

City of York Local Plan

Phase 2 Hearing Statement

Industrial Property Investment Fund (IPIF)

Matter 1 - Strategic Vision, Outcomes and Development Principles

Matter 3 - Economic Development; and

Matter 4 – Spatial Strategy and Site Selection Process.

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1 Introduction

Introduction

- 1.1 JLL is instructed by the Industrial Property Investment Fund (IPIF) ('our client') which forms part of Legal and General to provide representations to the examination of the emerging City of York Local Plan.
- 1.2 IPIF is providing representations on the following matters at Stage 2 of the York Local Plan examination process:
 - Matter 1 – Strategic Vision, Outcomes and Development Principles;
 - Matter 3 – Economic Development; and
 - Matter 4 – Spatial Strategy and Site Selection Process.
- 1.3 The responses made within this document are based on the revised Matters, Issues and Questions for the Examination document dated 11th February 2022 (ref EX/INS/30).

2 Matter 1 – Strategic Vision, Outcomes and Development Principles

2.1 The following chapter sets out IPIF response to the Inspectors' Matters, Issues and Questions (MIQs) for the Examination in relation to Matter 1 Strategic Vision, Outcomes and Development Principles.

1.1 Does the Strategic Vision, Outcomes and Development Principles set out within Section 2 and provided in policies DP1, DP2 and DP3 of the Plan provide a clear and appropriate framework for the strategic policies set out primarily within Sections 2 and 3 of the Plan?

2.2 Policy DP1 sets out the Council's high-level approaches to development in York during the plan period and includes a number of strategic aims relating to economic development, leisure, retail, residential and education sectors in addition to addressing matters such as transport and the natural environment. Policy DP2 sets out how such development will be met in a sustainable manner while Policy DP3 sets out how new development should contribute towards creating and enhancing sustainable communities within York.

2.3 The goals set out in Policies DP1, DP2 and DP3 are laudable and in many cases common to similar policies in many other Local Plans. The framework set out by these policies is considered appropriate however IPIF does not feel that the subsequent policies included within the Plan are consistent with these three high-level strategic policies, as reflected within the remainder of this response and set out further in future responses as required.

2.4 Should a sufficient number or proportion of policies included later in the Plan be found to be unsound, Policies DP1, DP2 and DP2 may require revision in order to be found sound and for the Plan as a whole to be found sound.

1.2 Are the Development Principles set out in the Plan justified, effective and in accordance with national policy?

2.5 Some elements of the Development Principles are considered to be justified, effective and in accordance with national policy. As set out in representations to other matters as part of Stage 2 Hearings, the resultant policies and designations which flow down from the high-level Development Principles policies are inconsistent.

1.3 Is the overall strategic approach, in terms of the vision, outcomes and principles relating to development, its management and delivering the Plan's development requirements positively prepared, justified, effective and consistent with the Framework?

2.6 As set out above, a number of the outcomes later in the Plan which are guided by the Development Principles are inconsistent. This is not to say that the Development Principles themselves are not positively prepared, justified, effective or consistent with the NPPF 2012 however should the resulting policies and allocations require significant alteration, the Development Principles may themselves require alteration to allow the remainder of the Plan to function. For example, IPIF has serious reservations regarding the approach to identifying sufficient employment land which will be considered in greater detail as part of Matter 3, Economic Development, of the Phase 2 Hearings. Unless the concerns raised by IPIF as set out in Matter 3 are resolved, it will not be possible for York to fulfil 'its role as a key economic driver within both the Leeds City Region and the York, North Yorkshire and East Riding LEP areas.' (DP1 i); and support 'strategic employment locations and ensur[e] employment land for the development period' (DP2i)

1.4 Has the Plan been informed by an adequate process of Sustainability Appraisal and Habitats Regulations Assessment in this regard?

2.7 IPIF does not wish to make comment on this matter at this time

3 Matters - Economic Development

- 3.1 The following chapter sets out IPIF's response to the Inspectors' Matters, Issues and Questions for the Examination in relation to Matter 3 Economic Development.
- 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 jobs per year the Plan's requirement or target for economic growth?*
- 3.2 It is JLL's understanding that the 650 new jobs per year is a target for economic growth underpinned by the Oxford Economics (OE) forecast scenario 2 'Re-Profiles Sector Growth' (2015). This forecast has been subject to a sensitivity test in 2016 by the latest Experian REM forecast and further updated by OE economic outlook and scenario report (2019) (EX/CYC29).
- 3.3 It is further understood that this growth in jobs has been then converted into a requirement for land to accommodate the jobs. Based on the methodology set out in Council's Employment Land Reviews (2016 and 2017) the resultant demand has been calculated at 150,048.20sqm of employment floorspace during the Plan period.
- 3.4 JLL will seek to review the Council's Hearing Statement on this matter once issued.
- b) *How has the 650 figure been arrived at and is the evidence underpinning it both robust and consistent with national policy and guidance*
- 3.5 Under OE scenario 2, the level of growth forecasted is 11,050 jobs during the period 2014 and 2031, which equates to 650 jobs per year.
- 3.6 In terms of considering the robustness, and consistency with the National Policy of the underlying assumption the following are considered important matters:
- a) The impact of Brexit
- b) The impact of Covid 19 including changes to both logistics and working from home
- c) The impact of the 2020 changes to the Use Classes Order
- 3.7 Given the length of time between the preparation of evidence, the submission of the plan, the introduction of further evidence and delays resulting from the Covid-19 pandemic, IPIF is concerned that the evidence underpinning the Local Plan is now out of date and of limited use in supporting a Local Plan.
- 3.8 Much of the evidence originally submitted in support of the Local Plan dates back to 2013 e.g., SD068A-F while updated evidence submitted during the 2021 consultation pre-dates the Covid-19 pandemic (e.g., EX/CYC29) which has fundamentally altered the way in which the economy operates, how employees work and use their home. The move towards partial home working and a far greater reliance on e-commerce and the 'gig economy' has resulted in changes that cannot have been foreseen in evidence pre-dating the pandemic. A plan can only be adopted that factors in current trends and market conditions which are realistic otherwise the plan is out of date before it is even adopted.
- 3.9 While it is of course not possible for the Council to predict all macroeconomic developments, because the evidence underpinning the plan has not factored in major known issues such as the UK's exit from the EU and the structure of the withdrawal agreement or the impacts of Covid-19 on the economy, the Council's forecasts and evidence are at risk of being significantly outdated by the time the Plan is adopted.

Furthermore, the impacts of emerging issues such as the significant rise in energy prices in late 2021 and the further volatility in energy prices following developments in Ukraine in Spring 2022 will further compound the outdated evidence, resulting in an economic model which bears little semblance of reality by the time the Plan is adopted.

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?

- 3.10 It is unclear whether the 650-figure resulted from the OE 2015 forecasts have been assessed for each employment sector.
- 3.11 It is JLL's view that a detailed assessment should be undertaken to assist in identifying an appropriate supply. This assessment should be based on up-to-date forecasts, which take into consideration the latest economic circumstances and contemporary challenges (i.e., Covid-19, Brexit, changes in planning legislation, market shifts, etc.). This approach will ensure the appropriate level of supply of employment land is made available to support future demand.
- 3.12 In addition, the identified employment land, Table 4.1 shows there is zero requirement for B2 use. This must be fully explored and explained as it suggests a freeze or retraction in industrial/manufacturing growth across the city. Jobs by employment sector are therefore relevant to this 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?

- 3.13 JLL considers that the figures included in Table 4.1 cannot be the most up to date as these have been generated based on existing OE forecasts, which are now considered to be outdated.
- 3.14 Nevertheless, the approach to include employment land and floorspace requirements by use class for the Plan period (2017-2033) and also in the post Plan period 2033-2038 is welcomed by IPIF. It is however fundamental that the evidence supporting these figures are projections which reflect current market demand and consider the impact of economic circumstances.
- 3.15 This can be rectified by running a new sensitivity exercise on the current EO forecasts for York. This will include comparing the latest EO 2019 (EX/CYC29) figures against the current economic climate and the contemporary employment real estate market. It is considered that this approach will ensure that the employment demand and supply floorspace calculations are robust and in compliance with the NPPF.

3.3. Unless we have missed something, the Plan does not say how much land or floorspace is needed each year to accommodate the 650 new jobs per annum that are planned for. Why not?

- 3.16 The Plan does not explain the quantity of land or floorspace per year needed to accommodate the predicted job growth. IPIF welcomes the Inspectors' request, as it is important to share the breakdown per year.
- 3.17 It is important that the Council considers the different level of job density characteristics of each employment sector.
- 3.18 We consider important to understand how jobs have been applied to calculate the requirement for employment requirement for employment land to ensure sufficient land is identified in the Local Plan.

3.4 If Table 4.1 in the submitted Plan is not up to date, how much land or floorspace is needed for each of the employment sectors expected to deliver jobs growth?

- 3.19 It is unclear how much land or floorspace is needed for each of the employment sectors until a new economic forecast is generated, which takes into consideration the latest trends including those resulting from the Covid-19 Pandemic. This would advise the appropriate level of floorspace needed for each employment sector.
- 3.20 RICS Commercial Property Market Survey (2021) explains that across the three traditional sectors, only industrials posted a positive reading for tenant demand, with the net balance standing at +61%. Meanwhile, the comparable reading were -3% for offices and -21% for retail. This market demand is being echoed by Yorkshire based surveyors which advise that there is a *'strong local industrial market for rental, sales and investments likely to continue due to high demand and limited supply'*¹. This is the case especially in York, where searches on property search engines (such as Co-Star) show limited supply of traditional employment units (B2 and B8) and low vacancy rates.
- 3.21 Furthermore, JLL's latest global research on logistics real estate sets out that worldwide occupier demand for modern logistics space has never been higher, as the pandemic has highlighted the critical importance of resilient supply chains in supporting public health services and essential industries and services. Moreover, the crisis has also accelerated the growth in e-commerce, which over recent years has been pushing a new type of logistics occupier demand².
- 3.22 On this basis, it is considered essential that a new forecast for job growth is undertaken which will likely reflect these global, regional, and local requirements. This can then inform an appropriate and robust assessment of the floorspace and therefore land requirements across York.
- 3.23 When originally submitted, the York Local Plan was intended to run from 2017 to 2032/33. Setting aside that the Plan remains unadopted and would be expected to be adopted in 2023 at the earliest, the limited and outdated evidence which underpins the Local Plan means that the Local Plan is not sufficiently robust or justified to be adopted. While it is not possible to predict future macro-economic trends, Local Plans must be founded on robust and up to date evidence in order that they are best placed to support the local economy through future economic events. The York Local Plan, supported by its current evidence base, cannot be reasonably considered to meet this requirement in its current form,

3.5 Should the answer to the preceding question be set out in the Plan as an explicit target?

- 3.24 It is considered that given the increasing demand of certain types of employment uses a degree of flexibility is incorporated into any target, but that a minimum should at least be applied and this should be explicit.

3.5 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?

- 3.25 Since the preparation of the latest Employment Land Review Update (2017) Class E has been introduced alongside further changes to Permitted Development Rights. Class E will incorporate B1a, b and c in the same class as shops, cafes, health, and certain indoor recreation uses. Changes in Permitted Development rights allow for vacant commercial buildings (up to 1,000m²) to be demolished to make way for new housing and these are likely to lead to a greater loss of employment land to other uses. Together it is inevitable that these changes will have an implication on the availability of existing employment land and buildings which will need to be replaced by new employment land. This could place increasing pressure on the identified supply of employment land. An amount of additional floorspace should therefore be factored in that would

¹ [Q4 2021: UK Commercial Property Market Survey: Twelve-month expectation hit fresh highs for the industrial sector](#)

² [JLL Global Research: The future of global logistics real estate](#)

offset any loss based on current trends within the City of York. JLL would ask that the Council provides evidence of floorspace lost through permitted development rights and that this should be used as a baseline in responding to any loss.

3.6 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?

- 3.26 Whilst it remains unclear how the COVID-19 pandemic will impact the geography of different types of employment in the medium to long term, it is considered that it will unlikely reduce the need for employment land within York, where there is a focus on logistics, distribution, science, and high-tech industries. According to the latest RICS UK Commercial Property Market Survey (2021) growth across the industrial sector continues to intensify with availability of units failing to keep up with demand. Furthermore, the industrial sector as summarised above is also the only sector anticipated to see any significant rental and capital value growth over the medium to long term³.
- 3.27 In many respects the Covid 19 pandemic and Brexit have accelerated an upwards trend and combined have spurred demand to new highs. In particular, the former has accelerated e-commerce growth, and Brexit is adding to supply chain uncertainty and causing companies to rethink, and increase, how much inventory they need. However, it is considered that the current market shifts are unlikely to be a temporary trend, because demand appears to be well supported by a range of drivers that are likely to maintain take-up at an elevated level at for the next few years.⁴
- 3.28 Forecasts indicate that e-commerce growth will continue, albeit at a more modest rate compared with 2020, and this will drive demand for a variety of different buildings, including large fulfilment centres, parcel hubs and last mile depots.
- 3.29 Strong demand from logistics service providers, which typically have little, if any, capacity within their existing UK network which need additional space to secure new business and grow, will also support robust demand. JLL is seeing some logistics companies looking more strategically, such as acquiring buildings without the backing of immediate contracts to enhance their competitiveness in a market in which available supply and choice have sharply diminished.
- 3.30 In light of this, we consider that in order to ensure that York is able to respond flexibly to any changes, it is essential that sufficient land is able to be brought forward for development. Moreover, policies of the plan should not be overly restrictive in respect of employment development or opportunities for the expansion of existing sites.
- 3.31 In our view, the need for employment-led development in some locations can outweigh the loss or harm of other allocations where potential impacts can adequately be mitigated through appropriate measures. This has been the case on one of IPIF's site where an appropriate extension to an established facility has been restricted due to a non-statutory environmental designation which was proved to not be of significant value.
- 3.32 The application of a highly restrictive designations is of concern and leads us to conclude that opportunities to expand appropriate employment facilities have been unnecessarily restricted and could prevent sustainable sites with high occupier interest from being developed. As such, we consider the non-allocation of such sites to be unjustified and lacking in sufficient evidence.
- 3.33 Ultimately the Council has not considered job growth in regard to current market conditions relating to various growing industrial sectors which continue to strengthen following Brexit and Covid19 and certainly

³ [Q4 2021: UK Commercial Property Market Survey: Twelve-month expectation hit fresh highs for the industrial sector](#)

⁴ [JLL Global Research: The future of global logistics real estate](#)

form part of a strong, stable real estate sector in the UK including in York. It is essential that the plan does gauge with those impacts to provide certainty in delivering a sound up to date plan.

The supply of land for economic development

3.7 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?

- 3.34 A planning history search has been undertaken using York's Council public access system on each of the employment allocations identified on the emerging Local Plan. It is considered that the deliverability of the amount of floorspace expected at each site allocation might not be progressing as expected due to site specific issues (whether financial fundamentals or physical limitations).
- 3.35 It will be important to confirm that the employment allocations that the Council has protected are not only sufficient but that there is sufficient range and flexibility to deliver land requirements throughout the whole plan period based on the most up-to-date forecasts and data.
- 3.36 It is JLL's view that further flexibility should be incorporated within policy EC1 to allow for additional sites to be allocated and ensure that other suitable sites in the appropriate locations are able to contribute to the Council's employment land supply. This will ensure the Local Plan is dynamic and adaptable as it emerges from Brexit and the Covid-19 Pandemic.
- 3.37 A high-level review of Non-Strategic sites, which predominantly sit within or adjacent to existing employment areas and are often located on brownfield land and outside the Green Belt has been undertaken by JLL. Due to the nature and location of these Non-Strategic sites, it would be possible for development to come forward on these sites before the Plan is adopted without being considered premature. However, only one of the six non-strategic sites has been developed: E10 Chessington Park, Dunnington.
- 3.38 JLL has discussed the reasons for these sites not coming forward with local agents and has visited each site to identify constraints or other reasons why each site has not come forward.
- 3.39 JLL notes that the details for each of these sites will form part of future hearings, however, is concerned that the selection of sites within the emerging plan is holding back some development given the strong market conditions within the employment sector (B2/B8 uses). Therefore, JLL has provided the context below and questions whether the Council has identified sufficient supply of employment floorspace to ensure the plan can respond to market requirements and ensure job growth can be achieved through the floorspace identified.
- 3.40 JLL consider there to be insufficient evidence to support the Council's prediction that the above sites are likely to come forward for employment uses in the plan period. One site has been developed, providing less floorspace than anticipated in the emerging Plan. Two sites are currently occupied; Towthorpe Lines and Poppleton Garden Centre, and would require the relocation of operations before redevelopment of the scale anticipated in the emerging Local Plan could take place. Three sites are currently undeveloped with no obvious marketing activity ongoing.

3.41 A summary of our findings is included in Table 1 below.

Site	Anticipated Floorspace	Comments
E8: Wheldrake industrial Estate	1,485sqm	Apparent amenity use (new pathways and tree planting). No clear marketing activity.
E9: Elvington Industrial Estate	3,300sqm	No clear marketing activity.
E10: Chessingham Park, Dunnington	792sqm	Completed. 483sqm floorspace provided. Shortfall of 308sqm compared to assumptions in Plan.
E11: Annamine Nurseries, Jockey Lane	3,300sqm	Logical extension to adjacent Portakabin operation. No clear marketing activity.
E16: Poppleton Garden Centre	9,240sqm	Operational garden centre with no known intention to relocate. Unclear how undeveloped element could be developed for employment use with the garden centre in place.
E18: Towthorpe Lines, Strensall	13,200sqm	Operational military site. May vacate from 2024.

Table 1 – Summary of Non-Strategic Employment Land Allocations

3.42 As such, our client has significant concerns regarding the robustness of the Council’s assumptions around the non-strategic employment allocations contained within the emerging Local Plan. The under delivery of floorspace at E10 and the lack of clarity over whether the extension of a garden centre could be considered employment use provide further concerns. Our client strongly suggests that additional sites are added into the emerging Plan to ensure sufficient flexibility is included and to ensure the Plan is robust and adaptive to emerging economic trends.

3.43 As set out above, a number of significant events which are likely to impact on the demand for employment land have taken place since the publication of the Plan such as the UK’s withdrawal from the EU, the Covid-19 pandemic and the alterations to the Use Class Order. The lack of certainty relating to the proposed allocations and changes to demand further confirm the need for greater flexibility to be included in the Plan, including the inclusion of additional, smaller scale non-strategic sites.

3.8 Is the amount of employment floorspace provision and its proposed distribution consistent with the evidence base?

3.44 No. For the reasons set out above, the evidence which underpins the amount of employment floorspace provision and proposed distribution is considered to be out of date, dating from 2013 to 2019 and fails to take into account major developments and events which have taken place during the intervening years, including the Covid-19 pandemic and the withdrawal of the UK from the European Union and subsequent developments. As such, the employment development targets, and evidence base require review and justification.

3.45 Furthermore, it is clear from the amount of available floorspace on the market and confirmed by local commercial agents, that there is a severe undersupply of commercial floorspace across all sizes and use types within York. One agent active in the York market across a number of sites set out that over the past nine months, they have received enquiries for almost 130,000sq.ft of floorspace (12,000sqm) however due to the severe undersupply of floorspace in York, the agents were able to satisfy 36,000sq.ft (3,340sqm) of this requirement or 28% of the total, meaning that 92,500sq.ft (8,600sqm) of requirement remains unmet in the city. This unmet requirement across a nine month period equates to 27% of the provision included in draft

allocations for non-strategic sites in the draft Local Plan across the entire plan period of 16 years. Alternatively, were the same level of demand to remain constant, based on a demand level of 12,000sqm over nine months (16,000sqm per year), the Plan currently includes less than two years of supply on non-strategic supply. This supply provision reduces further when site E10 is discounted having been completed. While it is acknowledged that Strategic Sites will provide a substantial quantum of floorspace, these sites will require significant 'unlocking' in terms of infrastructure, enabling development whereas the non-strategic sites are considered by the Council to be more readily available and allow for smaller scale development to meet local need.

- 3.46 It should be noted that the figures provided by the agent in question does not include uses considered to be inappropriate due to the nature of the operators being of higher risk e.g. car repair operators, or those with a generally poor covenant strength such as 'doggy day-care' operators.
- 3.47 IPIF are in a position to provide evidence relating to two key employment areas in York as the landowner. These two areas; Clifton Moor Business Park and York Business Park, are owned by IPIF and the sites managed by JLL. York Business Park is a highly sought after location with no vacancies expect for one unit which is under offer and due to complete during Quarter 2 of 2022. Experience on the business park is such that stock that becomes available is often relet before being brought to the open market, such is the level of demand. Clifton Moor similarly experiences very limited vacancy levels at 5.9% to date. This includes properties under offer and planned for redevelopment/modernisation to bring the site up to specification required for letting including a sufficiently high EPC rating to allow their reletting. Smaller units are taken very quickly, often by SME operators already located on the site in order to expand. IPIF report instances of tenants relocating away from the site due to lack of available space to accommodate their expansion. .

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

- 3.48 No. As set out above, the detail relating to annual jobs targets is to be determined during separate Stage 2 Hearings and it is anticipated that the detail underpinning these figures will be addressed in greater detail during this time. As set out above, IPIF has a number of concerns relating to the relevance and accuracy of evidence prepared in 2013 and that an update provided during the 2021 consultation (EX/CYC29) pre-dates the Covid-19 pandemic, an event which has clearly fundamentally changed the national and local economy for the foreseeable future. The 2021 consultation, which opened over a year after the pandemic began, offered an opportunity to consider the short-, medium- and long-term impacts of the pandemic on the national, regional, and local economy. That the evidence provided during the 2021 consultation pre-dated the pandemic is considered a missed opportunity to present a robust and up to date evidence base.

3.49 IPIF considers it important in responding MIQ Matter 3 and has therefore with JLL explored whether 'on-shoring' is relevant. The ONS published its research '*Early insights into the impacts of the coronavirus (COVID-19) pandemic and EU exit on business supply chains in the UK: February 2021 to February 2022*' on 8 March 22-see copy in Appendix 2. The research is not conclusive and IPIF recognises this, however it is important to understand in ensuring the York Local Plan is up to date. The 'Main Points' are summarised in the research at page 2 as follows:

- '*There is some evidence to suggest that both the EU exit and the coronavirus (COVID-19) pandemic have affected domestic and global supply chains, though we cannot tell whether these changes are permanent or not.*
- *Latest data shows 16% of businesses reported global supply chain disruption; this rose to 26% when excluding firms with fewer than 10 employees.*
- *Almost one-third (30%) of businesses in manufacturing, and wholesale and retail trade reported global supply chain disruption.*
- *1 in 20 UK businesses reported that they had made changes to supply chains because of the end of the EU transition period.*
- *Businesses in the wholesale and retail, and transport and storage industries reported significant changes to their supply chains because of the EU exit, particularly reshoring supply chains and increasing their diversity.'*

3.50 The findings are based on a survey of the twelve month period from February 21 to February 22. This is a short period and focusses on supply chain across industry. It will take time before it is clear if there is any permanent change. However, the results so far are important and of interest to this Matter..

3.51 The manufacturing, and wholesale and retail trade sectors have experienced greatest global supply chain disruption. The wholesale and retail, and transport and storage industries sectors have experienced the greatest reshoring of supply chains and increasing diversity as a result of Brexit. So far evidence of what this means in terms of increased land requirements has not been assessed, but the industrial and warehouse/logistics sector (use classes B2/B8) have experienced one of the strongest markets across the UK in recent years. This is reflected through improved yields nationally, resulting in increased demand for land for development.

3.52 Furthermore as set out in response to MIQ 3.8, York itself experiences strong performance across its existing business parks and industrial sites. Two of the main business parks are York Business Park and Clifton Moor Business Park. As per TR's summary, any availability for land within these locations is a result of redevelopment and upgrading of B2/B8 accommodation. Lack of supply has resulted in having to turn away enquiries.

3.53 York Business Park comprises over 130,000sq.ft (12,077sqm) of stock housing a mix of B2 and B8 operators as well as sui generis uses such as car showrooms. Currently there is 7,228sf.ft (672sqm) of vacant space (5%) however this unit is under offer and expected to complete in April, reducing vacancy rates to nil.

3.54 Clifton Moor Business Park comprises over 369,000sq.ft (34,280sqm) of stock housing a similar mix of B2 and B8 operators including trade counters as well as some sui generis operators. Currently there is a vacancy rate of approximal 5.9% extending to 21,800sq.ft. (2,025sqm). This comprises of one 20,000sq.ft (1,858sqm) recently completed unit which is to be marketed in the coming weeks and the remainder across two small units, currently under offer.

3.55 Data provided by Ryden property agents, March 22 shows that since August 2021, 17 enquiries were made for space from 1,000 sqm to 30,000 sq.ft for B2/B8 uses. Of those four requirements were satisfied by identifying existing available stock. The remainder could not be satisfied as available stock did not exist. Table 2 below shows a breakdown of requirements. The name of enquirer has been removed for GDPR reasons.

Month	Size Requirement (sq.ft)	Satisfied
Mar-22	3,000.00	N
Mar-22	22,000.00	N
Feb-22	8,000.00	N
Feb-22	8,000.00	N
Feb-22	2,500.00	N
Feb-22	5,000.00	Y
Feb-22	1,000.00	N
Jan-22	3,000.00	N
Jan-22	3,000.00	Y
Jan-22	4,000.00	N
Dec-21	2,500.00	N
Nov-21	3,000.00	Y
Oct-21	8,500.00	N
Sep-21	2,000.00	N
Aug-21	25,000.00	Y
Aug-21	3,000.00	N
Aug-21	25,000.00	N

Table 2 - Summary of Employment Land Floorspace August 2021- March 2022

3.56 The agent has advised that it is increasingly difficult to find new stock within York and that new stock outside of redevelopment of existing business parks is not coming forward, thus is unable to respond to pent up demand.

3.57 As two of the most successful and largest business parks across the city it is well documented that there is demand for additional B2/B8 space within York but land for development is coming forward slowly in the emerging local plan and lack of stock is proving a genuine challenge for property agents within York. Any land identified should be able to deliver within the plan period including immediately. No sites identified within the emerging plan are currently coming forward which leaves the question of their deliverability and availability. For example, two sites (Jockey Lane and Poppleton Garden Centre) appear to be expansion land reserved for existing neighbouring operators.

3.58 It is clear that the market for industrial/logistics is strong which reflects a buoyant industry. This is not reflected in the current evidence base for use classes B2/B8. It is therefore considered that the Council should review this matter and allow for the additional growth in demand for employment land across the city and for the associated improvements in yields from commercial property and the associated appetite from developers to deliver employment land to meet the demand. This will then require a review and identification of additional sites within the city to be allocated for employment land.

- 3.59 As set out in our answer to MIQ 3.7, our client has considerable concerns regarding the Council's non-strategic employment land supply.
- 3.60 In summary, our client has significant concerns relating to the Council's approach to determining demand; failing to consider significant structural macroeconomic events which have taken place since the Council began the preparation of this Plan. In addition, the Council's non-strategic employment land supply is not considered to be sufficiently robust and should be supported by the addition of further smaller scale sites and the provision of additional robust and clear evidence to support existing and additional draft allocations.

4 Matter 4 – Spatial Strategy and Site Selection Process

4.1 The following chapter sets out IPIF's response to the Inspectors' Matters, Issues and Questions for the Examination in relation to Matter 4 Spatial Strategy and Site Selection Process

4.1 Is the Spatial Strategy set out in the Plan based on an appropriate and reasonable assessment and justified by robust evidence?

4.2 No. Policy SS1 Spatial Strategy is defined by the need for sufficient land for 650 new jobs per year and 867 net additional dwellings per year (original Publication Draft) or 822 dwellings per year (as Per Proposed Modification 50 April 2021). Both the employment land and housing are the subject of separate Stage 2 Hearings (Matters 3 and 2) and may be subject to change. IPIF's position to Matter 3 is set out above. The technical nature of the evidence submitted on these matters and the resultant discussions, will have an impact on both annual figures and therefore the total quantum of land required to meet both employment and housing targets may change and that the content of Policy SS1 is not therefore appropriate and reasonable.

4.3 With regards to the policy being supported by 'reasonable evidence', due to the length of time between the preparation of evidence, the submission of the plan, the introduction of further evidence and delays resulting from the Covid-19 pandemic, IPIF is concerned that the evidence underpinning the Local Plan is now out of date and of limited use in supporting a Local Plan.

4.4 Much of the evidence originally submitted in support of the Local Plan dates back to 2013 e.g., SD068A-F while updated evidence submitted during the 2021 consultation pre-dates the Covid-19 pandemic (e.g., EX/CYC29) which has fundamentally altered the way in which the economy operates, how employees work and use their home. The move towards partial home working and a far greater reliance on e-commerce and the 'gig economy' has resulted in changes that cannot have been foreseen in evidence pre-dating the pandemic. These events have fast tracked and/or influenced changes in demand and requirements which have altered the way we live and work, and importantly are relevant to the period of this local plan. The 2021 consultation and subsequent work presented an opportunity to incorporate some of the emerging trends resulting from the pandemic and to update findings from 2013 to ensure the emerging Plan is as robust and as possible for the remainder of the plan period.

4.2 Is the approach taken in informing the Spatial Strategy and the distribution of development across the Plan area justified, effective and in accordance with national policy?

4.5 No. For the reasons set out above, the evidence which underpins the Spatial Strategy is considered to be out of date, dating from 2013 to 2019 and fails to take into account major developments and events which have taken place during the intervening years, including the Covid-19 pandemic and the withdrawal of the UK from the European Union and subsequent developments. As such, the employment and residential development targets require review and justification to ensure they are robust and contribute to a sound plan for the plan period.

4.3 Does Policy SS1 provide an appropriate basis for the delivery of sustainable development and growth within the City of York?

4.6 Policy SS1 includes five spatial principles for the location of development in York.

4.7 As is well established, development in York is highly constrained by a number of factors including built heritage and setting, archaeology, flood risk, biodiversity and infrastructure. Policy SS1's first spatial

principle relates to 'Conserving and enhancing York's historic and natural environment' IPIF has questioned the justification of a designated Site of Importance for Nature Conservation (SINC) as set out in SE55-05YK and resultant green corridor. The principle of conserving the natural environment is supported, however, future Hearings are yet to address the concerns regarding correctly designated sites to ensure Policy SS1 is considered satisfactory.

4.4 Policy SS1 sets out a spatial principle for sustainable modes of transport and Paragraph 3.12 of the submitted Plan says support will be provided for a pattern of development that favours and facilitates the use of more sustainable transport to minimise the future growth of traffic.

a) How does the Plan deliver this?

4.8 IPIF does not wish to make comment on this matter at this time.

b) What evidence is there that the Spatial Strategy delivers what Paragraph 3.12 of the submitted Plan says?

4.9 IPIF does not wish to make comment on this matter at this time.

c) Is it the most appropriate strategy when assessed against alternatives?

4.10 IPIF does not wish to make comment on this matter at this time.

4.5 Is the proposed approach to new development and its location, as outlined by Policy SS1, sufficiently clear within the submitted Plan and is it supported by a robust and up to date evidence base?

4.11 No. As set out above, the detail relating to annual housing and jobs targets are to be determined during separate Stage 2 Hearings and it is anticipated that the detail underpinning these figures will be addressed in greater detail during this time. As set out above, IPIF has a number of concerns relating to the relevance and accuracy of evidence prepared in 2013 and that an update provided during the 2021 consultation (EX/CYC29) pre-dates the Covid-19 pandemic, an event which has clearly fundamentally changed the national and local economy for the foreseeable future. The 2021 consultation, which opened over a year after the pandemic began, offered an opportunity to consider the short-, medium- and long-term impacts of the pandemic on the national, regional, and local economy. That the evidence provided during the 2021 consultation pre-dated the pandemic is considered a missed opportunity to present a robust and up to date evidence base.

Appendix 1 – Non-Strategic Sites

JLL has undertaken a brief assessment of the non-strategic sites which are included as allocations in the Publication Draft Local Plan.

E8 Wheldrake Industrial Estate

This site lies on the outskirts of the village of Wheldrake. During the site visit, it was observed that the site has been planted with young trees in plastic protectors and stone paths have been laid to create an amenity spaces. This suggests there is limited, if any, desire from the landowner to develop the site. In planting trees on the site and encouraging the use of the site for amenity purposes, the landowner is creating greater hurdles to obtaining planning permission. The site lies on the edge of a rural village with limited public transport available to prospective employees and as such would serve a limited, localised market. IPIF would therefore question whether the site is readily available and capable of contributing to employment land supply to the whole of the City, rather than to a localised need in Wheldrake. An outline application (02/03501/OUT), itself a renewal of an earlier outline permission (99/02514/OUT) was approved in 2002 however it is not clear whether this permission has been commenced.



E9: Elvington Industrial Estate

Elvington Industrial Estate lies to the south-east of the city and comprises of a number of small to medium-sized units accessed from Elvington Lane to the south. The proposed allocation lies in the centre of the site and appears to comprise an area of grass however it is not possible to ascertain whether this is in agricultural use or is in residential/amenity use. There is no publicly available planning history for the site beyond a withdrawn application for residential development in 2004 (02/02313/FUL). The site lies in the centre of an existing employment site with several options to provide highways access to allow the site to be developed however the site lies adjacent to a number of residential properties which the land parcel may be linked to. The site has benefitted from a draft allocation since early drafts of the Local Plan and lies outside the Green Belt. An application could therefore have been submitted on this site in advance of the adoption of the Local Plan without being considered premature. That the site has not been progressed in the interim suggests a lack of interest in doing so by the landowner or that the site is subject to hitherto unresolved constraints. The site also represents an opportunity to meet localised

employment land away from the City and cannot be considered to truly contribute to meeting employment need across York.



E10: Chessingham Park, Dunnington

Chessingham Park, Dunnington lies to the east of the City in the centre of an established employment area. An application for 'Erection of workshop in connection with new builders yard including hardstanding, parking, storage bays and office accommodation' was approved on 18th August 2017 (16/02777/FUL). The site was found to be fully built out and operational. The site can therefore not be considered appropriate to meet the future employment needs of York.

Draft Allocation E10 envisaged 792sqm of floorspace at the site however the approved scheme provides 400.60sqm of ground floor floorspace with a first floor mezzanine providing storage and future office accommodation of 83.12sqm resulting in a shortfall of over 300sqm.



E11: Annamine Nurseries, Jockey Lane

Jockey Lane lies in the Huntingdon area of York, to the north of the city centre. The area is a hub for employment, retail and leisure uses including a large commercial area operated by Portakabin, Moss Cross Shopping Park and

the York Community Stadium Leisure Complex. Proposed allocation E11 comprises the former site of Annamine Nurseries. The site was cleared of its former use in around 2003 and was subsequently used as a demonstration and sales facility with storage to the rear for the adjacent Portakabin operation by virtue of a 2008 planning permission (08/01005/FUL).

The Portakabin sales and storage operations ceased in 2014/15 with the car park fronting Jockey Lane remaining in place. The site is currently secured by closed board fencing with no marketing boards or signs of the site being marketed. Local commercial agents consulted by JLL were not aware of the site being promoted on the open market. While the site benefits from access from Jockey Lane to the south, the site is also accessible from within the Portakabin site and offers a logical expansion area should the business need additional floorspace.

The site lies within the existing development limit, is previously developed land and lies outside the Green Belt. As such, the site could be brought forward before the adoption of the Local Plan without being considered premature. However, the site is not known to be available to the open market and as such it is not clear that the site is available and appropriate for development and it is not clear that the site can be considered appropriate for allocation in the Local Plan.



E16: Poppleton Garden Centre

The Poppleton Garden Centre lies to the north-west of the city adjacent to the Poppleton Park and Ride facility. The site comprises of an operational garden centre along with a car park and former nursery land to the rear. The site has been subject to a number of planning applications in recent years however all have related to the expansion or operation of the garden centre which now includes an element of convenience retail in partnership with Sainsburys.

The existing use of the site as a garden centre is considered to fall within Use Class E being a predominantly retail use. The previous use of the undeveloped area of land to the rear of the site as horticultural use however it is not clear if this land has been previously developed. JLL is not aware of any clear indication that the current operator intends to vacate the site and for the site to be redeveloped for employment uses. The site presents opportunities for extension of the garden centre however should this take place, this would not be for a traditional employment generating use e.g. B2, B8 and former Class B1. As such, it is not clear that the site can be considered to contribute to meeting the employment needs of York.



E18: Towthorpe Lines, Strensall

Site E18 comprises the Army Medical Services Training Centre (AMSTC) site. The site is currently operational however the Defence Infrastructure Organisation Disposals Database House of Commons Report⁵ published on 6th January 2021 sets out the sites which have been selected for disposal by the Defence Infrastructure Organisation (DIO). Towthorpe Lines appears on the database as being available from 2024. This database is reviewed regularly and evidence should be sought to confirm that this site will be made available and the timeframes for doing so. The relocation of defence assets is clearly a complex procedure and the Council should seek comfort that the site will be available from 2024 as anticipated in the most recent database.



⁵ <https://data.gov.uk/dataset/47f7438a-506d-49c9-b565-7573f8df031e/defence-infrastructure-organisation-disposals-database-house-of-commons-report>

Appendix 2 – ONS Report

Article

Early insights into the impacts of the coronavirus (COVID-19) pandemic and EU exit on business supply chains in the UK: February 2021 to February 2022

Analysis of the impacts of the coronavirus (COVID-19) pandemic and EU exit on UK supply chains using data from the UK's Business Insights and Conditions Survey (BICS).

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To be announced

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1 . Main Points

- There is some evidence to suggest that both the EU exit and the coronavirus (COVID-19) pandemic have affected domestic and global supply chains, though we cannot tell whether these changes are permanent or not.
- Latest data shows 16% of businesses reported global supply chain disruption; this rose to 26% when excluding firms with fewer than 10 employees.
- Almost one-third (30%) of businesses in manufacturing, and wholesale and retail trade reported global supply chain disruption.
- 1 in 20 UK businesses reported that they had made changes to supply chains because of the end of the EU transition period.
- Businesses in the wholesale and retail, and transport and storage industries reported significant changes to their supply chains because of the EU exit, particularly reshoring supply chains and increasing their diversity.

2 . Introduction

The coronavirus (COVID-19) pandemic and the end of the EU transition period have had some impact on the UK's international trade flows, as well as causing disruption to global supply chains. [Recent analysis](#) by the Office for National Statistics (ONS) demonstrates the notable impact of these events on trade trends.

There is anecdotal evidence of labour and product shortages, reflecting shocks to the supply capacity of businesses and/or the inability to respond as quickly to the changes in demand for goods and services. The [Global Supply Chain Pressure Index \(GSCPI\)](#) indicates that global supply chain pressures are at historically high levels, although there are signs these may have peaked and started to moderate a little.

These disruptions not only have the potential to affect final demand but also intermediate demand; those goods and services that are inputs into production processes, which are traded by the UK. For example, the latest Organisation for Economic Co-operation and Development (OECD) [Trade in Value Added \(TiVA\)](#) estimates show the UK has a prominent role as a supplier of inputs to the exports of other countries, particularly to the EU, US, Singapore, and China. This highlights a high degree of integration of UK exporters in downstream supply chains, demonstrating the scope for these shocks to have an impact on the UK's international supply chains.

The TiVA estimates also highlight the UK's relative lack of dependence on imported intermediate inputs for production of outputs, which is partially explained by the UK's service-based economy. In this way, the UK may be more resilient to global supply chain disruption than other economies.

It is challenging to accurately measure to what extent business supply chains have been affected so far and, if so, whether they are likely to be permanent.

This article explores some of the initial evidence from the UK's Business Insights and Conditions Survey (BICS). It looks at whether businesses have changed suppliers in response to the coronavirus pandemic and/or EU exit and, if so, the ways in which businesses have changed suppliers as well as the extent to which any changes reported might be temporary or permanent. These are only provisional findings and extra caution should be taken when interpreting these results because of the small sample size.

3 . Supply chains: evidence from the Business Insights and Conditions Survey

The latest findings show that 16% of businesses, which had not permanently stopped trading, experienced global supply chain disruption in January 2022 (Figure 1). When excluding small firms (of zero to nine employees) the proportion was 26%. These disruptions have been particularly noticeable in both the manufacturing and wholesale and retail trade industries (both 30%).

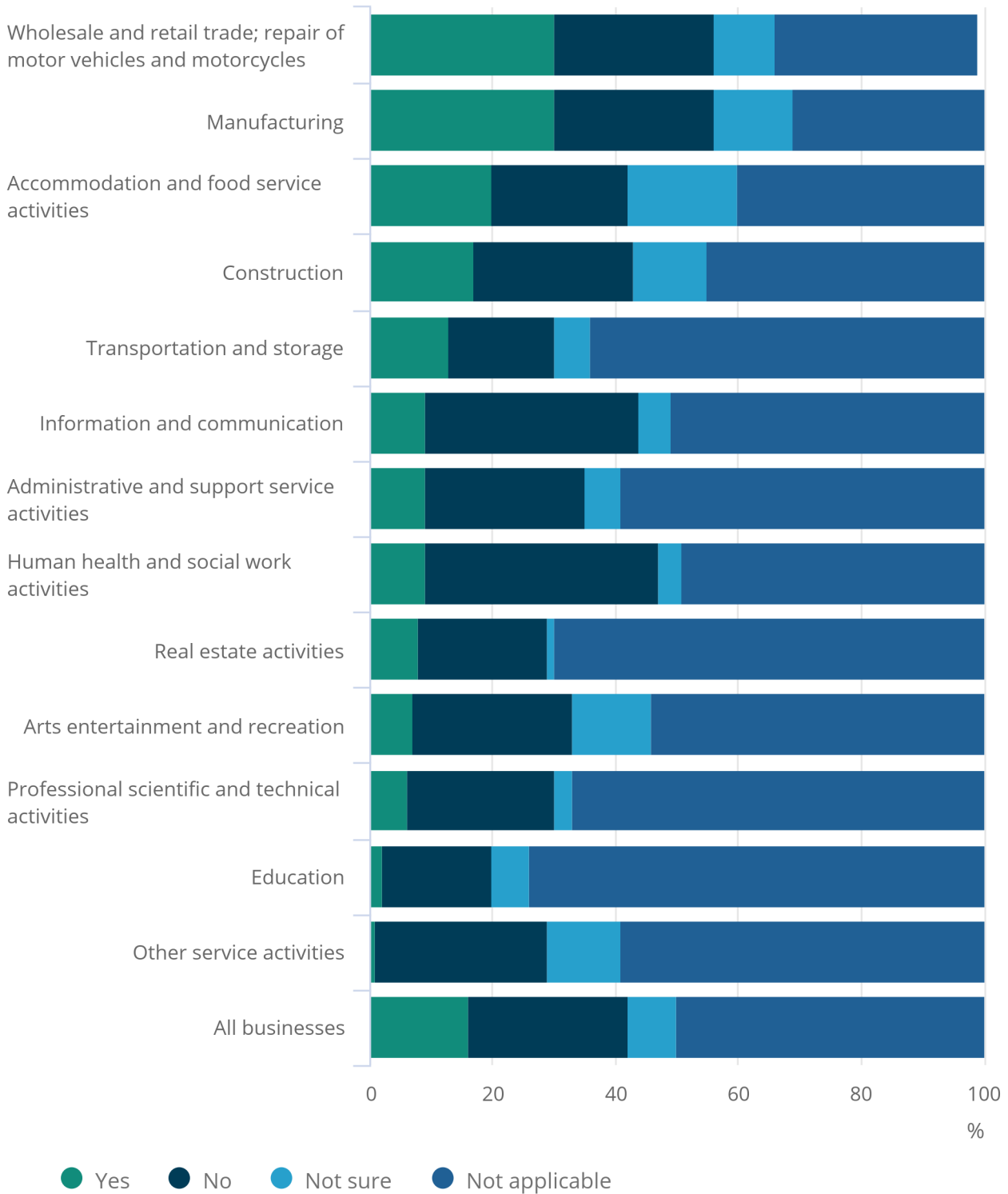
The onset of the Omicron variant leading to lockdowns before Christmas 2021 may have also contributed further to recent supply chain issues. From 13 December 2021 to 9 January 2022, respondents cited lack of product availability as the cause for disrupted global supply chains, with shipping issues and shortages of raw materials also being contributors.

Figure 1: Manufacturing and wholesale and retail trade industries reported significant global supply chain disruption over the last month

Global supply chain disruption, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 10 January to 6 February 2022

Figure 1: Manufacturing and wholesale and retail trade industries reported significant global supply chain disruption over the last month

Global supply chain disruption, businesses not permanently stopped trading, broken down by industry, weighted by count, UK, 10 January to 6 February 2022



Notes:

1. Final weighted results, Wave 49 of the Office for National Statistics' (ONS') Business Insights and Conditions Survey (BICS).
2. "Mining and quarrying" and "Water supply, sewerage, waste management and remediation activities" have been removed for disclosure purposes, but are included in "All businesses".
3. Rows might not sum to 100% because of rounding.

1 in 20 (5%) UK businesses that are currently trading reported they had made changes to their supply chains because of the end of the EU transition period. Excluding small firms (of zero to nine employees), around 8% of businesses said they had made changes.

Unweighted regional estimates published in the Business Insights and Conditions Survey (BICS) show around 13% of Northern Ireland businesses reported making supply changes. This figure was higher than Scotland (9%), England (8%) and Wales (7%). These are not directly comparable with the weighted estimates as they are solely based on responding businesses in Wave 50 and not reflective of all UK businesses.

The extent of changes varied by industry. As Figure 2 shows, the highest proportion which have made changes to their supply chains are businesses within the wholesale and retail trade (9%) and manufacturing (10%) industries.

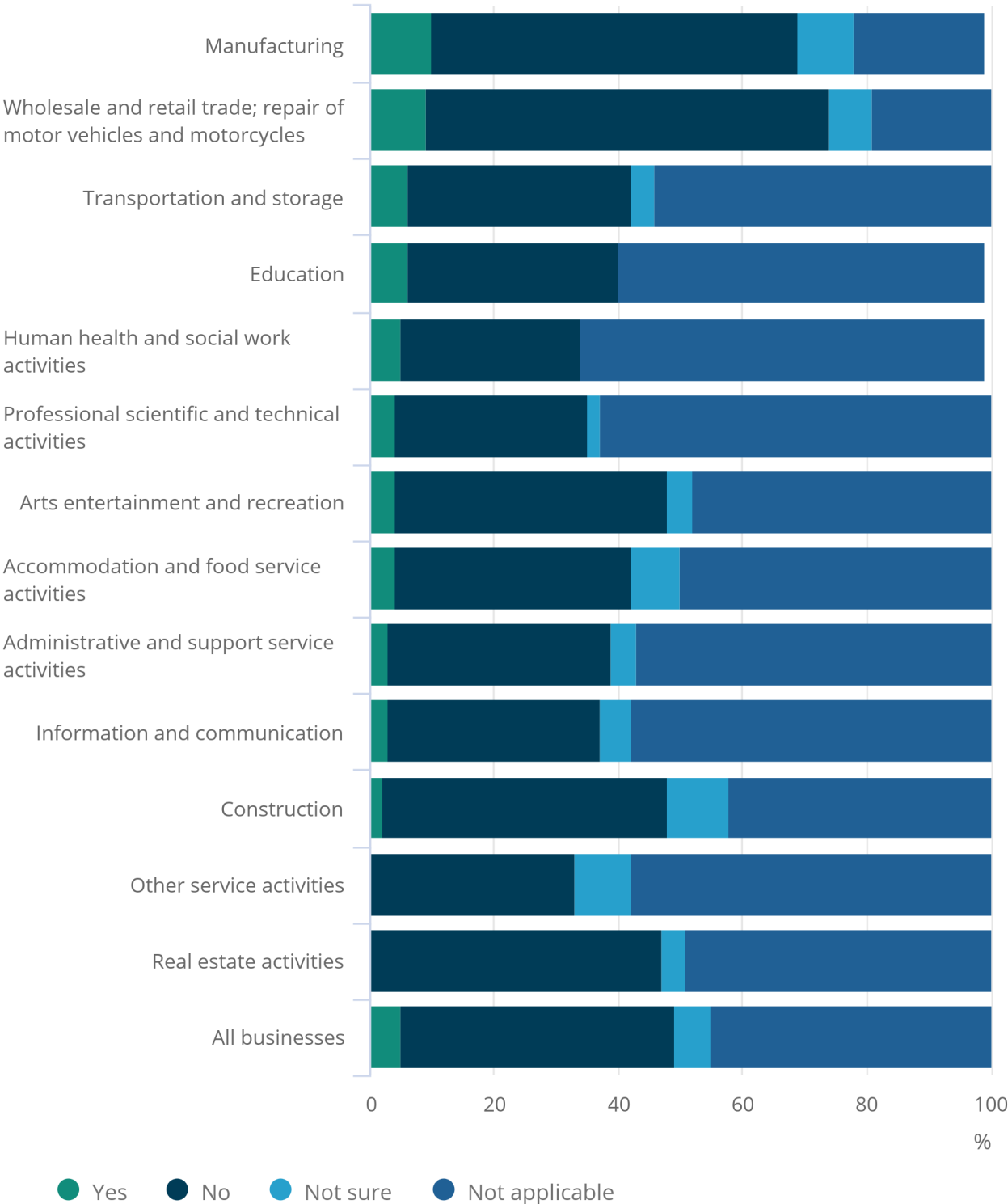
The businesses which have made changes to their supply chains in the manufacturing industry may be associated with the lack of material and equipment limiting production, as highlighted by the semi-conductor shortage. Businesses in the manufacturing sector that responded to the survey commented that they are holding higher stock levels, which are likely to mitigate this issue. Both the coronavirus (COVID-19) pandemic and EU exit may have contributed to these supply chain blockages by further limiting the mobility of labour. These bottlenecks have encouraged some businesses to rethink their supply chains.

Figure 2: 1 in 20 currently trading businesses reported changes to their supply chains because of the end of the EU transition period

Supply chain changes, businesses currently trading, broken down by industry, weighted by count, UK, 7 February to 20 February 2022

Figure 2: 1 in 20 currently trading businesses reported changes to their supply chains because of the end of the EU transition period

Supply chain changes, businesses currently trading, broken down by industry, weighted by count, UK, 7 February to 20 February 2022



Notes:

1. Final weighted results, Wave 50 of the Office for National Statistics' (ONS') Business Insights and Conditions Survey (BICS).
2. "Mining and quarrying" and "Water supply, sewerage, waste management and remediation activities" have been removed for disclosure purposes, but are included in "All businesses".

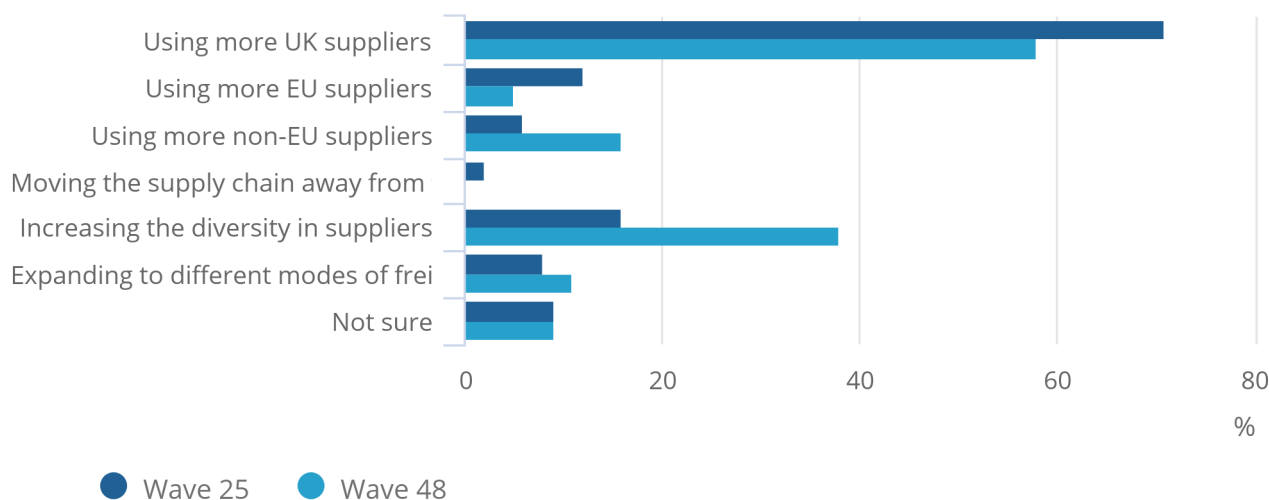
Of all businesses that reported changes to supply chains because of the end of the EU transition period, 58% reported using more UK suppliers (Figure 3). This is a marked decrease from earlier in the year, where 71% of businesses stated they were using more UK suppliers. These initial findings imply re-orientation from foreign to domestic suppliers, particularly in the wholesale and retail trade, and manufacturing industries. Figure 3 shows that there is some evidence that respondents have increased the diversity in suppliers over time.

Figure 3: Businesses are increasingly diversifying their supply chains and using more UK suppliers, all industries, weighted by count

Changes to all industry supply chains, businesses currently trading who made changes to supply chains because of the end of the EU transition period, by industry, 22 February 2021 to 20 February 2022

Figure 3: Businesses are increasingly diversifying their supply chains and using more UK suppliers, all industries, weighted by count

Changes to all industry supply chains, businesses currently trading who made changes to supply chains because of the end of the EU transition period, by industry, 22 February 2021 to 20 February 2022



Source: : Office for National Statistics – Business Insights and Conditions Survey

Notes:

1. Final weighted results, Wave 25 and Wave 48 of the Office for National Statistics' (ONS') Business Insights and Conditions Survey (BICS).
2. Wave 48 data have been used as relevant data from Wave 50 have been removed for confidentiality reasons, such as percentages less than 1%, breakdowns with a count of 10 or less, and breakdowns with a micro business count between 1 or 10 (a micro business has fewer than 10 employees).
3. Businesses were asked for their experiences for the survey live period.

Several businesses have provided comments in the survey that they are using fewer EU suppliers because of the EU exit, instead using alternatives such as UK suppliers or EU suppliers with UK subsidiaries. Of those which continue to use EU suppliers, some have stated that they have removed the UK operation from supply chain transactions and instead move goods directly within the EU.

Businesses that have provided comments also point to the goods shortage caused by the EU exit as the reason for their changing supply chains. The desire to reduce offshore supply implies businesses in the UK might be looking to minimise risks from trade disruption, making their supply chains more resilient in the wake of EU exit and the coronavirus pandemic.

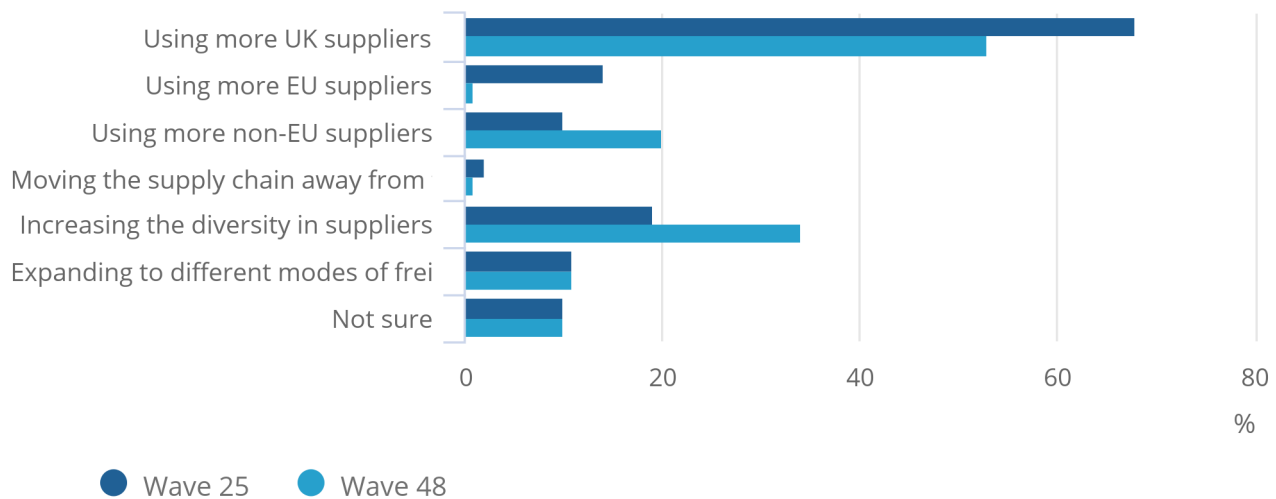
The percentage of businesses that have reported using more UK suppliers varies by industry. The share of businesses reporting the use of more UK suppliers is highest in the wholesale and retail trade industry (53%, BICS Wave 48).

Figure 4: Wholesale and retail trade industry reports significant changes to their supply chains following EU exit, weighted by count

Changes to wholesale and retail trade industry supply chains, businesses currently trading who made changes to supply chains because of the end of the EU transition period, by industry, 22 February 2021 to 20 February 2022

Figure 4: Wholesale and retail trade industry reports significant changes to their supply chains following EU exit, weighted by count

Changes to wholesale and retail trade industry supply chains, businesses currently trading who made changes to supply chains because of the end of the EU transition period, by industry, 22 February 2021 to 20 February 2022



Source: Office for National Statistics – Business Insights and Conditions Survey

Notes:

1. Final weighted results, Wave 25 and Wave 48 of the Office for National Statistics' (ONS) Business Insights and Conditions Survey (BICS).
2. Wave 48 data have been used as relevant data from Wave 50 have been removed for confidentiality reasons, such as percentages less than 1%, breakdowns with a count of 10 or less, and breakdowns with a micro business count between 1 or 10 (a micro business has fewer than 10 employees).
3. Businesses were asked for their experiences for the survey live period.

The transportation and storage industry has also seen a high number of businesses reporting the use of more UK suppliers (46%, BICS Wave 48). Additionally, 69% of businesses in transportation and storage have reported using more diverse suppliers in the wake of the EU exit.

Figure 5 illustrates this change over time in the transportation and storage industry. Not only has there been a surge in increasing the diversity of suppliers, but also the number of businesses using more EU suppliers, and those expanding to different modes of freight have both seen increases over time.

The Bank of England's (BoE) [Decision Maker Panel \(DMP\) Survey](#) for Quarter 4 (Oct to Dec) 2021 found that the transportation and storage and wholesale and retail trade industries have seen high levels of disruption to businesses' supply chains. Respondents highlighted pressures from global supply shortages coupled with a lack of heavy goods vehicle (HGV) drivers as the root of this disruption. Respondents to BICS also commented on the increased costs of HGV drivers when asked about supply chain changes because of the end of the EU transition period.

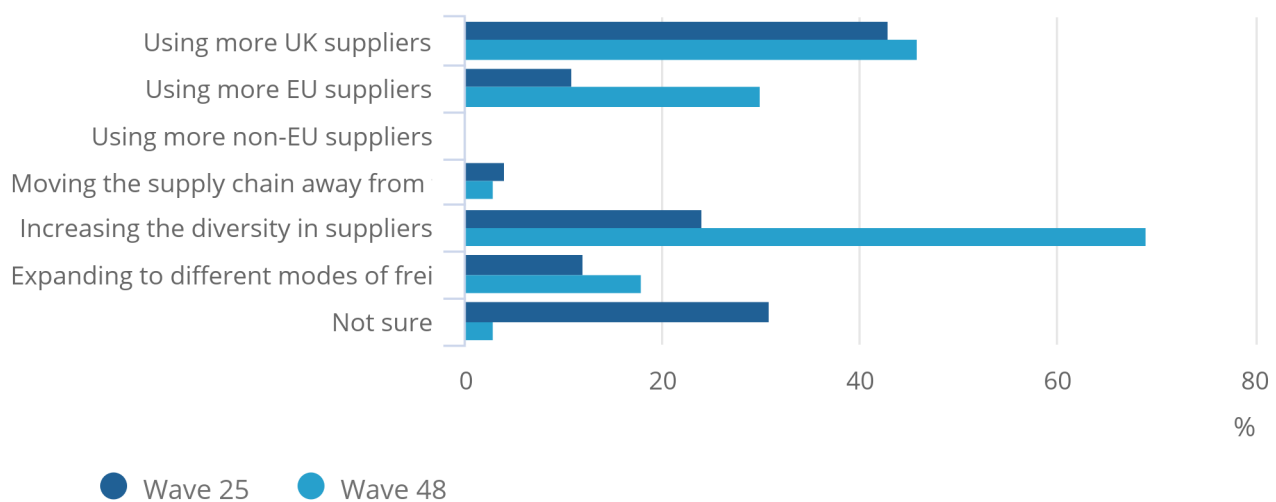
The [International Labour Organisation \(ILO\)](#) finds the transportation and storage and wholesale and retail trade industries at high risk of disruption from the coronavirus pandemic. This is because they are labour intensive and employ low-paid and low-skilled workers. The shortage of labour because of both the EU exit and the coronavirus pandemic has led to higher costs for businesses, resulting in the need to adjust supply chains accordingly.

Figure 5: Transportation and storage industries report large changes over time to their supply chains following EU Exit, weighted by count

Changes to transportation and storage industry supply chains, businesses currently trading who made changes to supply chains because of the end of the EU transition period, by industry, 22 February 2021 to 20 February 2022

Figure 5: Transportation and storage industries report large changes over time to their supply chains following EU Exit, weighted by count

Changes to transportation and storage industry supply chains, businesses currently trading who made changes to supply chains because of the end of the EU transition period, by industry, 22 February 2021 to 20 February 2022



Source: Office for National Statistics – Business Insights and Conditions Survey

Notes:

1. Final weighted results, Wave 25 and Wave 48 of the Office for National Statistics' (ONS') Business Insights and Conditions Survey (BICS).
2. Wave 48 data have been used as relevant data from Wave 50 have been removed for confidentiality reasons, such as percentages less than 1%, breakdowns with a count of 10 or less, and breakdowns with a micro business count between 1 or 10 (a micro business has fewer than 10 employees).
3. Businesses were asked for their experiences for the survey live period.

The BoE's DMP Survey highlights firms from transport and storage and wholesale and retail trade sectors were most severely affected by recruitment difficulties. Shifts in consumer demand during the coronavirus pandemic have also affected the wholesale and retail industry.

The [OECD](#) reported that the disparity in trade impacts across different product categories was larger in 2020 than any other year in the past two decades. Consumer demand for certain products (for example, electronics and protective equipment) rose during periods of lockdown while other products (for example, vehicles and machinery) were in lower demand; however, demand quickly surged once the restrictions eased.

Reshoring supply chains allows businesses to quickly adapt to changing demand. This could be a result of businesses seeking resilience in their supply chains, rather than other factors such as lower costs, in the wake of fluctuating demand during the coronavirus pandemic.

4 . Impacts of the coronavirus (COVID-19) pandemic and EU exit on business supply chains in the UK data

[Business insights and impact on the UK economy](#)

Dataset | Released 24 February 2022

Weighted estimates from the voluntary fortnightly business survey (BICS) about financial performance, workforce, prices, trade, and business resilience.

5 . Glossary

Coronavirus

Coronaviruses are a family of viruses that cause disease in people and animals. They can cause the common cold or more severe diseases, such as COVID-19.

COVID-19

COVID-19 is the name used to refer to the disease caused by the SARS-CoV-2 virus, which is a type of coronavirus. The Office for National Statistics (ONS) takes COVID-19 to mean presence of SARS-CoV-2 with or without symptoms.

EU exit transition

The EU exit transition is the period agreed in the UK-EU Withdrawal Agreement in which the UK is no longer a member of the EU but continues to be subject to EU rules and remains a member of the single market and customs union. When the UK left the EU on 31 January 2020, it entered the transition period. The transition period came to an end on 31 December 2020.

Exports

Goods or services sold to other countries; the opposite of imports.

Imports

Purchases of foreign goods and services; the opposite of exports.

Reshoring

Transferring business operations and production within domestic borders.

Total trade

The value of total trade between two trading partners (that is, exports plus imports).

6 . Data sources and quality

Business Insights and Conditions Survey

This article draws on data from the [Business Insights and Conditions Survey \(BICS\)](#), which captures businesses' views on financial performance, workforce, prices, trade, and business resilience.

Further information on the strengths and limitations, and how the data were created is available in the [Business Insights and Conditions Survey \(BICS\) QMI](#).

7 . Future developments

The findings in this article are provisional, so it is not possible to comment on whether they are likely to be temporary or permanent changes. While there may be early indicators of altered supply chains, structural changes take place over several years. We would expect that further insights will be possible over time and we will look to track how these changes evolve over the coming years.

8 . Related links

[UK Trade in services by modes of supply: 2020](#)

Article | Released 25 February 2022

Experimental estimates of UK trade in services by Mode of Supply, country and service type on a balance of payments basis.

[UK trade in goods, year in review: 2021](#)

Article | Released 1 March 2022

An analysis of UK trade in goods in 2021 in the context of the ongoing coronavirus (COVID-19) pandemic and the end of the EU transition period on 31 December 2020.

[Business insights and impact on the UK economy](#)

Bulletin | Released 24 February 2022

The impact of challenges facing the economy and other events on UK businesses. Based on responses from the voluntary fortnightly business survey (BICS) to deliver real-time information to help assess issues affecting UK businesses and economy, including financial performance, workforce, trade, and business resilience.

[UK trade: December 2021](#)

Bulletin | Released 11 February 2022

Total value of UK exports and imports of goods and services in current prices, chained volume measures and implied deflators.

[The impacts of EU exit and coronavirus \(COVID-19\) on UK trade in services: November 2021](#)

Article | Released 22 November 2021

An analysis of UK trade in services in the context of the ongoing coronavirus (COVID-19) pandemic and the end of the EU transition period on 31 December 2020.

[The impacts of EU exit and the coronavirus on UK trade in goods](#)

Article | Released 25 May 2021

An analysis of UK trade in goods in the context of the ongoing coronavirus (COVID-19) pandemic and the end of the EU transition period on 31 December 2020.

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