technical documents outlined in the Savills Technical Appendices. These are to be read in conjunction with the individual Matter responses. The Savills Technical Appendices includes the following documents –

- Appendix 1 - Savills Employment Land Review
- Appendix 2 – Letters of support from business for the proposed Takeley employment site
- Appendix 3 - Uttlesford Countryside Protection Zone (CPZ) Technical Update (May 2019), prepared by Liz Lake Associates

1.1.7. Appendix 1 has been prepared by Savills and local agent Coke Gearing to help evidence the proposed Takeley site allocation as being needed to help meet market demand and as being deliverable in viability terms.

1.1.8. Appendix 2 letters of supported have been provided based on the companies having had sight of the Proposed Masterplan in Figure 1.1. They have stated their support for the scheme and development close to J8 of the M11. These letters have been obtained without active marketing of the proposals, but from our client’s agents generally speaking with occupiers about the lack of available supply within Uttlesford. There is a clear frustration with the lack of available supply and our clients are strongly of the view that further letters of support could be obtained.

1.1.9. Appendix 3 details examples of the Council approving development within the CPZ.
2. Matter 1 – Legal/Procedural Requirements (Introduction)

2.1. Sustainability Appraisal

Q2. Are the likely environmental, social and economic effects of the Plan adequately and accurately assessed in the updated Sustainability Appraisal (SA)?

2.1.1. The Sustainability Appraisal (December 2018) is disproportionally focused on housing need and the Countryside Protection Zone (CPZ) with more limited analysis of the most sustainable and deliverable locations to accommodate future employment need. While homes and jobs (and employment land need) are inextricably linked market factors ultimately determine if commercial investment will be attracted to an area. This investment is necessary to purchase the land and develop the employment floorspace needed to supply the existing and planned new homes and job. In this regard Uttlesford has a key advantage over many of the other areas within its Functional Economic Market Area by being home to the 4th largest airport in the UK. It also benefits from the M11, with motorway access critical to successful industrial and warehouse development. The proposed Takeley development lies adjacent to both the M11 and Stansted Airport and is therefore an attractive site for industrial and warehouse development.

2.1.2. The SA assessment of 13Tak15 appears to be concerned primarily with the residential component with no review of the proposed employment. The primary reason for its rejection in the SA is its location within the CPZ. The residential element is no longer being pursued therefore helping to minimise significantly any coalescence impacts.

2.1.3. Figure 2.1 below shows that the western extremity of the site is approximately 0.8 miles (1.3km) from Takeley Village. This is substantially further away from the village than the existing residential and commercial development along Takeley Street (Dunmow Road) which runs as far as Pincey Brook and is only 0.35 miles (500m) from the edge of the village. The proposal therefore does not lead to further coalescence to the west of the site. In fact, the site is further from Takeley Village than the London Stansted Airport Mid Stay car park which to is only 0.35 miles (500m) from the northern edge of Takeley Village as shown in Figure 2.1.

2.1.4. Development already exists between Takeley Street (Dunmow Road) and the A120 such as the existing Thremhall Park Business Centre. The Council recently granted planning permission for an extension Thremhall Park (Ref: UTT/16/0735/FUL) comprising of 4 new buildings (2,108 square metres) plus 90 new car parks covering a land area of approximately 2,000 square metres. The Officers Report acknowledged that the development was contrary to CPZ policy but when it was weighed against the NPPF and its proactive approach to economic development in rural areas, it considered the development to be sustainable and that the benefits of the proposal outweighed the policy. This establishes a clear precedent for development within the CPZ north of Takeley Street (Dunmow Road) to the A120.

2.1.5. Further analysis by Liz Lake Associates of the Council’s approach to employment development in the CPZ, and precedent of development of this type in the CPZ is attached as Appendix 3 within the Savills Technical Appendices.
2.1.6. The most significant areas of undeveloped land in the area lies south of Takeley Street (Dunmow Road) where there is little development as far as Hatfield Heath nearly 4 miles away (6.25 km).

2.1.7. As stated in previous representations to the Uttlesford Proposed Local Plan (PLP), a Landscape and Visual Appraisal for the subject site has been undertaken by Liz Lakes Associates. The site appraisal concludes that due to the influence of surrounding land uses, the incessant noise of the airport and surrounding roads and lighting impacts, the site is not tranquil. The field pattern has been eroded by the encroaching presence of road infrastructure and airport development and the agricultural parcels now form a single depth wedge shape lying between urban land uses. It concludes that:

- Whilst there would be a loss of open land on the site itself, the existing site does little to contribute to the purpose of protecting the open characteristics which could not otherwise be achieved through the development off the site in the manner proposed;
- In the context of restricting the spread of development from the Airport, the A120, Priory Wood, Hatfield Forest and Dunmow Road, Flitch Way and the airport itself all form durable elements or features that are adjacent and developed already, and the impact of this development would be well contained and would serve a recognised need for employment in a location best placed to meet this need;
- The nature of the existing site and surrounding elements detract from its open character such that the site makes a poor contribution to the objective of protecting rural character; and
The wedge of land that the site sits on is a narrowing single depth and is severed from its surroundings by built development – the Airport to the north, engineered airport balancing ponds to the east, Thremhall Park to the west and Dunmow Road/Hatfield Forest to the south. The parcel is not connected to its rural surroundings any longer and has lost the historic connectivity with the wider landscape, the Public Right of Way network has been severed and any remaining connectivity is now provided by diversions along the tow of the A120 embankment. The impact of the proposed development on the CPZ function of preventing changes in rural settlement pattern is, therefore, minimal.

2.1.8. Based on the above analysis we feel the SA is not balancing environmental, social and economic considerations in discounting the Takeley site predominantly based on it being located within the CPZ. The SA process is considered particularly weak in terms of:

- Market factors across the FEMA;
- The economic benefits of new commercial development; and
- The deliverability and viability of new commercial development

**Market Factors**

2.1.9. As we discuss in our responses to Matter 3 and 5 below the SA and the Council’s employment evidence has had limited regard to market factors, particularly at the strategic level across the wider Council defined FEMA.

2.1.10. The review of whether or not North Stansted is required in the future for ‘airport related’ development is superficial at best with high level conclusions drawn based on little evidence, for example ‘North Stansted is an area with existing structure that is currently reserved for ‘airport related uses’, however this has been the case for a long time, and it is apparent that there is no need for this land for airport related uses.’

2.1.11. The ‘Establishing the Reasonable Alternatives’ section of the SA in terms of employment land is limited to expanding two existing employment sites (Gaunt’s End and Chesterford Research Park) and removing the ‘airport-related use’ restrictions for the existing North Stansted employment site. We question why no new employment sites have been considered in this narrow alternative options assessment especially considering the proposed Takeley site was submitted under the site reference 13Tak15 for a significant employment proposition alongside residential.

2.1.12. The SA objectives and ‘SA of site options’ have limited regard to market factors and site characteristics needed to deliver successful employment sites. The most relevant SA objectives are –

- SA Objective 14: To improve the education and skills of the population; and
- SA Objective 15: To ensure sustainable employment provision and economic growth

2.1.13. Under SA Objective 14 the assessment concludes all three employment land options will have the same positive effects despite them catering for different employment markets and jobs (Chesterford Research Park for R&D uses for instance). The assessment under SA Objective 15 is equally high level reaching the

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1 Sustainability Appraisal (December 2018), p112
conclusion that all three options will provided the same benefits in terms meeting employment land need. We do not consider this realistic given the respective sites will serve different job market, have different locational characteristics with respect to motorway access, proximity to Stansted Airport and new labour supply to be delivered within the proposed Garden Communities.

2.1.14. Further information on market demand for the proposed Takeley employment site is included within Chapter 5 of the Savills Employment Land Review (see Appendix 1 of the Savills Technical Appendices).

Economic Benefits

2.1.15. Similarly the economic benefits of new commercial development also appears to be given limited consideration in the SA assessment.

2.1.16. The proposed Takeley development will provide an estimated 400 construction jobs per annum over 1.5 years. Once built 1,600 onsite jobs will be created along with additional Gross Value Added (GVA) associated with the new jobs of approximately £73 million per annum. The scheme is estimated to generate business rates of £3.2 million per annum and cumulative public sector revenues over a 20 year period of £41 million.

2.1.17. Further information is included within Chapter 8 of the Savills Employment Land Review (see Appendix 1 of the Savills Technical Appendices).

Deliverability & Viability

2.1.18. To demonstrate the deliverability and viability of the proposed Takeley scheme Savills have undertaken a high level Residual Land Value (RLV) appraisal. We have valued the scheme based on local comparables and used relevant BCIS build costs (along with Savills experience of similar schemes). In terms of a Benchmark Land Value for the site, we have used the same assumption for Greenfield land as applied by the Council in their Economic Viability Study at £440,000 per hectare as well as a lower threshold.

2.1.19. The high level viability appraisal generates a Residual Land Value for the proposed scheme of circa £27 million, comfortably above both the high (Council Greenfield land BLV) and lower site threshold value of £12 million and £7 million respectively. This means the scheme could still absorb a reasonable level of unforeseen and abnormal costs and s106 obligations and still remain viable even against the higher Benchmark Land Value. The viability position would improve further if the lower 10% of build costs for external works were applied (as used by the Council in their Local Plan viability evidence) in the appraisal and/or market leading rents and yields were used which the Takeley site could command.

2.1.20. Further information is included within Chapter 7 of the Savills Employment Land Review (see Appendix 1 of the Savills Technical Appendices).

Q3. Does the updated SA test the Plan against all reasonable alternatives?

2.1.21. No. As discussed above the employment element of the proposed Takeley sites does not appear to have been included in the ‘reasonable alternatives’ assessment. The site appears to have been discounted based on its location within the CPZ without the benefit of a full review across economic, social and environmental factors. As mentioned in the previous response the Council has approved development
nearby to the proposed Takeley employment site. Here the Officers Report acknowledged that the
development was contrary to CPZ policy but when it was weighed against the NPPF and its proactive
approach to economic development in rural areas, it considered the development to be sustainable and
that the benefits of the proposal outweighed the policy. Similar conclusions were reached by the Council
on other sites granted planning permission within the CPZ as referenced in Appendix 3 of the Savills
Technical Appendices.