

York Local Plan Hearings Statement On behalf of Oakgate Group Limited

York Local Plan Hearings Phase 2

March 2022

Contents

1.	Introduction.....	1
2.	Matter 3 – Economic Development	2

Prepared By: Richard Woodford

Final Date: March 2022

For and on behalf of Avison Young

1. Introduction

- 1.1 This Hearing Statement has been prepared on behalf of Oakgate Group Limited in response to the issues and questions identified by the Inspectors for the York Local Plan Hearings Phase 2, in particular Matter 3: Economic Development.
- 1.2 Oakgate Group Limited has engaged in the preparation of the York Local Plan over several years and has consistently argued that there is an under provision of employment space in York, quantitatively and qualitatively, which is damaging to the local economy.
- 1.3 The draft Plan fails to address York's employment needs by not allocating or safeguarding sufficient employment land, and continues to work upon an out of date evidence base. This is a major failing of the draft Plan.
- 1.4 The draft Plan can therefore not be considered the most appropriate strategy in terms of overall sustainability. Without an updated Employment Land Review and subsequent allocation of further land/ re-allocation of employment sites to meet the identified shortfall in employment land needs, it is not possible to conclude that the Local Plan is justified, likely to be effective, positively prepared or consistent with the NPPF.

Naburn Business Park

- 1.5 Oakgate Group control 18.2ha of land to the east of the York Designer Outlet, Naburn (the site).
- 1.6 In June 2019, a planning application was submitted to the City of York Council (CYC) for a new business park on the site under application ref: 19/01260/OUTM ('the Naburn business Park'). A masterplan is included at **Appendix 1**.
- 1.7 The proposals will meet employment needs that have not been adequately addressed through the Local Plan, delivering 25,000sqm of office floor space and an innovation centre, 2,000 new jobs, an enhanced park and ride facility and better public access to the Green Belt. The application is yet to be determined.

2. Matter 3 – Economic Development

Question 3.1 - Policy SS1, as currently worded in the Plan, says that sufficient land will be provided to accommodate around 650 new jobs per year.

- a) In effect, is 650 new jobs per year the Plan's requirement or target for economic growth?
- b) How has the 650 figure been arrived at and is the evidence underpinning it both robust and consistent with national policy and guidance?
- c) What proportion of the 650 new jobs per year target should be identified for each employment sector? Has this been assessed? If not, should such an assessment have been undertaken to assist in identifying an appropriate supply for the identified amount?

2.1 The figure of 650 jobs is derived from the Local Plan's evidence base comprising the Employment Land Review (ELR) 2016 and its subsequent update in 2017. As stated in Paragraph 4.1 of the Local Plan, the ELR's bring together evidence on the demand for and supply of employment land. The demand calculated by "using a well-established method of converting econometric forecasts into floorspace/employment land." The job growth forecasts by Oxford Economics (OE) included in the ELR's therefore indicate job growth to be 650 jobs per annum over the plan period and subsequently the employment land figures contained within the draft Plan have been derived from this forecast. The 650 jobs per annum as stated within the draft Plan is thus understood to be a requirement in line with employment allocations.

2.2 Given the above, this does mean that the figure of 650 jobs (and subsequently the employment land allocations/ requirements) relies on evidence dating back 7 years, with the OE forecast dated May 2015. This would not only be considered out of date evidence under normal circumstances, but this also means the evidence base which underpins the Local Plan does not account for the past two years which more importantly than just the passage of time, does not reflect one of the most pivotal periods of time for the world's economy due to the impact of Covid-19 and Brexit. It consequently cannot be said that the evidence base underpinning jobs growth and employment land within the Local Plan is justified, likely to be effective, positively prepared or consistent with the NPPF as a result.

2.3 As an example, according to ONS, average annual jobs growth figures have been well above 650 jobs per annum over the last 5, 10 and 20 year period as set out below:

- 20 year average growth – 900
- 10 year average growth – 1,000
- 5 year average growth – 1,400

2.4 In light of the above, the annual jobs growth of 650 as set out by the Plan appears cautious and is an underestimate. It cannot be concluded that this figure is robust.

2.5 An updated ELR should thus be undertaken to allow for current data and economic forecasts to be taken into account. This will ensure that the Local Plan is being underpinned by accurate evidence which will provide

accurate jobs growth figures and subsequently, corrected employment land requirements, including figures for each employment sector.

Question 3.2 - Table 4.1 of the submitted Plan (page 77), sets out employment land and floorspace requirements by use class for the Plan period (2017-2033) and also in the post Plan period 2033-2038. Is this assessment still the most up-to-date? If not, what is the most up-to-date position and how should this be rectified in the Plan?

- 2.6 The assessment contained within Table 4.1 of the Plan cannot be considered the most up to date for two reasons.
- 2.7 Firstly, as set out above, the assessment relies on ELR's from 2016/17 which are based upon forecasts from 2015. The figures contained within the Table 4.1 are therefore 7 years out of date and cannot be considered robust when taking into account key changes that have occurred over recent years, in particular the past two years. Updated economic forecasts should therefore be required to inform an updated, accurate assessment.
- 2.8 Secondly, the assessment does not take account of the loss of office floorspace within York that needs to be replaced. This a major issue for the city as noted by Valuation Office Agency (VOA) data which shows the total stock of office floorspace in the Leeds City Region has decreased by over 1 million sq.ft between 2015 and 2020, with a large proportion of this being lost in York¹. The main reason for this loss has been the change to permitted development rights introduced in 2014 which has made it easier for landlords to convert offices into residential dwellings. Within York much of the space that has been lost recently has been good quality, occupied space and has meant that tenants have been displaced. This is said to be due to the very strong residential market and high house prices in the city which creates incentives for landlords to convert premises that are already providing a return. Given the very limited availability of office space in York, it is therefore reported that this is resulting in some businesses having to move out of the city all together². An updated assessment therefore needs to take account of these losses over the past 7 years to ensure sufficient office floorspace is being allocated to meet demand, and replace losses as necessary.

Question 3.6 - Has any updated assessment of the employment requirement for land and jobs taken into account the 2020 changes to the Use Classes Order, particularly for employment uses (e.g. Use Classes B1 a), b) and c) to Class E? If not, what effect would these changes have on employment requirements? How have these Use Class changes impacted on the overall employment requirement?

- 2.9 An updated assessment of the employment requirement for land and jobs has not been produced which takes into account the 2020 changes to the Use Class Order. It is considered crucial to assess how the changes have impacted current employment floorspace to assess if this has resulted in severe losses which will need to be accounted for and replaced by the employment requirements/allocations as set by the Local Plan.
- 2.10 In line with the response provided to Question 3.2, this is particularly important when considering office floorspace which has already suffered at the consequence of permitted development rights leading to an acute demand for office space (less than 2% vacancy³).

¹ Hatch – Leeds City Region – Strategic Employment Evidence – Land and Property – February 2021 – Para 4.20

² Hatch – Leeds City Region – Strategic Employment Evidence – Land and Property – February 2021 – Para 4.21

³ CoStar – Hatch - Hatch – Leeds City Region – Strategic Employment Evidence – Land and Property – February 2021 – Para 4.23

Question 3.7 - Is it likely that the departure of the UK from the EU and/or the Covid-19 pandemic could have an impact on jobs growth during the Plan period? If so, is it possible for the Plan to properly gauge those impacts with any degree of certainty? How should the Plan respond to these issues, if at all?

- 2.11 It is with certainty that both the departure from the UK from the EU and the Covid-19 pandemic has, and will continue to have, an impact on jobs growth during the Plan period.
- 2.12 It is considered that the economic performance in York has been resilient during these times (7,000 new jobs according to ONS) and demand for office space has remained strong⁴ so it would be difficult to argue that there has been an overwhelming negative impact on York. However, a key impact of both Brexit and Covid-19 will be on forecasted sector growth.
- 2.13 An up to date and reliable economic evidence base is imperative to the Local Plan for various reasons but in particular when it comes to assessing employment land allocated within the Plan. It is impossible to ensure only the most suitable and sustainable sites for employment have been chosen if the Council does not have a clear understanding of the economy within York and where this is likely to be heading over the course of the Plan period. Paragraphs 81, 82 and 83 of the NPPF are therefore relevant.
- 2.14 An updated ELR or Economic Outlook report should thus be produced to inform the Local Plan and in particular Policy EC1 so that the sites allocated for employment can be assessed as to whether these are still the most suitable and sustainable sites for York's economy and the market sector going forward. It will be critical to understand not only whether the correct amount of floorspace has been allocated to ensure growth in the local economy, but also whether the correct locations have been chosen based upon the impacts of Brexit and Covid-19 and the sectors currently seeking to invest.
- 2.15 It is clear to see that already the demand for office space within the centres of cities has slowed down as a result of Covid-19 and a key focus for all cities, including York, will be about ensuring sites are available in alternative locations to continue to attract and retain business in the city for those who may prefer sites which are located outside the centre and are better connected to good transport links.
- 2.16 It is worth noting specifically in relation to general business/workspace demand that the industrial warehouse and distribution sectors continue to demonstrate high levels of demand nationally, regionally and locally. Employment land and building availability in York in this sector is currently only restricted to a handful of smaller sites going forward and thus the potential to capture jobs and investment from the larger internet based manufacturers/business's and distributors for York are currently limited.
- 2.17 The Naburn Business Park would provide a genuine range of choice for a variety of occupiers, which reflects the fact that city centre space at York Central will not meet the needs of all occupiers, particularly cost sensitive SMEs and businesses that need good access to the road network (for example industrial warehouse and distribution companies). The Naburn site will therefore be attractive to the current market being well located for the road network, accessing a skilled workforce and capable of providing a high quality business park environment and would help to address not only the quantitative shortfall in office floorspace as

⁴ Hatch – Leeds City Region – Strategic Employment Evidence – Land and Property – February 2021

highlighted in previous representations and below (in response to Question 3.8) but the qualitative lack of alternative office locations outside of the centre of York.

Question 3.8 - Policy EC1 of the submitted Plan sets out the amount of employment floorspace that is to be provided on each identified site allocation during the Plan period. These are set out within the policy both on strategic and non-strategic sites. Are the floorspace figures in Policy EC1 for these sites still correct and justified?

- 2.18 Policy EC1 (Employment Allocations) identifies four sites to meet York's office floorspace requirement of 107,081sq.m, over the plan period. The floorspace figures have however, remained unchanged over recent years and have not been updated to reflect the current position of each allocated site and the amount of floorspace that can actually still be delivered relevant to the suitable employment uses identified. We therefore provide in **Appendix 2** the latest position on each allocation site which has been identified as suitable for B1a use, and highlight a 26,606sq.m shortfall in employment floorspace as a result.
- 2.19 Returning to the principle question, we can therefore say that the floorspace figures in Policy EC1 for the allocated sites are not correct and justified. If the Council are to meet employment floorspace requirements, Policy EC1 should therefore be updated in light of current circumstances and further office sites should be allocated to ensure that the employment land targets, as set out in the Plan, are met with sufficient capacity.
- 2.20 The Naburn Business Park is a live planning application that is deliverable in the short term to meet identified need now and could be identified in the Local Plan. The proposals comprise 25,000sqm of office floorspace and an innovation centre that could plug the identified office floorspace gap and the application is supported by a suite of technical documents which demonstrate how the proposals represent sustainable development.

Question 3.10 - In line with Policy SS1, has sufficient land been identified to meet employment needs of the City of York over the Plan period?

- 2.21 Policy SS1 of the Draft Local Plan states the aim of providing "sufficient land to accommodate an annual provision of around 650 new jobs that will support sustainable economic growth". As set out within the response to Question 3.1 it is not considered this is representative of the current climate or indeed actual jobs growth over recent years, which has been far more positive.
- 2.22 Notwithstanding the above, even taking this cautious approach to jobs growth which has been used to calculate the employment floorspace requirements, based upon current circumstances, there is a shortfall of land allocated for B1a development. This has been set out in the response to Question 3.8 which identifies a 26,606sq.m shortfall. In quantitative terms this means there is a need to identify additional sites to plug the shortfall, which could include the proposed Naburn Business Park, which proposes a total of 25,000sq.m of B1a office floorspace which marries well with the shortfall identified above.
- 2.23 In qualitative terms this also means that potential investors looking for B1a accommodation will have a choice of just one large site at York Central and left over land at Northminster Business Park. It is important that employment allocations provide a balanced portfolio of sites to reflect the needs of different markets and occupiers (who will have differing locational drivers). Whilst York Central will be a highly desirable location for some office occupiers, it will not suit the needs of all occupiers. Certain types of occupiers prefer a campus style business park environment to a city centre location for reasons of security or privacy which the Naburn

Business Park is designed to meet the needs of. Therefore, in addition to there not being a sufficient quantity of land allocated for B1a development, the continued reliance on York Central means there would be insufficient choice for investors. A point which has previously been raised by The York and North Yorkshire Chambers of Commerce in response to the Preferred Sites Consultation (2016).

- 2.24 In determining whether the Draft Local Plan has adequately allocated land for employment we must also consider the deliverability of the sites and analyse if there is sufficient supply to meet demand in the short, medium and long term. It is common practice for ELRs to undertake this assessment based upon the likelihood that sites will come forward, the nature of any barriers which need to be overcome and the implications for timescales for delivery. However, this is not considered in either the 2016 ELR or the 2017 update.
- 2.25 This is particularly important given the continued reliance on York Central to deliver the majority of B1a office space, which could take many years to complete (anticipated delivery 2026-2033) and the only other site available to deliver B1a being Northminster Business Park for which there is no guarantee that sufficient B1a floorspace will come forward. Indeed, based on current evidence this is most unlikely.
- 2.26 With the sites allocated for office development not forecast to be delivered in the short term, coupled with York presenting a vacancy rate of under 2%, this means that the city is facing a significant shortage of B1a office space which will ultimately stunt growth within the City and deter investors from wanting to move or relocate to the City or expand their business. It is therefore unlikely that the identified sites will meet demand for B1a office space in the short to medium term and this means there is a risk of York losing out on potential investment in the next five or ten years if it does not have a readily available product for occupiers, to which Naburn could provide.
- 2.27 In light of the above, the draft Plan cannot be considered positively prepared, justified, effective or consistent with national policy as it is not reliant on a robust and up to date evidence base and subsequently does not allocate sufficient employment land.

Appendix I

Naburn Business Park Masterplan

DEVELOPMENT BOUNDARY
AREA = 18.200 HECTARES (44.987 ACRES)

PROPOSED PARK AND RIDE
 Area includes car parking, bus drop off and associated infrastructure (including access, drainage and shelters), amenity and meadow grass areas, and ornamental tree and shrub planting
AREA = 2.288 HECTARES (5.653 ACRES)
12.5% OF TOTAL SITE AREA

CORE SITE WIDE GREEN INFRASTRUCTURE
 Area includes native tree and scrub planting, ornamental tree and shrub planting, amenity and meadow grass areas, ponds/wetland with native planting, and associated infrastructure including access and drainage.
AREA = 6.851 HECTARES (16.929 ACRES)
37.6% OF TOTAL SITE AREA

DEVELOPMENT PLOT INDICATIVE OPEN SPACE
 Area includes ornamental tree and shrub planting and associated infrastructure including access and drainage.
AREA = 0.9100 HECTARES (2.251 ACRES)
5% OF TOTAL SITE AREA

Schedule of Approximate Gross Floor Areas

2 STOREY B1 OFFICE UNITS

UNIT A	20,000 SQ FT	2 STOREY
UNIT B	16,000 SQ FT	2 STOREY
UNIT C	15,000 SQ FT	2 STOREY
UNIT D	20,000 SQ FT	2 STOREY
UNIT E	20,000 SQ FT	2 STOREY
UNIT F	12,000 SQ FT	2 STOREY
UNIT G	20,000 SQ FT	2 STOREY
UNIT H	20,000 SQ FT	2 STOREY
UNIT I	10,000 SQ FT	2 STOREY
UNIT J	10,000 SQ FT	2 STOREY
UNIT K	15,000 SQ FT	2 STOREY
UNIT L	15,000 SQ FT	2 STOREY
UNIT M	15,000 SQ FT	2 STOREY
UNIT N	17,000 SQ FT	2 STOREY
UNIT O	15,000 SQ FT	2 STOREY
UNIT P	15,000 SQ FT	2 STOREY
UNIT Q	15,000 SQ FT	2 STOREY
TOTAL	270,000 SQ FT	

2 STOREY INNOVATION CENTRE

UNIT R	70,000 SQ FT	2 STOREY
--------	--------------	----------

PARK AND RIDE AMENITY BUILDING

UNIT S	2,000 SQ FT	SINGLE STOREY PAVILION UNIT
UNIT T	3,000 SQ FT	2 STOREY PAVILION UNIT
UNIT U	3,000 SQ FT	2 STOREY PAVILION UNIT
UNIT V	3,000 SQ FT	2 STOREY PAVILION UNIT

OVERALL TOTAL 351,000 SQ FT

On plot car and cycle parking will be provided in accordance with the City of York's car and cycle parking standards.

This is: 1 car space per 30 sq m of accommodation.

This equates to circa 1,000 on plot car parking spaces.

REVISIONS

A	14/11/18	OB	JD
Site plan updated following community consultation feedback			
B	27/11/18	OB	JD
Site plan updated following Highway works			
C	17/01/19	OB	JD
Red Line updated			
Area updated			
Scale to 1:1250			
D	20/01/19	OB	JD
Red line updated			
E	13/02/19	OB	JD
Innovation Centre Updated			
F	10/04/19	OB	JD
Highways Update			



FOR INFORMATION

DLA ARCHITECTURE
 www.dla-architecture.co.uk
 55 St Pauls Street
 LEEDS LS1 2TE
 T: 0113 887 3100 E: info@dl-a-architecture.co.uk

PROJECT
 NABURN, YORK

TITLE
 SITE PLAN

SCALE 1 : 1250 @ A0 **DATE** 04/10/18

DRAWN VP **REVIEWED** OB

DRAWING NO 2013-104_002 **REVISION** F

FILE PATH

Appendix II

Draft Plan Employment Allocation Updates

ST5: York Central

- 2.28 The largest proposed allocation, by far, is York Central accounting for 93% of the total office floorspace requirement.
- 2.29 The draft Local Plan fails to consider the latest position at York Central and continues to overstate the amount of office space that can be delivered. An outline planning permission for York Central was approved in March 2019 (Ref: 18/01884/OUTM) and permits only between 70,000sqm and 87,693 sqm of office space. Comparing this against the proposed allocation for York Central in the draft Local Plan at 100,000 sqm, this means at York Central there will be a shortfall of at least 12,000 sqm, and potentially up to 30,000sqm, of office floorspace against the draft Local Plan allocation.
- 2.30 The majority of this floorspace (anticipated 76,762sq.m as per the Phasing Plans submitted with the outline application) is additionally only intended to be delivered within Phases 3 and 4 of the scheme's phasing plan, with Phases 1 and 2 focused on the delivery of residential development. Phases 3 and 4 are not due to be completed until at least 2033 and have start dates ranging between 2023 and 2026. There is no floorspace proposed to be delivered post-plan period (post 2033).
- 2.31 Since the granting of permission, no reserved matters applications pursuant to the delivery of office space have been submitted to the Council. Given the range proposed within the application approved (70,000sqm and 87,693 sqm), we have therefore assumed a median of 78,000sq.m as a more robust position for the expected delivery, with very limited floorspace delivered in the short-medium term.

ST19: Land at Northminster Business Park

- 2.32 Northminster Business Park is currently not an office development site and is dominated predominantly by B1c, B2 and B8 uses, including distribution, industrial and warehouse units.
- 2.33 Planning permission for part of this site (Ref: 18/02919/FULM) was granted in 2019 for 1,188sq.m B1a floorspace (alongside B8 floorspace). However, this application has never been implemented, nor conditions discharged, with the permission set to expire in June 2022.
- 2.34 An application has in addition recently been approved for part of the site (Ref: 21/00796/FULM) for 5,570sq.m of B8 floorspace.
- 2.35 It is therefore considered that, in line with the explanatory text to Policy EC1, future development at this site will be focused on the expansion of the existing B1c, B2 and B8 uses with minimal B1a floorspace. For robustness however, with regard to Policy EC1 stating that 'an element of B1a may be appropriate' and the most recent application for the site (Ref: 18/02919/FULM), we have assumed a 5% of provision of office floorspace for the anticipated delivery (2,475sq.m).

E11: Annamine Nurseries, Jockey Lane

- 2.36 This site has been bought by the Shepherd Group who own the surrounding land. Future development on this site has therefore been reserved exclusively for the expansion of the existing portakabin business surrounding the site, with no new office space anticipated to be delivered.

E16: Poppleton Garden Centre

2.37 Poppleton is an active Garden Centre, purchased by Dobbies from Wyevale in April 2019. The site is no longer considered a likely future employment site. In any case the Council has only identified that the site may be suitable for "an element of B1a". The Council has not justified that the site can be relied on to deliver any new office floorspace during the plan period.

Based on the above updated positions for each allocated site for B1a floorspace, there is potentially a shortfall of 26,606sq.m (against the target of 107,081sq.m) of office floorspace unaccounted for in the draft Plan. This is summarised in the table below:

Sites Allocated for B1a Employment in Draft Local Plan				
Sites	Allocation size (sqm)	Suitable Employment Uses	Comments	AY anticipated delivery (sqm)
ST5: York Central	100,000	B1a	An outline application approved has been approved (Ref: 18/01884/OUTM) which permits up to 70,000-87,693sq.m of B1a floorspace. The estimated delivery has therefore been calculated as the median of this permitted range. No reserved matters applications relevant to the office floorspace have been submitted only applications for access roads (Ref: 20/00710/REMM) and the Central Hall/ museum (Ref: 21/02793/REMM).	78,000
ST19: Land at Northminster Business Park	49,500	B1c, B2 and B8. May also be suitable for an element of B1a.	Planning permission for part of this site (Ref: 18/02919/FULM) was granted in 2019 for 1,188sq.m B1a floorspace (alongside B8 floorspace). However, this application has never been implemented, nor conditions discharged with the permission is set to expire in June 2022. An application has also been approved for part of the site (Ref: 21/00796/FULM) for 5,570sq.m of B8 floorspace. It is therefore considered that minimal B1a floorspace will actually be delivered at this site. As a maximum we have therefore assumed 5% of the total allocation.	2,475
E11: Annamine Nurseries, Jockey Lane	3,300	B1a, B1c, B2 and B8	The site has been bought by the Shepherd Group who own the surrounding land. Future development on this site is anticipated to focus on the expansion of the existing portakabin business surrounding the site, with no new office space delivered.	0
E16: Poppleton Garden Centre	9,240	B1c, B2 and B8. May also be suitable for an element of B1a.	The site has been bought by Dobbies and is currently being used as a garden centre. Based on the site being in active use and no plans for redevelopment, the anticipated delivery of B1a floorspace has been calculated as 0.	0
Total	162,040		Total anticipated delivery	80,475
Total B1a required in Local Plan	107,081		Difference in anticipated delivery against Council's B1a target	-26,606

Contact Details

Enquiries

Richard Woodford
0161 956 4072
Richard.woodford@avisonyoung.com

Visit us online
avisonyoung.co.uk