

CITY OF YORK LOCAL PLAN

PHASE 4 HEARINGS

MATTER 8: ECONOMY AND RETAIL

STATEMENT BY FULFORD PARISH COUNCIL

AUGUST 2022

Q8.1 Are Policies EC1 to EC5 in terms of employment and York's economy?

- 1 The employment policies are based upon meeting a job target of 650 jobs per annum over the period 2017 to 2038 (with considerable additional provision made for flexibility and choice). As we have previously indicated, this 650 job target is based upon a 2015 econometric projection produced by Oxford Economics for the period 2014-2031 which is contained in the 2016 Employment Land Review (SD064). The econometric projection is therefore now some 7 years old. Since it was produced, the economic landscape has completely changed as a result of the economic shocks of BREXIT, COVID and recently the Ukraine War. Oxford Economics has produced two more recent econometric projections for York, both showing much lower job growth for York over the period 2017 to 2038. The first (EX/CYC/29), produced in December 2019 pre-COVID, showed a job growth of 510 jobs per year which was some 21% less than the policy figure. The second, produced in October 2021 and therefore prior to the current high inflation and the Ukraine war, showed a job growth of 479 jobs per annum which was some 26% less than the policy figure. Therefore, even on the Council's own projections, the 650 jobs target and the employment (and housing) allocations which are based upon it cannot be sound as they are not based upon up-to-date evidence as required by NPPF paragraph 158.
- 2 Since the Phase 2 hearings, the national and international economic position has significantly worsened. At those hearings, CYC argued that the UK economy was in a V-shaped recovery after the COVID recession and that past rates of growth would soon be restored. However nearly all economic forecasters are predicting an economic recession lasting for a significant period not only in the UK but Europe and the USA. In its report issued on 4 August, the Bank of England predicts a recession lasting as long as the financial crisis (5 quarters) and as deep as the 1990s with consequential impacts on employment.

- 3 The prospects for the York economy are closely tied to those for the national economy. This has been accepted by CYC. If the Bank of England is correct (and its view of the national economy should be preferred to that of CYC), the lack of any job growth for two years because of COVID is going to be followed by a further three years of similar no growth. The 2016 ELR now looks hopelessly out-of-date and unreliable as a basis for the Local Plan economic policies (and SS1).
- 4 To avoid any misunderstanding, the Government's claim of increased employment since COVID is based on payroll employees only. As the OBR has recorded, the number of total jobs nationally is still less than pre-COVID because of the fall in self-employment. For the record, the 650 jobs target includes the self-employed.

Q8.2 Do Policies R1 to R4 deal effectively with the retail sector?

- 5 FPC supports the principles set out in Policies R1 to R4. However it considers that the reference in **paragraph 4.37** to bulky goods retailing being potentially appropriate in out-of-centre locations should be deleted, especially as **paragraph 4.38** extends the definition of bulky goods to items widely sold in and around the City Centre, including household appliances, audio-visual equipment and bicycles. The NPPF makes no such exception for bulky goods retailing.
- 6 FPC considers that the last sentence of **paragraph 4.39** should be deleted. Although ambiguous in its meaning, it could be used to justify further significant development in out-of-centre locations contrary to the intentions of Policy R4 (and national policy). In the alternative, the York Designer Outlet should be excluded from its provisions as the Designer Outlet is not a specialist location for the "sale of bulky comparison goods or other restricted comparison goods." Its main retail offer is in fashion goods and for which it directly competes with the City Centre. Any significant increase in its retail offer (or as a leisure destination) would inevitably be to the detriment of the City Centre. The very recent withdrawal of TK Maxx from the City Centre highlights the danger.
- 7 The WYG Retail Study Update (2014) highlights the existing and potential impact of the Designer Outlet upon York City Centre. Paragraph 9.13 says that the market share of the Designer Outlet doubled between 2007 and 2014 in the clothing, footwear and small household goods sectors and that the city centre's market share in these sectors had declined "markedly". Paragraph 9.4 concludes:

“WYG recognise that YDO (York Designer Outlet) brings economic benefits to the city and contributes to the overall city’s economic success (but) this is not justification on its own to expand the facility further.”

- 8 Since 2014, the Designer Outlet has continued to increase its attractiveness as a visitor destination by expanding its leisure offer on former landscaped and car-parking areas. This is at the same time that the City Centre has experienced substantially increased vacancies in principal shopping frontages such as Coney Street and Feasegate, leading to long lengths of dead frontage. Competition from the highly successful Designer Outlet is bound to have been an important factor in these shop closures.