

CITY OF YORK LOCAL PLAN EXAMINATION

PHASE 2 HEARINGS

MATTER 3: ECONOMIC DEVELOPMENT

REPRESENTATIONS BY FULFORD PARISH COUNCIL

MARCH 2022

THE PLAN REQUIREMENT FOR ECONOMIC DEVELOPMENT

Q3.1a: Is 650 jobs a target or a policy requirement?

- 1 This is a question initially for the Council to answer. However FPC notes that Policy SS1 says that sufficient land is to be provided “*to accommodate an annual provision of around 650 jobs*”. As such, we would read it as a policy requirement and therefore it should meet the relevant tests set out in national policy and guidance, including that of realism (NPPF1 para 54) and being based on up-to-date evidence (para 158).

Q3.1b: The robustness of the 650 job figure.

- 2 The reasoning for the 650 job annual job creation figure is set out in paragraph 3.2 of the Submitted Plan. It states:-

“Technical work on economic growth has been carried out for the Council by Oxford Economic Forecasting. This suggests that over the period 2017 to 2038 around 650 additional jobs could be created in the city per annum.” (our emphasis)

This statement tells us that the 650 pa figure is based on an expectation that this number of jobs per year can be created over the period 2017 to 2038. It is not based on the needs of the York population. We will now show that the figure is not robust and was not credible even at the time of Local Plan submission.

- 3 The 650 job figure derives from the Employment Land Review (ELR) of July 2016 [SD064]. This document set out a series of job forecasts for the period 2014-2031. These forecasts were made in May 2015 and therefore predate the EU Referendum. The base-line forecast predicted an increase of 620 jobs per year; whilst Scenario 2 (Re-Profiled Sector Growth)

predicted 650 jobs per year. The Council decided to proceed with Scenario 2 as the basis for local plan preparation. However, it is important to note that the job forecast related to the period of 2014-2031 which is not the same as the current plan period of 2017-2033.

- 4 Oxford Economics prepared an Employment Land Review Update (SD063) in September 2017. Its main purpose was to sensitivity-test the local plan land requirements against a set of Experian projections and extend the period of provision to 2033. It did not contain any new job forecasts and continued to rely on those in SD064.
- 5 FPC (and presumably others) made representations at Publication stage that the local plan employment forecasts were out-of-date. The Council submitted updated forecasts [EX/CYC/29] in December 2019 during the Phase 1 hearings. Figure 14 showed an increase under the baseline forecast of 450 jobs per year between 2017-2038; and an increase under Scenario 1 of 510 jobs per year over the same period. Both forecasts are significantly lower than those in SD064 and mean that the 650 jobs per year increase can no longer be considered as a realistic or credible employment forecast for the plan period.
- 6 Since EX/CYC/29 was published in December 2019, the national and local economic situation has deteriorated significantly. There has been a much harder BREXIT settlement than expected; COVID has occurred with at least 2 years lost employment growth; and there is now high inflation and the possibility of stagflation. The population of both York and the UK is also forecast to be significantly lower than predicted in 2019 which will also dampen growth. All these factors will mean that even the lower level of employment increase predicted by EX/CYC/29 will not be achieved.
- 7 In conclusion, the 650 job figure cannot be considered to be robust or realistic or based on up-to-date evidence. As such, it is not in accordance with national policy and guidance.

Q 3.1c: Jobs by Employment Sector.

- 8 This is a question initially for the Council to answer.

Q3.2: Employment and Land Requirements.

- 9 Table 4.1 of the Submitted Plan is based upon work set out in the 2016 ELR but which was adjusted by the 2017 Update.

- 10 The starting-point is that Table 4.1 is based on the 650 jobs per year forecast which the Council's own evidence [EX/CYC/29 Fig. 14] shows is no longer realistic. However the figures in Table 4.1 are also out-of-date because they are based on assumptions about employment densities that are no longer valid. Employment densities are used to convert jobs to floorspace requirements. Before 2019, but particularly after COVID, there has been an increasing trend for employees in office-type jobs (former Use Class B1a) to work from home, either full-time or part-time. This has significant benefits for the employee (in terms of work/life balance) and the employer (as it significantly reduces the need for expensive office premises). Although there has been some return to work in recent months, the general expectation is that work from home will become a permanent feature for most office workers, either full-time or on a hybrid basis. The result will be a significant increase in employment densities (as most offices now employ "hot desking") and a significant reduction in demand for office-type space. This is of great importance to the Local Plan as Table 4.1 predicts that demand for office floorspace will make up some 40% of the requirement for land and nearly 50% for floorspace over 2017 to 2038.
- 11 In conclusion, the employment land requirements set out in Table 4.1 of the Submitted Local Plan are not soundly based and not in accordance with national policy and guidance.

Qs3.3 to 3.6: Policy Wordings

- 12 These are questions initially for the Council to answer.

Q3.7: The Impact of BREXIT and COVID-19.

- 13 See answer to question 2.1.

THE SUPPLY OF LAND FOR ECONOMIC DEVELOPMENT

Q3.8: The Allocations

- 14 This is a question initially for the Council to answer.

Q3.9: The Justification for the Economic Development Allocations.

- 15 Based upon the 650 job target, Submitted Table 4.1 indicates that there is a potential requirement for 211,264sqm of Class B floorspace over the period 2017 to 2038. This is a generous amount as paragraph 4.6 says it includes a 5% vacancy rate and an additional 2 year supply to allow for time for developments to be complete. Against this requirement, Policy EC1 provides for 239,227 sq m of Class B floorspace and an unspecified amount on the 21.5ha University of York Expansion site. In other words, it over-provides Class B Uses by almost 30,000 sq m up to 2038 which is equivalent to nearly 3 years supply at an annual rate of 10,060sqm (even without any B1 floorspace on the York University expansion site). There is no phasing attached to any of the employment allocations.
- 16 In conclusion, Policy EC1 significantly over-provides employment land. This over-supply is nowhere justified nor are its implications considered. These implications are likely to result in the wasteful use of land resources and diversion of demand from brownfield to more easily developable greenfield sites. None of the greenfield allocations are phased.

Q3.10: Sufficiency of Identified Employment Land.

- 17 See above responses.