

## Small Scale Business - Outside of the Centres

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# 1 Introduction

## 1.1 Background

- 1.1.1 This report has been prepared to set out the findings of research undertaken by the Environment Department towards drafting the planning policies to accommodate small scale business Outside of the Centres during the preparation of the draft Island Development Plan 2015.
- 1.1.2 There is a long history of discussion concerning the needs of small scale businesses in Guernsey in terms of premises requirements. The outcomes of these discussions have led to the use of a variety of policy approaches in the past, all of which have been carefully considered together with further research in order to find a way forward in planning terms which accords with the requirements of the Strategic Land Use Plan.
- 1.1.3 The findings of this work complements the Employment Land Study 2014 which focuses primarily on demonstrating a portfolio of industrial, office and storage and distribution land within and around the Main Centres .

## 1.2 The Strategic Land Use Plan

- 1.2.1 Approved by the States in 2011, the Strategic Land Use Plan (SLUP) sets an overarching spatial strategy for Guernsey and provides guidance and direction to the Environment Department in preparing the new Island Development Plan.
- 1.2.2 The Spatial Strategy concentrates development *“within and around the edges of the urban centres of St Peter Port and St Sampson/Vale with some limited development within and around the edges of the other main parish or local centres to enable community growth and the reinforcement of sustainable centres”*.
- 1.2.3 However, the SLUP acknowledges that there may be a justifiable need for certain small scale businesses, such as those operating on a home working basis and those requiring workshops, secure storage or open yards, to develop outside the Main and Local Centres and so outside the confines of the Spatial Strategy due to the special requirements resulting from the nature of their operations. These small scale businesses may have no operational requirement to be located within or on the edges of the Main Centres, or may be unable to find suitable sites on land currently reserved for industry as a result of being unable to compete with larger firms looking for higher quality accommodation.
- 1.2.4 As such, **Policy SLP4** of the SLUP seeks limited provision to be made within the Development Plan for small scale business development outside the Main and Local Centres where such development respects the scale and character of the surroundings. Justification of the need for a business to be situated outside the Main and Local Centres is highlighted as a requirement and it is stressed that neither the Spatial Strategy, nor the Core Objectives of the SLUP should be undermined in permitting such development.

## 1.3 A Strategic Framework for Guernsey’s Economic Development

- 1.3.1 The Strategic Framework for Guernsey’s Economic Development prepared by the Commerce and Employment Department and the Policy Council, published in February 2014, sets

strategic aims towards Guernsey's economic development, including through supporting development of sectors other than finance, retail and tourism.

- 1.3.2 The importance of the planning system in supporting provision of an adequate supply of commercial premises, including storage and distribution, industry and small businesses, is detailed. It is stated that a fast-acting, flexible planning process will facilitate the availability of commercial premises.
- 1.3.3 In terms of agriculture (including horticulture) the Commerce and Employment Department wishes to see: support for the conversion of some redundant horticultural sites to business or renewable energy use, especially where a return to agricultural use is unrealistic.
- 1.3.4 The affordability of commercial premises in Guernsey is highlighted in the Strategic Framework and research is being undertaken by the Commerce and Employment Department to investigate this issue further.

## **2 Scope of Study**

### **2.1 Definitions and analysis**

- 2.1.1 The use within the SLUP of the term "small scale business", as opposed to "small scale industry" which is used in the current Development Plans, is significant. This will impact on the phrasing which might be used within the new Development Plan policies and it will be necessary to carefully consider the implications of this wording in assessing the appropriateness of certain uses, such as retail or offices, outside the Main and Local Centres.

- 2.1.2 For the purposes of this report, "small scale business" is defined as follows:

*"A small scale business, which includes small scale industry/storage and home working and other small scale commercial operations, typically employs a low number of people and has a low intensity of use. Small scale businesses that demonstrate a need to be located outside the Main and Local Centres will have the following characteristics: they do not require a significant level of support services and are of a scale and form which do not detract from the character of the surroundings."*

- 2.1.3 Home working is defined as "use by the occupier of part of a dwelling house or a building within the curtilage of a dwelling house for minor forms of professional or business development, including offices, retail trade or business and small scale operations such as workshops and goods storage, where the primary use of the property remains as a dwelling. Such uses are of a scale, form and general impact as appropriate within a residential neighbourhood."

- 2.1.4 Small scale industry or storage may be defined as:

*"A lower value enterprise, such as a traditional service industry (i.e. construction-related trades, contractors and crafts), the requirements of which are met by small, easily accessible, inexpensive workshops, secure storage and/or open yards. Such businesses are low key in terms of scale, form and general impact on their surroundings."*

- 2.1.5 Standardisation of types of small scale business and their land use requirements is complicated by the wildly variable nature of the uses and sites under consideration.

- 2.1.6 Small scale business encompasses a wide variety of business types and related activities with many differing requirements and priorities and with a range of impacts. For example, the impact of a one-man-band metalworker, where traffic movements might be few but noise emissions quite high, and a site used for storage of building materials, where noise may be far less but traffic movements greater, are vastly different.
- 2.1.7 This is also the case when considering the sites that such businesses may seek to occupy. For example, the proportion of buildings (including redundant glass) to open space and the location of those buildings in relation to surrounding uses, access, etc., are rarely the same. Such a range of sites and business requirements can make this a difficult issue to address.
- 2.1.8 When assessing the appropriateness of the setting of criteria/thresholds within a policy therefore care must be taken to ensure that all facets of small scale business are covered.

## **2.2 Study outputs**

- 2.2.1 The outputs of the study will:
- Review the current policies on homeworking in UAP/RAP, the relevant direction from the SLUP and any relevant information regarding future recommended approach
  - Bring together available information concerning the need for provision of sites for small scale industrial and storage use;
  - Review current policies relating to the provision for home based employment
  - Review current policies relating to provision of small scale workshop and yards, including the use of threshold sizes for land use;
  - Establish the existing need for land for small scale industry and storage, and determine whether an adequate provision of land in Guernsey could be enabled by a policy approach.
- 2.2.2 This work will establish whether the existing policy approach on homeworking remains fit for purpose or whether any amendments are needed to reflect the revised SLUP or improve delivery on the ground.
- 2.2.3 This work will establish whether it remains appropriate to identify particular sites for allocation for small scale industrial and storage uses within the new Development Plan or whether it is sufficient to use an enabling criteria-based policy. Should the latter be the case, the work will also determine whether thresholds should be applied to the area of site occupied by a particular business use and, if so, what such a threshold might be.
- 2.2.4 It is important to note that in accordance with the direction of the SLUP small scale businesses could be accommodated within the Main and Local Centres and facilitated by policies concerning those areas. This study therefore particularly focuses on Outside of Centres where such development may be brought forward in justified circumstances. The potential to provide for small scale business within the Main and Local Centres is therefore not included in this work stream.

## **3 Homeworking**

- 3.1.1 As stated above, small scale business includes 'homeworking' and the Strategic Land Use Plan requires limited provision to be made for such businesses outside the Main and Local Centres.

- 3.1.2 Working from home can reduce the demand for additional business accommodation, allows people to start up a business at their home with very little initial outlay in premises costs, provides flexibility for workers and lessens the need to travel to the principal workplace. It is therefore a good example of sustainable development, in line with the directions of the SLUP and should be encouraged where appropriate.
- 3.1.3 Existing Development Plans, the Urban Area Plan (UAP) 2002 and Rural Area Plan (RAP) 2005, both have a specific policy on home based employment with similar criteria. RAP 2005 outlines 'uses which may be acceptable include those which rely on modern technology and communications as well as small scale operations such as workshops and goods storage which can reasonably be carried out from a residential property.' Both Policies RE10 and EMP11 seek to ensure proposals do not have an adverse impact on neighbouring residents or the surrounding area as a result of increased activity and disturbance.
- 3.1.4 In order to protect the amenities of nearby residents, conditions can be attached to any grant of planning permission limiting the hours of work, the types of activities that can be carried out and restricting the business to the occupier of the house.
- 3.1.5 As part of the consideration of the requirements for small scale business Outside of the Centres, the Department undertook a review of the existing planning policies to establish whether they remained fit for purpose, through consultation with Development Control section and as part of the public consultation on the General Topic Papers and Key Issues, Messages and Options stage together with a review of recent planning cases. The feedback received from Development Control section was positive towards the existing approach, with the opinion that current policies worked well and review of planning history showed positive delivery of developments on the ground for homeworking. From the public feedback, there was the general opinion that home based employment is a slowly growing trend that should continue to be encouraged. It was highlighted that for some people home-based working could be a lifeline to accessing employment. Such people could include disabled people and those with dependent children or relatives. It was also noted despite the technology now being widely available, uptake of home working opportunities it was felt has not had an impact on office space requirements in the Main Centres as it is more culturally acceptable and/or efficient to co-locate workers in an office. No issues were raised with the current approach. Therefore, no further research was considered necessary and it was concluded a similar approach to home based employment should be reflected in the preparation of the draft Island Development Plan.

## **4 Small scale industry, storage and distribution**

### **4.1 Overview of market demand**

- 4.1.1 At the outset of the review of the Islands Development Plans it was suggested anecdotally and was an expressed perception that there was a shortage generally of land and premises for small scale industry and storage uses. Through public consultation on the Topic Papers in 2012, members of the public suggested that there was a need for low rent, basic accommodation for more low value added service industries.
- 4.1.2 As part of the preparation of the draft Island Development Plan, evidence has been gathered on the existing supply and market demand for such premises in order to attempt to understand the historic and current requirement for land for small scale industry and storage

uses. Information sources include evidence provided by States departments, through discussion with property agents, through the Department's own research together with the feedback from both previous rounds of public consultation.

- 4.1.3 Following the Topic paper consultation, an anonymous online survey was carried out over a 3 month period by the Environment Department in 2012 and offered the industry an opportunity to inform the Department of its requirements. The survey was anonymous to encourage all people to come forward, regardless of whether or not their operation is currently on an authorised site. The survey elicited only 15 responses (including incomplete responses) and was therefore inconclusive.
- 4.1.4 Interviews were then undertaken with several prominent commercial property agents in May and June 2012 as part of research on employment uses. The primary focus of these discussions concerned offices, and medium to large scale industrial and storage/distribution premises however small scale business uses were also addressed.
- 4.1.5 In 2012, agents reported that up to 100-150m<sup>2</sup> (c.1,100-1,600sqft) workshops were in demand at the higher end of the market. This size space can accommodate a workshop, some storage, parking for a couple of vehicles and some staff space. These users are often looking to buy, but freehold premises rarely come onto the market. Low quality, cheap workshops of between 40-60m<sup>2</sup> (c.450-650sqft) were also in demand from firms in the building trade, landscape gardeners, car mechanics and repair workshops.
- 4.1.6 The industrial sector on Guernsey is very price sensitive, with rents being between £86-£108/m<sup>2</sup> (£8-£10/sqft) for a standard specification. Businesses seeking small, basic premises are often looking to pay £32-£43/m<sup>2</sup> (£3-4/sqft), which, given the high construction costs in Guernsey, is not considered viable for a new build. This could explain the attractiveness of basic yards and redundant glasshouse sites with associated packing sheds to the lower value industrial sector. High value businesses (e.g. ICT-based companies) appear to find appropriate premises eventually whereas low value businesses struggle and can be susceptible to being undercut by UK traders due to the relatively high Guernsey business costs.
- 4.1.7 Building trades have a requirement for up to 200m<sup>2</sup> (c.2,000sqft) at very low cost and on short leases. However, investment landlords prefer more established businesses and this has resulted in oversubscription to open yards at locations such as Fontaine Vinery, which does offer such terms albeit that this is not considered to be a permanent industrial site.
- 4.1.8 Demand at the lower end of the market for small premises is primarily from people being moved on from their existing premises due to leases not being renewed and occasionally due to the use for industry or storage not being authorised. Staff leaving a larger company to start up their own business has been a typical source of demand in the past, but this is happening less in the current economic climate.
- 4.1.9 In summary, the interviews with property agents have suggested that while high end small scale businesses, such as ICT-based companies, require larger sites and are willing to pay higher rent, lower value businesses, such as builder's firms and gardeners, require smaller premises and significantly lower rents on short term leases. This is unpopular with landlords, both in security and monetary terms and indicates that the problem in accommodating such uses is more likely a financial requirement on the part of the business and raises issues of affordability rather than the issue being that there is a dearth of suitable land which can be addressed by through land use planning alone.

- 4.1.10 Analysis of enforcement action taken by the Environment Department suggests that unauthorised uses, including the storage of building materials, soil and vehicles, most commonly occur on agricultural land which includes horticultural land and redundant glasshouse sites. There is no evidence to indicate, however, whether this is due to an undersupply of authorised sites or whether agricultural land is cheaper (or free) and a more convenient source of land for temporary storage and that the issues are therefore fiscal rather than land supply.
- 4.1.11 Despite a perception stated by members of the public that additional land for small scale business is required, no evidence is put forward or has been forthcoming, including by the proprietors of the businesses themselves, to suggest the amount of land that might be required. The results of Environment Department research into this matter have been shared with Commerce and Employment and have led to that Department including, within the Strategic Framework for Guernsey's Economic Development, an action to undertake future research on affordability issues.
- 4.1.12 It seems clear that there is a disparity between the price that is charged to rent/buy land and the amount that small businesses are willing and/or able to pay. In addition to this, the desire for short term leases makes small scale businesses less attractive to landlords who seek greater security in their investments, adding to the difficulties for such businesses securing accommodation.

## **4.2 Review of previous policy approaches**

- 4.2.1 In relation to small scale industry and storage uses, the Urban Area Plan (UAP), 2002 makes provision for starter businesses and service trades, often requiring small, inexpensive workshops and yards, to be permitted on redundant horticultural sites (by Policy EMP7, see Appendix A) but only in very limited and specific circumstances.
- 4.2.2 Despite the majority of industrial and storage uses being directed to sites within the urban area, the Rural Area Plan (RAP), 2005 also recognises the need, in certain cases, to accommodate small, inexpensive workshops and yards outside the built up areas. Amendments to the RAP, approved in 2010, created new and revised policies to better facilitate such enterprises. The amendments consisted of two types of policy approach – site designations and enabling policies with specific criteria. These policies are reviewed in turn below.
- 4.2.3 Rural Area Plan Policies RE7, RE7(A) and RE7(B) (see Appendix A for full policies), which concern respectively Industrial Development, Small Workshops and Yards and Open Yards, have been reviewed in order to assess their robustness and to aid in determining whether the policies have achieved their aims. The use of thresholds has also been explored.
- 4.2.4 Interrogation of Environment Department data concerning planning applications, the policies used in determining those proposals and the decisions made based on those policies has been undertaken and has provided information concerning the frequency of use and level of success of the current RAP policies. This information has been assimilated in consultation with Development Control Officers and has yielded the information set out below.
- 4.2.5 Policy RE7, which enables consideration of works at an existing industrial site, minor extension of such sites on to adjacent land and, in exceptional cases, creation of a new industrial establishment through conversion, home working or as a small scale enterprise, was considered to be working well. It was noted that few applications have been considered



under this policy but that it has successfully supported upgrading of existing industrial sites and had sufficient caveats to control size and impact. Reference to “existing sites” is an improvement on the superseded policy which referred to “existing industrial operation” as development at a site can often arise through a change of occupier or owner.

- 4.2.6 Policy RE7(A) specifically concerns sites allocated for small workshops and yards through the 2010 amendment to the RAP. As of March 2014, only one approval has been granted on these identified sites using Policy RE7(A), for seven light industrial units at Les Caches, St Martin’s and this development is currently underway. No other applications have been made at the site allocated for small workshops and yards at this location or at the other allocated sites at Les Vardes, St Sampson’s or La Planque, Forest, and little other interest has been shown in development of these sites for their allocated land use. Policy RE7(A) has not been successful in the delivery of small workshops and yards to any significant degree. This maybe for a myriad of reasons including issues with policy criteria; lack of actual demand as highlighted in the previous section; unwillingness of landowners to develop for personal reasons; the lower financial return to be expected from this sector is not enough of an incentive to tempt landowners; the level of financial return may indeed be creating development viability issues or a combination of the above.
- 4.2.7 Policy RE7(B), in response to a requirement for an additional 3.1 acres of open yards (as shown by the Business Premises Needs Survey by the Commerce and Employment Department), aims to accommodate provision of open yards on redundant horticultural sites below a certain size. This policy has also been little tested. Although there has been a significant amount of discussion with land owners and businesses concerning appropriate use of such sites, only a single planning permission has been granted to use a former horticultural site as a builder’s yard. Two proposals have been refused due significantly to a failure to demonstrate exceptional circumstances for locating open yards on such land.
- 4.2.8 Since amendment of the RAP in 2010, despite three sites having been allocated for development for small scale workshops/yards, only the site at Les Caches, St Martin’s has been taken up. This has provided 3,271m<sup>2</sup> (35,000sqft) for small scale business use.
- 4.2.9 Over that time RAP Policy RE7(B) has delivered c.3,000m<sup>2</sup> (c.32,000sqft) of land via a single planning permission for use of land at Grand Douit Road, St Sampson’s as an open builder’s yard.
- 4.2.10 In addition, Urban Area Plan (UAP) Policy EMP7 brought forward, during the same time frame, a 3,538m<sup>2</sup> (38,000sqft) yard at Les Osmonds Lane, St Sampson’s for use as a base by a tree surgery business. This permission was approved on a temporary basis, meaning that in five year’s time when the permission lapses the business must seek new accommodation, unless an extension to the permission is approved.
- 4.2.11 This information sets out the take up of sites since adoption of the RAP amendment in 2010 and is summarised in the following table:

<b>Land taken up for small scale business, by source</b>	<b>Area (m<sup>2</sup>)</b>	<b>Area (sqft)</b>
Approved through RAP Policy RE7(A)	3,271	35,000
Approved through RAP Policy RE7(B)	c.3,000	c.32,000
Approved through UAP Policy EMP7 (temporary)	3,538	38,000
<b>TOTAL</b>	<b>9,809</b>	<b>105,000</b>
<b>TOTAL (excluding temporary permission)</b>	<b>6,271</b>	<b>67,500</b>

- 4.2.12 Development Control commented that interpretation of “very limited and exceptional circumstances” has proven difficult as the policy has sought to deliver open yards but there are no tests within the policy to define exceptional circumstances. The policy may be viewed as encouragement to clear redundant glasshouses and deliver landscape screening but is over complicated and inefficient. Discussions also raised concern that the site threshold of 0.5 hectares (5,000m<sup>2</sup>/54,000sqft) was not appropriate. There had been a number of instances where sites were discounted because this threshold was slightly exceeded or that for some uses this threshold could be too large to be considered small scale.
- 4.2.13 In summary, the existing policies which aimed to facilitate the development of new small workshops/yards and open yards have not been successful in delivery of these. This again maybe for a myriad of reasons including issues with policy criteria; lack of actual demand as highlighted in the previous section; unwillingness of landowners to develop for personal reasons; the lower financial return to be expected from this sector is not enough of an incentive to tempt landowners; the level of financial return may indeed be creating development viability issues or a combination of the above.

### **4.3 What provision is needed in the future?**

- 4.3.1 As the preceding sections show, there is very little clear evidence available which demonstrates a definite need or demand for additional land for small scale industry and storage and distribution to be provided through the Development Plan. Consultation responses have been inconclusive in this respect and take up of allocated sites, or other land, using the amended policies has been small.
- 4.3.2 Overall, the wider context indicated by the findings of the Employment Land Study 2014, is that as a result of the on-going global decline in manufacturing and loss of Low Value Consignment Relief on exports, the Island is now over-provided with industrial and storage and distribution space and will have a continued declining need over the life of the Plan.
- 4.3.3 Notwithstanding the above, in 2006 the States obtained a three year temporary planning permission for Fontaine Vinery, Le Murier, St Sampson’s to be used as open compounds for small scale businesses. This permission was extended twice subsequently in 2009 and again in 2013. Although there is little evidence to quantify the demand for open storage, this facility has proved popular and has a waiting list. There is no clear evidence to demonstrate whether this is due to a latent demand or whether the low rent charged for those compounds is what is proving attractive.
- 4.3.4 In addition, in the future, over the life of the Island Development Plan policies are likely to enable the redevelopment of some existing small scale industrial/storage sites within and around the Main Centres for other appropriate uses which may result in the displacement of existing small scale businesses. For example the Fontaine vinery site forms part of Belgrave Vinery Housing Allocation, and therefore the anticipated long term use is for housing. When development is brought forward for housing, the existing temporary uses will have to relocate, resulting in a number of small scale businesses seeking new premises.
- 4.3.5 On balance, despite the wider context of general decline and contraction of the industry and storage and distribution sector on the Island as a whole, it is considered appropriate to make provision for small scale businesses Outside of the Centres in accordance with the direction of the Strategic Land Use Plan to accommodate those businesses which may have special

requirements due to the nature of the operations and to accommodate those identified existing uses which may to be displaced in the future.

4.3.6 As such, Fontaine Vinery and the approved temporary use at Les Osmonds Lane provide the Environment Department with the only firm demonstration of potential demand for land for small scale business. The areas occupied by these sites are set out in the following table:

<b>Land in current use by small scale businesses by source</b>	<b>Req. (m2)</b>	<b>Req, (sqft)</b>
Temp. yards potentially displaced from Fontaine Vinery HTA	19,210	207,000
Temporary yard displaced from Les Osmonds Lane	3,538	38,000
<b>TOTAL REQUIREMENT</b>	<b>22,748</b>	<b>245,000</b>

4.3.7 Therefore an area of c. 23,000m<sup>2</sup> for small scale business use may be potentially required to at least accommodate small scale businesses likely to be displaced from la Fontaine and Les Osmonds Lane through development of identified housing allocation and following expiry of the temporary permission.

#### **4.4 Preliminary research on potential sites**

4.4.1 Preliminary research was undertaken by the Department to establish the nature and extent of sites potentially available for small scale businesses Outside of the Centres and published as part of the Key Messages, Issues and Options public consultation in June 2013 alongside potential approaches to allow for small scale business uses in the Island Development Plan. At the same time, the Environment Department undertook a 'Call for Sites' exercise which gave an important opportunity for residents, landowners and organisations to suggest land in Guernsey which is available for development. The results of the Call for Sites exercise also assisted in identifying potential sites available for small scale business Outside of the Centres.

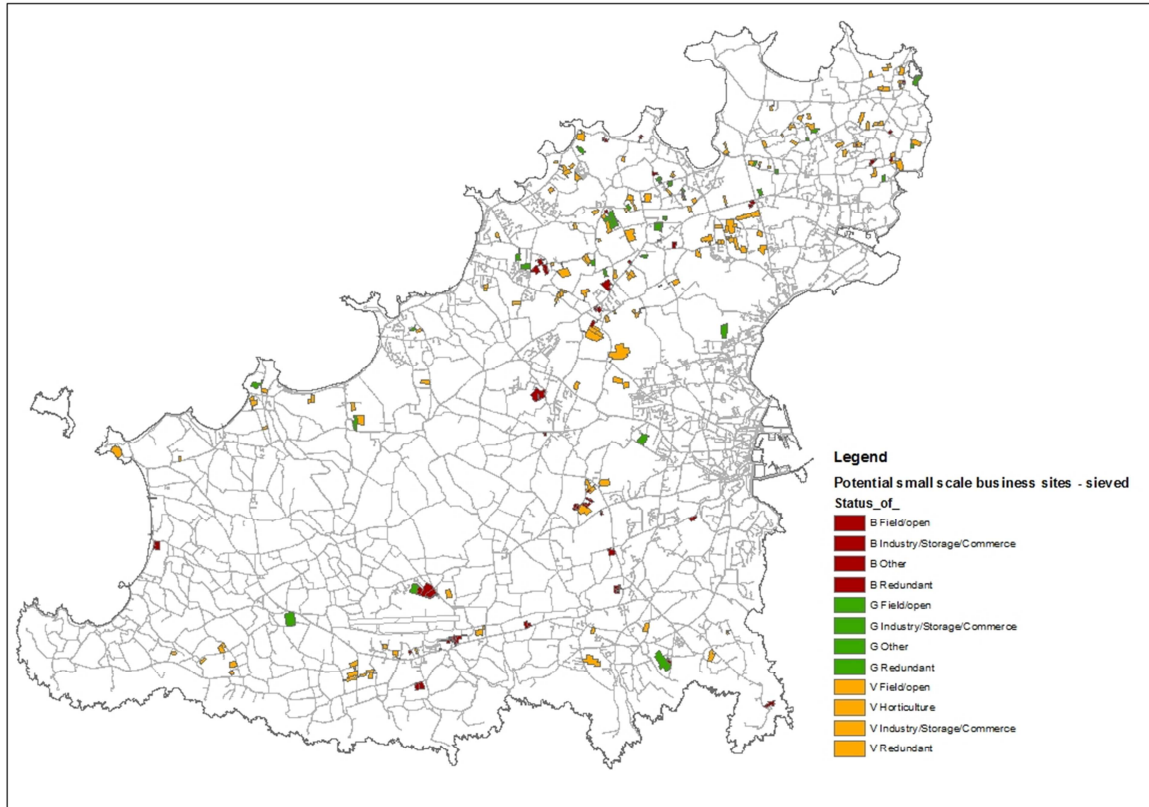
4.4.2 The research found that the criteria used to assess identified sites for small workshops and yards for the amendment to the Rural Area Plan in 2009 remained an appropriate assessment framework for this potential use. These criteria covered:

- Access
- Employment area location
- Open amenity value
- Neighbour impact and
- Other strategic priority

4.4.3 Using the above assessment criteria, the research showed a range of redundant glasshouse sites, in terms of size and location, that could be potentially suitable for small scale business use outside of the identified potential Main and Local Centres. The identification of sites for small scale business would likely result in an uplift in value of such land which may assist in the clearance of redundant glasshouse sites but may also lead to competition within these uses for the few available sites. The issue of competition between the uses and possible effect that may have on the lower value uses finding suitable sites was raised. The option to grade sites to try and prevent this was tabled. The criteria mentioned above could be used to identify sites more capable of accommodating the types of uses with higher impacts i.e. those sites with good access, close to existing employment locations with little open amenity value and low potential impact on existing neighbours. The highest scoring sites could potentially, depending on stringent tests, accommodate uses such as builders yards, storage, parking of plant/machinery etc if a demand for these uses is established ranging down to those sites achieving lower scores which might, in cases where reversion to agriculture is less

important, appropriately accommodate softer uses, for example harvesting of renewable energy, where dual use alongside agriculture may be possible.

- 4.4.4 In response to the Key Messages Issues and Options public consultation, there was support for release Outside of Centres, in exceptional circumstances, of appropriate redundant glasshouse sites for small scale business use – offices, light industrial units, storage yards or for the generation of renewable energy. There was no feedback on the potential grading of sites.
- 4.4.5 Following the Key Messages Issues and Options Stage, research continued towards a possible policy approach revisiting earlier work to broaden the focus from only redundant glasshouse sites to a wider remit incorporating brownfield and potential greenfield opportunities to reflect the wider direction of the SLUP in Policy SLP4. The review also took into account the emerging IDP work on other areas which could have possible constraints such as Agricultural Priority Areas, Sites of Special Significance, Areas of Biodiversity Importance, findings of the Employment Land Study, the identification and extent of the Main and Local Centres etc. See Appendix B for further details on research methodology.
- 4.4.6 A ‘long list’ of sites with potential for small scale business use Outside of the Centres was developed through assimilation of information from the following sources:
- Identified redundant glasshouse sites;
  - Sites put forward for employment or mixed uses outside the Main and Local Centres submitted through the Call for Sites or mentioned in general responses to the Key Messages, Issues and Options consultation;
  - Stand Alone Sites identified by the Employment Land Study;
  - Existing sites allocated in the RAP and;
  - Sites previously considered in preparing the RAP amendment, 2010.
- 4.4.7 This process yielded a total of 371 potential sites. In relation to the Call for Sites source, several sites were put forward solely for uses other than those considered by this report, for example housing development, and these were removed as it was considered unlikely that such sites would be brought forward for lower value uses. Non-redundant and cleared glasshouse sites were also eliminated unless specifically proposed by the landowner in the Call for Sites exercise for relevant industrial and storage and distribution type development. Where sites were duplicated the duplicates were deleted.
- 4.4.8 Taking into account other direction in the SLUP to support agriculture, enhance and protect open land and biodiversity of the Island, a subsequent sieving of sites set aside those sites within the proposed agriculture priority area, including dairy farming, or open spaces or those of biodiversity interest. This left 249 potential sites ranging in size and location as shown in the map below. Given the broad range of potential uses and impacts under consideration, indications from research that designating or identifying sites could have a negative impact particularly for lower value uses and mindful that identification of sites for a specific purpose reduces the future flexibility of the use of land contrary to the intention of the Strategic Land Use Plan and the aims of the IDP, it was decided not to pursue the approach of specific site identification for small scale business and to, instead, provide for such uses through a policy based approach. No further research was therefore undertaken in relation to site allocations.



4.4.9 Instead, this general approach to identifying suitable land serves as an indication of the nature and extent of sites that may potentially come forward for small scale business use through an enabling policy approach and is not a definitive assessment. All cases would require further assessment based on the criteria. In addition, sites discounted due to being located within identified areas as described above could still be considered suitable if they could demonstrate such sites are not needed for another use or specific proposals would not unduly impact on the visual amenity or otherwise of the area and can accord will all other relevant policies.

4.4.10 The general results do indicate that the amount of land that could come forward on a case by case basis through an enabling policy and may be suitable, depending on the proposal and individual circumstances, is likely to provide sufficient opportunities to accommodate small scale businesses, provided the Plan policies are robust and that land is brought forward for such use.

#### 4.5 Towards an appropriate policy approach

4.5.1 As outlined in section 4.2 above, allocation of specific sites, through RAP Policy RE7(A), for small scale business purposes has been demonstrated to be an unsuccessful mechanism for bringing sites forward, only one of the three sites designated having been brought forward since 2010 despite a perceived need.

4.5.2 As previously discussed, it is unclear whether this has been through a lack of demand for small workshops and yards or whether allocation of the site has resulted in an increase in rent sought by the owner in anticipation of a reduction in competition with the effect of out-pricing lower value businesses or for the other reasons set out in paragraphs 4.2.6 and

- 4.2.13. If specific designation creates an 'uplift in value' then this runs contrary to the policy intention of enabling the provision of cheaper premises for this sector.
- 4.5.3 In the light of comments provided by Development Control, the broad nature and range of small scale business uses that may have a justifiable need to be Outside of the Centres, the range of sites potentially suitable for small scale business, taking into consideration the variable nature of such sites with regard to access, layout and potential for clearance of redundant greenhouses, it considered most appropriate to take the approach of providing policy based on enabling criteria rather than pursuing a site allocations approach.
- 4.5.4 In drafting planning policy to accommodate small scale business use, careful consideration was taken about the phrasing of the policy to ensure that approved uses are located at appropriate sites and are contained within an acceptable area of those sites and that impacts are acceptable and environmental improvement secured where possible.
- 4.5.5 Therefore, for the reasons set out above, the optimum approach is considered to be to avoid the introduction of thresholds within a planning policy and instead to follow a criteria based policy approach and to treat each application on its merits according to the site and to the particular requirements and impacts of the business proposed to provide for small scale business development whilst securing environmental improvements and managing impacts.
- 4.5.6 In any case it is very important to ensure that policies concerning small scale business development unite appropriately and are consistent with those relating to other employment uses, including home-working, retail and office use in order to comply with the Spatial Strategy and Core Objectives of the SLUP.

## **5 Summary and Conclusions**

- 5.1.1 The SLUP seeks limited provision to be made within the Development Plan for small scale business development outside the Main and Local Centres where such development respects the scale and character of the surroundings and does not undermine the Spatial Strategy. Justification of the need for a business to be situated Outside of the Centres is highlighted as a requirement and it is stressed that neither the Spatial Strategy, nor the Core Objectives of the SLUP should be undermined in permitting such development.
- 5.1.2 Small scale business is a very broad term covering a range of uses and types of development proposals, all with differing potential impacts, from traditional low value type industries such as scaffolding storage to newer technology based enterprises like ICT industry to solar farms; each having different site requirements and different impacts.
- 5.1.3 Review of existing planning policies showed that the approach to home based working is working well, successfully meeting the need for some of the small scale business opportunities envisaged by the SLUP. However, the existing policies for small workshops and yards (RE7 (A) & RE7(B)) are failing to deliver sites for smaller scale industrial development, workshops and open yards.
- 5.1.4 No strong evidence has emerged through consultation with members of the public, from the Commerce and Employment Department, by studying past requirements and trends or through anonymous surveying of small scale businesses to suggest that there is a requirement to provide additional land for such business through the planning system over the lifetime of

the Island Development Plan.

- 5.1.5 Research indicates that financial and leasehold constraints are an overwhelming factor in such enterprises securing accommodation. Affordability and what measures the States can provide to assist is being investigated further by the Commerce and Employment Department.
- 5.1.6 The very low number of planning applications made since amendment to the RAP in 2010 to facilitate small scale business development outside of the urban area which have required use of Policies RE7(A) and RE7(B) also implies that there is a lack of pressure on the market for small scale industrial sites, workshops and open yards.
- 5.1.7 Overall, the wider context indicated by the findings of the Employment Land Study 2014, is that as a result of the on-going global decline in manufacturing and loss of Low Value Consignment Relief on exports, the Island is now over-provided with industrial and storage and distribution space and will have a continued declining need over the life of the Plan.
- 5.1.8 Notwithstanding the above, it is considered appropriate to make provision for small scale businesses Outside of the Centres in accordance with the direction of the Strategic Land Use Plan to accommodate those businesses which may have special requirements due to the nature of the operations and to accommodate those identified existing uses which may to be displaced in the future.
- 5.1.9 Fontaine Vinery and the approved temporary use at Les Osmonds Lane provide the Department with the only firm demonstration of demand for land for small scale industry and storage uses albeit that this may be flawed because of affordability issues. Demand for other types of small scale business, given the broad range of potential uses under this classification, are largely unknown.
- 5.1.10 Certain previous criteria used to assess sites are still relevant and useful/applicable. However, applying thresholds has proven to be inflexible and inappropriate to the range of proposals that could come forward and could prejudice lower value uses.
- 5.1.11 The allocation of sites specifically for small scale business would introduce inflexibility for the future use of land contrary to the intentions of the Strategic Land Use Plan and the aims of the Island Development Plan. Research undertaken by the Environment Department indicates that a case by case approach to small scale business Outside of the Centres using a criteria based enabling policy could deliver a range of potential sites, in a range of locations across the Island, easily meeting any identified need.
- 5.1.12 In light of the above, provision for sites for small scale business Outside of the Centres should be on a case by case basis assessed against criteria to ensure impacts are managed and secure environmental improvements, allowing the merits of each proposal and individual circumstances to be considered whilst retaining flexibility to respond to emerging sectors.

## Appendix A

### Current Development Plan Policies

#### **Policy EMP7 states:**

“The development of small workshops and yards will only be permitted where the proposals are consistent with Policy EMP5 and Policy EMP6 and, in very limited and exceptional circumstances, on redundant horticultural sites, which meet all of the following criteria:-

- a) The Department is satisfied that there is no real prospect of the continuation or reinstatement of horticultural activity on the site;
- b) there is no realistic prospect of the site being restored to agriculture or other open land use;
- c) the site has adequate vehicular access; and
- d) the development would not adversely affect an Area of Landscape Value or detract from the character and amenity of the surrounding area.

Applications for such development would be required to demonstrate that:-

- a) the site will be properly laid out with buildings, parking, access and open storage areas designed to be in sympathy with the landscape character of the area;
- b) the site will be sufficiently screened to minimise any adverse effect on the character of the area and the proposal is accompanied by full landscape and planting plans; and
- c) the proposals will meet the land and accommodation requirements for small workshops and yards.”

#### **Policy RE7 states:**

“a) Proposals for extensions, alterations, re-building or other works at an existing industrial site will generally be permitted where:

- i) they are incidental and essential to the use of the site as an existing industrial reserve; and
- ii) they resolve any conflicting amenity issues of operations considered to be incompatible with neighbouring land uses.

b) Proposals for the limited extension of an industrial use on land adjoining existing industrial areas will be permitted where:

- (i) it can be demonstrated that the accommodation is ancillary and incidental to the proper running of the existing uses on the site; and
- (ii) the site is not within an Area of High Landscape Quality and the requirements of Policy RCE6 (extension of curtilages) can be satisfied.

c) Proposals for the creation of new industrial establishments will not be permitted unless they satisfy the provisions of Policy RE7(A), RCE14 or RE10 and all other relevant Plan policies.

Notwithstanding c) above, an area of land has been specifically allocated for ‘Light Industrial Purposes’ and indicated on the Proposals Map. Permission will only be granted for development on this site where the proposals can satisfy all other relevant policies of this Plan, particularly in terms of design, layout, amenity, protection of open spaces, access and safe and efficient operation of the airport.”

#### **Policy RE7(A) states:**

“Proposals for the development of the sites shown on the addendum to the Proposals Map as small workshops and yards will be permitted where:

- i) the site is properly laid out with buildings, materials, parking, access, appropriate density of built form and open storage areas designed to be in sympathy with the character of the area; and
- ii) the proposal makes a positive contribution to the visual quality of the rural environment through an appropriate soft landscaping scheme designed to sufficiently screen the industrial activities on the site and minimise any adverse effects on the character of the area;
- iii) there would be no adverse effect on the living conditions of neighbouring occupiers by reason of noise, odour, dust, pollution or significant visual intrusion. Mitigation measures should be put



forward as appropriate;

iv) highway safety and the free flow of traffic on the adjoining highway network would not be jeopardised by the proposal. A transport assessment may be required with details of any necessary mitigation measures.

Where necessary, the Department will impose conditions on any consent to control the nature of the industrial use and any future development as a low key workshop/yard.

These are likely to relate to the size of any buildings on the site and the type of industrial operation proposed.

Where appropriate, the Department will require the submission of a Planning and Design Statement with the formal request for planning permission.

In considering applications for non-industrial development on these sites prior to their development for small workshop and yards, such proposals will be assessed on their merits and against other relevant policies in the plan, excluding Policy RE8, in order to avoid preventing the consideration of other forms of development on the site. Once an industrial activity has been established on the site Policy RE8 will also apply.”

**Policy RE7(B) states:**

“Development proposals for open yards will only be permitted in very limited and exceptional circumstances where they provide for appropriate measures for conserving and enhancing the quality of the rural environment on redundant horticultural sites and where they meet the following criteria:

- i) it can be demonstrated to the satisfaction of the Department that there is no real prospect of the continuation or reinstatement of horticultural activity on the site in the short to medium term;
- ii) there is no realistic prospect of the site being restored to agriculture or other open land use and areas of permanent hard surfacing are kept to an absolute minimum;
- iii) the site has adequate vehicular access;
- iv) the development would not be within an Area of High Landscape Quality or detract from the character and amenity of the surrounding area;
- v) the site can be adequately screened through an appropriate soft landscaping scheme; and
- vi) the usable site area, not including any screening or landscaping, would not exceed 0.5 hectares (3 verges)

Conditions will be imposed to control the use of the land as an open yard. Ancillary structures will not normally be permitted. Particular regard will be paid to the policy principles set out within the General and Conservation and Enhancement chapters including specific emphasis on Policy RCE5 (Derelict land in the countryside).”

## Appendix B

### Methodology

#### Overview

The amount of potential land available for small scale business use was determined over several stages, as follows:

1. Gathering and refining information about specific sites; including through the Call for Sites
2. GIS mapping of those sites;
3. Application of sieves to filter out sites inappropriate for small scale business use;
4. Visiting and grading sites according to relevant criteria, and;
5. Consideration of existing site capacity and the capacity of potential small scale business sites.

This information was then collated and compared with requirements identified from the impact on the sector of removal of the temporary small scale industrial sites at Fontaine Vinery and Les Osmonds as these sites are brought forward for other uses and as temporary uses cease.

Current policies of the Rural Area Plan were assessed using applications determined through the criteria of those policies. Discussion with Development Control Officers provided further information concerning the success or otherwise of those policies in enabling development of workshops and yards in the rural area.

Definitions were compiled using approved documents.

#### Gathering and refining information

Identification of the amount of land available for small scale business use was carried out using the following sources of information:

- Redundant glasshouse sites considered in Approach to Agriculture and Redundant Vineries, July 2013;
- Redundant Glasshouse sites proposed for development through the Call for Sites, located Outside of the Centres;
- Other sites Outside of the Centres, proposed for employment uses also through the Call for Sites;
- Sites referred to in responses to the Key Messages, Issues and Options consultation, with specific reference to further redundant glasshouse sites and sites suggested for employment use, both from members of the public and from States departments;
- Sites Outside of the Centres, identified as Stand Alone Sites within the Employment Land Study;
- Existing RAP small workshop and yard allocations, brought forward through the 2010 RAP amendment, and;
- Sites previously considered in preparation for the 2010 RAP amendment.

Sites were removed from the list:

- To eliminate duplications,
- Where sites fell within a Main Centre, Main Centre Outer Area or Local Centre,
- Where land was brought forward through the Call for Sites or mentioned in a consultation response specifically for a use which was not relevant to small scale business, and;

- If these were working or cleared glasshouse sites, unless specifically put forward for a relevant employment development.

### **Mapping and applying sieves**

Remaining sites were mapped using GIS in order to facilitate the application of general sieves, as follows:

- Land parcels within a proposed Site of Special Significance or Area of Biodiversity Importance, or within a distance of 5m of such a designation as development on these sites would conflict with other Plan policies;
- Land parcels not already in small scale business use and within land identified as being in proposed Agriculture Priority Area or as part of a working dairy farm, or abutting such land on two or more sides, and as development of these sites would conflict with other Plan policies;
- Proximity to open land, identified through the Open Space and Outdoor Recreation Survey 2013 as development on these sites would conflict with other Plan policies.

This general approach to identifying potential suitable land for small scale business serves only as a general indication of the nature and extent of potential sites for small scale business use and not a definitive assessment. All cases would require further assessment based on the criteria set out below. In addition, sites removed due to being located within identified areas above could still be considered suitable if they could demonstrate such sites are not needed for another use or specific proposals would not unduly impact on the visual amenity, special interest or otherwise of the area and if the impacts are acceptable.

### **Site Assessment Criteria**

The site assessment criteria are:

- access,
- employment area location,
- open amenity value,
- neighbour impact and
- other strategic priority.

Each criterion except 'other strategic priority' which may or may not apply on a case by case basis can be scored from 1-5 with double weighting for access and employment area to reflect the importance of these fundamental points. The scoring system is shown below:

#### **ACCESS**

- 1 = Substandard in every respect and not capable of improvement.
- 2 = Substandard in most respects, but capable of improvement.
- 6 = Satisfactory in most respects, but with no scope for further improvement
- 8 = Satisfactory in most respects and capable of improvement
- 10 = Exceeds standards in all respects

#### **EMPLOYMENT AREA LOCATION**

- 1 = Separated from other built forms of development
- 2 = Adjoining other built forms of development

- 6 = Other employment sites in the same vicinity (Within 100 metres)
- 8 = Contiguous with other employment site/s
- 10 = Contiguous with other employment site/s and previously developed land/buildings

#### OPEN AMENITY VALUE

- 1 = Prominent open space with high amenity value
- 2 = Potential open space with high amenity value
- 3 = Concealed open space with high amenity value
- 4 = Open space with low amenity value
- 5 = No open amenity value

#### NEIGHBOUR IMPACT

- 1 = Residential properties on at least 3 sides without a reasonable buffer zone
- 2 = Residential properties on at least 2 sides without a reasonable buffer zone
- 3 = Residential property on only one side without a reasonable buffer zone
- 4 = Residential property on only one side with a reasonable buffer zone
- 5 = No adjoining residential properties