Evidence Base

City of York

LDF

Local Development Framework

City of York Employment Land Review (Stage 2)

Main Report

February 2009

Document Revisions

No.	Details	Date
1	Draft Report	Sept 2008
2	Final Draft Report	Oct 2008
3	Draft Final Report	Oct 2008
4	Final Report	Dec 2008
5	Final Report	Feb 2009

Entec

Creating the environment for business

City of York Council

York Employment Land Review

Final Report

February 2009

Entec UK Limited

Report for

Anna Woodall, Project Officer
9 St. Leonard's Place
York
YO1 7ET

Main Contributors

Jon Beeson
Jo Berlyn
Alistair Donohew
Davin Parrott

Issued by

....

Alistair Donohew

Approved by

....

Jon Beeson

Entec UK Limited

17 Angel Gate
City Road
London EC1V 2SH
England
Tel: +44 (0) 207 843 1400
Fax: +44 (0) 207 843 1410

Doc Reg No. 22787

h:\projects\ea-210\22000-projects\22787 subfolder york elr\c client\final report feb 09\york elr final report feb 09.doc

Certificate No. FS 13881 Certificate No. EMS 69090

Executive Summary

Background

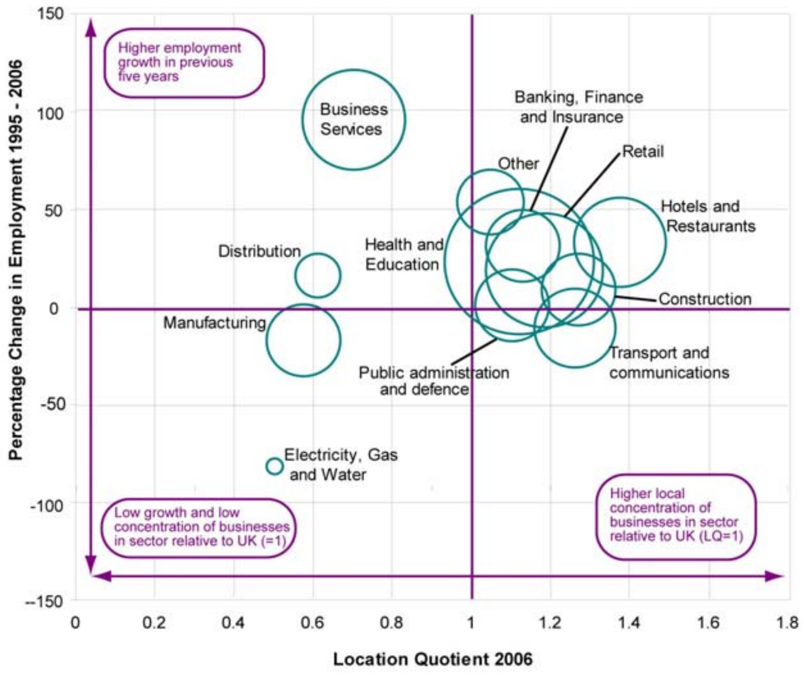
City of York Council commissioned Entec UK with advice from Lawrence Hannah LLP (a York based firm of chartered surveyors, property and construction consultants) in April 2008 to prepare an employment land review to provide a robust evidence base for the employment related elements of the Local Development Framework.

Approach

The methodology used in this study follows best practice and the advice within the ODPM (now CLG) good practice guidance in undertaking employment land reviews. It is based on a number of sources of information including publicly available data, survey of sites, and discussions with stakeholders. In order to arrive at a complete picture as to a realistic level of employment land supply, the projection of the future level of demand for employment land and the quantity and quality of supply of such land have been brought together. In conclusion, this study highlights potential approaches to the Local Development Framework that may be included in the future provision of employment land to ensure the sustainable economic development of the City York into the future.

Context

The economy of York has performed strongly over the period for which data are available (1995 – 2006) compared to the national economy, showing a higher growth in total employment. This growth has been mostly derived from a few sectors including business services, banking finance and insurance, retail and hotels and restaurants. This pattern of growth shows that a continued (and strengthening) demand for office space. Given the growth in distribution this is also likely to be the case for storage and distribution premises.



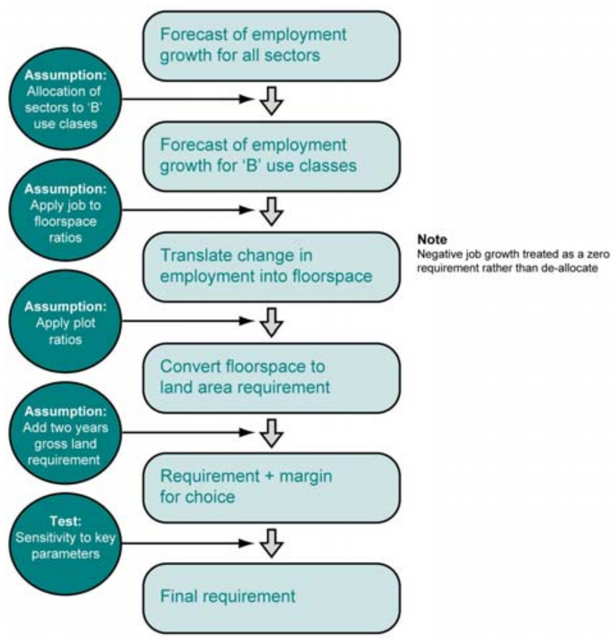
York: Proportion of employment in different sectors in comparison with GB average and previous change in employment in these sectors (Entec UK, ABI)

The location of development is referred to in national, regional and local policies which encourage a sequential approach to the location of all development. Given the increasing importance of sustainability, development is generally favoured on previously developed land in locations which offer a choice in means of transport, which is normally within the city. The second priority for development is for in-fill opportunities within the city before creating extensions to the periphery. More specifically to employment uses policies also refer to a general sequential approach:

- preference for B1(a) employment uses are previously undeveloped sites in appropriate existing centres, then edge of centre locations which are well connected to the city centre followed by out of centre sites which are well served by a choice of means of transport. In the case of the edge of centre, or out of centre locations it should be demonstrated that all potential city centre locations have been considered and are unsuitable for the development; and

- preference for B1(b) and (c), B2 and B8 uses are the reuse of under used or vacant industrial sites in urban areas that will not unacceptably add to levels of congestion. National guidance encourages the use of rail and water for movement of freight which could therefore influence the location of B8 uses.

The Regional Spatial Strategy refers to safeguarding employment land in line with the results of the Employment Land Review. York has experienced a diversification in its economy in recent years, following the decline of transport (railway) and confectionary related businesses. The growth of the business, banking and financial services sectors along with tourism and Science City related sectors has provided strong employment growth and consequential demand for property in recent years. The economy of York has an important role to fulfil within the Yorkshire and Humber region as a driver for growth of principal towns within the sub area and also at a regional level, particularly through its tourism and Science City sectors.



Schematic representation of method used to determine employment land requirement (Entec UK)

A strategic approach

A set of broad potential spatial strategies for different types of employment use have been developed to guide the future provision of employment land in the City, based on business preferences and requirements as well as prevailing policy. These adopt a sequential approach to encourage sustainable economic development.

Assessment

A level of future demand for the B use employment classes has been developed on the basis of a customised Cambridge Econometrics employment forecasts used in the previous SQW employment land review (2007). The base forecast has been translated initially into different use classes and then into land demand through the plan period. This forecast has then been adjusted in order to include a margin for choice and reflect uncertainty within the forecast methodology and is presented in Table 5.6, which is reproduced below:

Table 1.1 Employment Land Requirement to 2029 with Margin for Choice and Uncertainty (hectares)

Use Class	2006 – 2021	2006 – 2026	2006 – 2029
B1(a)	8.80 *(3.52 to 14.08)*	12.53 *(5.01 to 20.04)*	15.10 *(6.04 to 24.17)*
B1(b)	0.79	1.04	1.21
B1(c), B2	0	0	0
B8	21.18	28.54	33.29
Total	30.77	42.11	49.60

Source: Entec UK Ltd

For illustrative purposes, we have chosen to illustrate the sensitivity of the requirement for B1(a) uses in this part of the analysis to the plot ratio and number of storeys. The italic figures in brackets represent the resulting demand when B1(a) is assumed to be comprised of either all low or all high density development. Over the time period to 2029 therefore, there will be a requirement for a total of 50 ha of employment land with some 30% of this being required for office based development (15ha), 2% for B1(b) and the remainder (67%) for warehousing and industrial development (B1(c), B2 and B8).

A key transformational opportunity for York which is strongly supported by regional policy is the creation of a new office quarter at the York Central location. The implications for the assessment are considered as well as a guide for future provision of a new office quarter is set out.

Towards a portfolio

We carried out a review of the existing larger employment areas across York followed by an assessment of the quality of available supply (92 sites) in relation to their suitability for sub sets of the B use classes to present shortlists of sites that may be considered as a portfolio of sites for allocation as part of the Local Development Framework process. It is suggested that the Council identifies land supply on a rolling basis, aiming to provide immediately available sites for five years ahead and identify land for a further 10-15 years, so that at any one time there should be sufficient planned supply to allow for choice, variety and competition.

Contents

1. Introduction

1.1 Background

City of York Council is in the process of developing a Local Development Framework which will replace its current draft local plan. As such, the Local Development Framework will guide development through the planning process up to 2030. As part of developing the Local Development Framework, it is important that a robust evidence base is prepared and used to guide the development of the policies in the Local Development Framework that will form the basis of decision making locally in the planning system.

York has a growing economy (particularly in terms of tourism, science related sectors and retail) and is recognised as being a major contributor to the economic well being of the region as a whole (and especially the Leeds City Region).

Ensuring the maximum success of York's economy is a key priority of the City of York Council's Sustainable Community Strategy. To this end, City of York Council commissioned Entec UK with advice from Lawrence Hannah LLP (a York based firm of chartered surveyors, property and construction consultants) in April 2008 to prepare an employment land review to provide a robust evidence base for the employment related elements of the Local Development Framework. This report forms that evidence base.

1.2 Study objectives

The main study objectives were set out in the City Council's brief to consultants. The main aim is to review existing and potential future employment areas, review potential employment growth and identify a way forward for identifying employment sites and employment land supply. Within this broad aim, objectives include:

- Review employment forecasts to 2016, 2026 and 2029. This should review the findings of the previous employment land review undertaken by SQW in 2007 and the evidence base for the emerging Regional Spatial Strategy (RSS);
- Produce a strategy for the identification of future employment sites appropriate for each sector (B1 (a), (b), (c), B2& B8) taking on board national, regional and local policy;
- Identify and assess the quality of existing employment sites to meet the anticipated demand in relation to each of the Use Class categories (and subsets), proposing which areas should be retained and identify these by way of mapping;
- Analyse the extent of demand for City Centre office accommodation and the impact of the development of a new Central Business District (CBD) upon existing central office provision;
- Advise on the extent of the new CBD within the York Northwest area based on its anticipated demand from local, regional and national sources;

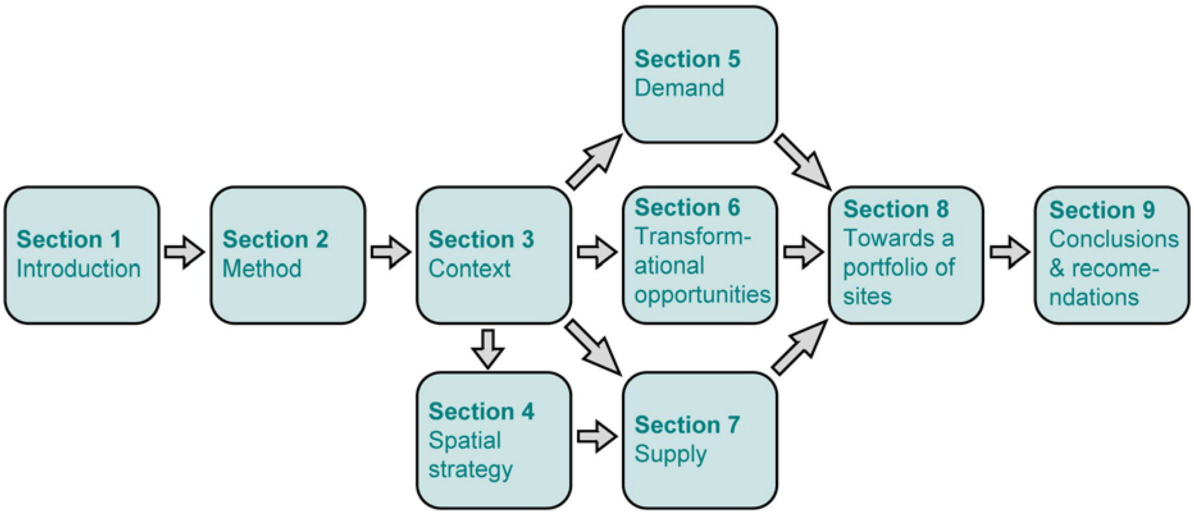
- Assess the demand for inward investing firms to locate in York; and

- Take on board the role of York within the wider Leeds City Region.

1.3 Report structure

To address these objectives this report has been structured as follows (Figure 1.1):

Figure 1.1 Report structure



Source: Entec UK

- Section 2 provides an overview of the approach and **methodology** used for the study;

- Section 3 outlines the economic and policy **context** of City of York within which the Local Development Framework will be developed (concentrating on those policies of relevance to employment land). A general overview of the property market provided by Lawrence Hannah is also discussed;

- Section 4 sets out a broad **spatial strategy** for different types of employment use which will guide the future provision of employment land in the City, based on business preferences and requirements as well as prevailing policy;

- Section 5 considers the **amount of land that will be required** by the various employment planning use classes. This is undertaken using a labour demand-led approach after consideration of other employment projections that have been produced for the City of York authority area. Due to the need to set a long term Green Belt boundary, etc. this demand projection is taken to the year 2029 as well as 2026 (which is the end of the planning period covered by the Regional Spatial Strategy);

- Section 6 sets out a **transformational opportunity** for York (creation of a new office quarter) and considers any implications for the employment land review;

- Section 7 considers the quantity and quality of employment land **supply** across the City of York authority area, including identifying sites that have been suggested to the City of York Council through the process of developing its Local Development Framework;

- Section 8 draws the supply and demand assessment together, considering envisaged demand and the available supply to see whether a gap exists, or if not, to provide a basis for future allocations, **developing a portfolio of sites;** and

- Section 9 outlines **conclusions** and recommendations of the employment land study.

Essentially, the employment land review is focussed on determining the relative position of land supply compared with demand and requires an understanding of the local economic, policy and property market context. Sites considered in the study are set out in Appendix C.

1.4 Definition of key terms

There are a number of terms that are used frequently throughout the report that have a particular meaning in this study and warrant early definition:

B Use Classes

Planning permission is required for material change of use of buildings and land[1]. However, certain uses are so similar in land-use planning terms - for example, noise, traffic generation, visual appearance, and parking - that an application for planning permission to change between them might be considered excessive. The Town and Country Planning Act 1990 excludes from the definition of development, and hence from planning control, any change of use where both existing and proposed uses fall within one class in an Order made by the Secretary of State. The B Use Classes, at present, covers 3 principal areas: Business (B1); General Industry (B2); and Storage or distribution (B8). B1 uses, uniquely in the Use Classes Order, are themselves sub-divided into:

- B1(a): offices;

- B1(b): research & development; and

- B1(c): light industry.

We use these definitions throughout this study.

Multi-criteria appraisal

Multi-criteria analysis is a form of qualitative analysis used to compare, in this case, site options. Multi-criteria analysis assigns weights to criteria and then scores the options available in terms of how well they perform against

[1] http://www.communities.gov.uk/documents/planningandbuilding/rtf/156150.rtf

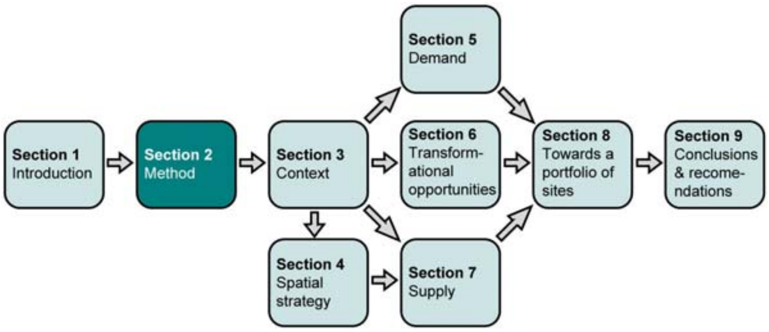
those criteria. Then the scores are summed and the site options can be ranked according to their scores. A key feature of Multi-criteria analysis is that it relies upon the judgment of the people making the decision to:

- establish objectives and criteria,
- assign weights, and
- assess the contribution of each option to each performance criterion.

Entec has used professional experience undertaking similar studies to provide an objective assessment of the different sites.

2. Methodology

The following chapter outlines the approach used in this study which is in line with available guidance for undertaking reviews of employment land. Further details of the approach applied are included specific sections of the report, as appropriate.



2.1 Identification and collection of information

After an initial inception meeting with the City of York Council (20th March 2008) to confirm the objectives and scope of work, a range of activities were undertaken by the consultant team to identify and collect the appropriate data for the study, namely:

- A desk top review of a wide range of reports and background information in order to obtain an insight into the key local conditions and issues (documents used or referred to in this study are found in section 10 ‘References’ at the end of the report);
- Initial consultations with local council officers and local agents to identify the employment land within the City, to understand their priorities, as well as thoughts on the nature of future demand for employment land;
- Meetings and discussions with the City of York Council officers to develop site appraisal criteria;
- A desk top review of available employment forecasts to identify the most suitable approach to apply in this study;
- A visual field survey (May 2008) of the key employment areas and proposal sites identified by different sources and agreed with the Council;
- Lawrence Hannah LLP undertook a site by site assessment of key employment areas and proposal sites, as well as a review of the market for commercial property;
- A Workshop on 8th July 2008 with City of York Council officers and other stakeholders (i.e. Y&H Assembly) to discuss the work carried out on growth analysis and spatial strategy; and

Many of these activities occurred concurrently and are further described in the remainder of this section. In some instances it has been appropriate to provide further detail of the methodology applied in some of the later sections of the report.

2.2 Employment demand

To estimate the likely future demand for land we have examined a number of forecasts produced with different methodologies. These available forecasts set out a range of job growth estimates (employment demand rather than labour demand) from which we selected the most suitable projection for the study. We have extrapolated this forecast to 2029, by applying simple growth rate assumptions, to suit the planning period agreed with the City of York Council. These estimates of jobs growth are then translated into floorspace and subsequently into land take. A summary of the findings of the demand assessment are provided in section 5 with a more detailed account of how the original forecasts were compared set out in Appendix A.

2.3 Site surveys

Each of the employment and proposal sites identified by the City Council was visited by Entec through June 2008 and details were gathered regarding land uses, condition and age of buildings, as well as potential development constraints and opportunities. Details were recorded for each employment site on a specifically developed site survey pro forma. Independently, Lawrence Hanna LLP also inspected the sites. This review contributed to understanding the nature of the supply of employment land in the City of York.

2.4 Site appraisal

To arrive at and assess a portfolio of sites likely to be available for development, an assessment of the quality of employment land was undertaken. A multi-criteria appraisal was applied to all potential supply sites, to arrive at a list of sites that are ranked according to their final overall score.

Multi-criteria appraisal enables a range of qualitative attributes to be reviewed in a quantitative analytical framework. Qualitative site characteristics are individually assessed relative to ideal qualities and then the sites are ranked relative to the scores made for all the sites. This approach does enable an assessment of a number of qualitative site attributes (using defined assessment criteria) which then can be combined to allow a comparison of a portfolio of sites in a systematic and transparent way. This approach has the additional benefit that the relative performance of sites can be examined when the weighting of different attributes is modified so that an assessment can be, for example, scores sites that are in line with favourable policy attributes more highly. For this appraisal a simple numbered significance ranking has been used.

2.4.1 Development of assessment criteria

Criteria encompassing a range of site attributes were identified through detailed discussions with City of York Council, Lawrence Hannah and the previous experience of Entec in undertaking such studies and also through initial survey work. Twenty four assessment criteria were defined and are grouped according to the following categories:

- Group 1 – Policy Considerations;

- Group 2 – Strategic Constraints;
- Group 3 – Other Assessment Criteria;
- Group 4 – Site/Area Attributes; and
- Group 5 – Other Site Attributes.

These groups and a detailed description of their associated assessment criteria are set out in Table 2.1 below.

Table 2.1 Qualitative impact criteria

Grouping	Criteria
Group 1 – Policy Considerations	*Conformity with spatial approach* – This criterion looked at the conformity of a site's location with the general policy presumption of location type for B1(a) (offices) development. These locations range from out of centre to city centre (the former gaining the lowest score). *Conformity with spatial approach (2)* – This criterion is similar to the first, but with respect to B1(b) development. The spatial policy context here refers to proximity to existing clusters and research institutions (the closer, the higher the score). *Conformity with spatial approach (3)* – This criterion is similar to the first, but with respect to B1(c) / B2 / B8 development. The spatial policy context here refers to reuse of vacant / under used industrial sites that would not unacceptably add to levels of congestion. These criteria were scored taking whether the site in question was previously developed land and, in the case of the third criterion, whether it was also within an existing employment area. If these two added criteria were not met, this would result in the relevant scores being reduced.
Group 2 – Strategic Constraints	*Strategic development constraints 1: flood risk* – This assessed whether a site is in a flood risk area with the lowest score attained for being within a flood zone 3b and the highest score attained for being within flood zone 1. The resultant score was further amended to take account of the proportion of the site that is in the flood zone. *Strategic development constraints 2: policy constraints* – This criterion considered the location of a site within a policy area (i.e. whether a site is in the green belt, conservation area, etc.). The score is based upon the proportion of a site that is within such a policy area. The whole of a site being within a policy area attracts the lowest score.
Group 3 – Other Assessment Criteria	*Proportion of floorspace for sale/vacant* – This assesses the general demand for the location by way of the level of vacancies exhibited within the area; the higher the vacancies, the lower the resultant score. *Strength of market demand/attractiveness* – is there any evidence of significant demand from potential occupiers to locate to a site? Poor demand attains a low score. *Recent market activity* – Has there been recent market activity? This criterion reflects the quality of a site from a market perspective. High activity attains a high score. *Connections to highway network (for B2 / B8)* – Does the location have good connections to the strategic road network and potentially rail and river transport? Do vehicles need to use residential streets to access the site? Does the site have multiple connections to the strategic road network or does it have a single connection? Is there potential for rail freight? The better the access, the higher the score. *General public transport accessibility* – What is the general public transport accessibility of the site? Low levels of access by public transport attract a low score. *Distance to local railway station* – How far is a site from the nearest local railway station? The closer the site, the higher the score. *Distance to district centres* – How far is a site from the nearest district centre? Proximity to such a centre can make a site more attractive due to the availability of services and amenities, etc. The use of such a site could also help shore up the viability of any such centre. The further a site is away from such a centre, the lower the score. *Distance to nearest existing commercial/business area* – In line with the above, this criterion assesses the proximity of a site to other commercial/industrial areas. The closer the site is to another existing commercial area, the higher the score.
Group 4 – Site/Area Attributes	*Potential development plots* – Are there sites/plots that are capable of re/development and what size are they? The larger the plot, the higher the score. *Age and quality of buildings* – What is the general age and quality of the buildings? Are they well maintained? Is there a mix of ages or were all the buildings developed at around the same time? The higher the quality, the higher the score.

Table 2.1 (continued) Qualitative impact criteria

Grouping	Criteria
	Operation of potentially contaminative uses – Does the area include potentially contaminative uses (thereby increasing the costs of potential future development)? A high probability of contaminating uses attracts a low score. *Distance to local centres* – This criterion is similar to the 'distance to district centres' in group 3, but relates to local centres. *Current local employment issues and deprivation levels* – Would the development/continuation of activity of a site contribute to regeneration by way of providing jobs in an area that is relatively deprived? If a site is located in a area exhibiting relatively low levels of deprivation, this attracts a low score. (The level of deprivation has been assessed by way of the Indices of Multiple Deprivation 2007 which were grouped into quintiles of rank.) *Distance to housing* – This has been included as a crude measure of the availability of labour supply. It has been assessed relative to the average for York; therefore a site that is considerably below this average (i.e. is further away from housing than the average distance), attracts a low score.
Group 5 – Other Site Attributes	*Quality of public realm* – What is the general quality of the public realm within the site? Is it well maintained or significantly run down? Are there any significant environmental issues, such as fly-tipping? The better the quality of the public realm, the higher the score. *Intervention required* – Is there a likely need for intervention in order for a site to be developed for employment uses (such as grant aid, etc.) or is the site of a nature whereby employment related development is viable without public intervention? A site being undeliverable without public intervention is awarded a low score.

Source: Entec UK

2.4.2 Scoring used in the criteria assessment

Applying the multi-criteria appraisal to each site, the assessment criteria were scored on a five point scale as (Table 2.2):

Table 2.2 Qualitative impact levels

Qualitative Assessment Level	Assessment Description (for retained employment uses at the site)
1	Strongly negative
2	Negative
3	Neutral
4	Positive
5	Strongly positive

Source: Entec UK

A table in Appendix B sets out a full list of the criteria and indicates the considerations that applied to score the sites. For example, it notes that a site located in the city centre assessed in relation to its 'conformity with the spatial approach' for B1(a) office uses has a score of five (highest score), whereas a site out of the urban area scores one (lowest score).

2.4.3 Weighting groups of criteria in the assessment

Each criteria group is weighted to reflect different levels of importance. These weightings have been assigned on the basis of Entec's experience and discussion with the City of York Council. Given the number of criteria applied, these relative weightings have been chosen to provide a maximum weighted score. The weightings are based on the issues and assumptions summarised in Table 2.3 which illustrates how the weightings have been apportioned:

Table 2.3 Weighted assessment of criteria groups

Criteria	Weighting (%)	Description
Group 1 – Policy Considerations	35	The location of development is generally tightly controlled in terms of planning policy (at a national, regional and local level) and therefore this group attracts a high weighting.
Group 2 – Strategic Constraints	20	This group contains criteria that could potentially be 'show-stoppers' in that a site at severe risk of flooding should not be developed. The location of a site within an area subject to tight policy prescription (such as being within the green belt), whilst not perhaps being a show-stopper, lowers the probability of its coming forward (through allocation) and may hamper the type or nature of development that could be undertaken. Consequently, this group attracts the second highest weighting with group 3.
Group 3 – Other Assessment Criteria	20	This group of criteria include very important issues such as the likely attractiveness of the site to the market, its connections to the transport network, etc. Because of the importance of these issues, this group attracts the second highest weighting with group 3.
Group 4 – Site/Area Attributes	15	This group contains criteria that whilst important, are not as important as the main policy and physical issues contained in the previous groups. This group therefore attracts medium weighting.
Group 5 – Other Site Attributes	10	The criteria in this group include issues relating to the potential overall attractiveness and vibrancy of sites (and predominantly issues that are internal to the sites themselves). As such, this group attracts the lowest weighting.
Total	**100**	

Source: Entec UK

The multi-criteria appraisal indicates the relative importance of each site allowing for site comparison as part of a decision making tool. **Whilst this attempts to be a comprehensive approach to the assessment of sites, it is not intended to be definitive, as policy development needs to be guided by sound professional judgement on the behalf of the policy maker who may reasonably need to take other factors into consideration.**

In assessing the quality of the sites, we have used three separate (but related) schemes. The first assess the quality of the sites including their suitability to policy in terms of location for B1(a) office development (city centre first, etc.). The second scheme applied the same assessment, but taking into account the suitability of a site in terms of locational suitability for B1(b) research and development uses (adjacent existing clusters) and the third for industrial, storage and distribution development (which will principally be outside of the city centre, etc.).

2.5 Analysis of demand and supply of employment land

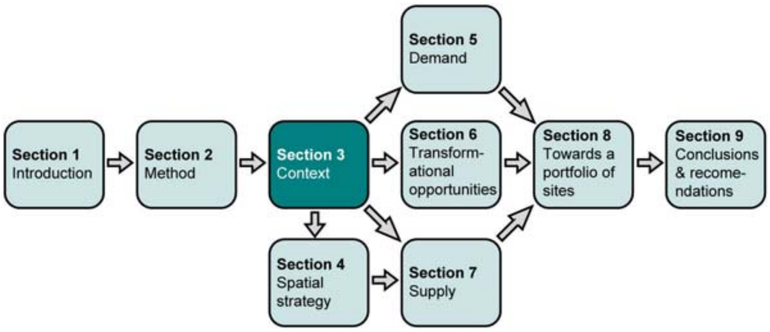
Having gained information about the quantity and quality of employment land available in the City of York area and a picture of the future requirements as to the quantity of employment land needed to 2029, we are in a position to analyse the degree to which there is a gap between future demand for and supply of land.

The site surveys allow the identification of developable land and the multi-criteria appraisal allows the quality of the sites to be taken into account. The result is the quantity of land that is available for employment development and consequently the identification of any gaps in provision with regard to both quantity and quality. Conclusion

The methodology used in this study follows best practice and the advice within the ODPM (now CLG) good practice guidance in undertaking employment land reviews. It is based on a number of sources of information including publicly available data, survey of sites, and discussions with stakeholders.

In order to arrive at a complete picture as to a realistic level of employment land supply, the projection of the future level of demand for employment land and the quantity and quality of supply of such land have been brought together. In conclusion, this study presents a shortlist of sites that may be considered for allocation as part of the Local Development Framework process that may be taken to the future provision of employment land to ensure the sustainable economic development of the City York into the future.

3. City of York



The following section describes how the City of York is placed in relation to its national and regional context. This includes a review of trends in key economic sectors as well as a review of the planning policy and property market contexts.

3.1 Economic context

3.1.1 Introduction

This section will provide a brief analysis of York's local economy, primarily aimed at looking at growth of different industrial sectors and concentration (as opposed, for example, to looking at skills and unemployment levels). This analysis is useful for identifying potential trends in growth amongst the different sectors as well as those sectors which may have property requirements in the future.

3.1.2 Key industrial sectors in York

Compared to the national economy, the economy of York has performed well, with growth in total employment of 16.59% compared to 15.8% nationally, over the period 1995 to 2006, the longest time period for which consistent and comparable data is available. See Table 3.1.

Table 3.1 Employment by sector in 2006 and employment growth 1995 – 2006, York and Great Britain (GB)

Sector	York Employment 2006	York Employment Growth 1995 – 2006 (%)	GB Growth 1995 – 2006 (%)
Agriculture, etc.	400	-21.59	-27.59
Manufacturing	6,100	-17.74	-28.32
Electricity, Gas and Water	400	-82.30	-16.77
Construction	6,000	8.50	39.52
Distribution	2,500	15.57	6.13
Retail	14,600	17.94	13.95
Hotels and Rests	9,200	32.83	26.03

Table 3.1 (continued) **Employment by sector in 2006 and employment growth 1995 – 2006, York and Great Britain (GB)**

Sector	York Employment 2006	York Employment Growth 1995 – 2006 (%)	GB Growth 1995 – 2006 (%)
Transport and communications	7,300	-11.54	15.30
Banking, Finance and Insurance	6,100	30.64	10.05
Business Services	10,900	95.55	52.43
Public admin. and defence	6,000	0.35	8.60
Health and Education	23,500	22.63	34.78
Other	5,000	53.51	30.91
Totals	97,900	16.59	15.80

Source: Annual Business Inquiry. Note: All job numbers are rounded to the nearest hundred due to reporting restrictions.

It can be seen that where there has been a decline in employment nationally, this is reflected at the local level, although employment in manufacturing has not declined as much in York as has been seen nationally. The difference in this overall picture is in the transport and communications sector which has seen a significant decline over the period in York (this is believed to correspond to the contraction of previously significant railway related employment in York), whereas nationally there has been growth.

Employment in banking, finance and insurance and business services has seen considerable growth in York compared with national trends whereas the growth seen in public administration has not been as high as has occurred nationally. Other relatively high growth sectors have been in the retail and hotel restaurant sectors (perhaps not surprisingly given York's role as a tourist destination).

In terms of the importance of these sectors, the proportionate employment in each of these sectors is (Table 3.2):

Table 3.2 **Employment by sector as a proportion of total employment in 2006, York and Great Britain (GB)**

Sector	York (%)	GB (%)
Agriculture, etc.	0.42	1.08
Manufacturing	6.27	10.88
Electricity, Gas and Water	0.40	0.79
Construction	6.09	4.78
Distribution	2.55	4.15
Retail	14.91	12.59
Hotels and Restaurants	9.34	6.79
Transport and Communications	7.43	5.89

Table 3.2 (continued) **Employment by sector as a proportion of total employment in 2006, York and Great Britain (GB)**

Sector	York (%)	GB (%)
Banking, Finance and Insurance	6.26	5.52
Business Services	11.09	15.72
Public admin. and defence	6.12	5.55
Health and Education	24.00	21.39
Other	5.13	4.88

Source: Annual Business Inquiry. Note that these totals have been rounded for ease of presentation.

Of particular note is the proportionately lower employment in manufacturing in York compared to national proportionate employment in this sector and the higher relative rates of employment in retail and hotels and restaurants. It can also be seen that the high growth banking, finance and insurance and business services sectors have proportionately higher employment than has been seen nationally.

The above table broadly shows the relative level of concentrations of employment in the local economy. This can be further assessed by way of analysing location quotients. These are a measure of the concentration of employment in a sector compared to the proportionate employment in the same sector nationally. A location quotient greater than 1 means that a sector exhibits concentration (i.e. employment at the local level is proportionately higher in that sector than it is at the national level), see Table 3.3:

Table 3.3 **Employment concentration by sector 2006, York**

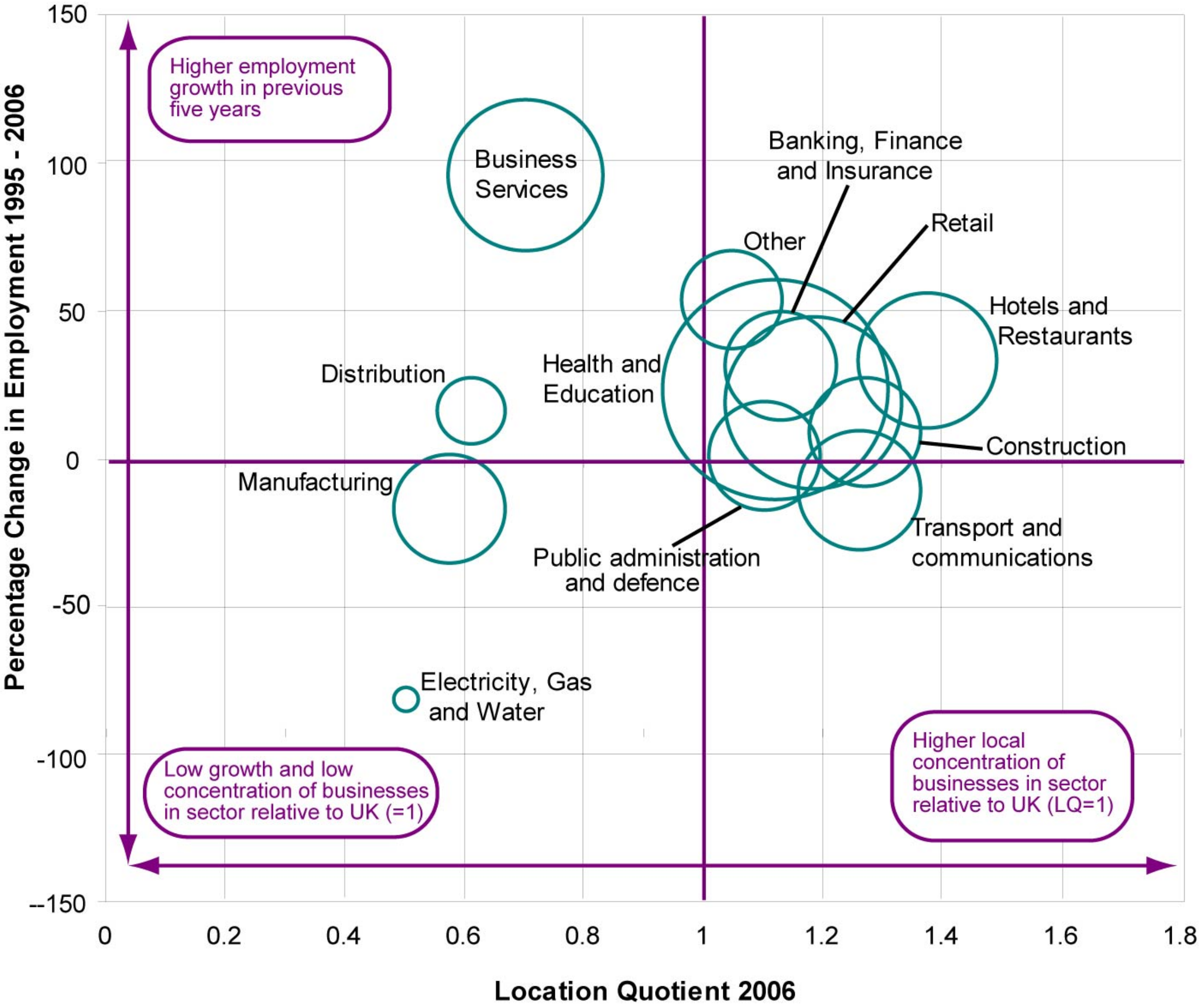
Sector	Location Quotient
Agriculture, etc.	0.39
Manufacturing	0.58
Electricity, Gas and Water	0.50
Construction	1.27
Distribution	0.61
Retail	1.18
Hotels and Restaurants	1.38
Transport and Communications	1.26
Banking, Finance and Insurance	1.13
Business Services	0.71
Public admin. and defence	1.10
Health and Education	1.12
Other	1.05

Source: Annual Business Inquiry. Note that these totals have been rounded for ease of presentation.

Sectors that show concentration include retail, hotels and restaurants and banking, finance and insurance. Given the tourism role of York and the growth seen in the latter sector over the years, this is not surprising.

In order to more easily compare the proportionate size of a sector within the local economy, its level of concentration and its growth over time, the chart below (Figure 3.1) plots all of these facets, with the size of the circle representative of the proportionate level of employment in a sector.

Figure 3.1 Proportion of employment in different sectors in comparison with GB average and previous change in employment in these sectors, York



Source: Entec UK, data from the ABI

It can be seen that proportionately, the largest employment sector is health and education (which will likely represent the presence of the university and hospital). Business services have been the highest <u>growing</u> sector (despite not being locally concentrated) whilst the most concentrated sector is hotels and restaurants. Using this information, it is possible to measure the degree of relative diversity of the local economy through time. Table 3.4 presents the Index of Regional Specialisation[2] for York calculated for 1995, 1998 and 2006:

Table 3.4 Relative economic diversity through time, York, 1995 to 2006

Year	Index of Regional Specialisation
1995	0.222
1998	0.210
2006	0.157

Source: Entec UK and data from the ABI. Note that these totals have been rounded for ease of presentation.

The Index of Regional Specialisation shows the degree of specialisation relative to the national economy. The closer the measure is to zero, the more diverse the economy. It can be seen therefore that York's economy has become gradually more diverse over time. This is most likely due to both the decrease of employment in the manufacturing sectors and simultaneous increases (and diversification) in employment in other, service based sectors (most notably in the banking, finance and insurance, and business services).

3.2 Policy context

3.2.1 Introduction

Local policy for employment land development will be shaped by national policy and guidance in the form of Planning Policy Guidance notes (PPG), Planning Policy Statements (PPS) and various White Papers which are translated into regional and (previously) local planning policy and land allocations. Recent local policy is not described in this review as it will be replaced as part of the emerging Local Development Framework. The following review has also informed the development of site appraisal criteria set out in Section 2 and spatial strategies for B use classes described in Section 4.

3.2.2 National policy

The policy context of employment land development will need to be shaped by national policy and guidance in the form of Planning Policy Guidance notes (PPG), Planning Policy Statements (PPS) and various White Papers which are translated into regional and local planning policy and land allocations:

---

[2] The Index of Regional Specialisation is the sum of the positive differences between the local and national components of location quotient calculations.

PPS1: Sustainable Development sets out the main principles for all development, of which one of its four main aims is the 'maintenance of high and stable levels of economic growth and employment' as well as providing a positive planning framework for sustainable economic growth to support efficient, competitive and innovative business, commercial and industrial sectors. More spatial sustainable issues are addressed in this PPS and it is stipulated that development which attracts a large number of people, especially retail, leisure and office developments, should be developed in existing centres to promote their vitality and viability, social inclusion and more sustainable patterns of development.

PPS1 supplement Planning and Climate change sets out certain criteria which the local authority should take into account when selecting land for development, namely:

- The extent to which existing or planning opportunities for decentralised and renewable or low-carbon energy could contribute to the energy supply of development;
- Whether this is, or has the potential for, a realistic choice of access by means other than the private car and for opportunities to service the site through sustainable transport;
- The capacity of existing and potential infrastructure (including for water supply, sewerage, waste management and community infrastructure such as schools and hospitals) to service the site or area in ways consistent with cutting carbon dioxide emissions and successfully adapting to likely changes in local climate;
- The ability to build and sustain socially cohesive communities with appropriate community infrastructure, having regard to the full range of local impacts that could arise as a result of likely changes to climate;
- The effect of development on biodiversity and its capacity to adapt to likely changes in climate;
- The contribution to be made from existing and new opportunities for open space and green infrastructure to urban cooling, sustainable drainage systems, and conserving and enhancing biodiversity; and
- Known physical and environmental constraints on the development of land such as sea level rises, flood risk and stability, and take a precautionary approach to increases in risk that could arise as a result of likely changes to the climate.

This is reiterated through **PPG13: Transport** which states that local authorities should actively manage the pattern of urban growth to make the fullest use of public transport and focus major generators of travel demand in city, town and district centres and near to major public transport interchanges. More specifically PPG13 states that preferable areas and sites for B1 uses (Business) should be highly accessible by public transport, walking and cycling. PPG13 also encourages the movement of freight by rail and water and states that sites and routes, both existing and potential, critical in developing infrastructure for the movement of freight should be protected.

PPG4: Industrial, Commercial Development and Small Firms refers to the reuse of urban land given the increasing amount of under used or vacant industrial site and states that optimum use should be made of potential sites and existing premises in inner cities and other urban areas. The guidance also encourages developments

which minimise the length and number of trips and can be served by energy efficient modes of transport, and discourages developments that would unacceptably add to levels of congestion.

PPS4 Sustainable Economic Development is a consultation draft of the document that will, when adopted, eventually replace PPG4. This document sets out the Government's current thinking on planning policy relating to economic development. The statement relates to economic development in a wider sense than does PPG4 (i.e. it does not predominantly relate to the industrial use classes). A positive stance is taken towards economic development with a stated desire for an increased emphasis on economic development than has perhaps been present in the planning system previously. The statement also includes a requirement for local planning policy, when developing allocations, to take market information, including prices, into account.

The PPS4 consultation draft also states that regional and local planning authorities should develop flexible policies which are able to respond to economic change. It is also stated that planning authorities should avoid designating sites for single or restricted use classes wherever possible and avoid carrying forward existing allocations where this cannot be justified.

PPS6: Town Centres refers to the town centre uses which include retail, leisure, entertainment, offices and arts, culture and tourism and refers to a sequential approach to site selection for offices and other main town centre uses which includes:

- First, locations in appropriate existing centres, suitable sites or buildings for conversion which are, or are likely to become, available within the development plan period, taking into account an appropriate scale of development in relation to the role and function of the centre;
- Edge of the centre locations, with preference given to sites that are or will be well connected to the city centre; and then; and
- Out of the centre sites, with preference given to sites which are or will be well served by a choice of means of transport and which are close to the centre and have a high likelihood of forming links with the centre.

Flooding has become an increasingly important factor in terms of spatial development; **PPS25: Development and Flood Risk** highlights that Regional Planning Bodies and Local Planning Authorities should apply the sequential test when allocating land in their Local Development Documents. If following the application of the Sequential Test it is not possible or desirable for a development to be located in a zone with a lower probability of flooding, the Exception Test can be applied in some cases. The Exception Test makes provision for sites that can be balanced against wider sustainability considerations and is designed to ensure that the flood risk posed to such sites is controlled and mitigated to an acceptable level.

3.2.3 Regional Economic Strategy

The Regional Economic Strategy for Yorkshire and Humber (2006-2015) provides a 10 year 'blueprint' to improve the economy of the region relative to other regions. The economic vision is 'to be a great place to live, work and do business that fully benefits from a prosperous and sustainable economy' and six objectives have been identified that reflect the aims of business, people and environment:

1. More business – because higher levels of enterprise are so important;

2. Competitive businesses – making indigenous businesses more productive because they innovate and invest;

3. Skilled people – with talents that employers value and which offer due reward;

4. To connect people to good jobs – because levels of employment make a big difference to people and the economy, and we need more people in jobs in deprived areas;

5. Enhanced transport infrastructure and the environment – a strong economy needs good sustainable transport connections and to make the best of the environment and infrastructure; and

6. Stronger cities, towns and rural communities – to ensure they are attractive places to live, work and invest.

For each of the objectives listed above, the Regional Economic Strategy sets out ways in which the region will achieve these. Those relevant to employment land are:

- Encourage more people to start a business;
- Increase, retain and embed business investment in the region;
- Foster innovation to develop new markets and products, including good links between business and higher education institutions;
- Grow business and employment in knowledge based regional clusters;
- Boost key sectors of regional significance;
- Ensure government commitment to the region’s long term transport priorities;
- Deliver initial transport schemes of economic priority;
- Protect, enhance and utilise the environmental and natural resources;
- Boost the role of city regions as economic drivers; and
- Deliver integrated renaissance programmes in major cities and towns.

The Regional Economic Strategy specifically identifies a number of key regional strategic priorities for York (as part of the York and North Yorkshire sub-regional development priorities):

> *‘3.145 York is progressing as a heritage centre, and as one of only six national Science Cities it has the opportunity to work with Government to develop an agenda that will help drive the regional and national economy. In addition, York Central is working to provide a substantial area of land for mixed use within York city centre adjacent to the railway station and the Holgate Business Park. Science City and the university are ensuring the city retains and builds on its reputation as a centre of research, innovation and*

learning. The city will also work to develop a 'cultural quarter' – adding to the already significant cultural and heritage assets of the city and its pull to visitors.'

Regional clusters, such as Digital Industries and Bioscience are also stated as being important to York (and Harrogate).

Annex 1: Linkages to Other Key Topics and Strategies details that the Regional Economic Strategy builds on the approach of regional policy on planning and transport and that the economic and spatial strategies are 'wholly integrated and adopt a set of mutually supportive principles and policies'. More specifically, the Regional Economic Strategy has applied a sustainable development principle to how it goes about economic development, in line with the way in which the Regional Spatial Strategy is developed.

3.2.4 Regional Spatial Strategy

The Yorkshire and Humber plan, the Regional Spatial Strategy to 2026 sets out a spatial planning strategy for the region and was adopted in May 2008.

Relevant policies

Policy YH7: Location of Development

Local planning authorities should allocate sites by giving:

1. First priority to the re-use of previously developed land and buildings and the more effective use of existing developed areas within the relevant city or town;

2. Second priority to other suitable infill opportunities within the relevant city or town; and

3. Third priority to extensions to the relevant city or town.

In identifying sites for development, local planning authorities should adopt a transport-orientated approach to ensure that development:

1. Makes the best use of existing transport infrastructure and capacity;

2. Takes into account capacity constraints and deliverable improvements, particularly in relation to junctions on the strategic road network;

3. Complies with the public transport accessibility criteria and maximises accessibility by walking and cycling; and

4. Maximises the use of rail and water for uses generating large freight movements.

The Regional Spatial Strategy splits the region into seven sub-areas, of which York is one. Policy Y1 refers to the York Sub Area and highlights the need to encourage, amongst others, the business, financial services and knowledge industries as part of diversifying and growing the local economy. Specific reference is made to the development of the sub-area's economy through the development of York Northwest.

Policy Y1: York Sub Area Policy

Plans, strategies, investment decisions and programmes for the York sub area should:

B ECONOMY

1. Diversify and grow York as a key driver of the Leeds city region economy by encouraging the business and financial services sector, knowledge industries and science based industries, leisure and retail services and the evening economy, and further developing its tourism sector;

2. Spread the benefits of York's economic success to other parts to the sub area and ensure that all members of the community have access to employment opportunities;

F REGIONALLY SIGNIFICANT INVESTMENT PRIORITIES

1. Develop the sub area economy with major new development and initiatives including Science City York, York Northwest, further developing and expanding York University; and

2. Manage flood risk in line with the Policy ENV1 along the Ouse at York.

Section 14 refers to the economy of the region with policies E1, E3, E4 and E5 being relevant to employment land allocation in York:

Policy E1 creating a successful and competitive regional economy includes the job growth potential with Table 11.1 (in the strategy) and setting out potential annual job growth from 2006 (Full Time Equivalents) stating a potential annual job growth of 2,130 for York. This potential growth is then broken down into different land uses that are relevant to the spatial policies of the Plan in 'Table 11.2' of the Strategy and set out in Table 3.5 below:

Table 3.5 Table 11.2 from the Regional Spatial Strategy: Potential annual job growth from 2006 by different land uses

Sub area	Main town centre uses – Offices B1a	Main town centre uses – Retail and Leisure	Main employment land uses – Industry B1 (b),(c) and B2	Main employment land uses – Storage and distribution	Public services – Health and Education	Public services – Other	Other
York	480	450	210	180	480	50	230

Source: Regional Spatial Strategy

However, paragraph 11.5 of the Strategy states that 'the figures are indicative, rather than targets' and that 'Policies E1 and E3 allow for the use of more detailed sub-regional or local forecasts or more up-to-date information in addition to tables 11.1 and 11.2'. For details of the relevant projections, see Appendix A.

Policy E3 Land and Premises for Economic Development states that plans, strategies, investment decisions and programmes should make use of appropriately located previously developed land and current allocations and should ensure availability of sufficient land and premises in sustainable locations to meet the needs of a modern economy, taking into account:

1. The need for additional floorspace for office, retail and leisure uses as indicated by the potential job growth in Table 11.2 of the Strategy, which sets out annual job growth by use, and the considerable scope for this to be accommodated mainly in or adjacent to city and town centres;

2. The ongoing restructuring and modernisation of the manufacturing sector and the guidance on land for industrial uses set out in Table 11.3 of the Strategy (see Table 3.6, below), which sets out a guide for land requirements; and

3. The need for land and extended premises to support the development of public services, health, sport, leisure, tourism, cultural industries and education as key employment generators and the contribution of mixed use development to employment supply.

Table 3.6 Table 11.3 from the Regional Spatial Strategy: Guidance for land for industrial and storage/distribution uses. Based on job growth of 2,130 pa

Sub area	Potential net change in land in industrial & storage/distribution uses 2006 – 2021	Employment land allocated in 2006	Policy implications
York	90 ha	40 ha	York may require additional allocations

Source: Regional Spatial Strategy

Policy E3 states that local employment land reviews undertaken to inform Local Development Frameworks should take account of the potential job growth set out and that land in use or allocated for economic development should be reviewed during the preparation of the Local Development Frameworks. The availability and sustainability of employment sites should be monitored on a 3-year rolling basis to ensure that it continues to meet current and future needs. A portfolio of the best sites, representing at least a five-year supply should be identified and protected. Table 11.3 states that local districts will also need to include land in their employment land portfolios for small-medium, high quality, specialist sites located in accordance with the Core Approach.

Policy E4 Regional Priority Sectors and Clusters states that key sectors including financial and business services should be supported. Plans, strategies, investment decisions and programmes should:

1. Address the need for premises adjacent or close to key regional assets including higher education and university facilities;

2. Provide sufficient quantity, quality and choice of a range of sites, including incubator units, expansion space and larger facilities for priority clusters; and

3. Recognise that support for cluster development encompasses a wide range of topics including property needs, infrastructure, access to quality labour pools and supply chain/trading links.

Policy E5 Safeguarding Employment Land states that Local Development Frameworks should define criteria or areas where it is considered necessary to offer special protection to designated employment sites. This should be applied where:

1. It is necessary to safeguard employment land on the basis of the demonstrable level of competing demand from other land uses;

2. The employment land so identified is necessary to support Policies YH4, YH5 and YH6 [which refer to regional cities, sub regional cities, principal towns and local service centres]; and

3. A review of employment land has been carried out in accordance with policies E1-E4 or the sites are part of an area subject to an agreed masterplan.

Policy LCR1 Leeds City Region sub area policy states that strategic patterns of development should encourage regeneration of York Northwest including new homes and a new business district in the Sub Regional City of York is specifically identified.

Policy LCR2 Regionally significant investment priorities for Leeds City Region states that to deliver transformation through economic development, housing renewal and growth, and improved green infrastructure, community facilities and accessibility, public and private sector investments will be targeted to: - deliver new homes and a new central business district and a mix of other employment and tourism uses at York Northwest.

3.3 Market context

City of York has a population of approximately 193,300 (2007 mid-year population estimate, ONS) and the wider sub area, as defined by the Regional Spatial Strategy 2008, has a population of approximately double this figure. Employment in manufacturing and associated businesses based around the historically significant railway and confectionary related businesses have declined, but have been offset more recently by growth in the business and financial services, knowledge and tourism based sectors of the economy. This is evidenced by the table 3.4 above. Growth rates in York's employment market have been particularly strong over the last decade, reflecting the above average economic growth across the UK economy. This is despite certain less common constraints York experiences when compared to the vast majority of other UK cities, these being primarily related to the important historic make up of the city and its natural environment.

Strong economic links with Leeds, the main economic driver for the Yorkshire and Humber region, is a result of York's relatively close proximity to the city, being as it is approximately 40 km away. Transport connections between the two cities are generally good and the health of the Leeds City Region complements the role of York. York itself supports the economic growth of Selby and Malton which are principal towns within the sub area. It also acts as a key economic driver within the Leeds City Region economy particularly through the Science City initiative. Employment within York is largely concentrated in a number of key employment areas that are predominantly located around the urban fringe of the city, such as Monks Cross, Clifton Moor, York Business Park and Northminster Business Park and around the City Centre itself. There are approximately 30,000 jobs (estimate provided by City of York Council) located in or on the edge of the City Centre. The exceptions to this are the Foss Islands/James Street area on the edge of the city centre and the historic city centre itself. More recently key opportunities at York Northwest have presented themselves within the urban centre of York through the closure and rationalisation of historic businesses. York Northwest comprises two large brownfield sites comprising York Central and British Sugar. The opportunities York Central provides are discussed later in this report at Chapter 6. Other opportunity sites include the southern part of Nestlé Rowntree's Haxby Road factory site (called Nestlé South) and the former Terry's chocolate site (to the south of the city centre).

3.4 Conclusion

Economy

The economy of York has performed strongly over the period for which data are available (1995 – 2006) compared to the national economy, showing a higher growth in total employment. This growth has been mostly derived from a few sectors including business services, banking finance and insurance, retail and hotels and restaurants. This pattern of growth shows that a continued (and strengthening) demand for office space is realistic. Given the growth in distribution, etc. this is also likely to be the case for storage and distribution premises.

Policy

The location of development is referred to in national, regional or draft local policies which encourage a sequential approach to the location of all development. Given the increasing importance of sustainability, development is generally favoured on previously developed land in locations which offer a choice in means of transport, which is normally within the city. The second priority for development is for in-fill opportunities within the city before creating extensions to the periphery. More specifically to employment uses policies also refer to a general sequential approach:

- preference for B1(a) employment uses are previously undeveloped sites in appropriate existing centres, then edge of centre locations which are well connected to the city centre followed by out of centre sites which are well served by a choice of means of transport. In the case of the edge of centre, or out of centre locations it should be demonstrated that all potential city centre locations have been considered and are unsuitable for the development; and

- preference for B1(b) and (c), B2 and B8 uses are the reuse of under used or vacant industrial sites in urban areas that will not unacceptably add to levels of congestion. National guidance encourages the use of rail and water for movement of freight which could therefore influence the location of B8 uses.

The Regional Spatial Strategy refers to safeguarding employment land in line with the results of the Employment Land Review.

Market

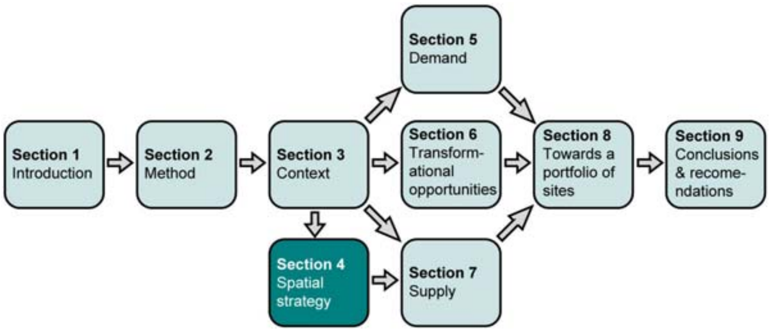
York has experienced a diversification in its economy in recent years, following the decline of transport (railway) and confectionary related businesses. The growth of the business, banking and financial services sectors along with tourism and Science City related sectors has provided strong employment growth in recent years.

The economy of York has an important role to fulfil within the Yorkshire and Humber region as a driver for growth of principal towns within the sub area and also at a regional level, particularly through its tourism and Science City sectors.

A significant opportunity at York Central (which is part of York Northwest) has arisen to develop a major business centre on the edge of the city centre. This may significantly contribute to the future growth of York's economy.

4. A Spatial Strategy for Employment

This section sets out broad potential spatial strategies for different types of employment use which will guide the future provision of employment land in the City, based on business preferences and requirements as well as prevailing policy.



4.1 Introduction

This section describes how a number of broad spatial strategies have been developed to guide the future provision of employment land. These strategies are also important as they are used as part of the site assessment criteria applied in this study.

4.2 Developing a spatial strategy

Broad spatial strategies have been developed by Entec to meet a range of policy objectives:

- Provide a **useful guide** for the spatial allocation of employment land and consideration of future proposals;
- Be **sensitive to business requirements** and the **attractiveness of locations to the market** so as to **optimise the viability of locations** as well as mindful of **longer term economic trends**;
- Take account of other **policy and wider context**.
- Encourage sustainable economic development by finding a location that optimises sustainability benefits (and minimises potential negative effects), for example;
  - in terms of use of public transport by employees and visitors as well as the movement of deliveries and goods produced, or minimises congestion or other potential environmental effects;
  - development is generally **favoured on previously developed land** in locations which offer a choice of modes of transport, which is normally within the city; and
  - another priority for development is for **in-fill opportunities within the city** before creating extensions to the periphery.

4.3 Broad spatial strategy for employment land

Considering the above objectives a general sequential approach to employment land (B use classes) for York proposed by this study is:

B1(a) employment

The preference for B1(a) employment uses the City centre, then edge of centre locations which are well connected to the city centre followed by out of centre sites which are well served by a choice of modes of transport. In the case of the edge of centre, or out of centre locations it should be demonstrated that all potential city centre locations have been considered and are unsuitable for the development, or will be allocated more appropriately in another type of development (e.g. retail)

B1(a) uses would therefore be appropriate within the city centre and immediate surrounding areas to the city centre. B1(a) uses in the wider urban area should only be allocated if all supply cannot be made within the city centre or edge of centre.

B1(b), (c) B2 and B8 employment

The preference for B1 (b), (c), B2 and B8 uses are the reuse of under used or vacant industrial sites in inner urban or other urban areas that will not unacceptably add to levels of congestion. National guidance encourages the use of rail and water for movement of freight which could therefore influence the location of B8 uses.

B1 (b) (c), B2 and B8 uses would therefore be appropriate on the periphery of the city centre or, within the existing urban area. This would accord with the policy approach in the Regional Spatial Strategy with B1 (b), (c) and B2 uses comprising 'industrial' uses and B8 storage and distribution uses. Note that some such uses, particularly B8 distribution uses will be best served with highly accessible locations but adjacent major road/rail/water transport interchanges.

B1(b) employment

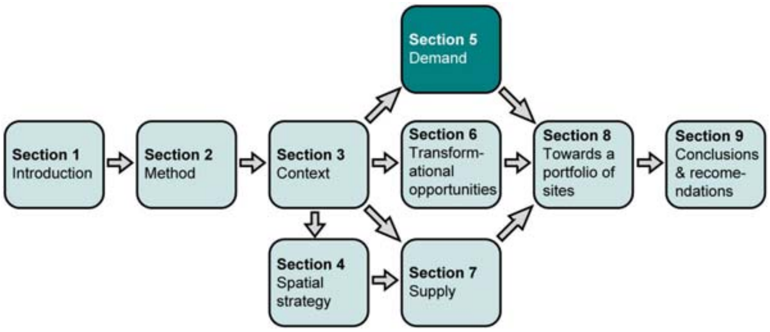
In addition to the above, it is important to note the likely preference of B1 (b) businesses for locations in proximity to either existing clusters of B1 (b) or research and educational institutions. This definition is locally important given a number of significant regionally supported proposals relating to Science City York, including the University and its expansion at Heslington East. This approach accords with RSS policy.

4.4 Conclusion

A set of broad potential spatial strategies for different types of employment use have been developed to guide the future provision of employment land in the City, based on business preferences and requirements as well as prevailing policy.

5. Future Demand for Employment Land

This section shall examine the potential future levels of employment land that could be expected in the future (to 2029) in the City of York. This includes estimating the potential growth in the sectors representing the B use classes and converting this to land area.



5.1 Approach

The potential future needs for employment land in this study has been undertaken by way of demand-led projections. The future land needs are based upon employment growth in those sectors which will most equate to the B use classes. A summary of the work undertaken and method is set out in Table 5.1, overleaf and commences with a review of available demand forecasts.

5.2 Available demand forecasts[3]

In 2007, consultants SQW undertook a stage 1 and 2 employment land review for City of York Council (stage 2 being the determination of future employment land requirements), which included job forecasts (upon which the future land requirements were based). These included a baseline employment forecast and an enhanced, 'customised' forecast which was the scenario ultimately selected to determine future land requirements.

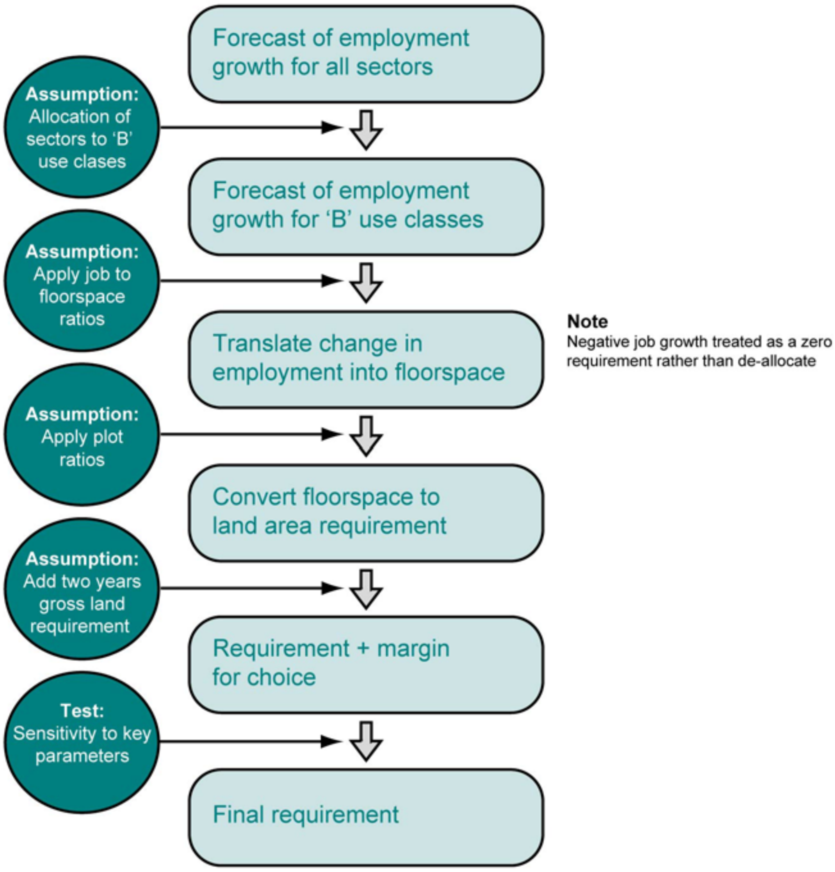
The underlying employment forecasts were produced by Cambridge Econometrics, an independent economic analysis and forecasting consultancy. Not unlike the economic models produced by Experian Business Strategies (which is the model used by the Regional Assembly for Yorkshire and the Humber as a basis for the Regional Spatial Strategy), the Cambridge Econometrics model takes as its starting point forecasts of world-wide and national economic performance within which the local forecasts sit. The relationship between sectors and certain variables at the local level are then used to forecast employment growth at the local level which includes the relationship of various sectors with each other at the local level and with other regions of the UK and the wider world.

---

[3] A comparative review of available forecasts is set out in Appendix A.

The customised Cambridge Econometrics forecasts used in the SQW (2007) study produced employment growth higher than the baseline forecasts by assuming that the sectors within the Science City York programme (i.e. biotechnology, etc.) continued to grow at a rate approaching the growth seen in these sectors over the period 1999 – 2006. Essentially, employment in the parts of sectors that were thought to best represent the Science City York growth sectors were assumed to grow at 5% per year.

Figure 5.1 Schematic representation of method used to determine employment land requirement



Source: Entec UK

These Cambridge Econometrics forecasts from 2006 to 2021[4] produced an annual jobs growth level of 1,067 jobs per year. It should be noted that this figure relates to employment growth across all sectors which are in addition to the B use classes. Taken to 2029, this would result in total jobs rising from 90,418 to 116,018 (a total growth in jobs over this period of 25,600). These jobs are full time equivalents (FTEs) which are a means of taking part-time working, etc. into account. Over time, according to this source, the total growth in jobs is:

[4] Jobs growth per year using a different time period, fore example 2006 – 2029, may be different. The principle reason for this is that the underlying growth rate in the forecast is 'non-linear' (not a straight line).

Table 5.1 Total Jobs over time (FTEs)

2006	2016	2021	2026	2029
90,418	100,835	106,424	112,323	116,018

Source: Entec UK and SQW (with Cambridge Econometrics). Note that these totals have been rounded for ease of presentation.

It should also be noted that the overall growth in jobs (and the annual growth of jobs) shown in Table 5.1 refers to all types of jobs – not just those within the planning B use classes, which are the main interest of this study.

5.3 Translating employment growth into land requirements

5.3.1 Converting employment forecasts into planning use classes

The total growth in jobs over each period of interest needs to be translated into planning use classes. There are various methods by which this may be undertaken, but for the purposes of this report, the methodology employed within the Regional Spatial Strategy is used to convert the employment forecast into planning use classes[5]. The land take estimates produced by the previous SQW (2007) work are not being taken forward here. **Please refer to Appendix A, where the RSS and SQW approach are compared**. This approach applied is:

- 'B1': 100% of banking and insurance + 100% of business services + 100% Other financial and business services;
- 'B2': 100% of manufacturing sectors + 25.91% of construction + 10.68% of wholesaling + 6.23% of other services; and
- 'B8': 66.35% of wholesaling + 57.6% of transport + 56.3% of communications.

As part of the brief for this work the City of York Council require the demand for B1 (b) and B1(c) uses to be identified separately from B1(a) as this will be helpful to guide the assessment and consideration of allocations for such uses. Therefore, extending the approach set out above, we define these use classes in the following way:

- **B1 (b) research and development** uses. These are identified in the 2003 Standard Industrial Classification as '73: Research and development; basic research, applied research and experimental development' which are included in the 'Professional Services' sector as defined in Cambridge Econometrics' forecast for 41 sectors. Available ABI data indicates that, broadly, 400 people were employed in research and development (as per SIC 2003 classification) over the period from 2000 to

[5] Arup (2007), Update of the Job Growth and Employment Land Figures in the draft Regional Spatial Strategy for Yorkshire and the Humber.

2006 in York[6]. We estimate the change of this employment in this sector using the overall growth rate for 'Professional Services' to provide a projection from 400 jobs in 2006 and also subtract this amount from B1(a); and

- Employment sectors that are likely to occupy **B1(c) light industrial** uses are indistinguishable from those sectors that are likely to occupy **B2 general industrial** uses in this demand forecast, so these uses are combined here. It should be noted that the principle difference between the uses is that B1(c) light industrial uses may occupy more sensitive location than B2 general industrial uses and will be an important consideration in the supply assessment set out in later chapters.

Therefore, the employment growth for different use classes is:

Table 5.2 Employment change for extended B use classes 2006 – 2029

Use Class	2006 – 2021	2006 – 2026	2006 – 2029
B1(a)	5,521	8,097	9,881
B1(b),	192	261	306
B1(c), B2	-617	-790	-886
B8	1,495	2,076	2,450

Source: Entec UK. Original employment forecasts from Cambridge Econometrics in City *of York Employment Land Review, Stage 1 Final Report: Current Situation and Future Economic Prospects*, 2007, SQW. Note that these totals have been rounded for ease of presentation.

Whilst it is generally accepted that the demand for general industrial premises (B2) is likely to decline with the contraction of the manufacturing sector across the UK, it is counter intuitive (based on the market and economic context set out in Section 4) that demand for light industrial units (B1 (c)) would also decline. Despite the difficulties separating the two uses in the demand forecast, we make an assumption later (in Section 5.3.3) that ensures that demand for B1 (c) space from these employment sectors is accommodated.

5.3.2 Floorspace requirements

The initial step in converting employment growth into land requirements is to determine the level of floorspace that new jobs may require. In order to do this, standard job to floorspace ratios have been used. These are:

- **B1(a):** 1 job per 18 square metres (* 'General offices');

[6] **Note** that whilst this may appear low in comparison with the number of people working within Science City York jobs (which include research as well as many related industries) it is considered likely to be a reasonable approximation of the jobs that would specifically require B1(b) space. Some Science City York employment is included within sectors used to estimate demand for B1(a), B1(c) and B2 uses. In addition, R&D as part of higher and further education is not included in this SIC definition; there were around 7,500 jobs in education in York in 2006.

- **B1(b):** 1 job per 29 square metres (* 'High tech / R&D');
- **B1(c) and B2:** 1 job per 34 square metres (*'General industrial buildings); and
- **B8:** 1 job per 50 square metres (*'General Warehousing').

These are derived from previous employment land reviews undertaken around the country and from the English Partnerships guidance (*comparison with classification used in the guidance)[7].

In many areas of the country, it is likely that a lower job to floorspace ratio would generally be used in for the B8 use class (towards 1 job per 80 square metres as defined for 'Large scale and high bay' in the guidance), however, the nature of the economy and property market in York is such (large scale distribution uses being uncommon with demand mainly arising from smaller scale uses) that the higher density ratio used here is considered to be more appropriate. We have used a slightly higher employment density of 1 job for every 18 square metres of office space (rather than 1 job per 19 metres squared) for similar reasons. The relationship between employment and floorspace (the employment density) for traditional (B2) industrial uses is not as close as it is in office based sectors. This is due to these uses employing a wide variety of processes and producing a wide variety of products. This means that industrial uses tend to have a greater relationship with productivity/inventory and floorspace than between employment and floorspace[8]. However, we have applied the value from the guidance as it is likely to best approximate an average.

Using these ratios, the growth in jobs within the use classes translates into floorspace requirements of:

Table 5.3 Floorspace requirements 2006 – 2029 (sq. metres)

Use Class	2006 – 2021	2006 – 2026	2006 – 2029
B1(a)	99,380	145,750	177,862
B1(b),	5,577	7,572	8,879
B1(c), B2	-20,961	-26,860	-30,123
B8	74,749	103,789	122,501

Source: Entec UK Original employment forecasts from Cambridge Econometrics in *City of York Employment Land Review, Stage 1 Final Report: Current Situation and Future Economic Prospects*, 2007, SQW. Note that these totals have been rounded for ease of presentation.

[7] *Employment Densities: A Full Guide*, 2001, Arup Economics and Planning, English Partnerships.

[8] DiPasquale D. and Wheaton W. 1996, *Urban Economics and Real Estate Markets*, Prentice Hall.

5.3.3 Land requirements

From the ascertained floorspace levels, the level of land required can be developed. The approach used is to assume that B1(a) and B1(b) uses are on 2 storeys and that development for all the uses occupy a 40% plot ratio (a site with a 40% plot ratio if developed on a 1 hectare plot, employment uses would occupy 4,000 square metres). It is possible that different plot densities may be developed for B1(a) uses, given the policy impetus for city centre or adjacent city centre development. For this reason, whilst wishing to maintain simplicity, we have assumed here that 50% of the B1(a) office floorspace requirement will be accommodated on land at a higher plot ratio of 80% and built (on average) at four stories and 50% will be at 40% plot ratio at 2 storeys The plot density ratio for the industrial uses (B1(c) and B2) and distribution (B8), are less variable and a plot to floorplate ratio of 40% with a single storey buildings is applied for these uses. For clarity, these assumptions are set out in the table below:

Table 5.4 Summary of factors used to translate floorspace to land requirement

Use Class	Number of storeys	Plot ratio
B1(a) – floorspace split in half into high and low density estimates	Low density B1(a) 2 storeys Higher density B1(a) 4 storeys	Low density B1(a) 40% Higher density B1(a) 80%
B1(b),	2	40%
B1(c), B2	1	40%
B8	1	40%

Source: Entec UK

Using these assumptions, the resultant land requirement is set out in Table 5.5:

Table 5.5 Land Requirement 2006 – 2029 (hectares)

Use Class	2006 – 2021	2006 – 2026	2006 – 2029
B1(a)	7.76 *(3.11 to 12.42)*	11.39 *(4.55 to 18.22)*	13.90 *(5.56 to 22.23)*
B1(b),	0.70	0.95	1.11
B1(c), B2	0	0	0
B8	18.69	25.95	30.63
Total	27.15	38.29	45.64

Source: Entec UK. Note that these totals have been rounded for ease of presentation

For illustrative purposes, we have chosen to illustrate the sensitivity of the requirement for B1(a) uses in this part of the analysis to the plot ratio and number of storeys. The italic figures in brackets represent the resulting demand when B1(a) is assumed to be comprised of either all low or all high density development.

Please note that these assumptions attempt to generally describe York's employment requirements based on available forecasts and the development context set out in Section 3 and therefore do not take account of the effect of the potential transformational opportunity such as a new Office Quarter at York Central as described in Section 6.

Demand for B1(c) and B2

In line with the employment growth by use class noted above there is projected growth in the land requirements for B1(a) offices, B1(b) research and development and for B8 distribution uses and a decline in the B1(c) and B2 requirement. As highlighted in Section 5.3.1, there is projected to be an overall decline in manufacturing employment with a commensurate reduction in demand for land. However, there are a number of factors that have been considered that mean that this negative employment growth should not be translated into a negative land requirement:

- there will likely be some demand for such industrial sites as existing companies re-configure their operations and/or some companies may move into the area; and
- the review of market and economic context suggests that whilst the demand for large and general industrial sites (traditional B2 uses) may be in decline, there may be a demand for smaller light industrial units which could not be determined from the employment forecasts. Traditional light industrial (B1(c)) occupiers including uses such as 'manufacture of fabricated metal products excluding machinery and equipment' have exhibited recent growth. Units suitable for B1(c) uses may also be occupied by digital and creative technologies which are important sectors for the region.

For these reasons, it is recommended that the negative requirement for B2 and B1(c) should be treated as zero so that areas of such uses are not de-allocated. Whilst this approach does not provide an estimate of land requirement for these uses it is anticipated that well functioning industrial locations will be redeveloped and future new industrial locations (particularly for B1(c) uses) should still be brought forward where it can be seen that sites may better fit with the spatial strategy set out in Section 4. The important finding here is that the broad quantity of <u>well functioning</u> B2 and B1(c) industrial sites should be retained and monitored, at least in the short to medium term (this is further discussed in Section 8).

5.3.4 A margin for choice and uncertainty

At this stage however, it is important to recognise that a margin for choice and uncertainty needs to be incorporated into the identified demand requirements. This is to ensure there is some flexibility in the market, including an allowance for uncertainty that factors in the errors associated with the employment projection demand (meaning: the difference between the observed 'actual' pattern of employment growth and the projection, not technical error) and to provide for some degree of choice, thereby attempting to mitigate the potential for monopoly positions to develop in employment land provision. The SQW employment land report (2007) essentially provided for this in assuming a continual 5% vacancy rate over the plan period. Whilst there will always be a degree of vacancy within a local property market (indeed, even in a property market facing reasonable to high levels of demand, there needs to be some vacancies if prices are not to become unsustainably high and curtail economic growth), actual vacancy rates over any one time period are likely to be variable. For this reason, another approach to introducing a margin (that we apply here) is to add on the equivalent of the average development timescale. The average development timescale for commercial and industrial premises is around 2 years; therefore 2 years' worth of the gross (i.e. total) identified requirements should be added on to the levels noted in Table 5.5 above. Taking this approach would produce:

Table 5.6 Employment Land Requirement to 2029 with Margin for Choice and Uncertainty (hectares)

Use Class	2006 – 2021	2006 – 2026	2006 – 2029
B1(a)	8.80 *(3.52 to 14.08)*	12.53 *(5.01 to 20.04)*	15.10 *(6.04 to 24.17)*
B1(b)	0.79	1.04	1.21
B1(c), B2	0	0	0
B8	21.18	28.54	33.29
Total	30.77	42.11	49.60

Source: Entec UK Ltd. Note that these totals have been rounded for ease of presentation.

As before, the italic figures in brackets represent the resulting demand when B1(a) is assumed to be comprised of either all low or all high density development. Over the time period to 2029 therefore, there will be a requirement for a total of 50 ha of employment land with some 30% of this being required for office based development (15ha), 2% for B1(b) and the remainder (67%) for warehousing and industrial development (that is B1(c), B2 and B8 – to suit the spatial strategy).

Table 5.7, below, presents the floorspace requirement to 2026 (from Table 5.3) with a margin for choice and uncertainty, estimated in the same way as above:

Table 5.7 Floorspace requirement to 2029 with margin for choice and uncertainty (sq. metres)

Use Class	2006 – 2021	2006 – 2026	2006 – 2029
B1(a)	112,631	160,325	193,329
B1(b)	6,320	8,329	9,651
B1(c), B2	0	0	0
B8	84,715	114,168	133,154

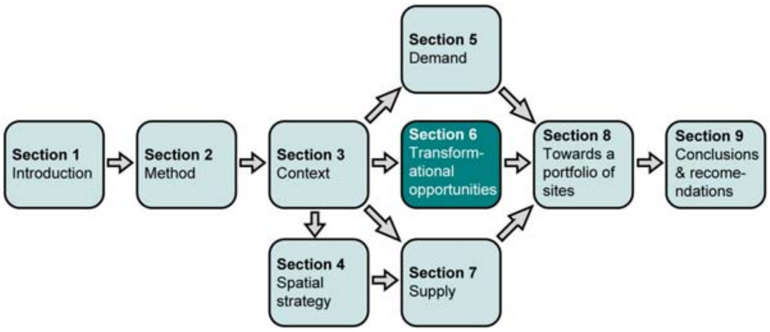
Source: Entec UK Ltd

5.4 Conclusion

A level of future demand for the B use employment classes has been developed on the basis of a customised Cambridge Econometrics employment forecasts used in the previous SQW employment land review (2007). The base forecast has been translated initially into different use classes and then into land demand. This forecast has then been adjusted in order to include a margin for choice and reflect uncertainty within the forecast methodology and is presented in Table 5.6, above.

6. Transformational Opportunities

This section considers some transformational opportunities for the City of York which need are considered in the assessment.



6.1 Transformational opportunities

This section sets out a transformational opportunity for York which is strongly supported by regional policy (see Section 3) and considers any implications for the employment land review. One key transformational opportunity is discussed here, namely; the creation of a new office quarter at the York Central location. Along with a discussion of the implications for this assessment, a guide for future provision of a new office quarter is set out.

6.2 A new office quarter at York Central

The York Central site provides a significant opportunity for York to be able to accommodate, and significantly extend the range and quality, of its office accommodation. York Central has been identified as a regionally significant investment opportunity in the Regional Spatial Strategy as it provides the opportunity for developing a new office quarter in a highly sustainable location with excellent transport links both regionally and nationally, providing accessible workspace for companies and employees. There are a limited number of potential sites within the city centre (refer to section 3) and it is likely that this location will be important as it may be able to provide a scale of accommodation for business purposes that is directly adjacent to the city centre.

6.2.1 Potential uses

This section focuses on identifying which are the growing B1(a) sectors in York which are the most successful, specific to the York context. This provides a context for the potential demand for the future office quarter which we have assumed are indicated by sectors which are performing well and therefore more likely to locate in a new office quarter. In this section we make the simple assumption that the most likely uses to come forward in the York Central situation will be based on existing cluster strengths. This compares the key clusters in York identified earlier in the report with a detailed breakdown of the forecast for B1(a) uses to attempt to quantify the potential demand for land. It should be noted that a successful new office quarter may attract more dynamic sectors who can afford higher rents for better quality accommodation and it is therefore Entec's judgement that the most likely demand will be related to the growing sectors of the office market.

Key clusters

The following table is derived from work to examine detailed industrial sub-sectors (an overview is presented in Section 3) and illustrates those sectors that are concentrated (those with a LQ greater than 1) in the City Authority area in relation to national distribution of sectors. These are also those sectors that have grown faster (or not declined as fast) as the same sectors nationally. These are sectors that are likely to be clusters (or a part of clusters that operate at the sub-regional level) and are considered, based on past performances, to be most likely types of employment uses coming forward. Those in blue have shown employment growth over the period from 1998 to 2006, red have shown decline.

Table 6.1 Key potential clusters City of York, 1998 to 2006

Sectors (2 digit SIC) in sub-region with high concentration and growth rate relative to national performance
**Retail trade; repair
**Hotels and restaurants
**Activities auxiliary to financial intermediation
**Public administration and defence; compulsory social security
**Activities of membership organisations not otherwise classified
Man of fabricated metal prods excluding machinery and equipment
Water transport
Supporting and auxiliary transport activities; travel agencies
Recreational, cultural and sporting activities
**Insurance and pension funding

Source: Entec UK
Key: red = decline in employment 1998 – 2006. blue = growth in employment 1998 – 2006. ** = location quotient >1 in terms of the number of companies (2006)

Note that this highlights specific sub-sectors in the City and whilst in aggregate the Banking, Finance and Insurance sector is performing well in York (see Figure 3.1), other specific sub-sectors are less well represented. The insurance and pension funding sector, whilst it has experienced a decline in employment in York (from the period 1998 to 2006 there was a reduction of 580 jobs in this sector; a -19.7% growth rate), there is concentration of these types of businesses (2,380 jobs in 2006) and an overall higher growth rate than national performance (-22.54% growth rate) during this time.

Forecast for B1(a) office employment land use

The following table (Table 6.2) sets out the forecast demand for B1(a) office land and illustrates how this is comprised of changes in growth across a number of sub-sectors:

Table 6.2 Review of Cambridge Econometrics forecast (Jobs) for sectors comprising B1(a) uses

Category	Proportion in B1[‡] total	2006	2011	2016	2021	2026*	2029*
Banking and Insurance (Jobs '000)	100%	5.470	5.653	5.654	5.437	5.228	5.106
Banking and Finance[#] (Jobs '000)	-	2.468	2.346	2.201	2.093	-	-
Insurance[#] (Jobs '000)	-	3.003	3.307	3.453	3.344	-	-
Business Services (Jobs '000)	100%	6.332	7.084	8.233	9.638	11.282	12.400
Computing Services[#] (Jobs '000)	-	0.833	1.114	1.292	1.495	-	-
Prof. Services[#] (Jobs '000)	-	5.499	5.970	6.940	8.142	-	-
Other Financial and business services (Jobs '000)	100%	3.995	4.626	5.418	6.437	7.646	8.478
B1[‡] employment, total (Jobs '000)	-	15.797	17.364	19.305	21.511	24.156	25.985
B1a employment change from 2006 (Jobs '000)[†], [Table 5.2]	-	-	-	-	5.521	8.097	9.881
B1a m^2 of floorspace change, from 2006[†] [Table 5.3]					99,380	145,750	177,862
B1a floorspace requirement with margin for choice (m^2)[†] [Table 5.7]					112,631	160,325	193,329

Source: Entec UK and Cambridge Econometrics
Notes: [‡] = B1 necessarily includes both B1(a) and B1(b) uses here. * = 2026 and 2029 values estimated using forecast growth rates for 2016 to 2021. [#] = Cambridge Econometrics' York LEFM Employment Forecasts (Science City York Scenario) note that these do not extend to 2026 or 2029. [†] = figures adjusted to take account of B1(b) requirement estimated in section 5.3.1. Note that these totals have been rounded for ease of presentation.

Comparison of sectors identified in cluster assessment with forecast

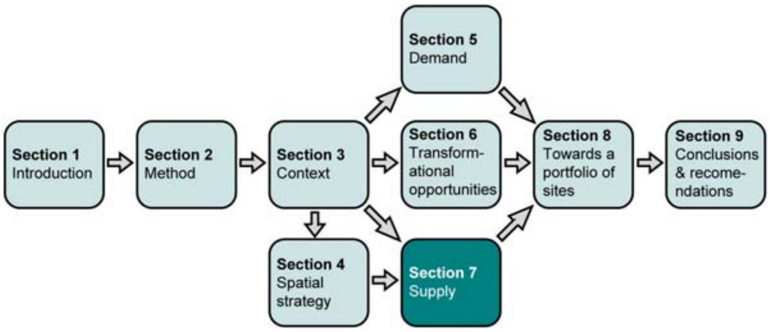
In addition to a strong tourist and leisure base, the cluster assessment identified a number of sectors that may be considered to be characteristic of high quality commercial centres, namely (with reference to the headings identified in Table 6.1): Activities auxiliary to financial intermediation, Public administration and defence; compulsory social security, and to a lesser extent Insurance and pension funding. It is these uses that we assume will form the greatest demand for space within a new office quarter. These definitions broadly 'map' to the following sectors identified in Table 6.2, namely: Insurance, and Other Finance and Business Services. These comprise approximately 45% of the total B1[‡] employment indicated in Table 6.2. considering that the proportion of these sectors will be similar compared with B1(a) and correspond to demand for B1(a) floorspace in the order of 87,000m^2 (that is broadly 45% of 193,329m^2) to 2029 (including a margin for choice). It may be appropriate to treat this figure as a lower value in a range with an upper value of 100,000 sq. metres of floorspace to take account of potential demand from other sectors that illustrate strong recent growth and / or provide accommodation for public sector or tourism related businesses. This range in floorspace corresponds to land demand of 2.2ha to 2.5ha applying an 80% plot ratio and 5 storey buildings (based on guidance provided by CYC 20th November 08) given the likely opportunity to be able to develop at a high density near the city centre.

Note that these figures make no allowance for the present commercial market appetite for such uses, the ability (and therefore viability) of development at the York Northwest sites to fund such uses, or the possibility that a successful new office quarter may begin to create its own demand and attract significant inward investment. This opportunity may extend to attract other sectors to the new office quarter at York Central not currently represented in York, through inward investment and go beyond the 45% of B1(a) demand expectation. There is little available evidence to help establish the possibility or likely extent of this effect and we suggest that this could be dealt with an additional margin of 5% to 20% (although this is difficult to quantify) on the demand for the new office quarter at York Central described above.

It should be noted that York Central is unlikely to come on stream until after 2011 and this will reduce job numbers attributable to York Central in the earlier years. The following sections in the remainder of report outline the city wide provision, and seek to identify a range of sequentially preferable sites, within which York Central will be an identified site.

7. Existing Supply of Employment Land

A key component of this study has been a review of employment land sites within the City of York area. This section considers the quantity of existing and potentially available employment sites and premises.



7.1 Introduction

This Chapter summarises York's main employment areas.

7.2 Overview of main employment areas

This section sets out an overview of the main employment areas across York. It intends to illustrate the character of these locations, activities and occupiers, and their general performance as employment areas. This is supplemented with a commentary from property agents, Lawrence Hannah and intended to help provide a guide to consider existing allocations.

7.2.1 Main employment areas

The following strategic locations are reviewed here:

- York City Centre
- Clifton Moor
- Monks Cross
- York Business Park
- Northminster Business Park
- Foss Islands Road / James Street

Additionally, there are a number of smaller employment sites, mostly B2 / B8 uses primarily in rural villages, which whilst not strategic, provide important employment provision for smaller scale employers.

7.2.2 York City Centre (approximately 107ha[9] within City Walls)

York City Centre, covering approximately 107 ha, includes a number of key employment sites some of which are mixed use, such as Hungate, as well as a number of existing employment uses (mostly B1(a) uses) and City Centre retail developments. Hungate forms the largest development potential within the City Centre and approximately 0.4ha (of the total mixed use area of 4.1ha) has planning permission for B1(a) use and is under construction at the time of writing.

Due to its relatively small size, when compared with other regional centres, York does not have any recognisable central business district or office core. As a consequence office buildings are spread throughout the city centre however there are a few pockets where there are concentrations of office buildings, such as Toft Green/George Hudson Street, Piccadilly/Stonebow and Bootham. Understandably there are very limited provisions of B1(c), B2 and B8 properties in the city centre as they tend to be situated in locations which have better access, although there does exist examples of older buildings which are still used for these purposes in locations such as Walmgate.

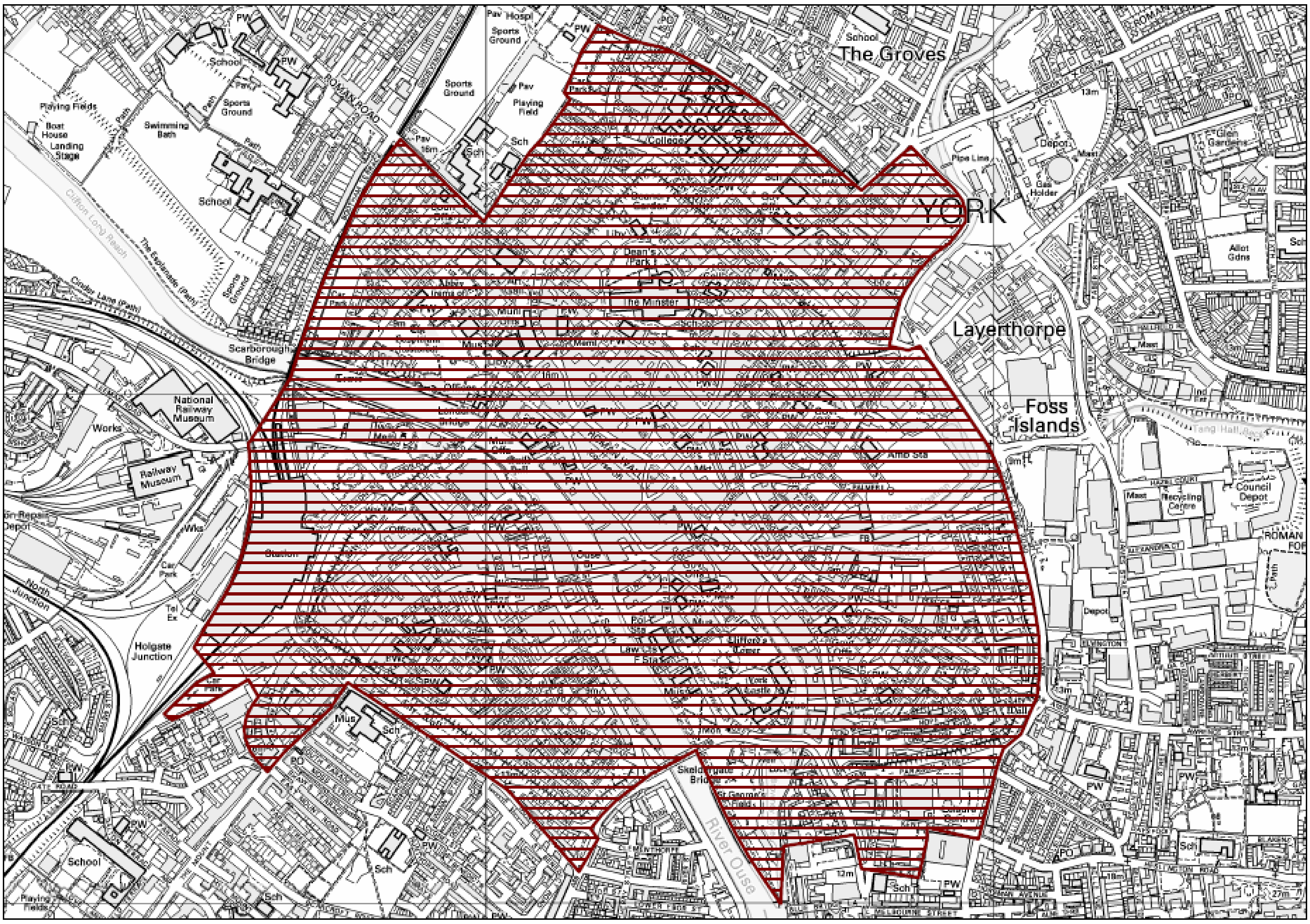
Due to the historic nature of York, in particular it's narrow road infrastructure and street network, there are very few opportunities for office development, and as a consequence the office sector has performed relatively well in terms of rental growth, due to this perceived shortage of supply. Despite these supply chain problems there has been fairly consistent take-up of office space year on year. The quality of office accommodation on offer within the city centre ranges from poor quality space above retail units, particularly within historic buildings, which is typically cellular in nature with low ceiling heights and is often split level, to better quality more modern buildings. Most of the offices on offer in the city centre are of older stock, namely 60s/70s/80s style accommodation, much of which has been refurbished, however there is relatively little by way of modern buildings built over the past 10 years or so.

It is worth noting that the Toft Green/George Hudson Street areas as well as providing office accommodation occupied by Norwich Union, are also an important provider of accommodation to the railway sector. Because of the very nature of this type of occupier, that often have contract led requirements for office space, this provides a constant churn and as a consequence this particular location close to the railway station is considered to be relatively robust in terms of the office market.

Market agents highlight that there is a need for high quality accommodation within the city centre as a sustainable location, and consequently the delivery of sites such as the new office quarter at York Central (part of York North West) and Hungate are vitally important.

[9] Area provided by City of York Council represents an estimate of the total area and does not represent the area actually available for new employment development with many established uses unlikely to change.

Figure 7.1 York City Centre



Source: City of York Council, based on Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office, Licence No. 1000 20818. Not to scale.

7.2.3 Clifton Moor (approximately 73ha) [10]

Clifton Moor employment area dates from the early 1990's, having originally been the site of York's Aerodrome and subsequently an RAF station during the Second World War. The Government finally sold the airfield in 1955 to York Corporation and in the late 1960s and 1970s part of the former airfield became known as North York Trading Estate and has subsequently become developed into a mixed use retail and employment area.

A well established business location situated approximately 2 miles to the north of York city centre and lying adjacent to the A1237 York Outer Ring Road it has developed generically over recent decades The retail element is

[10] Area provided by City of York Council represents an estimate of the total area and does not represent the area actually available for new employment development with many established uses unlikely to change.

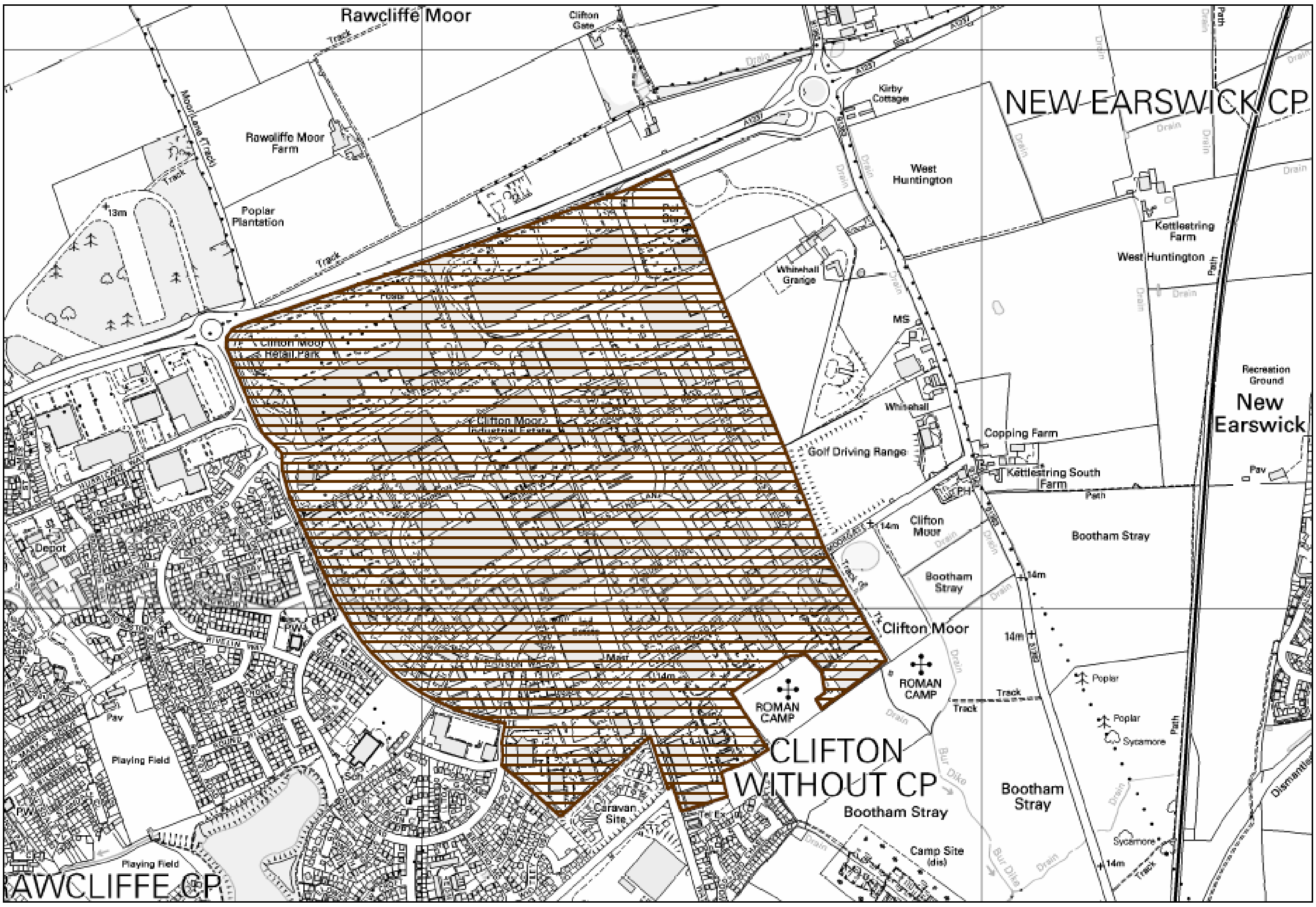
largely focused on the A1237 York Outer Ring Road with employment uses to the rear. The area has developed piecemeal over time and as a consequence B1(a) office uses are interspersed with B1(c), B2 and B8 uses.

The office provision at Clifton Moor is mixed in nature with relatively high supply of two storey accommodation constructed in the early 1980s, much of which now remains vacant and available to let due to its poorer quality. There are a number of more recent typical B1(a) office developments that have occurred over the past two decades which typically provide accommodation for the smaller occupiers of up to 465 sq m (5,000 sq ft) with very few office buildings in excess of this size being provided.

Similarly, the provision of B1(c), B2 and B8 accommodation has largely been provided for smaller occupiers of up to approximately 650 sq m (7,000 sq ft) although there are one or two exceptions, notably the former Lawson Marden Group Packaging and Distribution Centre at the heart of Clifton Moor. The area along Clifton Moorgate itself has more recently become established as a location for car showrooms. The vast majority of the employment uses being located between Clifton Moorgate and the retail element fronting the A1237 Outer Ring Road. The Clifton Moor area itself is now considered in development terms to have reached its critical mass with few cleared sites being available for development. It is anticipated that some of the poorer quality buildings mentioned above will at some point in the near future be demolished to make way for further development. The former Grain Stores adjacent to Water Lane has recently been approved for mixed use redevelopment with part of this site providing the opportunity for further employment generating development.

The Clifton Moor area is regarded by many potential occupiers as having severe access difficulties, particularly at peak times, and as such this has had a negative impact in terms of attracting inward investors.

Figure 7.2 Clifton Moor



Source: City of York Council, based on Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office, Licence No. 1000 20818. Not to scale.

7.2.4 Monks Cross (approximately 100ha[11])

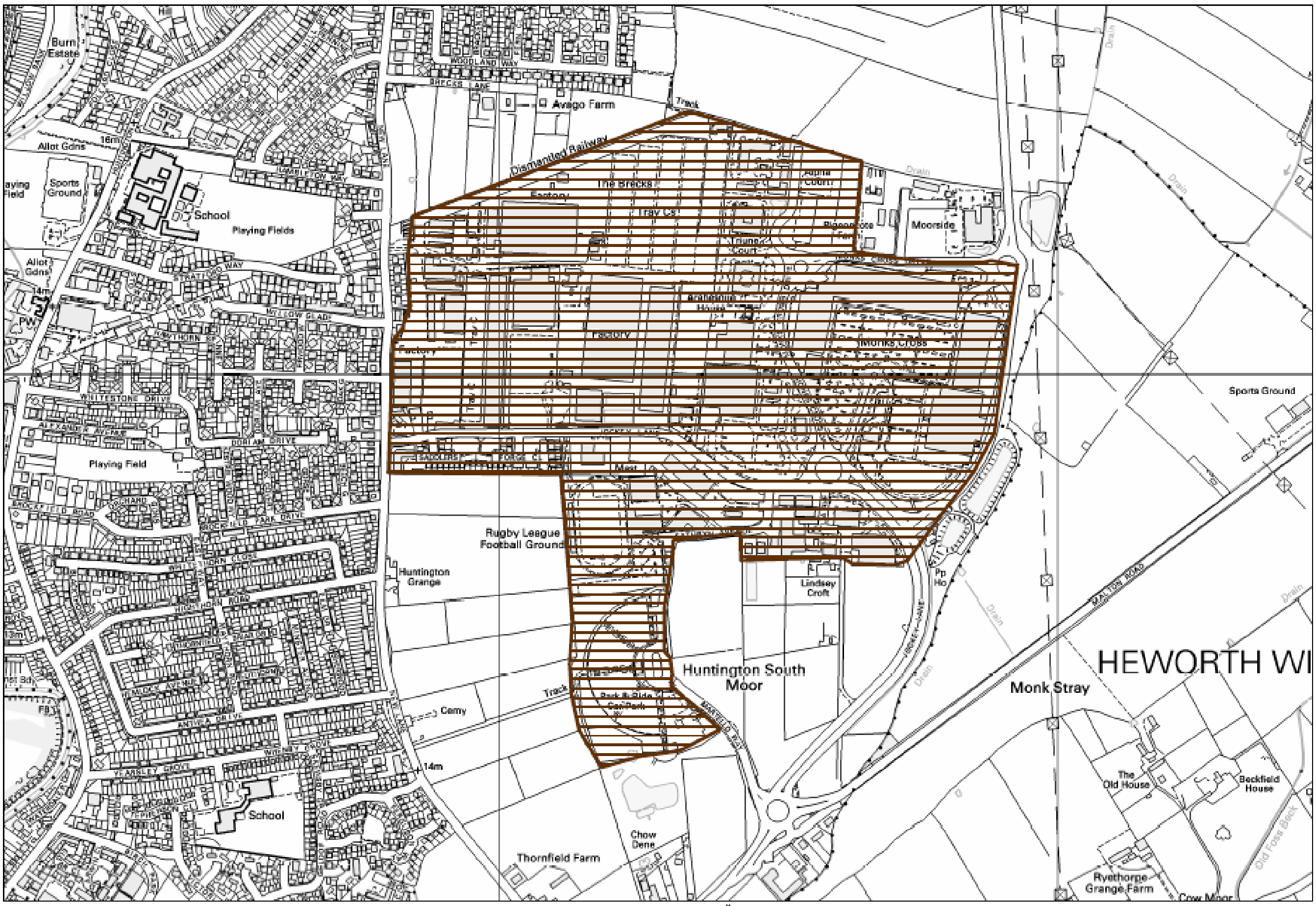
Monks Cross is located approximately 2 miles to the north east of York city centre close to the A64 dual carriageway, and benefits from being adjacent to the Monks Cross Retail Park, Leisure Club and Swimming Pool and Park and Ride facility. Consequently this particular locality is regarded by many as a desirable prestigious office location although there are a small number of warehouse and industrial occupiers also situated in the Monks Cross area.

The Monks Cross area is anchored by the main retail element which comprises the Monks Cross Retail Park as well as the existing Asda, Sainsbury Food Store and soon to be opened Aldi outlet. The Monks Cross Shopping Park

[11] Area provided by City of York Council represents an estimate of the total area and does not represent the area actually available for new employment development with many established uses unlikely to change.

and has a net floor space of approximately 27,250m^2. As mentioned previously, the early employment development at Monks Cross consisted of industrial and warehouse accommodation centred on the Jockey Lane area to the south of Monks Cross with subsequent office development along Monks Cross Drive itself, located at the northern end of Monks Cross. Speculative office developments have been successful over recent years and include Arabesque House (site size 0.86ha), Tribune Court (floor space 3,880m^2, site size 0.9ha), Alpha and more latterly Omega (floor space 1,146m^2) together with the pre-let to Norwich Union. Typically office occupiers have included Government Departments, professional services, IT Sector and Charitable organisations.

Figure 7.3 Monks Cross



Source: City of York Council, based on Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office, Licence No. 1000 20818. Not to scale.

7.2.5 York Business Park (approximately 28ha[12])

York Business Park is situated approximately 2 miles northwest of York city centre and fronts the A1237 York Outer Ring Road close to its junctions with the A59 and A19. The Business Park is a mixed use development including car showrooms, restaurants, petrol filling station, hotel and health and fitness to the front part of the site closest to the ring road, with employment uses to the rear.

The employment elements at York Business Park include a mixture of B1(a) Offices as well as B1(c), B2 and B8 industrial and warehousing. As most of the development has occurred over the past decade, the units are therefore modern both in appearance and specification, with units catering for small to medium sized business. Individual office units or suites typically provide for requirements of up to 465 sq m (5,000 sq ft) with industrial/warehouse units typically providing for up to 1,115 sq m (12,000 sq ft).

Recent speculative development on York Business Park includes The Forum, a development of 13 industrial/warehouse units where approximately 4 of them still remain available, and 6 Business Living two storey B1(a) office units where 5 currently remain available.

Current business living has also speculatively constructed what is a new concept for the York area namely hybrid units providing two storey accommodation with the ground floor being workspace suitable for a variety of uses such as laboratory, studios or light industrial and with the first floor accommodation comprising quality office. These units range in size from 350 sq m (3,750 sq ft) approximately up to 932 sq m (10,000 sq ft) approximately. One of these units has been sold which leaves 7 remaining available.

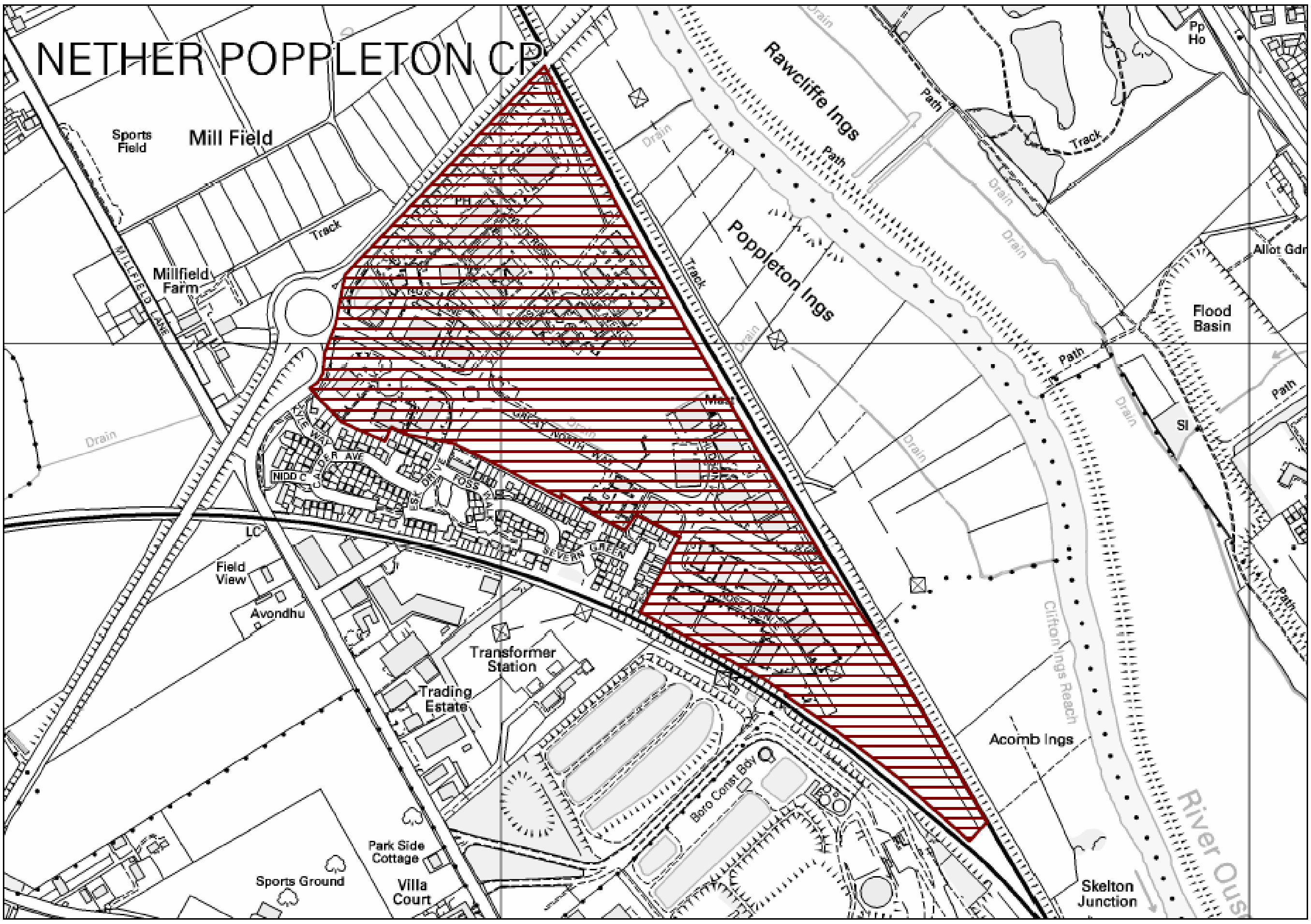
There remains approximately 5.28ha of undeveloped land on the Business Park capable of supporting both office and industrial/warehousing development to meet future demand for this particular location.

Agents have commented that York Business Park is generally preferred by occupiers as a location to Clifton Moor because of the access problems to the latter, although it is fair to say that the northern ring road at York Business Park does still present problems at peak traffic times which has in certain circumstances also proved to be off-putting to potential occupiers.

---

[12] Area provided by City of York Council represents an estimate of the total area and does not represent the area actually available for new employment development with many established uses unlikely to change.

Figure 7.4 York Business Park



Source: City of York Council, based on Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office, Licence No. 1000 20818. Not to scale.

7.2.6 Northminster Business Park (approximately 6.5ha[13])

This was once the site of a distribution centre and glasshouses operated by Challis of York. Northminster Business Park is located off the A59 York to Harrogate road, close to its junction with the A1237 York Outer Ring Road, approximately 2 miles to the west of York city centre.

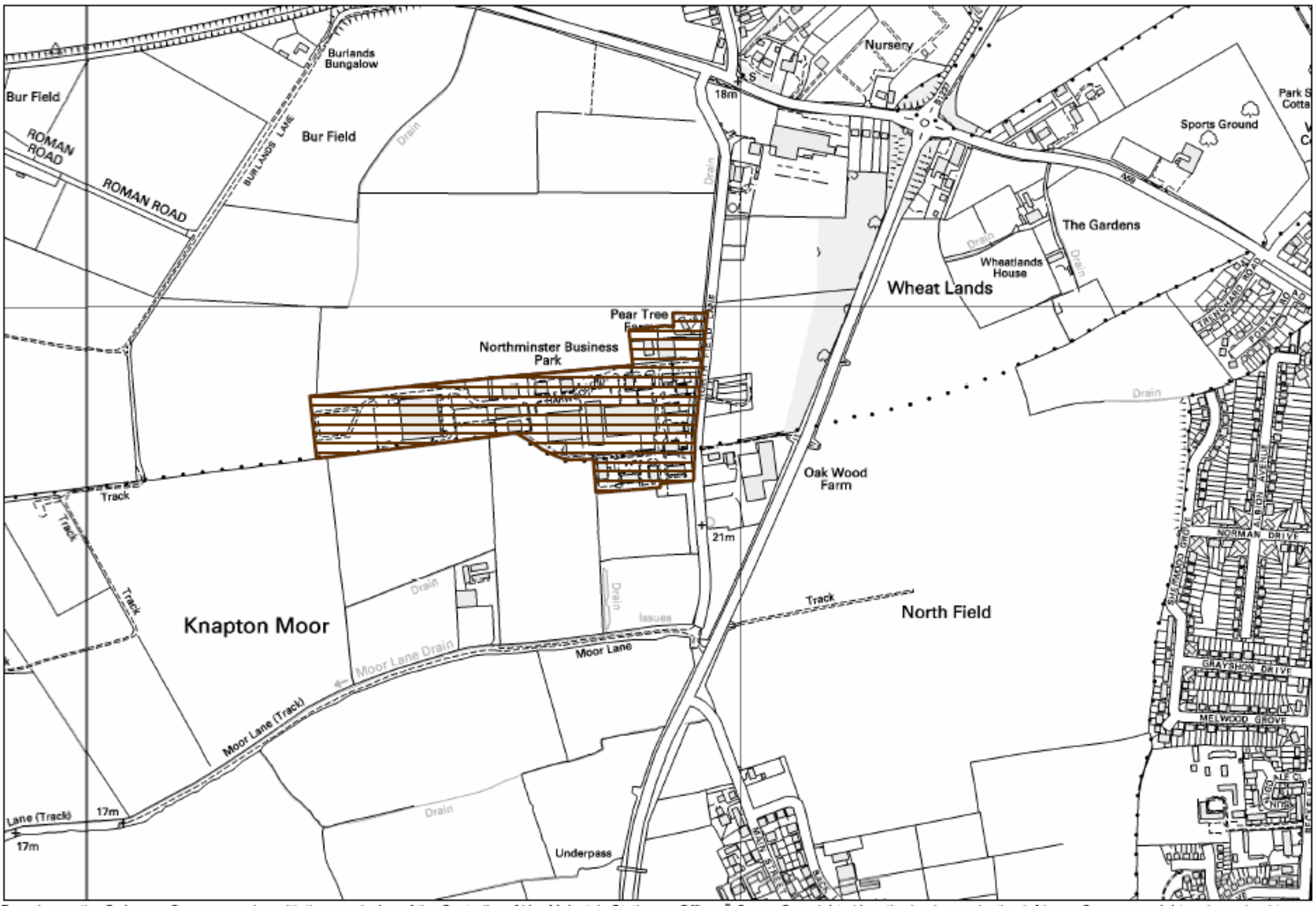
The former distribution depot was redeveloped into smaller units approximately 10 years ago, to create self-contained industrial/warehouse units which were offered to the market freehold. The remainder of the site has subsequently been developed by Northminster Properties, primarily for two storey B1(a) Offices, although there has been a handful of industrial/warehouse units constructed. Most of these units are again of relatively small size

[13] Area provided by City of York Council represents an estimate of the total area and does not represent the area actually available for new employment development with many established uses unlikely to change.

to accommodate small to medium sized local businesses, with the vast majority having been purchased by owner occupiers, which highlighted the popularity of this location. Typical occupiers include service sector, businesses and small to medium sized manufacturers and distributors.

Northminster Business Park has access issues in that the Estate road servicing the Business the A59 without any traffic management systems in place (with the exception of a right filter lane when travelling from the west) and this junction lies in close proximity to the junction of the A59 with the A1237 Outer Ring Road itself. At peak times this causes considerable congestion at the junction of the A59 and the road accessing the business park.

Figure 7.5 Northminster Business Park



Source: City of York Council, based on Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office, Licence No. 1000 20818. Not to scale.

7.2.7 Foss Islands Road / James Street (approximately 33ha[14])

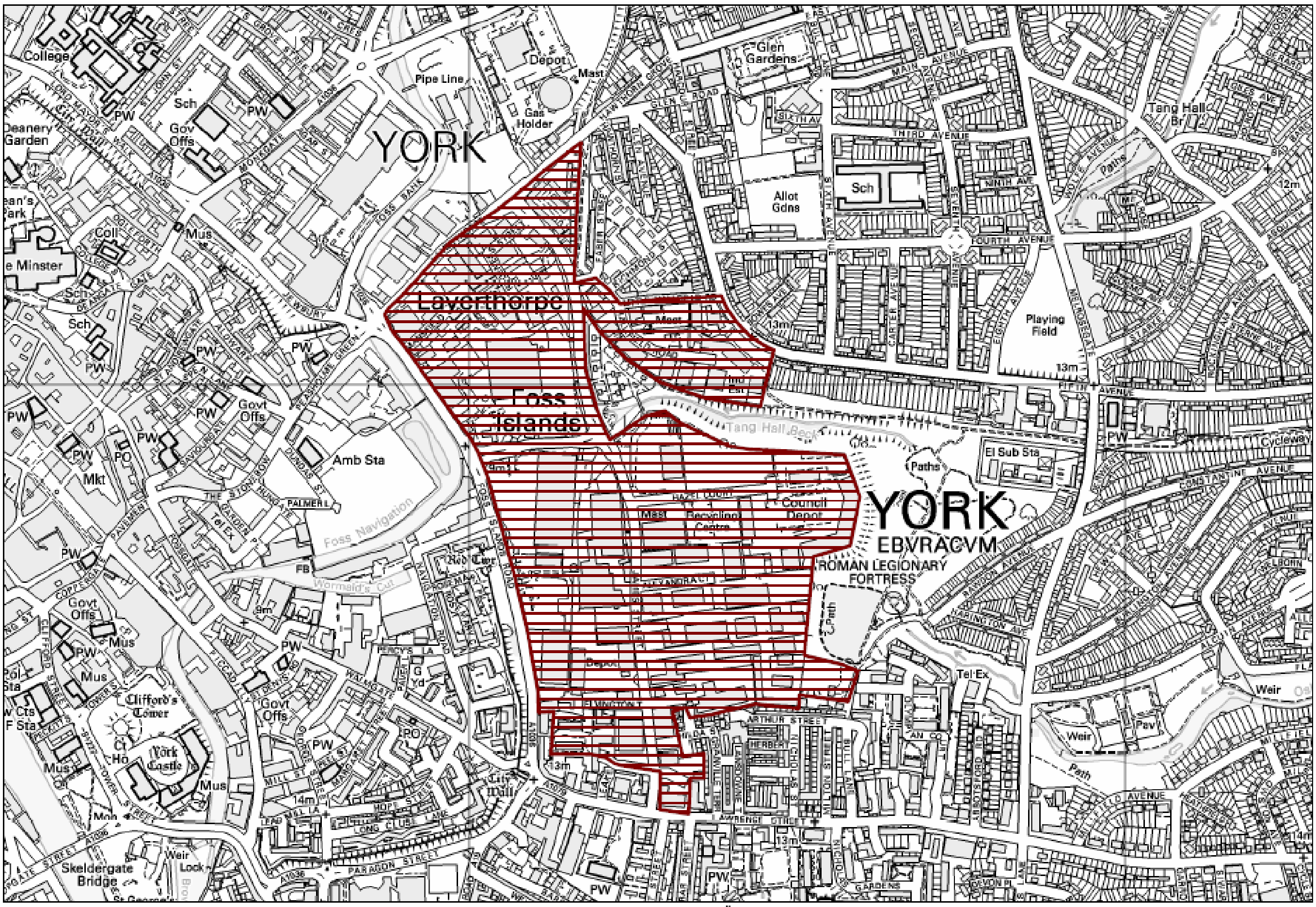
The Foss Islands Road/James Street area is located on the eastern periphery of York city centre with Foss Islands Road (A1036) forming part of the inner ring road. James Street itself has been recently extended to connect with Layerthorpe, primarily to improve access to the recently completed Foss Islands Retail Park scheme developed by KeyLand Gregory, and which fronts Foss Islands Road. Prior to this development the area was regarded very much as a location for industrial and warehouse occupiers with the vast majority of the accommodation being designed and built for such uses. James Street itself has been developed over the years for industrial and warehousing uses (including trade counter type premises) with a range of age and quality of accommodation, some dating back certainly to the 1960's. There has been the occasional development of offices in the locality, including Land Registry House on James Street which was constructed in the 1980's and is expected to be vacated soon.

This particular locality is occupied by a range of businesses from national occupiers such as the Wolseley Group (trading as The Plumb Centre and the Drainage Centre) to more local businesses, again with a slant towards trade counter warehousing. It is considered that this particular locality has an important role to play in the provision of such trade counter operations which are considered to be relatively easily accessible, and as such this location continues to prove to be of interest with a healthy level of demand being experienced whenever units are presented to the market.

Inevitably some of the older stock, particularly along James Street and off Layerthorpe, may present themselves as development opportunities in the future. Whilst there are currently properties of an industrial nature in Layerthorpe which maybe considered suitable for B1(a) office development, the remainder along James Street and Hallfield Road would be suitable for B1(c), B2 and B8 development as well as for trade counter uses.

[14] Area provided by City of York Council represents an estimate of the total area and does not represent the area actually available for new employment development with many established uses unlikely to change.

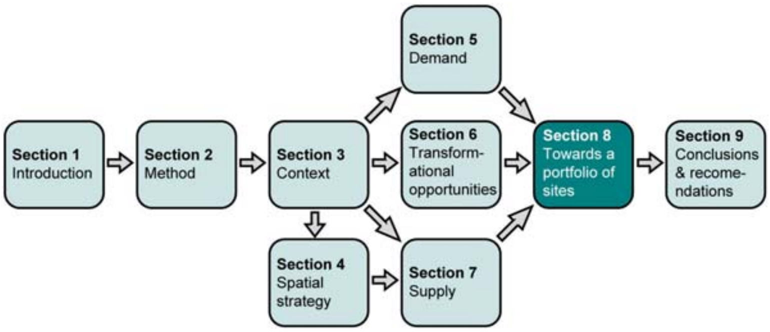
Figure 7.6 Foss Islands Road / James Street



Source: City of York Council, based on Ordnance Survey mapping with the permission of the Controller of Her Majesty's Stationery Office, Licence No. 1000 20818. Not to scale.

8. Towards a New Portfolio

This section considers the quality of potentially available employment sites and considers potential approaches to address the future situation considering the transformational opportunities and demand assessment described in earlier sections.



8.1 Introduction

The first part of this chapter is concerned with a qualitative assessment of potential supply for different types of employment use. When looking at the supply of land available within an authority's area, it is important to examine the quality of that land. If sites were to be allocated that are of poor quality, this would have the effect of reducing the land supply available for employment related development (in real terms) and so could potentially hamper the longer-term economic development of an area. The second part provides some potential approaches to address the future situation (such as the need for a rolling 5 yearly supply of sites).

8.2 Assessment of supply for different employment uses

All of the 92 sites examined in the site survey were assessed qualitatively in the manner described in Section 2.4. This section provides a summary of this assessment for different types of employment use and full details of the assessment scores for all the sites with developable area are set out in Appendix D. In this chapter, it is only those sites that would be allocated (i.e. have developable areas of 0.4 ha or greater) are considered. Note that for city centre locations sites with a smaller developable area may be considered. Total supply can also include supply within the existing employment areas noted in the previous chapter. For this reason, the tables below also include existing sites which contain developable land and as well as those that have been proposed through consultation carried out as a part of the LDF process or currently allocated in the local plan.

Whilst the criteria used to examine the quality of these sites included policy, market, and economic contexts, **this is not a definitive indication that sites that appear on the list will be put forward for the use indicated as they will be further considered as part of the process to develop the Local Development Framework.**

Employment uses considered

This assessment has attempted to provide a comprehensive assessment of sites in accordance to the following B use classes:

- B1(a) office uses;
- B1(b) research and development; and
- B1(c), B2 and B8 industrial, storage and distribution.

This is not directly comparable with the categories of sites established as part of the demand assessment as this reflects the very similar site location requirements and spatial policies for these different types of uses. This should however be sufficient to provide a broad comparison of the relative suitability of sites.

8.2.1 Shortlist of supply sites

The following sections set out tables with those sites that have been short listed for different types of employment use. These shortlists have been prepared on the basis that the site with the minimum rank in this list is a 'good quality' site. The source of the site (for example, from previous allocation, or identified as part of site survey) is indicated as well as whether a site has a development brief prepared for it[15]. In these instances, where a development brief has been prepared, it is likely that these sites may be developed for mix of uses with the implication that the total area available for employment use may be significantly less than indicated. In addition, developable sites that may be within larger employment areas are highlighted in order to provide an indication of the short listed sites that may be considered available for immediate / short term supply (subject to site specific situation). The City of York Council have requested that about the top 20 ranked sites are indicated in each shortlist to provide flexibility in the event that sites that appear on a number of shortlists could be allocated for one use only. This also helps to ensure that a greater range of sites that may include both large and small sites is available. ***Location maps of the sites are found in Appendix C***.

We suggest that from the following that the Council identifies land supply on a rolling basis, aiming to provide immediately available sites for five years ahead and identify land for a further 10-15 years, so that at any one time there should be sufficient planned supply to allow for choice, variety and competition.

[15] Elvington Airfield, Oct 1997 ,Hessay Depot, Oct 1997, Parkside Commercial Centre, March 2000, Heslington East, February 2004, York Central, March 2004, Hungate, April 2005, Castle Piccadilly, March 2006, Terry's Factory, June 2006, Nestlé South Development Brief, May 2007

B1(a) offices uses (Demand: 2006-21: 8.80 ha, 2006-26: 12.53 ha, and 2006-29: 15.10 ha)

Table 8.1 Short listed Supply Sites – Quality using B1(a) location criterion

Site Ref.	Site Name	Source of site	Site area (ha)	Area of developable land (ha)	B1 (a) Floorspace (sq.m)	Weighted Score	Rank#	DB*?	Comment
7	York Central, Leeman Road	Existing Employment Site	37.03	2.2 – 2.5	87,000 - 100,000	89.60	1	DB	Most appropriate for future high density B1(a). Less appropriate for other B uses given central location and likely conflicts with other uses (C classes, etc). Section 6 provides an indication of the scale of land uses that may be required for B1(a) uses at a city centre location. The figure of 87,000 - - 100,000sq.m is based on 5 storey's buildings. The site area given relates to the developable area of York Central for all land uses. Guidance on the location and mix of land uses within this area will be provided by the YNW AAP. The inclusion of the York Central site on the Employment Land Review Map illustrates the broad extent of the York Central area.
34	Hudson House and Old Station Buildings, Station Rise/Toft Green	Proposed	1.82	1.82	17,279	89.25	2		Highly accessible city centre location close to York Railway Station. It currently includes 17,279 sqm B1(a) Office Floor Space. Former railway offices adjacent to the site have recently been given approval to convert into a hotel at a loss of 6,317 sqm office floor space. Given the existing use as offices redevelopment is unlikely to yield any net increase in supply
35	1-9 St Leonard's Place & 2-4 Museum Street	Proposed	0.30	0.30	8,543	87.85	3		Highly accessible city centre location, Older buildings have Disability Discrimination Act (DDA) constraints. Parking is also constrained. Given the existing use redevelopment is unlikely to yield any net increase in supply. In addition, redevelopment could potentially include a residential element as a part of a mixed use scheme.
31	Coppergate 2	Proposed	**2.3**	0.25 - 1	8,000 – 32,000	86.80	4	DB	Site identified as a key city centre opportunity to enhance York's retail offer (York Retail Study 2008), as part of a mixed use development in the development brief. The potential for B1(a) office development will therefore be limited and may not feature at all in the final scheme.

Table 8.1 (continued) Short listed Supply Sites – Quality using B1(a) location criterion

Site Ref.	Site Name	Source of site	Site area (ha)	Area of developable land (ha)	B1 (a) Floorspace (sq.m)	Weighted Score	Rank #	DB* ?	Comment
15	Hungate, Peasholme Green	Premier Employment Site	4.1	0.4	12,062	86.45	5	DB	Highly accessible city centre location. It has outline and detailed consents predominantly residential uses (includes permission for 12,062sq.m B1(a) uses). The figure of 12,062 is taken from the planning approval.
83	Land north west of Former Carriage Works, Holgate Park, Poppleton Road	Standard Employment Allocation	2.39	2.39	76,480	85.23	6		Last remaining site available for development within larger site. The floor space figure is an estimate based on site size. This site needs to be considered as part of the York Northwest Area Action Plan.
16	James Street/Foss Islands Road	Existing Employment Site	35.39	0.44	14,080	78.93	7		Currently vacant site appropriate for B1(a), (b), (c), B2 and B8 uses given the sites proximity to the city centre and surrounding land uses.
57	British Gas Site, 24 Heworth Green	Proposed	3.5	0.25	1,860	78.93	8		May have significant development constraints due to former use leading to high remediation costs. Planning consent for 1860sq.m for B1(a) this equates to approximately 0.25 ha. The remainder of the site is identified for residential.
23	Adjacent to Norwich Union, Monks Cross, Huntington	Existing Employment Site	1.61	0.6	3,792	71.75	9		Planning permission for 3,792sq.m for B1(a) uses
5	Former British Sugar Site, Boroughbridge Road	Existing Employment Site	34.95	5	40,000	71.05	10		This area is covered by the York North West Area Action Plan which is currently at its Issues & Option stage. The final use of the site will be determined through the AAP process (the developable area of land and floorspace are only indicative). Most of the site is likely to be allocated for residential development. When considering net gain it should be noted that this site was previously in employment use although with relatively low job numbers. The site area given relates to the developable area of the former British Sugar site for all land uses. Guidance on the location and mix of land uses within this area will be provided by the YNW AAP. The inclusion of the former British Sugar Site on the Employment Land Review Map illustrates the broad extent of the former British Sugar area.

Table 8.1 (continued) Short listed Supply Sites – Quality using B1(a) location criterion

Site Ref.	Site Name	Source of site	Site area (ha)	Area of developable land (ha)	B1 (a) Floorspace (sq.m)	Weighted Score	Rank#	DB*?	Comment
52	Former Terry's Factory, Bishopthorpe Road	Proposed/Existing	9.92	1	33,470	70.35	11		The recent planning application included 33,470sq.m for B1(a) uses. This would equate to a site size of approximately 1 hectare. However it is the Council's view that up to 3 hectares of the site could be used for employment purpose. The developable area and floor space are indicative.
24	Omega 1, Monks Cross, Huntington	Existing Employment Site	1.04	1.04	8,860	70.00	12		This site has the benefit of a planning application for B1(a) office up to a maximum of 8,860 sqm.
20	Southern part of Nestle Factory, Haxby Road	Existing Employment Site	7.9	2	5,000	68.08	13	DB	Mixed use development identified in development brief. The Council's pre application discussions and master planning are ongoing therefore the area of developable land and floor space are indicative.
89	Land south of Great North Way, York Business Park	Standard Employment Allocation	1.37	1.37	10,960	65.98	14		
69	Land forming south east of York Business Park	Standard Employment Allocation	6.01	2.1	16,080	64.58	15		2.1ha available of which 1.11ha has planning permission for B2 and B8 uses.
65	Vangarde, south of Monks Cross, Huntington	Premier Employment Allocation	12.47	12.47	40,000	62.30	16		This site has an outline planning permission for 40,000sqm of B1(a). It is however currently the subject of an application for a Data Centre will occupy the full site with a total floor space of 21,000sqm.
90	Land north of Great North Way, York Business Park	Standard Employment Allocation	6.12	1.81	48,960	59.85	17		Since 2006 two sites developed 0.9ha and 0.72ha
64	North of Monks Cross, Huntington	Premier Employment Allocation	19.75	17.77	142,000	59.50	18		Application for employment uses on this site was refused following a call in inquiry in 2005. Total area is 19.75ha and net developable area is 17.77ha.
67	Land north of Northminster Business Park, North Field Lane	Premier Employment Allocation	14.00	14.00	112,000	55.48	19		
	Total		202ha	67 – 68ha	686,000 – 723,000m^2				

Source: Entec UK Ltd. Note: * DB = Development Brief prepared for site. # = high ranking small sites (those less than 0.4ha) removed and the original ranking amended. Floor space figures are CYC estimates only unless indicated in the comments column. Note that these totals have been rounded for ease of presentation.

Note that a figure approximating demand for B1(a) uses have been estimated using two different assumptions about the likely development density (see Table 5.4). It is unrealistic to prescriptively apply this to the assessment of supply or site allocation as it is expected that development height, density, massing, etc. will need to be guided by the core strategy and refined by planning process as specific proposals come forward. Development monitoring will also need to note the height and density of sites coming forward considering the approach used to develop the demand estimate. Note that some sites in the City centre may be unsuitable for extensive redevelopment due to their proximity to heritage or archaeological features such as the city wall.

York Central is certainly well placed to accommodate such B1(a) uses as it is has been ranked first in the assessment of sites for B1(a) office uses. There are few other sites that may be better placed in terms of their scale or location to support the development of a new office quarter. Whilst the York Central site may only be available in the medium to long term it is likely that the development of a new office quarter of the scale outlined in Section 6 will require in the order of a decade to develop out. Case studies of similar Central Business Districts and new office quarters, across the UK and Europe have been undertaken and illustrate their variety in size. No clear conclusions can be drawn regarding maximum sizes for the CBD. The findings are provided in Appendix E.

An initial qualitative assessment of the effects of the provision of new office floorspace at York Central suggests that the overall effects upon existing office provision may be to increase vacancy levels and so reduce rental levels. However, in practice, this effect is likely to be more pronounced in terms of older, secondary, existing provision than upon existing provision that will be more akin to that that may be provided in the York Central development. The development may enable a range of units to be provided as York Central can provide more flexibility in the size of units provided. It will be important to distribute other B1(a) development elsewhere (in line with strategy) to avoid putting all the ‘eggs in the York Central basket’. If the development take a long time to come forward (i.e. not in pace with demand), rental levels within York would potentially increase and affect its ability to meet its economic potential (This would be due to the effective constriction of supply available to the local office market). Note that York Central is unlikely to come on stream until after 2011 and this will reduce job numbers attributable to York Central in the earlier years.

In the development of York Central, the city has an opportunity to bring forward high quality office provision that may also be capable of creating a number of different environments (some areas could be developed less intensively than others). It is important that provision is made elsewhere in suitable quantities so that there is not an overall restriction on supply and a range of sites are available for office use.

B1(b) research and development uses (Demand: 2006-21: 0.79 ha, 2006-26: 1.04 ha, and 2006-29: 1.21 ha)

It is anticipated that Heslington East, the University of York’s development site, can accommodated all the anticipated demand for this land use as the location has permission to develop around 25 ha of Science City York uses in addition to academic and other university uses. Note that the 1.21 ha is a trend based figure, and the new university campus provides the opportunity for ‘off trend’ growth in this sector. It is considered that the co-location of institutional, together with Science City York, uses would represent the preferred location for the development of B1(b) in York. Note that in section 5.3.1, where B1(b) as it relates to this study was defined, businesses occupying Science City York uses may also require B1(a) and B1(c) premises which may need to be accommodated at the Heslington East site.

B1(c) light industrial, B2 general industrial, and B8 storage and distribution uses (Demand: 2006-21: 21.18 ha, 2006-26: 28.54 ha, and 2006-29: 33.29 ha)

Table 8.2 Short listed Supply Sites – Quality using B1(c), B2 and B8 location criterion

Site Ref.	Site Name	Source of site	Site area (ha)	Area of developable land (ha)	B1(c), B2 and B8 Floorspace (sq.m)	Weighted Score	Rank[#]	DB*?	Comment
64	North of Monks Cross, Huntington	Premier Employment Allocation	19.75	17.77	71,080	88.90	1		Application for employment uses on this site was refused following a call in inquiry in 2005. 17.77ha represents net developable area.
16	James Street/Foss Islands Road	Existing Employment Site	35.39	0.44	1,760	86.28	2		Currently vacant site appropriate for B1(a), (b), (c), B2 and B8 uses given the sites proximity to the city centre and surrounding land uses.
65	Vangarde, south of Monks Cross, Huntington	Premier Employment Allocation	13.38	13.38	53,520	84.35	3		This site has an outline planning permission for 40,000sqm of B1(a). It is however currently the subject of an application for a Data Centre which would occupy the full site with a total floor space of 21,000sqm.
89	Land south of Great North Way, York Business Park	Standard Employment Allocation	1.37	1.37	5,480	80.68	4		
63	Grimston Bar: Land to north of A1079, west of A64 bypass and south of Murton Way	Proposed	32.60	32.60	130,400	79.28	5		
69	Land forming south east of York Business Park	Standard Employment Allocation	6.01	2.1	8,400	79.28	5		2.1ha available of which 1.11ha has planning permission for B2 B8 uses. The floor space figure assumes that the whole 2.1 hectares could be built out for B1(c); B2 & B8.
23	Adjacent to Norwich Union, Monks Cross, Huntington	Existing Employment Site	1.61	0.6	2,400	79.10	7		Planning permission for 3792sq.m for B1(a) uses.
67	Land North of Northminster Business Park, North Field Lane	Premier Employment Allocation	14.00	14.00	56,000	77.53	8		Floorspace figure assumes that the whole site could be built out for B1(c); B2 & B8.
12	Osbaldwick Link Road (existing employment), Osbaldwick	Existing Employment Site	3.71	0.26	1,040	77.35	9		

Table 8.2 (continued) **Short listed Supply Sites – Quality using B1(c), B2 and B8 location criterion**

Site Ref.	Site Name	Source of site	Site area (ha)	Area of developable land (ha)	B1(c), B2 and B8 Floorspace (sq.m)	Weighted Score	Rank #	DB*?	Comment
24	Omega 1, Monks Cross, Huntington	Existing Employment Site	1.04	1.04	4,160	77.35	9		This site has the benefit of a planning permission for B1(a) office up to a maximum of 8,860 sqm. The floor space figure assumes that the site is built out for B1(c); B2, & B8.
48	Former Bio-Rad Premises, Haxby Road, New Earswick	Proposed	2.89	2.89	11,560	75.78	11		Whilst offering redevelopment opportunities it should be noted that this site is part of the existing employment land supply.
79	Land south east of Murton Industrial Estate, Murton	Standard Employment Allocation	0.47	0.47	1,880	75.78	11		Floor space indicative
32	Monks Cross North, Huntington	Proposed	37.98	37.98		75.43	13		
53	Land to rear of Brook Nook, Murton Way, Osbaldwick	Proposed	1.23	1.23	4,920	75.08	14		Floor space indicative
7	York Central, Leeman Road	Existing Employment Site	37.03	2.5	10,000	74.90	15	DB	Most appropriate for future high density B1(a). Less appropriate for other B uses given central location and likely conflicts with other uses (C classes, etc). Developable area / floorspace proposed by CYC.
34	Hudson House and Old Station Buildings, Station Rise/Toft Green	Proposed	1.82	1.82	7,280	74.55	16		Highly accessible city centre location close to York Railway Station. It currently includes 17,279 sqm B1(a) Office Floor Space. Former railway offices adjacent to the site have recently been given approval to convert into a hotel at a loss of 6,317 sqm office floor space. Given the existing use as offices redevelopment is unlikely to yield any net increase in supply Given the sensitivity of this location the use of the site for B2 and B8 would be problematic and extremely unlikely.
90	Land north of Great North Way, York Business Park	Standard Employment Allocation	6.12	1.81	7,240	74.55	17		Since 2006 two sites developed 0.9ha and 0.72ha
47	Land south of Northminster Business Park, North Field Lane	Proposed	3.24	3.24	12,960	73.85	18		Currently safeguarded land
55	Land at Knapton Moor	Proposed	33.02	33.02	162,400	73.68	19		Currently safeguarded land

Table 8.2 (continued) Short listed Supply Sites – Quality using B1(c), B2 and B8 location criterion

Site Ref.	Site Name	Source of site	Site area (ha)	Area of developable land (ha)	B1(c), B2 and B8 Floorspace (sq.m)	Weighted Score	Rank #	DB* ?	Comment
	Total		253 ha	169ha	552,500sq.m				

Source: Entec UK Ltd. Note: * DB = Development Brief prepared for site. # = high ranking small sites (those less than 0.4ha) removed and the original ranking amended. Floor space figures are CYC estimates only unless indicated in the comments column. Note that these totals have been rounded for ease of presentation.

Performance of allocated sites and employment locations in rural areas

Some sites that had previously been allocated for employment uses performed particularly poorly across the range of assessments for employment uses and include the following:

- Land at Elvington Airfield Industrial Estate (standard employment allocation) Site References 62,72,74;
- Elvington Industrial Estate, (Standard Employment Allocation); Site Reference 84; and
- Land about Wheldrake Industrial Estate, Wheldrake (standard employment allocation) Site References 75,76,77,78.

It is likely that that whilst these perform poorly in relation to the assessment scorings applied, it is possible that they perform an important role as employment sites located beyond the urban area and in rural areas for local need. These sites should be considered as employment allocations.

The strategic spatial policies set out in this report are relevant at a high level for York and do not make an allowance for rural employment locations. Given the scale of rural sites (typically sites are less than 1.0ha in area) it is not appropriate to include them in the strategic review but suggest they be examined at a more local level and a site by site basis. Work may be required to characterise rural employment needs (perhaps as part of a rural strategy) which, based on Entec's experience, should include demand for space for creative and cultural uses as well as support to craft and traditional rural industries.

North Selby Mine

There are some locations, for example the North Selby Mine site, which may be well suited to the development of 'green technologies' and in this case there are proposals for the development of renewable energy. Again, we recommend that this is considered on an individual basis and on the unique opportunity the site may provide compared with other possible locations.

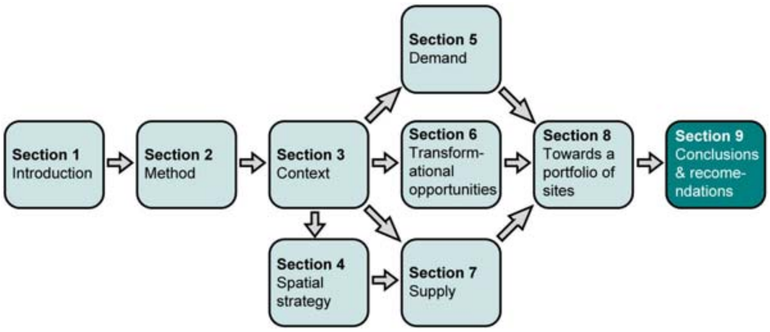
Whilst it may not be appropriate to promote this as an employment site, given the difficulty in accessing the site by means other than the private car and its physical separation from the city centre, we recognise that there may be other benefits to the city in retaining this site for potential alternative uses. The City Council consider that as North Selby Mine is a significant size, and the existing buildings on-site, and infrastructure accessing it, could readily be brought back into use. The Council considers as a result of its unique characteristics (including its remoteness) that the site could be used to help meet some of the specific targets set through RSS, including for renewable energy generation and carbon reduction. The Council have noted that the site already benefits from a 12MW power supply and a 2-way USP that would facilitate the export of electricity out of the site as well as being imported in - providing the potential for export of renewable energy to the grid.

8.3 Conclusion

A review of existing employment areas across York was followed by an assessment of the quality of available supply (92 sites) in relation to their suitability for sub sets of the B use classes to present shortlists of sites that may be considered as a portfolio of sites for allocation as part of the Local Development Framework process. It is suggested that the Council identifies land supply on a rolling basis, aiming to provide immediately available sites for five years ahead and identify land for a further 10-15 years, so that at any one time there should be sufficient planned supply to allow for choice, variety and competition.

9. Conclusions and Recommendations

This section summarises the conclusions of the work undertaken and any recommendations



9.1 Conclusions

Background

City of York Council commissioned Entec UK with advice from Lawrence Hannah LLP (a York based firm of chartered surveyors, property and construction consultants) in April 2008 to prepare an employment land review to provide a robust evidence base for the employment related elements of the Local Development Framework.

Approach

The methodology used in this study follows best practice and the advice within the ODPM (now CLG) good practice guidance in undertaking employment land reviews. It is based on a number of sources of information including publicly available data, survey of sites, and discussions with stakeholders. In order to arrive at a complete picture as to a realistic level of employment land supply, the projection of the future level of demand for employment land and the quantity and quality of supply of such land have been brought together. In conclusion, this study provides a portfolio of sites suitable for employment purposes which can be used to inform the future provision of employment land in the city.

Context

The economy of York has performed strongly over the period for which data are available (1995 – 2006) compared to the national economy, showing a higher growth in total employment. This growth has been mostly derived from a few sectors including business services, banking finance and insurance, retail and hotels and restaurants. This pattern of growth shows that a continued (and strengthening) demand for office space is realistic. Given the growth in distribution, etc. this is also likely to be the case for land and premises.

The location of development is referred to in national, regional and draft local policies. Given the increasing importance of sustainability, development is generally favoured on previously developed land in locations which offer a choice in means of transport, which is normally within the city.

A strategic approach

A set of broad potential spatial strategies for different types of employment use have been developed to guide the future provision of employment land in the City, based on business preferences and requirements as well as prevailing policy:

- preference for B1(a) employment uses are previously undeveloped sites in appropriate existing centres, then edge of centre locations which are well connected to the city centre followed by out of centre sites which are well served by a choice of means of transport. In the case of the edge of centre, or out of centre locations it should be demonstrated that all potential city centre locations have been considered and are unsuitable for the development; and

- preference for B1 (b), B1(c), B2 and B8 uses are the reuse of under used or vacant industrial sites in urban areas that will not unacceptably add to levels of congestion. National guidance encourages the use of rail and water for movement of freight which could therefore influence the location of B8 uses.

The Regional Spatial Strategy refers to safeguarding employment land in line with the results of the Employment Land Review. York has experienced a diversification in its economy in recent years, following the decline of transport (railway) and confectionary related businesses. The growth of the business, banking and financial services sectors along with tourism and Science City related sectors has provided strong employment growth and consequential demand for property in recent years.

Assessment

A level of future demand for the B use employment classes has been developed on the basis of a customised Cambridge Econometrics employment forecasts used in the previous SQW employment land review (2007). The base forecast has been translated initially into different use classes and then into land demand through the plan period. This forecast has then been adjusted in order to include a margin for choice and reflect uncertainty within the forecast methodology and is presented in Table 5.6, which is reproduced below:

Table 9.1 Employment Land Requirement to 2029 with Margin for Choice and Uncertainty (hectares)

Use Class	2006 – 2021	2006 – 2026	2006 – 2029
B1(a)	8.80 *(3.52 to 14.08)*	12.53 *(5.01 to 20.04)*	15.10 *(6.04 to 24.17)*
B1(b)	0.79	1.04	1.21
B1(c), B2, B8	21.18	28.54	33.29
Total	30.77	42.11	49.60

Source: Entec UK Ltd. Note that these totals have been rounded for ease of presentation.

The italic figures in brackets represent the resulting demand when B1(a) is assumed to be comprised of either all low or all high density development. Over the time period to 2029 therefore, there will be a requirement for a total of 50 ha of employment land with some 30% of this being required for office based development (15ha), 2% for

B1(b) and the remainder (67%) for warehousing and industrial development (that is B1(c), B2 and B8 – to suit the spatial strategy).

A key transformational opportunity for York which is strongly supported by regional policy is the creation of a new office quarter at York Central. The implications for the assessment are considered as well as a guide for future provision of a new office quarter.

Towards a portfolio

A review of existing employment areas across York has been undertaken followed by an assessment of the quality of available supply in relation to their suitability for sub sets of the B use classes. This study presents shortlists of sites that may be considered as a portfolio of sites for allocation as part of the Local Development Framework process. It is suggested that the Council identifies land supply on a rolling basis, aiming to provide immediately available sites for five years ahead and identify land in broader terms for a further 10-15 years, so that at any one time there should be sufficient planned supply to allow for choice, variety and competition.

10. References

City of York Council, *City of York Draft Local Plan Incorporating the 4th set of changes – Development Control Local Plan* (2005)

City of York Council, *City of York Local Development Framework – Core Strategy Issues and Options 2* (2007)

City of York Council, *City of York Local Development Framework – York Northwest Area Action Plan Issues and Options Report* (2007)

City of York Council, *City of York Local Development Framework – Allocations Development Plan Document Issues and Options* (2008)

DiPasquale D. and Wheaton W. 1996, *Urban Economics and Real Estate Markets*, Prentice Hall.

DCLG, *Consultation Paper on new Planning Policy Statement 4: Planning for Sustainable Economic Development* (2007)

DCLG, *PPS1 supplement Planning and Climate Change* (2007)

DCLG, *PPS25: Development and Flood Risk* (2006)

DETR, *PPG4: Industrial, Commercial Development and Small Firms* (1992)

DETR, *PPG13: Transport* (2001)

Government Office for Yorkshire and The Humber, *The Yorkshire and Humber Plan Incorporating Secretary of State's Proposed changes* (2007)

ODPM, *PPS1: Sustainable Development* (2005)

OPDM, *PPS6: Town Centres* (2005)

Yorkshire Forward, Yorkshire and Humber Assembly, *The Regional Economic Strategy for Yorkshire and Humber 2006-2015* (2006)

Yorkshire Humber Assembly, *Draft Yorkshire and Humber Plan* (2006)