

the **Birmingham** plan
birmingham's local development framework



Loss of industrial land to
alternative uses

Supplementary Planning Document

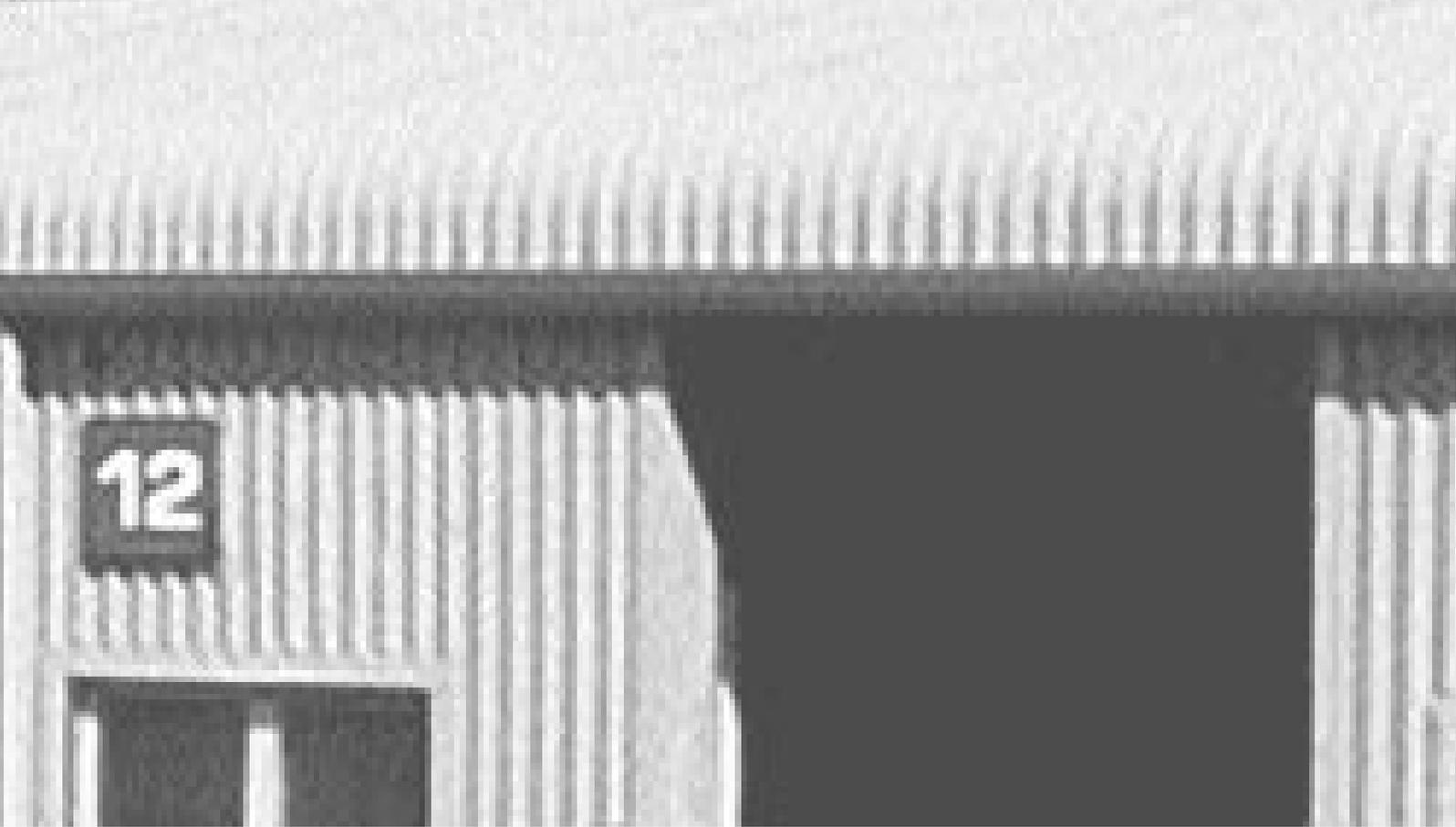
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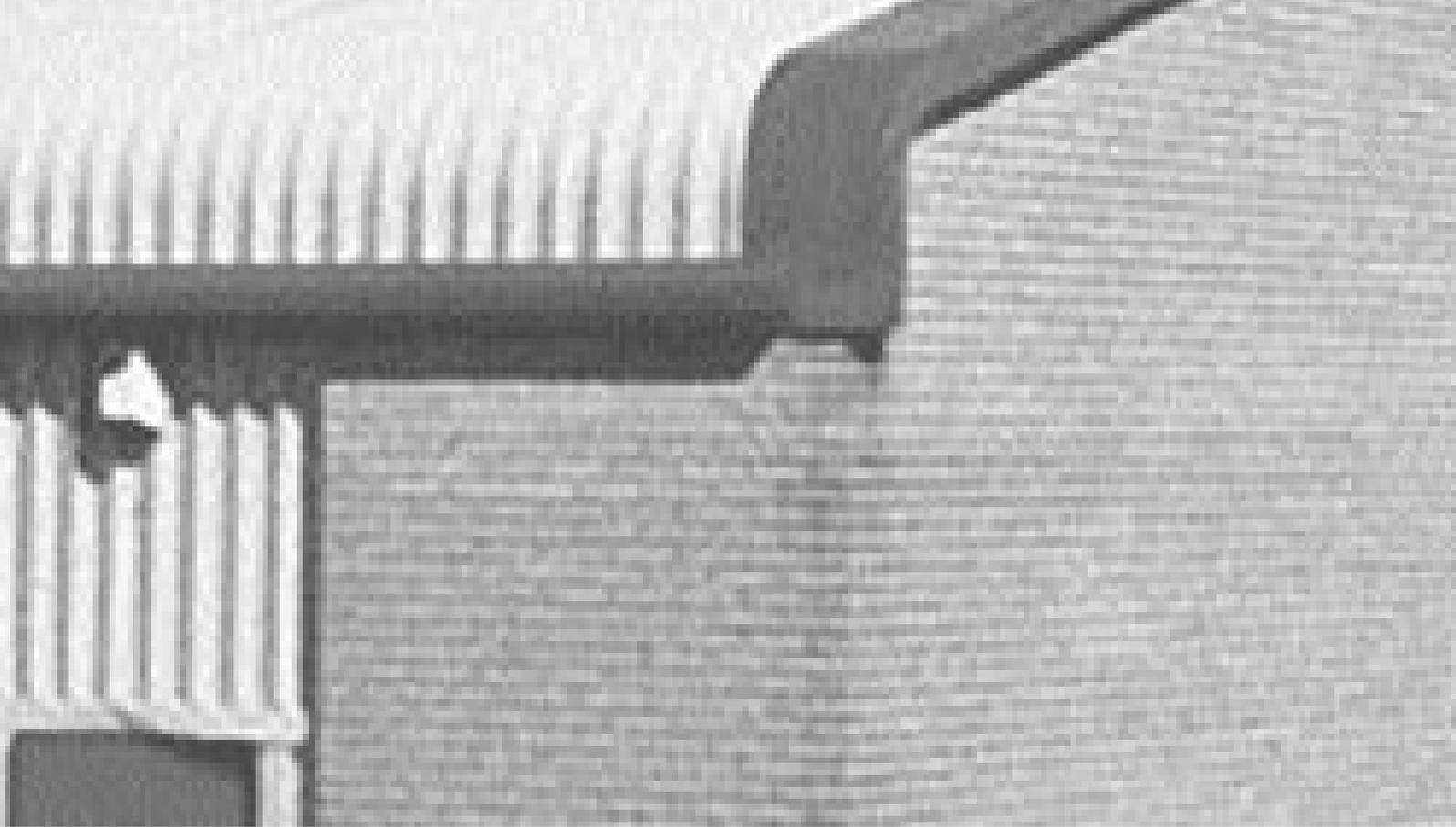
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1 Introduction

1.1 This Supplementary Planning Document (SPD) provides guidance to developers on the information required by the City Council where a change of use from industrial to an alternative use is being proposed. The SPD applies to all industrial land including land which is redundant and no longer in use. The SPD confirms the 'good practice' which has been adopted by the City Council on an informal basis prior to the adoption of this SPD. It expands on the policy background contained in the UDP Alterations and provides additional detail on matters such as the definition of industrial land and the categorisation of industrial sites within the UDP Alterations portfolio of industrial land. It also outlines other factors which will be considered where a change of use is being proposed, including possible exceptions to the general presumption against the loss of industrial land.

1.2 The SPD will be monitored on a regular basis as part of the City Council's annual review of industrial land supply. A sustainability appraisal of this document has been undertaken and is available on request. The approach outlined in this SPD accords with the aspirations and objectives of the West Midlands Regional Spatial Strategy (RSS 11 – June 2004) by seeking the provision of a portfolio of employment land. It is also linked to the aims of the Regional Economic Strategy (RES) by ensuring that employment opportunities are protected in areas such as regeneration zones.

2 Definition of industrial land

2.1 Within Birmingham industrial land is defined as uses covered by the Business Classes of the Town and Country Planning Use Classes Order, namely:

- B1(b) Research and Development
- B1(c) Light Industrial
- B2 General Industrial
- B8 Warehousing and Distribution

2.2 B1 (a) office developments are not included within the definition of industrial land. The UDP Alterations resists office development in out of centre locations. Exceptions to this policy include where the offices are ancillary to the main industrial use. The protection of industrial policy, discussed below, does not apply to office uses, except where they are ancillary to the main industrial use. Proposals for the change of use of offices will be considered against other policies in the UDP Alterations such as para. 4.35, which recognises the potential for the conversion of out-moded office accommodation to residential use. A number of sui-generis uses can also be located on industrial land. Examples include builder's merchants, waste management processing and treatment facilities and machine/tool hire centres. These uses are important to the local economy and will be treated on a case-by-case basis. Generally such uses will be considered appropriate on good and other urban industrial land but are less likely to be supported on best urban sites.

3 UDP Alterations policy

3.1 The Birmingham Unitary Development Plan (UDP) was adopted by the City Council in July 1993. In November 1996, the City Council resolved to commence the process of a selective review of the UDP. The review culminated in the adoption of the UDP Alterations in October 2005. The industrial land policies in the UDP Alterations are based on the provision of a portfolio of employment land, maintaining a minimum reservoir of readily available land across the portfolio of land, and protecting industrial land from competing uses such as residential.

Portfolio of employment land

3.2 For operational purposes the City's industrial land portfolio has been divided into six sub-markets. The portfolio of employment land is intended to ensure that desirable employment development is not lost due to a lack of site availability. The portfolio establishes a hierarchy of sites based on the nature of the 'client' likely to operate from a particular site, due to its location, size and environment. The first tier consists of regionally significant sites including:

Regional Investment Sites - Large sites of between 25-50 hectares, capable of attracting national and international investors and contributing to the diversification and modernisation of the regional economy.

Major Investment Sites - Large sites in the order of 50 hectares and capable of accommodating large scale investment by a single user.

Regional Logistic Sites - Large sites of 50 hectares or more suitable for the concentrated development of warehousing and distribution uses.

There are currently, at January 2006, no regionally significant sites in Birmingham.

The second tier of sites consist of locally significant sites within the following categories:

Best Urban Sites (Sub-Regional Employment Sites) - Generally 10 to 20 hectares in size and attractive to clients with an international, national and regional choice of location. Best urban sites are high quality sites which are normally located within the urban area and have either a direct access or direct link to the strategic highway network. The sites will also be accessible by public transport. Examples of best urban sites within Birmingham include; the former Dunlop Works, Bromford; the Hub in Witton; and Minworth Sewage Works.

Good Urban Sites (Good Quality Employment Sites) - Good urban sites are generally greater than 0.4 hectares and are suitable for locally-based companies. Good urban sites are unlikely to attract inward investment but are capable of commanding local speculative private investment. Examples of good urban sites vary and range from high quality sites such as Kings Norton Business Park to lower quality sites such as Baltimore Road in Perry Barr. Although the quality of the location can vary significantly the lower quality sites can still be attractive to the market and accommodate local companies in accordance with the good urban category.

Other Urban Sites (Other Employment Sites) - Other land of average or poor quality. Likely to be less than 0.4 hectares and of interest only to local investors or larger sites suitable for marginal or bad neighbour activities. Other urban sites are not generally part of larger industrial areas.

3.3 The portfolio of land set out in the UDP Alterations is consistent with that contained in the Regional Spatial Strategy for the West Midlands (RSS11) - June 2004. The definitions used in the RSS are highlighted above in brackets.

Minimum reservoir of industrial land

3.4 Paragraph 4.21 of the UDP Alterations introduces a minimum reservoir of industrial land for the locally significant employment sites. This requires a readily available reservoir, at any point in time, of 64 hectares in the ‘best urban’ category, 30 hectares in the ‘good urban’ category and 20 hectares in the ‘other urban’ category. Readily available land is defined as sites with; no major problems of physical condition, no major infrastructure problems, on the market with a willing seller or held by an owner for expansion. The minimum reservoir of land is intended to secure a pipeline of supply and ensure that no investment is lost to the City for the lack of a suitable site. It also recognises the cyclical nature of industrial land and the need for a reservoir to cope with peaks in demand.

3.5 Recent supply figures indicate a significant shortage of land as compared to these targets, within the best and good urban category, as illustrated in Appendix 1 (table 1).

3.6 The shortage of readily available land as compared to these targets reflects the strong rate of completions within the best and good urban categories of industrial land. However, if the City is to achieve its economic aspirations in the future it is important the future supply of land within these categories is protected from alternative uses.

Protection of industrial land policy

3.7 Paragraph 4.31 of the UDP Alterations seeks to prevent the loss of industrial land and states that:

“Opportunities for industrial development in the built up area of the City are diminishing. In order to reduce pressure on greenfield sites the loss of industrial land to retail or other non-industrial uses will be resisted except in cases where the site is a non-conforming use”.

3.8 The Alterations therefore extends the protection of industrial land policy to cover all industrial sites with the exception of non-conforming uses. UDP (1993) policy resists the loss of industrial land within the ‘Best Urban’ category of employment land only.

3.9 The UDP Inspector described the policy as:

“a laudable aim which is in line with Government policy. To permit non-industrial uses on industrial land, such as retail development and those other uses promoted by the objectors, would not create a sufficient level of full time employment and would run counter to Government policy on town centres and retailing (para. 4.13.1).”

3.10 The protection of industrial land policy therefore carries considerable weight in determining planning applications involving the loss of industrial land. The need to strengthen this policy was in recognition of a number of factors as outlined below:

- Pressure on industrial land from other activities particularly retailing, residential and commercial developments, which have in recent years resulted in a significant loss of industrial land. This is illustrated in appendix 1 (table 2) which shows that 46.8 hectares of industrial land was lost to alternative uses during the 5-year period between 2000/05. The table also shows a significant amount of industrial land with either a detailed or outline consent for alternative uses, illustrating an on-going supply of industrial land to alternative uses. The Birmingham Urban Housing Capacity study estimated that 2.6 hectares of industrial land would be lost to housing per annum. Appendix 1 shows that sufficient land has already been identified to exceed this assumption.
- The need to ensure a balance of uses across the City which meets the City’s economic and other aspirations.
- High rate of industrial development - Industrial land completions have been at high levels in recent years. The strong rate of completions reflects the success of Birmingham in attracting new development and investment but has also resulted in a shortage of readily available industrial land as compared to UDP targets. This shortage of land could result in the potential loss of new employment opportunities.

- The importance of brownfield sites to future supply – Birmingham’s future industrial land supply will be largely dependent on the recycling of brownfield sites already in an existing industrial use. For example, in the good urban category no new allocations are proposed in the UDP Alterations and future supply is therefore limited to windfall sites. There is a need to balance future industrial needs with housing land supply. By retaining brownfield industrial sites the pressure on peripheral greenfield sites will be reduced. Brownfield sites are also in many cases more accessible to the working population and can reduce the need for commuting between home and work.
- Reducing the problem of hope value. Hope value occurs where the redevelopment of a site is restricted due to the potential for a higher land value being secured in the future through a non-industrial development.

4 New paragraph 42a of ppg3

4.1 The Government is increasingly recognising the potential contribution of employment land towards meeting housing targets. The new paragraph 42a of Planning Policy Guidance Note 3 - Housing, states that Local Planning Authorities should consider favourably planning applications for housing or mixed use developments which concern land allocated for industrial or commercial use in saved policies and development plan documents or redundant land or buildings in industrial or commercial use, but which is no longer needed for such use. This is particularly the case where local planning authorities have yet to complete a review of employment allocations. The City Council supported the new para. 42a, as the revisions contain a number of safeguards to prevent inappropriate industrial sites being brought forward for residential development.

4.2 The City Council has always supported the re-use of unneeded/obsolete industrial land and will continue to do so, particularly on non-conforming sites. The City Council also already regularly monitors its industrial land supply through its bi-annual Industrial Land Review (ILR). The ILR will provide the evidence base, to support the retention of industrial land in relation to para. 42a. The last ILR was undertaken in 2004, based on April 2003 figures, and the next review will be published in early 2006. The ILR monitors industrial land completions and the availability of industrial land as compared to UDP targets. The next ILR will consider issues such as the implications on future land supply arising from the closure of MG Rover. A full ILR will continue to be published on a bi-annual basis but a short update of industrial land supply and completion figures will be published in the intervening years. Future ILR's will include reference to housing completion figures and whether the minimum housing completion figures in the Regional Spatial Strategy are being met. Should housing completions fall and industrial land supply increase, the City Council would need to review the approach advocated in this SPD, in accordance with Plan, Monitor and Manage. At present however, there is clearly a significant shortage of readily available best and good urban

industrial land. As a result, the UDP Alterations industrial land targets are not being met and there is a need to improve the supply of land in order to achieve the City's economic development and regeneration strategies. In contrast, housing completions are significantly in excess of the RSS minimum targets, as outlined in appendix 1 (Table 3).

5

Information required when submitting a planning application involving the loss of industrial land

5.1 A key recommendation of the 2003 Industrial land review was that a number of criteria should be incorporated into this supplementary planning document on ‘proposals involving the loss of industrial land to alternative uses’. The recommended criteria are outlined below. When considering proposals involving the loss of industrial land to alternative uses the City Council will now expect applicants to provide evidence of the following:

Why is the site considered non-conforming?

5.2 Non-conforming uses will mostly consist of small (generally less than one acre) isolated industrial sites within predominantly residential areas, although larger sites may come forward from time to time. Evidence to demonstrate non-conformity could include details of complaints from neighbours regarding the site’s operations. Information on this should be sought from Regulatory Services (Environmental Protection) detailing the nature and the number of complaints made. Where it is accepted that a site is non-conforming the other test outlined below will not be applied. Sites which are adjoined by other industrial uses and are part of a larger industrial area would not be considered non-conforming.

Active Marketing

5.3 Where it is argued that there is a lack of demand for a particular industrial site, the applicant will need to demonstrate that active marketing has been undertaken for a reasonable period (normally a minimum of two years). Marketing of a site is seen as the most effective way of determining whether a site could be re-used for an industrial use. It is considered essential that an effective marketing exercise is undertaken before alternative uses are considered. Active marketing would need to be undertaken by an established industrial property agent and would include adverts being placed in publications such as the ‘Birmingham Post’ and ‘Estates Gazette’; mail shots to the agents client base; and a ‘for sale’ board being placed outside the site. The details of the site should also be included on the ‘Locate in Birmingham’ website. If a site is located in a regeneration zone, the

marketing details should also be sent to the Advantage West Midlands regeneration zone partnerships (contact details will be provided). The partnerships cover a broad range of interests including the business community and represent a further potential marketing route. Evidence would need to be provided that the site is being marketed for a price which accords with other industrial property of a similar type in the area. This will ensure that the price does not reflect any aspirations for residential or other alternative uses on the site. Freehold and leasehold terms of sale could also be made available to potential buyers/occupiers. Inspectors’ at recent Planning Appeals have supported the requirement for market testing and have indicated that it gives the best indication of viability (i.e. Meritor Ltd. appeal decision letter).

Viability of industrial development

5.4 Where it is being argued that high redevelopment costs makes industrial redevelopment commercially unviable, applicants should provide a detailed analysis of redevelopment costs including investigations into land contamination issues. In order to provide assistance in preparing development appraisals a template will be prepared which will explain the basic requirements for such an assessment.

5.5 Investigations should also be made into the potential for public sector funding to overcome constraints. In order to encourage urban renaissance and help reverse long-standing trends of decentralisation of economic activity and population, five urban regeneration zones have been identified in the Regional Economic Strategy (RES) and Regional Spatial Strategy. The five regeneration zones are intended to act as a focus for investment and a significant proportion of Advantage West Midlands (AWM’s) funding will be directed towards them. Two of these regeneration zones cover parts of Birmingham – East Birmingham and North Solihull RZ and the South Black Country and West Birmingham RZ. In addition, three High-Technology Corridors have also been identified in the Region to encourage the

diversification of the Regional economy. The Birmingham to Worcester (Central Technology Belt) includes parts of Birmingham. Within these areas support could be available from AWM to help gap-fund developments, although it is recognised that there is no automatic right to gap funding. In addition to AWM, support is also available through the European Structural Fund.

Other factors which will be considered

5.6 City Centre Sites - Within the City Centre it is recognised that a more flexible approach towards change of use from industrial to residential is required to support regeneration initiatives. The boundary of the City Centre is defined in the UDP by the Ring Road – A4540. The 2003 industrial land review recognises the contribution of industrial land towards City Centre housing development. Proposals involving the loss of industrial land will be supported, however, only where they lie in areas which have been identified in other planning policy documents, that have been approved by Birmingham City Council, as having potential for alternative uses.

5.7 Strategic land swaps - There may be occasions when the most appropriate proposals for an area involves using previous employment land for housing and releasing some of the cleared housing land for employment uses, particularly where they are linked to comprehensive regeneration programmes. Such strategic land swaps will be supported where they are not contrary to the overall objective of providing sufficient employment land within Birmingham. It would be expected that the amount of new employment land created would 'balance' with the amount lost to alternative uses over a period of time.

5.8 Other Strategic Planning factors – This will involve considering a number of factors including whether a site lies within an area of strategic importance for industrial purposes, such as the core areas of industrial regeneration. Within such areas it is expected that land will remain in an industrial use. Consideration will also be given as to whether a site lies within a regeneration zone or high-technology corridor and whether the release of a site would undermine the economic strategies for these areas. Other strategic planning factors

could include where a change of use of a particular site would undermine the retention or redevelopment potential of a larger industrial area. In such cases the loss of the site to an alternative use would be resisted.

5.9 Exceptions to the policy – It is recognised that there will be occasions where it can be demonstrated that there are good planning grounds to depart from the general presumption against the loss of industrial land. This could include proposals, such as educational uses, where the particular site size requirements make it difficult to find sites which do not involve the loss of industrial land. Such proposals will need to demonstrate that alternative sites are not available which do not involve the loss of industrial land and the proposals will need to accord with other policies in the UDP. Other examples could include large-scale mixed-use regeneration proposals which have been identified in other City Council planning documents.

5.10 The above criteria are intended to achieve a consistent approach towards assessing proposals involving the loss of industrial land. The criteria should ensure the protection of good quality industrial land whilst allowing the release of non-conforming industrial sites and redundant industrial sites for which there is no market demand for either re-use or redevelopment. This approach builds on the protection of industrial land policy in the UDP Alterations and is consistent with National and Regional planning policy.

6 References

- Regional Spatial Strategy for the West Midlands (June 2004)
- Birmingham UDP Alterations (2002)
- Inspector's Report into Birmingham UDP Alterations (2003)
- Industrial Land Review 2003
- Appeal Decision, Meritor Limited, Fordhouse Lane, Stirchley
Appeal Ref: APP/P4605/A/02/1085277

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A Appendix

Table 1: Industrial land availability, April 2005.

	Target for readily available land	Readily available land	Not readily available land
Best Urban	64ha	41.23ha	102.22ha
Good Urban	30ha	15.05ha	35.59ha
Other Urban	20ha	11.15ha	1.24ha

Table 2: Industrial land lost to other uses.

Completed Sites.

Year	Residential	Retail	Mixed	Health	Education	Open Space/Leisure	Transport/Car Parking	Offices	Public assembly	Total
2000/01	1.76	5.49	0.15	0.21	0	0	0	0	0	7.61
2001/02	2.95	1.29	5.02	0	0	0.92	0	0	0	10.18
2002/03	4.66	3.15	1.77	0	0.27	0	0.18	0	0.18	10.21
2003/04	3.47	0.57	1.34	0	0	0.87	0	0	0	6.25
2004/05	4.65	3.49	0.53	0	2.88	0	0.17	0.48	0.53	12.73
Total	17.49	13.99	8.81	0.21	3.15	1.79	0.35	0.48	0.53	46.80

Figure in hectares

Outstanding Sites at April 2005.

Proposed use	Detailed permission	Outline permission	Total (Ha)
Residential	9.89	6.60	16.49
Office	0.74	2.55	3.29
Retail	0.20	2.58	2.78
Health	2.10	2.54	4.64
Education	0.14	1.94	2.08
Open space	30.45	0	30.45
Public assembly	2.14	0	2.14
Mixed	15.96	5.64	21.60
Mixed inc. residential	11.54	1.67	13.21
Total	73.16	23.52	96.68

Figure in hectares

Table 3: Meeting the RSS Housing Requirement Update at April 2005.

The Regional Spatial Strategy 2001-2021 (published June 2004) stated that Birmingham should provide a minimum of 2300 additional dwellings per annum between 2001 and 2007 and then a minimum of 3000 dwellings per annum up to 2021.

Performance to date has been as follows:

Year	Minimum requirement	Dwellings completed	Annual surplus/deficit on minimum requirement	Cumulative surplus/deficit on minimum requirement
2001/02	2300	2750	+450	+450
2002/03	2300	2742	+442	+892
2003/04	2300	3343	+1043	+1935
2004/05	2300	3181	+881	+2816



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