HEARING STATEMENT

to the

DAVENTRY DISTRICT LOCAL PLAN (Settlements and Countryside)

Matter 4 – Employment and Economy

Representations on behalf of
Pedrix Ltd

RESPONDENT Ref PS096

May 2019
This page is intentionally left blank
Matter 4: Employment and Economy

Issue 2:

Whether the approach towards the supply and delivery of employment development is justified, effective and consistent with national policy and the JCS.

Questions

1. What is the basis for the approach to employment development and the strategy for economic growth set out in the Plan? Is it consistent with national policy and the JCS? Is the approach justified and effective?

The Plan as proposed for submission is not positively prepared, or justified with regard to providing a set of local policies which respond appropriately or adequately to either the NPPF, to the objectives and priorities of the Joint Core Strategy, or to the priorities and aspirations of the LEP. As described in response to Matter 2, there is a disconnect between clear and emerging economic priorities and opportunities for Daventry District and the limited and short-sited approach being proposed to employment land. The adopted JCS, plus further local evidence since adoption, should theoretically provide the basis of the approach taken to employment development. However, there are numerous inconsistencies, and a lack of justification for the proposed approach.

There are a number of important trends and market forces in operation across Daventry, recognised by the JCS – for example, it is clear from the JCS that Daventry District provides a relatively limited role as compared to Northampton in terms of the provision of jobs (18% versus 70%)\(^1\), but that key, specialist sectors underpin the economy of places across the West Northamptonshire area\(^2\), and that more than half of Daventry District’s residents work outside the District, mostly by car\(^3\)\(^4\).

These issues and trends should play a more direct and explicit role in shaping the approach to employment development in Daventry District, with the Part 2 Plan used to set a locally relevant and forward-looking strategy and framework for local decisions.

The Part 2 Plan sets a number of positive and appropriate objectives, but then fails to deliver policies which would secure or plan for the delivery of those objectives (relating to economic growth, specialist sectors, and strengthening the local economy). Despite positive strategic policies regarding the importance of key economic sectors and clusters, and recognition of these in the emerging Part 2 plan (e.g. Section 7.2), it does not provide a positive context for continued sustainable growth and expansion of those sectors. In the context of the NPPF, key policy regarding the locational requirements of key sectors appears to have been overlooked entirely:

\(^1\) “Northampton accounts for nearly 70% of jobs in West Northamptonshire, whilst Daventry town and its district account for a further 18%.” (WNJCS, paragraph 4.19)

\(^2\) “Motorsport and high performance engineering has broadly influenced the economy of the whole area.” (WNJCS, para 4.19)

\(^3\) “In Daventry District 48% of residents live and work within the District. Whilst many residents commute to Northampton only 4% of these trips are made by bus.” (WNJCS, paragraph 4.27)

\(^4\) “In the rural areas many traditional rural jobs no longer exist and residents are increasingly commuting long distances to urban areas for work. In addition, access by public transport to services and facilities in larger towns is often limited.” (WNJCS paragraph 4.31)
“Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge driven and data-driven, creative or high technology industries”. (NPPF, paragraph 82, emphasis added)

The proposal to allocate additional land only in Daventry town does not deliver appropriate or adequate “choice in the market” as claimed in paragraph 7.2.10 of the submission draft plan. It falls short of setting the most sustainable strategy for Daventry District as a whole, with insufficient consideration of alternatives with regards to meeting local employment land needs (and opportunities), and fails to positively plan to enable and deliver business expansion and economic development in appropriate locations within the District. It is not clear how the plan responds to the evidence base regarding employment land availability, market demand for employment land and premises, and the requirements of key sectors in the economy of Daventry District. Also see the attached letter from a local agent regarding market conditions (Appendix 1).

The Part 2 Plan only allows for additional economic development and job growth beyond currently defined existing employment areas “in exceptional circumstances”, while at the same time not enabling or encouraging the expansion of any areas outside Daventry. Positioning investment and job growth, including that in key high-value, high-technology, and high-growth sectors – such as those found in Brixworth - as only being allowed ‘exceptionally’ contradicts stated national and local policies and objectives regarding economic growth.

In these regards, the Plan as submitted is unsound, and is not consistent with national policies, or with the JCS.

The requirement for consistency and coherence between the JCS and the ‘local’ or more detailed plans is understood, but as described in response to Matter 2, the JCS itself suggests a less slavish and secondary role for Part 2 Plans. For example, the JCS states that:

- “Part 2 Local Plans which will provide more detailed planning policies and site allocations”
  (WNJCS 2014, Foreword)

- “Allocations at a scale of below 40 ha should be considered positively during the preparation of Part 2 Local Plans where they comply with the objectives of this Plan alongside fulfilling local priorities and considerations.” (WNJCS, paragraph 5.65)

- “provides some flexibility for the [settlement] hierarchy within each area to be tailored to reflect specific local circumstances. These Part 2 Local Plans will consider the need for specific site allocations and also determine whether boundaries showing the village confines should be defined.” (WNJCS, paragraph 16.9)

From recent dialogue with DDC officers (in the context of a live planning application which seeks to deliver new employment land directly adjacent to the Brixworth Strategic Employment Area) there are clear signs that the emerging Part 2 Plan is based on an overly negative and unambitious interpretation of the requirements and objectives of the JCS. It seems clear that the adopted JCS is sometimes – unfairly and inaccurately - considered not to support or allow for any job growth of note beyond Daventry town. This includes a tendency to imply that the JCS jobs ‘targets’ provide a maximum figure or a ‘cap’ on economic development across West Northamptonshire.

Arguably such negative, unambitious undertones run through the emerging Part 2 Plan – but are contrary to much of the strategic vision and objectives set by the JCS.

In reality, the Spatial Strategy of the JCS does not prevent or rule out growth outside of the urban areas – indeed, it explicitly plans for continued economic growth in smaller settlements and the rural areas across West Northamptonshire. The vision of the JCS is for employment growth across a range of settlements and locations, with direct connections to objectives relating to reducing the need to travel, reducing out-commuting, and enabling rural as well as urban regeneration and investment.
Our Statement in response to Matter 2 also refers to the context provided by the JCS, and in the interests of brevity is not replicated here. However, there are clear tensions and contradictions between stated objectives, and elements of the strategic vision set by the JCS, and the emerging Part 2 Plan for Daventry District.

The JCS includes strategic objectives which include (emphasis added):

**Objective 3 - Connections**

*To reduce the need to travel, shorten travel distances* and make sustainable travel a priority across West Northamptonshire by maximising the use of alternative travel modes.

**Objective 9 - Specialist Business Development**

*To support and develop opportunities for specialist employment clusters* and business development focused on a low carbon economy.

The Spatial Vision of the JCS with regard to Daventry includes:

> “Local economic strengths in engineering and sustainable construction will have been developed.”

The JCS provides a ‘spatial portrait’ which includes a range of strategic statements of intent, and clear outcomes it seeks to deliver or support – this includes such statements as:

> “Within the rural areas sustainable communities must be maintained, enhanced and protected as vital places providing homes and jobs balanced against the need to protect the built and natural environments that are so highly valued.” (WNJCS, paragraph 4.49)

Policy S1 defines the Spatial Strategy, and Part D regarding rural areas, includes the following criteria for development:

2) SHORTENING JOURNEYS AND FACILITATING ACCESS TO JOBS AND SERVICES;
3) STRENGTHENING RURAL ENTERPRISE AND LINKAGES BETWEEN SETTLEMENTS AND THEIR HINTERLANDS;

The text supporting Policy S1 includes a section on the rural area, saying (emphasis added):

> “It is recognised that many of the villages in the rural areas play an important role in providing local services and facilities, including employment opportunities, both for the village itself and the wider rural areas. Furthermore, some villages also provide facilities and services for the nearby urban population too.” (WNJCS paragraph 5.11)

As referred to above, the JCS explicitly describes the approach as anticipating future Part 2 Plans to respond to the specific local opportunities and characteristics of the local areas and settlements. The jobs growth figure defined for the JCS by Policy S7 is specifically defined as a minimum figure, and “as a guide for monitoring and review purposes” (para 5.53). The origins of this approach are explicitly “not a target” (paragraph 5.50). Any suggestion that the JCS provides a cap on economic development is clearly inaccurate.

JCS Policy E1 provides as basis for the focus of the Part 2 Plan on protecting and retaining existing SEAs, but not encouraging or enabling their expansion. However, Policy E1 is premised with the following justification which DDCs own much more recent evidence base now directly contradicts – the JCS justifies the relatively restrictive approach as:

> “The plan area already has a considerable amount of employment floorspace in the planning pipeline in sustainable locations already consented through planning applications. (JCS paragraph 8.5)
This is known not to fairly represent the situation in Daventry District, and the Part 2 Plan refers directly to the significant lack of supply of smaller and medium sized employment units and sites. The Part 2 plan should respond to this change in evidence/context with a more proactive and diverse range of policy responses, including a more positive approach to key SEAs, and additional employment land allocations outside of Daventry town.

It is clear that the JCS envisages a positive role for Local (Part 2) Plans in taking forward the overall strategy, and in delivering positive locally generated policies. While the main focus for strategic allocations and major jobs growth is clearly on Daventry, the Part 2 Plan as drafted implies all new jobs growth should be located there. While allowing for development or redevelopment within existing employment areas, ‘exceptional circumstances’ are required by the Part 2 Plan (Policy RA1) for any further growth or expansion outside of those areas.

The approach proposed is not justified by the evidence base which sits behind the Part 2 Plan, and will not be effective in delivering the stated aims and objectives (also see our response to other questions). This restrictive approach, and failure to allocate additional land in a range of locations, including sites for non-strategic employment buildings, and sites to support key specialist sectors outside of Daventry town, makes the Part 2 Plan unsound as submitted.

It is clear that DDC can - and in our view, should – take a more locally specific, and proactive approach which takes advantage of the “flexibility” provided by the JCS. As explained in response to other questions, we consider they must plan for the focused, sustainable and an appropriate scale of expansion of key SEAs outside of Daventry town.

Specifically, the Plan should be modified to identify the SEA at Brixworth as being within the village confine, and allocate additional land to the north to enable its future growth.

2. Is the identification of Strategic Employment Areas justified and in accordance with national policy? What land supply remains available within the Strategic Employment Areas and what contribution can they make relative to identified needs? Is there any evidence of long-term vacancy of land and premises?

Draft policy RA1 and the text which precedes it identify the important economic and employment role of the eight ‘Strategic Employment Areas’ (SEAs) which are located in four of the largest villages as well as in Daventry town.

The identification of the SEAs is helpful in underlying the strategic importance of some of the village locations in economic terms – these locations include some outside of the urban area of Daventry, such as Brixworth, where there are well-established, and highly successful employers in key growth sectors of the sub-regional and national economy. The term ‘Strategic Employment Area’ reflects the ‘more than local’ nature of the employment offered by these villages, and the important role they collectively play in delivering the sustainable economic growth required and sought across the District.

In principle, the identification of SEAs is justified in the context of national policy – for example, SEAs could (and should) represent part of a ‘positive and proactive’ strategy to encourage sustainable economic growth, and “help create the conditions in which businesses can invest, expand and adapt” (NPPF, paragraph 80). However, in practice, the SEAs outside of Daventry, such as Brixworth, are fully developed or have very limited scope for further investment or expansion. Despite this, the proposed Local Plan approach is focused on protection (i.e. limiting any losses) rather than expansion or growth of these SEAs. Where growth focused on more of the SEAs could help to address the clear ‘barriers to investment’ created by a recognised lack of employment land supply across the District (also see below, and the response to Questions 3 and 4), the Council’s approach instead fails to respond fully to
either its own evidence base and clear market signals. The flexibility and ability to respond to changes in economic circumstances envisaged by the NPPF is lacking in the approach being proposed by DDC.

Therefore, the principle of an approach based around SEAs is potentially appropriate in the context of the NPPF policies – but it is the proposed scope and application of this approach which falls someway short with regard to delivering sustainable economic growth.

Simply identifying ‘Strategic Employment Areas’ does little by way of planning for the future growth of the District if those areas are only to be protected and preserved – in order to accord with the policies of the NPPF, and with strategic objectives of the JCS, the Local Plans, the Plan should be more forward looking and more enabling of sustainable growth and expansion of these areas.

There is clear evidence of limited, if any, availability of land and premises in most if not all of these SEAs. Certainly the SEA at Brixworth has limited scope for further intensification, and as a result of planning policies, no potential for expansion without incursions into countryside. The Council’s recent report into The Demand for Small and Medium Units (Peter Brett Assocs, October 2017) is helpful in its clarity regarding the lack of available sites and premises – there are numerous statements and comments to that effect, including:

Paragraph 3.37 – “Due to lack of availability, occupiers across all sectors are compromising on the type of space they take. In some cases, existing occupiers have had to take space over a number of different units when they would prefer to look to consolidate their operations in a single unit”;

Paragraph 3.46 – “Vacancy measured by floorspace is low, but more importantly vacancy measured by units is very low. There is very little stock available for occupiers to take in the current market."

Paragraph 3.86 - “vacancy at present is very low, below the normal level that would allow the market to operate smoothly……there is much frustrated demand in the market, where businesses are looking unsuccessfully for space”.

The severe shortage of supply is briefly referred to in the Part 2 Plan (at paragraph 7.2.10). While the challenge appears to be understood, the Plan then fails to identify a suitable response or solutions.

The Brixworth SEA is defined in Policy EC4 and identified on the emerging proposals map insets (EC4d). As referred to in response to a number of the Inspector’s questions, this existing, high-quality and recently intensified employment area remains outside of the village. It is unclear how this approach sits with that explained in paragraph 5.2.08 of the consultation draft which refers to peripheral residential sites being “regarded as being within the village confines” once built out. The justification for this apparent inconsistency with employment sites is unclear, and unsound in our view.

Brixworth is a Primary Service Village – the 2nd tier in the settlement hierarchy – and ideally situated to assist in delivering job growth as part of delivering sustainable economic growth. As described elsewhere in our Statements, and as evidence by the Council’s own evidence base, there is strong demand across the District for additional employment land and premises to meet the requirements of a range of economic sectors and to meet demand for a range of employment types.

In light of the evidence regarding a severe shortage of available employment land and premises, the Part 2 Local Plan must take a more proactive and responsive approach. The allocation of additional employment sites in Daventry Town alone is insufficient in scope and depth as a way to plan for the continued delivery of economic development across the District as a whole.
3. **Is there a suitable range and choice of proposed employment site allocations, in terms of location, type, quality and size, to address the particular characteristics, roles and functions of areas of Daventry District, including the storage and distribution centre of national significance at DIRFT, and to meet the requirements of the JCS?**

4. **Is Policy EC4 otherwise positively prepared, justified, effective and consistent with national policy and would it be sufficiently flexible to allow for alternative uses where appropriate?**

No, there is not a suitable range and choice of proposed sites in the submitted Part 2 Plan. These questions have largely been covered in response to Questions 1 and 2 above – please refer to those responses.

Also, as explained under Matter 2, the emerging Part 2 Local Plan, including Policy EC4 (Strategic Employment Areas) fails to provide a positive, proactive, and enabling policy framework for sustainable economic growth in the District. The protection of employment land to prevent loss to other uses seems appropriate given the clear shortage of employment land and premises across the District. However, as referred to elsewhere, simply seeking to protect existing employment land will not be sufficient – a more proactive approach is essential.

In summary, the response to these questions is that the strategy for employment land and job creation is not consistent with national or local policies. It will not deliver the sustainable economic growth and investment in the economy sought by national and local policies, nor support and encourage demand for growth in key growth sectors of the economy:

- The approach proposed by DDC appears to be premised on a starting position that job ‘targets’ from the JCS for the West Northants area as a whole have been achieved – despite “the majority” of employment land and likely jobs having been met by development and further approvals at the Nationally Significant DIRFT Strategic Rail Freight Interchange (SRFI);
- The Council’s strategic preference is for 100% of the demand for additional small or medium-sized sites and premises to be met in Daventry town. This would not provide the ‘market choice’ for further employers and investors sought by the policy (referred to in paragraph 7.2.10 of the Part 2 Plan);
- There is no recognition in policy of the demand for additional expansion of SEAs, including at Brixworth, to enable investment by employers operating in key growth sectors, and to enable a strengthening of the clusters and supply chains which already exist. This is despite the useful evidence gathered by DDC, and submitted by others, regarding the highly constrained nature of land supply and premises.

Small and medium-sized sites and premises are ideally suited to smaller and medium-sized settlements as well as to the main urban area of Daventry. The demand is present across the District, not only in Daventry, and Policy EC4 should do more than just protect the SEAs – simply preventing their loss to other uses is not fulfilling the requirements for positive planning for the economy, nor responding to the market signals seen across the District.

The emerging Local Industrial Strategy prepared by SEMLEP identifies the shortage of employment land and premises as a key constraint and challenge to delivering continued growth in a range of key high-value and high-productivity economic sectors.
The role of Brixworth as part of the cluster of high-value engineering and automotive activity seen in various parts of Northamptonshire is widely understood. It is home to a range of engineering companies, including:

- **Mercedes Benz AMG** – Cutting edge research and manufacture in High-Performance Engines, specifically motors and drive trains. All accommodated in a bespoke and growing facility, but which is now effectively full;
- **Ilmor** – Also automotive research and manufacturing which provided the start-up which led directly to the Mercedes Benz AMG presence in Brixworth. Serving a list of major motor and motorsport industry clients, their Brixworth site contains highly specialised equipment and testing facilities which is it not feasible to relocate, and which we understand are used extensively by other companies thus acting as a catalyst for the import of further expertise into Brixworth.
- **Fablink** – Are a growing company in the automotive sector creating body parts for a range of customers (including Jaguar Land Rover and JCB).
- **CPL Aromas** – a world leader in aroma design and manufacture with their main facility in Brixworth. Much of this is laboratory and R&D space

Allocating additional employment land in Daventry town alone will not attract these and related occupiers away from the benefits of being clustered together in Brixworth. Neither will it enable their growth or further investment in the local economy. While DDC suggest the demand for space is largely seen in Daventry, in fact, the automotive and engineering firms based in Daventry town tend to have distribution or maintenance facilities there (e.g. Ford, Volvo) – they are generally not directly home to the Research & Development, engineering and manufacturing development activity which forms the core of the high-value cluster being encouraged and fostered by the LEP and by central Government. The letter at Appendix 1 is of relevance regarding local market characteristics.

Pedrix Ltd has proposed an expansion of the Brixworth SEA to deliver in the region of 8.5ha of additional employment land suitable for a range of small and medium sized premises consistent with the range identified by Table 7 of the Part 2 Plan. The site (total area of around 15ha) would deliver an appropriate scale of development with retained and new green infrastructure and planting to help limit local views or adverse impacts, and with improvements to the existing road access to part of the SEA.

The reference at paragraph 7.2.14 to a review of evidence regarding the demand for small and medium sized units “within 5 years”, and the monitoring of provision (supply) across the District, is positive in that this reflects greater understanding of the need for supply of smaller sites to be addressed. However, a review in 5 years does not deliver sufficient flexibility or an ability to respond quickly to changing circumstances. The strategy as proposed does not propose any new land supply outside of Daventry town where a significant proportion of the demand is found, so committing to a future review does not in itself result in an appropriately proactive or positive strategy. The Part 2 Plan needs to do more to better reflect and deliver strategic Objective 7 and to better embody this objective, and the policies of the NPPF, through the local planning policies – the Council's proposed changes are inadequate.

**Modifications** are required to the Plan. These should consist of the following:

- include an additional allocation of land to allow expansion of the SEA at Brixworth, geared around the opportunities to support the high-value engineering, automotive, and ‘next-generation vehicles’ sectors;
- there should be a commitment to review the employment land component of the Local Plan, including site allocations, sooner than the suggested 5 years – this requirement could be tied to the publication of the SEMLEP Local Industrial Strategy, and/or greater clarity regarding the employment land implications of the nascent review of the JCS.
6. Was the methodology used to assess and select the proposed site allocations appropriate? Were reasonable alternatives considered and tested?

7. Are the reasons for selecting the preferred sites and rejecting alternative sites, clear and consistent?

Representations submitted earlier in the process on behalf of Pedrix raised questions and queries about the consideration of alternatives. The points made are not repeated in full here.

However, it remains unclear what alternatives were considered, or that an appropriate range of reasonable alternatives were compared and assessed in reaching conclusions regarding the most suitable and sustainable policy response.

It is unclear how successfully the approach proposed in the Part 2 Plan - with no proactive or positive planning for additional job creation in key settlements outside Daventry town - will contribute towards delivery of the Plan’s objectives. The Council’s apparent judgement that it has no flexibility to revisit local employment sites outside of Daventry means there is limited if any evidence regarding the sustainability outcomes associated with higher levels of employment development to the Primary Service Villages like Brixworth, or focused on expanding suitable SEAs.

Crucially, it is not clear how an alternative approach with some additional non-strategic employment allocations outside of Daventry town would perform in comparison to the approach proposed in the Part 2 Plan. It would arguably deliver a range of sustainability benefits relating to reducing the need to travel, enabling and encouraging more travel by sustainable modes by delivering new jobs close to where people live, as well as enabling development and growth of specialist and growing sectors of the economy.

The Part 2 SA report (August 2018 – part of Document PSD03) states:

“The plan will need to ensure an appropriate provision of housing, including affordable housing, as well as a supply of employment land suited to the requirements of growth sectors in order to maintain economic success…… The plan will need to ensure an appropriate mix of land, premises and infrastructure are developed to meet the requirements of the economy, which is related to an understanding of economic trends.” (page 83).

And:

“sufficient range of employment sites is vital to the success of an area’s economy and the well-being of its residents.” (page 87)

It is our contention that alternatives to the delivery of employment land which would better deliver these objectives through allocations beyond the town only, have not been properly considered, and the plan is therefore not sound (i.e. not positively prepared, nor justified).
**PROPOSED SITE ALLOCATIONS**

**Questions 8. – 15**

As referred to in responses to earlier questions, the choice of sites and locations is unduly restrictive, and fails to respond to the clear market signals regarding a lack of supply of sites suitable for smaller and medium-sized employment buildings in the District. The Plan does not identify sites which are located where they can best meet the needs of key economic sectors which are being actively encouraged and supported by the LEP, and by national strategies.

Pedrix has no comments regarding the sites identified, but remains of the view that the choice of locations is not appropriate – additional supply is also required outside of Daventry town, including to enable a limited expansion of the SEA at Brixworth to respond to market needs and opportunities relating to key growth sectors and to established local clusters and supply-chains.
Appendix 1 – letter from Drake Commercial, re: Employment land and premises constraints, Brixworth
Dear Steve,

Re: Mercedes Avenue, Brixworth

Further to our recent conversations and in advance of submission of the planning application for the above site I write, as requested, to record the views of both myself and joint agent Simon Toseland of Prop-search as to the potential for this scheme.

These comments are informed by our ongoing market experience but also refer to the report prepared for Daventry District Council (DDC) entitled “Employment Land in Daventry District. The Demand for Small and Medium Units” (the Report).

Background

Brixworth sits to the east of Daventry District, north of Northampton and south of the A14. It serves not only Daventry District but also is within the search area for enquiries from Northampton, Kettering and to an extent Wellingborough. This is recognised by the Report (3.32).

Brixworth’s industrial estates are effectively full. Only one property is on the market and that presents a specialised unit with circa 40% office content.

There is no land for expansion, other than the subject site, and the former timber yard at Station Road. Whilst the latter has outline consent for employment use its development potential is comprised by the limitations of its location, especially accessibility allied to the scale of development and associated issues of deliverability.

However, Brixworth is clearly unique in both Daventry District and the wider area in having a well-established and internationally renowned Cluster of R&D and manufacturing businesses especially in the automotive and high-performance engineering sectors. Primary amongst these is Mercedes AMG High Performance Powertrains (MB AMG) adjacent to the subject site, and Ilmor Engineering, a major contractor to the motor sport and high-performance
engineering sector. There is also Fablink (vehicle body design and manufacture), Paladon (valve technology) and CPL (aroma R&D and manufacturing) all based in the town.

In total these companies occupy circa 430,000 sq ft (40,000 sq m) of accommodation in Brixworth which clearly represent a major and well established cluster.

Given how such clusters develop and grow we believe there is significant potential for the expansion of that at Brixworth, not only directly in those activities already established but also in related activities and business support to include office and distribution uses.

The Report (3.31) recognises that Brixworth has a “concentration” of such uses but only in passing. In our view neither the Report’s narrative nor its conclusions give adequate weight to the significance of this Cluster, its potential for growth and the need to provide the means to accommodate such growth.

However, we agree with the Report that big box distribution units are catered for elsewhere in the DDC area, notably at DIRFT, Crick and Daventry itself. We would see development in Brixworth being of units for small to medium size occupiers, sub-100,000 sq ft.

**Current Supply and Take Up**

As stated above Brixworth is in effect full in terms of available accommodation. Any occupier demand looking to take advantage of the cluster could not be readily accommodated. Also, in the feeder towns such as Daventry itself, Northampton and, to a lesser extent, Kettering and Wellingborough supply of appropriate buildings remains woefully low.

The most recent combined statistics compiled by Drake Commercial and Prop-Search taken over a 12-month period illustrate the following.

In Daventry, take-up rose by 10% on the year. Availability is low and indeed, if Mustang Park (where no buildings have been speculatively developed) is removed from consideration, there was only 70,000 sq ft available when an audit of stock was last undertaken. This analysis excludes any big box units at DIRFT or elsewhere in the DDC area.

In Northampton take-up was up 23% on the year. Available stock is currently only at circa 5% of total stock but only 15% of these buildings would be considered Grade A. Much of the vacant space is in big box units and this market sector has been the focus of all the speculative development undertaken in the town and indeed the region as a whole.

In Wellingborough, the total level of take-up actually fell on the year but this was largely due to the lack of available stock. Occupier demand continues to be strong, outstripping supply to a significant degree. Indeed, the average marketing period for a vacant building is only 3 months from instruction to deal. As a result, many occupiers have either completely relocated elsewhere or are taking satellite accommodation outside of the town. Supply was reported as circa 160,000 sq ft in 20 properties but with 4 buildings accounting for 100,000 sq ft of this.
Any opportunity for further development in Wellingborough is largely limited to the delivery of land to the East (Stanton Cross) which is beginning to come on stream following delays, not least by the high cost of infrastructure.

In Kettering, take up has remained roughly neutral on the year but again, demand significantly outstrips supply. Here some new developments are underway, including the Cransley Park where 270,000 sq ft in 5 buildings is almost complete. Given its location adjacent to the A14, this scheme is targeting the logistics sector. However strong interest is reported from companies in other areas of the County which reflects the lack of supply identified in the other towns.

The Report illustrates a healthy take up of sub 10,000 sq m (100,000 sq ft) units in Daventry District since 2013 including a “...strong demand for automotive and high-tech manufacturing sectors...”. Several deals are listed (3.36 and 3.42).

However, the Report makes no mention of take up in Brixworth over the period thus continuing its, presumably unintentional, theme of underplaying both the vigour of the Brixworth Cluster and its importance to the District of. This is frankly puzzling.

In the period for which the Report provides statistics, MB AMG have significantly expanded the built area of their site (to the point where is it now at capacity); CPL have purchased the freehold of the main facility in which they were previously tenants and have taken further space nearby; and Simon Toseland has successfully let the vacant space at Brixworth Technology Park, Quarry Road where 84,000 sq ft split between 7 buildings on 10 acres was transacted within 12 months of the commencement of marketing.

This activity clearly illustrates the demand that exists for Brixworth and both its existing and potential importance as an employment location.

Future Demand

The Report concludes (2.18, 2.19), and we agree, that employment growth is likely to come from the logistics sector but also manufacturing industries of the type commonly found in Brixworth. So, it surely follows that Brixworth is a location very well placed to fuel this growth given the profile of its existing occupiers.

The genesis of these companies is a good example of how a cluster develops. Ilmor originally grew from Cosworth Engineering in Northampton and MB AMG grew out of Ilmor. Fablink grew from Airflow in Northampton. Brixworth is a textbook example of how a cluster is established and how it grows. However, to continue this momentum opportunities for new accommodation need to be made available. Many of these companies have either recently expanded or are seeking to expand but there is little current scope to do so within Brixworth.

Fablink have indicated a requirement for further space (up to 40,000 sq ft) and would rather remain in Brixworth though they do have manufacturing facilities abroad which they could presumably make better use of should expansion at home prove problematic.
Paladon have been seeking up to 15,000 sq ft for expansion. Again, they would rather stay in Brixworth, but it is quite likely they may need to move from the town if a suitable opportunity cannot be presented.

Following MB AMG’s relocation from Quarry Road, development of their new site has continued to the point where they appear to have little or no potential for future expansion. It is understood that recent additions have been facilities for Formula E R&D and welfare facilities for staff.

It could be reasonable to assume that expansion of MB AMG’s Brixworth operation may not be complete and that any growth could possibly not be accommodated on their current site. The subject site would be ideally placed to accommodate such expansion. Furthermore, even if they did not have a need for more accommodation the experience of clusters is that important third party suppliers and business within the same high technology sphere would respond well to the opportunity to locate on a site adjacent to MB AMG such as the subject. Discussions to date have suggested this is certainly the case.

The potential for complementary uses and the risks of being unable to satisfy these is clearly illustrated by a recent enquiry for the subject site for which discussions were subject to a non-disclosure agreement.

A German based vehicle power train manufacturer had interest in the location, being attracted to the potential synergies with the nearby occupiers. Their requirement was significant, 70,000 sq ft, but their timetable for delivery could not be satisfied. They have since relocated to another site in the Midlands. Had the subject site been at a deliverable stage, there would have been a good chance of securing their interest.

Conclusion

Both Drake Commercial and Prop-Search are of the view that Brixworth is a unique employment location with its concentration of high end manufacturing uses in a range of sectors. There is a clear, identified potential for the expansion of this Cluster both with the organic growth of the existing companies and interest from enterprises for which there are benefits in the synergies offered by the mix of existing companies.

However, Brixworth is full and the same is, in effect, the case in most nearby towns. We consider the level of stock availability to be too low to provide adequate choice to expanding or relocating businesses. The shortage of existing quality buildings is exacerbated by the shortage of consented, readily developable land for appropriately sized units in Daventry District and beyond.

Such lack of choice in either existing buildings or readily deliverable development opportunities will have the effect of stifling economic growth. Indigenous businesses will “make do” in the short term but ultimately, in the face of a shortage of both actual and potential supply, will need to relocate. It is obvious that supply constraints will mean that new and existing occupiers will be unable to move within the area and so the clear potential for growing the cluster will be lost.
This analysis is generally acknowledged by the Report. However, its narrative pays virtually no heed to the significance of Brixworth, underplaying its importance in terms of the scale and mix of existing uses; ignoring recent take up and expansion; and skirting over the potential for the future expansion of its employment cluster. Unsurprisingly perhaps its conclusion is that all new development should be in Daventry town albeit with some potential in Crick (3.83). Brixworth is ignored notwithstanding the evidence to the contrary and that many of the new opportunities cited in the Report (3.76) either have significant impediments to development or will be focused on big box units for logistics use.

However, in arriving at this conclusion, the Report has perhaps also overstated Daventry town’s importance to the automotive sector. It is indeed the case that both Ford and Volvo have significant establishments in the town. However, that for Ford is a parts distribution centre and for Volvo, a training facility. Neither appear to be engineering or manufacturing facilities of the type seen in Brixworth and of the type likely to contribute to increases in manufacturing employment.

That is not to underestimate the significance of Daventry as an already well established industrial and distribution location which is likely to benefit from recent improvements in communication links. But the District is larger than Daventry itself and we believe that Brixworth is already at the vanguard of industrial activities which offer potential for the future.

The rationale behind the proposal for the subject site is focused on the scale and quality of the cutting-edge technology, engineering and R&D activities already established and thriving in the Brixworth Cluster and the obvious opportunities presented to build on this activity. These cover fields such as high performance engineering; electric and hybrid power; autonomous vehicle development; sustainable energy technology; and food technology, all based in and around this part of the County.

The proposal seeks to provide an attractive, secure and sustainable environment for such uses to locate and thrive alongside each other and adjacent to an established and high profile employment site. As such we believe it to be best placed to realise the potential for growth offered by the existing Brixworth Cluster of uses.

If you require any further information please let me know.

Kind Regards

Yours sincerely

David Smith
Partner