York and North Yorkshire Sub Region Local Authorities

York Sub-Area Study

Final Report

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Executive Summary

Introduction

The York Sub Area represents an important and distinctive functional economic area in Yorkshire and the Humber and the north of England. Whilst the urban area of York is the main economic driver of the area, other places make a vital contribution to its prosperity and success. Factors such as its high quality residential offer and historic environment have made the area an attractive place to live, work, visit and invest in.

This report provides an analysis of the assets and challenges currently facing the different places that comprise the Sub Area and the relationships between these places. The study seeks to provide an account of how the Sub Area currently functions and set out potential options for how future growth could be accommodated. It is not the role or intention of the study to set the development plan agenda/strategy of individual authorities Local Development Frameworks. Instead, it is seeking to provide options to help inform future strategic policy choices and inputs to inform cross-boundary working in the longer term.

This report has been commissioned by the Local Authorities that make up the York and North Yorkshire sub region[1]. It has been completed through data analysis and interpretation, and engagement with local authorities. The completion of this report, at a time of political change, has complicated the process by which this study has been completed, particularly in regards to the changing status of the Regional Spatial Strategy (RSS).

Overview

Section two of the report provides context on the York Sub Area, setting out the main findings from the Issues and Baseline Report that was undertaken as part of this study. This provides a definition of the York Sub Area and sets out how the influence of the city's housing market stretches further than that of its market for business space. Meanwhile, an analysis of commuting flows illustrates the volume of trips into York and where people were travelling from. This analysis informed the definition of the geographic extent of the Sub Area.

Section three of this report sets out the planning policy context for the York Sub Area. This shows the planned scale and distribution of development, according to our analysis of adopted and emerging Core Strategy documents. This provides a valuable insight into the policy stance on these areas, which forms the basis of much of the analysis in the following sections.

Section four of the report provides a detailed discussion of trends in economic growth in the York Sub Area. This shows that the urban area of York is the main source of employment growth for the wider York Sub Area. It also demonstrates how over the last decade the economy has restructured away from traditional

[1]The York and North Yorkshire sub region comprises City of York Council, Craven District Council, Hambleton District council, Harrogate Borough Council, North York Moors National Park Authority, North Yorkshire County Council, Richmondshire District Council, Ryedale District Council, Scarborough Council, Selby District Council, and Yorkshire Dales National Park Authority.

industries towards, tourism, science and professional and financial services. In the short to medium term, the number and proportion of the workforce employed in the public sector could make the area vulnerable due to the reductions in public spending. An ongoing challenge for the Sub Area will be how to create the conditions, including the provision of employment land and premises, to contribute to the area's future economic prosperity.

Section five considers the issues and challenges associated with housing in the York Sub Area. The high quality residential offer which contributes to the overall high quality of place is an important asset in the Sub Area. There are high levels of housing demand, high housing prices and affordability problems in the Sub Area. Meeting housing need in the Sub Area is a main challenge and it will be important to ensure that the housing stock created provides an appropriate range of properties, in the right locations. Failing to meet housing need within the Sub Area would have significant impacts, exacerbating affordability problems, and impairing economic competitiveness and the attractiveness of the Sub Area for business investment.

Section six covers some of the wider factors that impact upon the York Sub Area including retail, tourism, transport and the environment. The retail offer within the Sub Area is dominated by the urban area of York; however it is clear that this faces competition from major centres such as the regional cities of Hull and Leeds. Other smaller places in the Sub Area such as Malton and Easingwold, for example, serve important functions by helping to meet local needs. It will be important seek to achieve the vitality and viability of these centres alongside growth in York as the main centre.

The visitor economy is another significant asset of the Sub Area and the attractions that it contains reflect the distinctiveness of the area. Increasing the number of overnight stays and spend per visit in York is likely to be an ongoing priority moving forward, whilst in the surrounding places it will be important to increase the average spend of visitors. Mechanisms to increase the amount of business tourism in the Sub Area may help to reduce the seasonality of the sector. Strong transport connectivity that enables people to access employment, services and leisure amenities is vital to the success of an area. The Sub Area benefits from its connectivity to the strategic highway and rail network, however, the connectivity between places in the Sub Area is variable. Securing transport investment in the future is likely to be increasingly challenging. Environmental quality in the Sub Area is high and it is this, particularly the historic environment, which is one of the main factors that make it distinctive from other parts of the north of England. Managing this environment appropriately, particularly flood risk, will be vital to retaining and enhancing this distinctiveness and maintaining the area's future economic prosperity.

Section seven provides conclusions, potential future spatial options and recommendations for future joint working in the Sub Area. At a time of change in the planning system, when the regional tier is in the process of being abolished and the Localism Bill will introduce a duty for joint working, this section sets out some areas in which this could be undertaken in the York Sub Area. This joint working could be vital in helping to maintain and enhance the distinctiveness and attractiveness of the York Sub Area as a place to live, work, visit and invest in.

1 Introduction

1.1 This Project

The aim of this project is to analyse the nature and extent of functional relationships between places in the York Sub Area. It is clear that the functional influence and economic areas of the City of York stretches beyond its local authority boundary. The York Sub Area is an important and successful part of the economy of the north of England. It is located in the Yorkshire and Humber Region, and a large part of the area is within the Leeds City Region. The area has experienced substantial economic and population growth in recent years. The urban area of York is the main driver of the economy of the wider area, the principal retail and services hub, and the centre of the area's commuting patterns and transport network. There is a wider network of places in the Sub Area outside the urban area of York that are influenced significantly by it.

The project is intended to provide evidence and analysis to produce options to inform the future development of strategic spatial planning policy in the York Sub Area. There is a strong case for local authorities to work together on planning policy, at a geographic level that makes sense in terms of functional relationships between places[2]. Travel to work areas, housing markets, markets for business space, linkages between businesses, the influence of universities, retail catchments, and infrastructure networks do not stop at local authority boundaries. A cross boundary approach is needed to understand the main trends, drivers for change, and future scenarios for places such as the York Sub Area, and to develop effective policy responses. There is also a strong case for local authorities working together to identify strategically significant investment priorities.

In the context of the Government's intention to abolish Regional Strategies, there remains a strong case for local authorities to work together on spatial planning policy. The Localism Bill includes a requirement for Local Authorities to work together on cross boundary issues (the duty to cooperate). Government are still encouraging local authorities to cooperate on planning policy and planning for transport and infrastructure on a voluntary basis, including through the Local Enterprise Partnerships. National planning policy and associated guidance emphasises the importance of a cross-boundary perspective in a number of policy areas, for instance in relation to housing markets, retail, economic development, and renewable energy. A good understanding of cross-boundary issues will be important in the future to produce and keep up to date soundly-based local Development Plan Documents.

The main objectives of this study are to:

- examine the existing role and function of places between York and its surrounding areas;
- analyse the changing role of the York Sub Area and consider the distribution of future growth within the context of protected landscape and heritage assets alongside a realistic view of capacity and delivery constraints; and

[2] For instance, see: Planning and Optimal Geographic Levels for Economic Decision Making: the Sub Regional Role, Arup for CLG, 2007.

- present spatial strategy options to accommodate future growth, taking into account the principles of sustainable development.

The study seeks to provide an account of how the Sub Area currently functions and set out potential options for how future growth could be accommodated. The focus of the study is to inform how local authorities can work together to develop planning policy in the context of the long-term strategic issues and challenges facing the area. It is not the primary intention of the study to provide an evidence base in relation to Development Plan Documents that are being produced currently.

1.2 Study Process

This report has been commissioned by the Local Authorities that make up the York and North Yorkshire sub region[3]. A wide range of stakeholders have been involved in discussions and workshops in relation to the study.

The first stage of the study was to undertake a baseline review of main relevant trends and socio-economic conditions across the City of York and the surrounding local authority districts (East Riding of Yorkshire, Hambleton, Harrogate, Leeds, Ryedale, and Selby)[4]. The emerging findings of this baseline analysis were discussed at a stakeholder workshop held in July 2010. An Issues and Baseline Report was produced in September 2010. The baseline work informed the definition of the geographical extent of the York Sub Area.

The second stage of the project was to set out the main policy issues and potential scenarios for the future development of the York Sub Area. This was discussed at a second stakeholder workshop held on the 12th October 2010. A note of this workshop was produced and circulated subsequently. Following the second workshop, discussions were held with officers of the relevant local authorities to discuss the issues in more detail.

The study has been undertaken in the context of uncertainty regarding the status of the Regional Strategy, incorporating the Regional Spatial Strategy (RSS). The Localism Bill will, when enacted, result in the abolition of the Regional Strategy. This means that local authorities will need to justify that their planned scale and distribution of development is sound on the basis of the available evidence on need, demand and capacity. In doing so, a cross-boundary perspective will be needed. This study has been developed to form part of the evidence base to help inform future decisions. It provides context for decisions, rather than attempting to set policy.

[3] The York and North Yorkshire sub region comprises City of York Council, Craven District Council, Hambleton District council, Harrogate Borough Council, North York Moors National Park Authority, North Yorkshire County Council, Richmondshire District Council, Ryedale District Council, Scarborough Council, Selby District Council, and Yorkshire Dales National Park Authority.

[4] York, Leeds, and the East Riding of Yorkshire are Unitary Authorities. Hambleton, Harrogate, Ryedale and Selby are District Councils, for which North Yorkshire County Council is the relevant Upper Tier Authority.

2 York Sub Area Context

2.1 Introduction

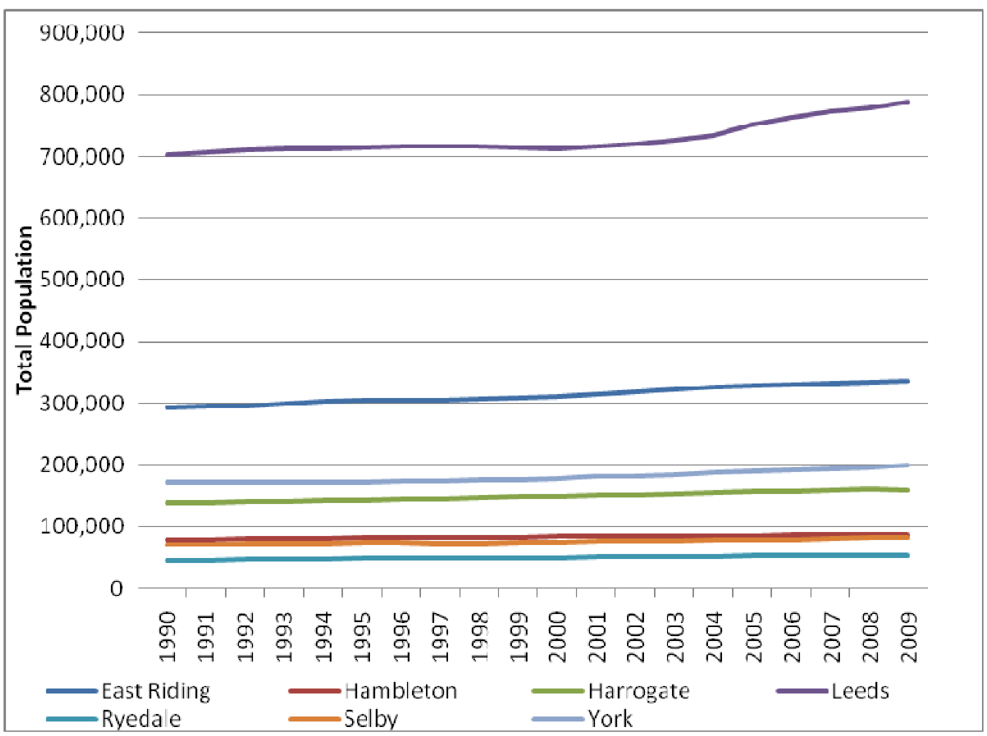
This section provides a broad overview of past trends, characteristics and issues in the City of York local authority area and the surrounding local authority districts. The full analysis is presented in a more detailed form in the "York Sub Area Issues and Baseline" report. This was completed to help reach conclusions on the geographic extent of the Sub Area. This baseline was undertaken thematically and analysed the trends across local authority areas to understand the issues that characterise the area. Through the completion of the baseline report we established a geographical definition of the York Sub Area.

2.2 Main Points on Past Trends in York and the Surrounding Local Authority Districts

2.2.1 Population Change

All the local authorities that fall within the York Sub Area[5] have experienced rapid population growth. Between 1990 and 2009, the population in all local authorities in the Sub Area grew at a higher rate than either the regional or national average. This reflects the popularity of the area as a place to live.

Figure 2.1: Population growth by local authority areas, 1990 -2009



Source: Mid Year Population Estimates, Office for National Statistics

[5] Note: this section is based on figures for the entire local authority areas of East Riding, Hambleton, Harrogate, Leeds, Ryedale, Selby, and York.

The rapid population growth has also been accompanied by rapid growth in jobs over the last twenty years. Again this demonstrates that the area is not only an attractive place to live, but an attractive place to work and do business. However, over the last five years there has been limited jobs growth.

2.2.2 Economic Change

The economic growth in the area has been driven by a shift away from manufacturing to the service sector. Initiatives such as Science City York have established the area as a centre of research and innovation. The area has developed a significant base in financial and business services. The development of this knowledge based economy is likely to have been facilitated through a skilled workforce[6]. The tourism sector continues to be an important part of the economy.

The economic growth has also in part been achieved through an increased amount and proportion of public sector employment in some local authorities. In 2008 one in three jobs in the East Riding, Harrogate and York local authority areas were in the public sector. In the Hambleton and Selby local authority areas more than 30% of jobs are in the public sector. Whilst this high proportion of public sector employment has been beneficial for the area during the past period of growth in public spending and in the recession, current and future cuts in public spending means the area is vulnerable to rising unemployment in the short to medium term. This means that the Sub Area is facing an uncertain future moving forward.

The urban area of York is the main driver of the Sub Area both in terms of its economic role and function and the housing requirement that this generates. Other places across the Sub Area play a vital role in supporting the city, but also act as employment generators in their own right. For example, it was recently announced that 800 jobs will be created in Sherburn-in-Elmet in Selby District, through the opening of a distribution centre for a national retailer.

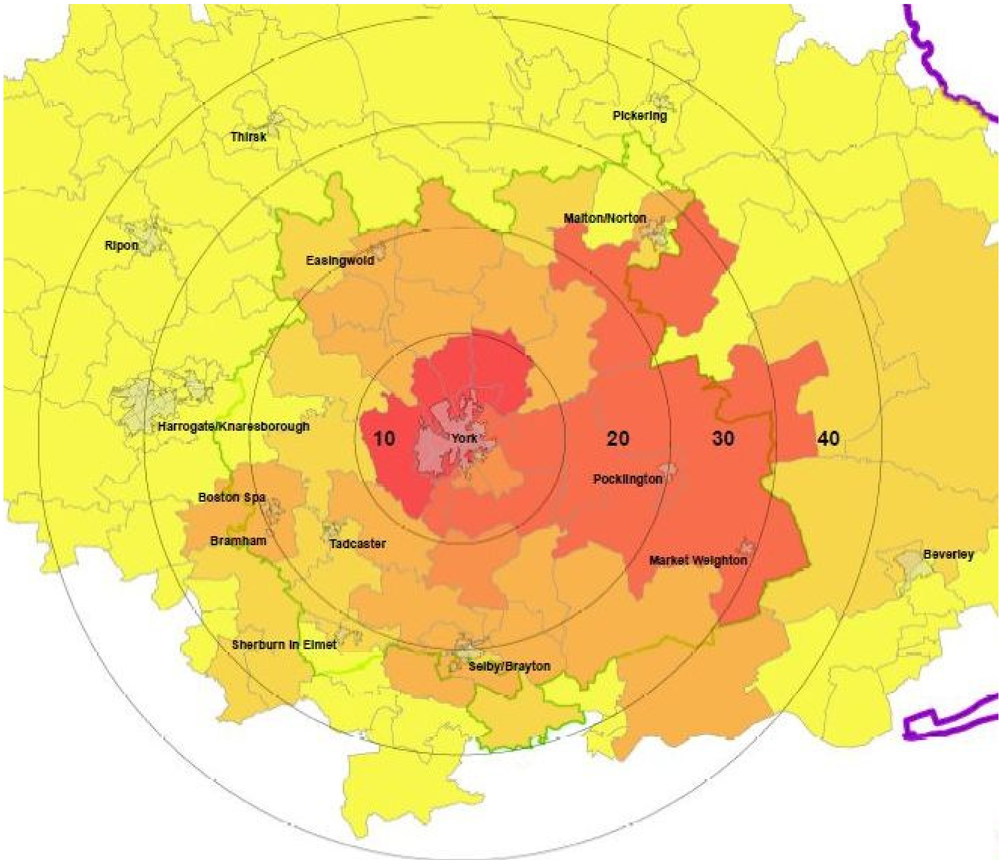
Further analysis of the economic and employment trends and profile of the area is set out in chapter 5.

2.2.3 Commuting Patterns

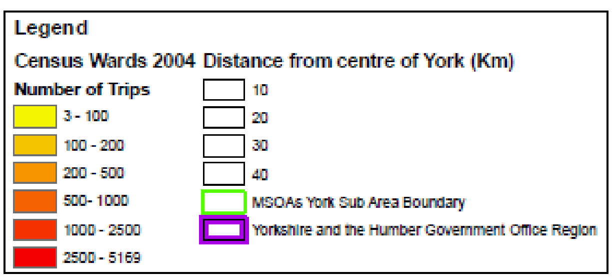
The figure overleaf shows the commuting patterns into the City of York local authority area and shows the absolute number of trips into the main urban area of York from each ward. This reflects the parameters of the city's labour market. It demonstrates that there are particularly strong links to the east of the city, with fewer people travelling from the west. This potentially reflects the scale of the economic influence from Leeds and Harrogate in this area.

[6] Centre for Cities (2010) Cities Outlook 2010 – this shows that York to be ranked 9th nationally in terms of the percentage of the working age population with NVQ Level Four and above

Figure 2.2: Number of Trips to York from Surrounding Local Authorities



Source: Census 2001, Arup Analysis



2.2.4 Housing

The urban area of York's influence on housing markets extends further than that of its influence on markets for business space and employment land. York's influence on housing markets overlaps with the influence of other areas, including Leeds, Harrogate, the A1 corridor, Hull and Beverley. These areas have also generally been experiencing rapid population and economic growth, and several of them have been areas of policy restraint in terms of new housing development. The combination of these pressures in different housing markets has led to high levels of housing demand and market pressure in the area. This has generated significant affordability problems, with many priced out of the area.

Housing delivery across the Sub Area has fluctuated in recent years, with some of the authorities meeting or exceeding the annual average net additional dwellings requirements set out in the RSS and others failing to do so. However, in authorities such as Leeds and York that are shown to meet their RSS, this is partly as a consequence of the lower trajectories in the RSS and annual requirement figures that were in place between 2004 and 2008 (although this is not the case for Selby). Furthermore, since the start of the recession completions have fallen in all the local authority areas in the Sub Area, with the exception of Leeds. A large proportion of completions in Leeds in recent years has been city centre buy-to-let apartments, a development trend that is unlikely to be repeated in the near future, and has met only a narrow range of housing needs.

The Sub Area has a high quality of place on offer, including the high environmental quality and the quality of the historic environment. It is the interaction of these factors that make the area such a distinctive and attractive place to live, work and invest in. Furthermore, the quality of its environment is integral to the tourist offer of the area, which is an important sector in the economy.

It is important to understand the Sub Area in relation to the wider influences of other surrounding places including the main urban areas of Leeds, Harrogate, and Hull. These places interact with the Sub Area presenting both challenges and opportunities. For example, the base in financial and business services in Leeds and Harrogate complements that in the City of York[7]. However, the desirability of these areas has helped to contribute to the affordability problems being experienced in the Sub Area. Understanding the Sub Area in this wider context is important in understanding the wider challenges that it is facing.

2.3 Defining the Geographical Extent of the York Sub Area

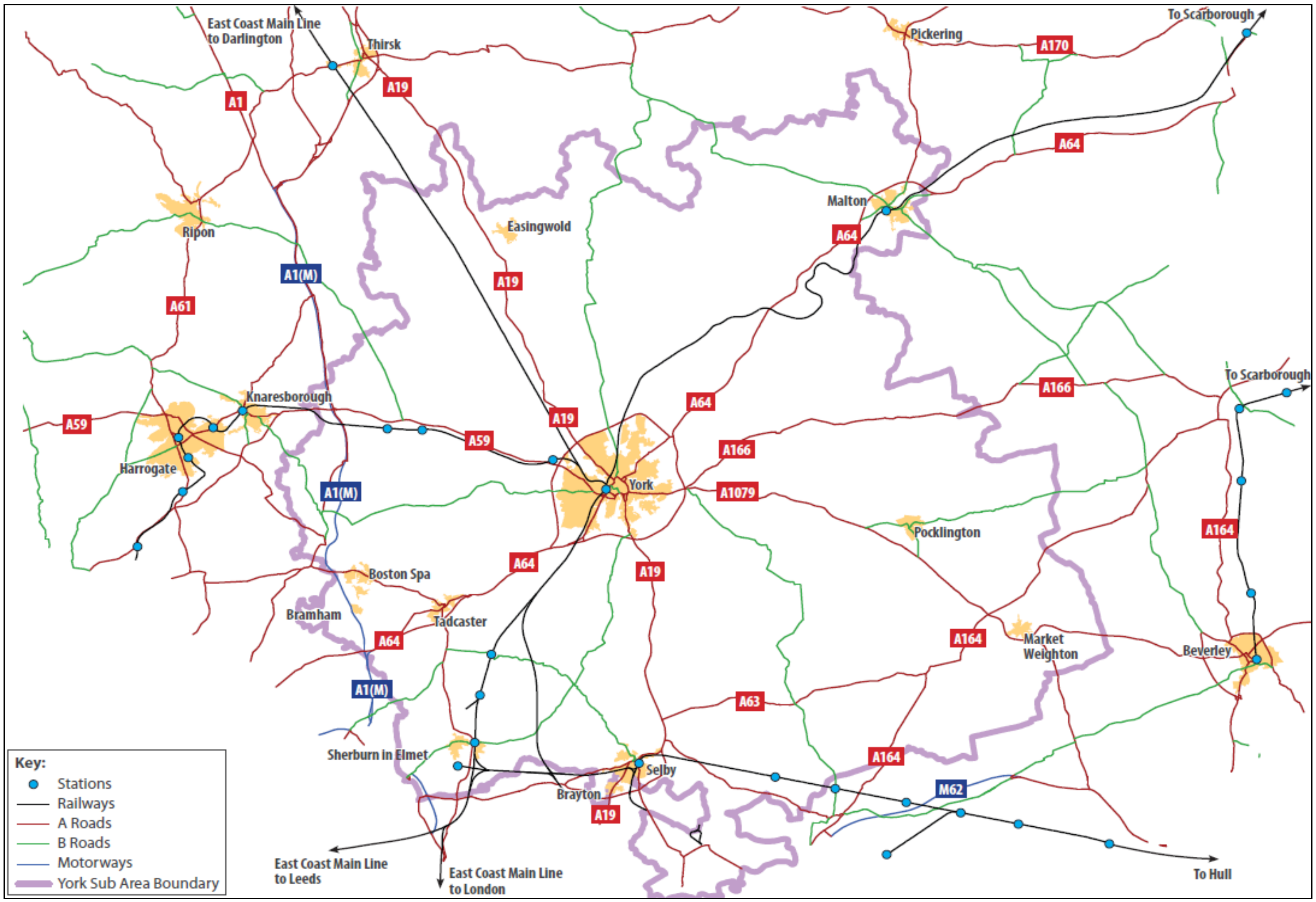
Based on our analysis we have considered the geographical extent of the York Sub Area, and our definition of this is set out at figure 2.3 overleaf. Our definition of the York Sub Area shows that it contains a range of places from cities to towns, market towns and villages. The area is home to almost 350,000 people and generates in excess of 160,000 jobs.

However this should not be considered a hard and fast boundary. It is clear that in reality the Sub Area has “fuzzy” boundaries. Different functional relationships, housing markets, commuting patterns, markets for employment land and so on, operate at different geographic levels. It is helpful though, for purposes of statistical analysis to identify a specific geographical boundary for the Sub Area, which is co-terminus with Super Output Areas[8].

[7] Northern Way (2010) City Relationships Economic Linkages in Northern City Regions: Leeds City Region

[8] A Super Output Area (SOA) is a geographical area designed for the collection and publication of small area statistics. SOAs give an improved basis for comparison throughout the country because the units are more similar in size of population than, for example, electoral wards. The Sub Area boundary is generally co-terminus with SOA boundaries. The exception to this is the Sherburn in Elmet MSOA, which we consider to be in the York Sub Area but because of the size of this particular MSOA it is not included for statistical purposes.

Figure 2.3: The York Sub Area



2.4 Conclusions

The completion of the analysis presented in the Baseline Report showed a number of important trends across the local authorities that comprise the Sub Area. Importantly, these local authorities have all experienced long term population and employment growth; although over the course of the last five years the number of jobs has levelled off.

The main urban area of York is the main driver in the Sub Area, however its influence stretches beyond the local authority boundary. Our research has suggested that the footprint of the area's housing market exceeds that of its influence in terms of markets for business space.

There are a series of smaller settlements which surround York, including Boston Spa, Easingwold, Malton, Market Weighton, Pocklington, Selby, Sherburn-in-Elmet, and Tadcaster. These are significant residential locations, and important lower order functional economic, retail and service hubs for their hinterlands. Their economies are clearly linked closely to that of York, but they also have distinctive specialisms and roles, and are influenced by other main cities.

The interactions and pressures placed on the Sub Area from areas outside our definition of the Sub Area also need to be considered. Our analysis suggested that the city/main urban areas of Leeds and Harrogate should not be considered as part of the Sub Area; however research has shown that, for example, York has an interdependent relationship with Leeds economically[9]. Other places outside of the local authority areas studied can be seen to be interacting with those in the Sub Area. For example, the city of Hull's boundary means that it has a very strong influence in East Riding, particularly on the Beverley and Central, Goole and Humberhead Levels, and Holderness and Southern Coastal sub areas and the Five Towns[10] impact on southern Selby. Thirsk and Northallerton have an influence on the north of the York Sub-Area.

In understanding the York Sub Area it has been necessary to understand these wider linkages to fully appreciate the issues being experienced. For example, York's role in the overheated "Golden Triangle" housing market places in parts explains the significant pressures being experienced in the northern part of the Sub Area's housing market.

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[9] Northern Way (2009) City Relationships Economic Linkages in Northern City Regions Leeds City Region

[10] The Five Towns consist of Castleford, Pontefract, Knottingley, Featherstone and Normanton, in Wakefield local authority area.

3 Planning Policy Context

3.1 Introduction

This section sets out the planning policy context for the York Sub Area, including the strategy set out in the Regional Strategy and the policy approach taken by the individual local authorities.

3.2 Overview

The Regional Spatial Strategy for Yorkshire and Humber was published in May 2008. The RSS promoted an urban focus development towards the main urban areas in the region, with a focus on the regional cities, including Leeds and Bradford, followed by sub regional cities and towns (including York) and principal towns. The strategy aimed to promote the redevelopment of previously developed sites to support the regeneration of the region.

The RSS includes policies for a York Sub Area, Policy Y1, which states that the core function of the York Sub Area should be to ensure the roles and function of places complement and support those described in the Leeds City Region. More specifically, this should involve developing the role of York as a Sub Regional City and supporting the roles of Selby and Malton as Principal Towns. The RSS and Hambleton's Core Strategy identifies Easingwold as a Local Service Centre.

Figure 3.1: Main Settlements in York and Surrounding Authorities as Defined in the RSS Settlement Hierarchy

Local Planning Authorities	RSS Settlement Network		
	Regional Cities	Sub Regional Cities and Towns	Principal Towns
East Riding			Bridlington Beverley Driffield Goole
Hambleton			Northallerton Thirsk
Harrogate		Harrogate	Knaresborough Ripon
Leeds	Leeds		Wetherby
Ryedale			Malton
Selby			Selby
York		York	

The RSS policies state that York should be the main focus and hub for economic and housing growth, transport infrastructure delivery, and strategic site delivery, and that the development of the city should be taken forward whilst maintaining and enhancing its historic and environmental assets. Appropriate growth and regeneration to diversify the economy and develop complementary roles and functions to both York and Leeds was the policy approach for Malton and Selby.

Small scale development to support local needs was the policy approach for local service centres across the sub area.

RSS policy states that the inner boundaries of the Green Belt around York should be defined in the City of York's LDF. The RSS states that the Green Belt should establish long term development limits that safeguard the special character and setting of the historic city, but that the boundaries must take account of the planned levels of growth set out in the RSS and must also endure beyond the plan period. Prior to the RSS, no Green Belt for York has been fully defined by an adopted plan (although the Hambleton and Harrogate Core Strategies include policies on its outer limits).

3.3 East Riding

East Riding is a large unitary authority with a number of large settlements. The East Riding of Yorkshire Core Strategy was consulted on at the Preferred Options stage in May 2010. The focus for growth will be on the identified principal towns. All the principal towns fall outside the York Sub Area Study boundary, although Beverley is near the edge of the study boundary.

The two most significant settlements that fall within the York Sub Area boundary are Market Weighton and Pocklington, both identified as local service centres. Pocklington is likely to be the focus for approximately 1,200 new homes between 2009/10 and 2026, whilst approximately 800 new homes are planned in Market Weighton over the same period. This level of growth is not insignificant in proportion to the current size of these settlements, and it is a higher level of growth than that earmarked for most other local service centres in the District. There will be some small scale delivery of approximately 54 new homes per annum in Rural Service Centres, Supporting Villages and Countryside in the sub area. East Riding is currently in the process of developing a new housing figure for the district to duly replace the figure contained in the RSS.

Pocklington and Market Weighton will also be the focus for employment growth, although the major focus will be the Principal Towns and M62/A63 corridor (Hedon to Goole) outside the study area. As a whole the district is seeking to deliver 270ha of employment land as outlined in their emerging Core Strategy.

3.4 Hambleton

Hambleton is predominantly a rural district with the largest settlements of Northallerton and Thirsk. The district adopted its Core Strategy in accordance with the Regional Spatial Strategy, which set a target for the district to deliver approximately 280 net additional dwellings per annum focused in the most sustainable locations.

This means that the major focus for development is on the Principal Service Centres of Northallerton and Thirsk, which both fall outside the York Sub Area boundary. Easingwold is identified as a Local Service Centre and lies within the York Sub Area Study boundary. It is situated within the southern area of development restraint in Hambleton and will provide for local need.

Approximately 873 net additional dwellings are planned for the Easingwold Sub Area up to 2026, as set out in Hambleton Allocations DPD. The future supply employment land in the Easingwold Sub Area is based on the delivery of 6ha of employment land at Stillington Road / York Road, Easingwold. Therefore whilst Northallerton and Thirsk will be the main focus for growth and are identified as an area of opportunity in the adopted Core Strategy, some small scale growth providing for local need will be focused on Easingwold.

3.5 Harrogate

Harrogate Borough Council is a relatively rural district, with the Principal Towns of Harrogate and Knaresborough at its heart. The Council have adopted their Core Strategy, which sets a requirement for the Borough to deliver 390 net additional dwelling per annum up to 2021. The Core Strategy seeks to focus almost 65% of their housing allocation in Harrogate and Knaresborough, which fall outside the York Sub Area Study boundary. The area between York and Harrogate is rural with a few small settlements. There will be very little employment land or housing delivery in this area, although 21% of Harrogate's housing allocation will be distributed across villages and countryside, however growth in the defined York Sub Area is likely to be very limited as new housing is distributed across the Borough.

3.6 Leeds

The emerging Core Strategy for Leeds seeks to focus housing on the city centre and main urban area, with a secondary focus on the major settlements in the district. Wetherby and Boston Spa are both identified as major settlement in the emerging settlement hierarchy, but are unlikely to see large scale housing and employment growth as this will be focused more centrally in the local authority area.

The emerging Leeds Core Strategy seeks to identify locations and sites to provide between 810,000 and 1,000,000 square metres of new offices (Bla) to be focused mainly in the city centre and town centres between 2009 and 2026. The emerging plan also sets out that 375 hectares of land will be identified for research and development, industrial and distribution and warehouse uses.

On the 21st July 2010, following the revocation of the RSS the Leeds City Council Executive Board resolved that in the absence of a Regional Spatial Strategy and in the context of the latest government advice, the Council's provisional view on land supply and the 5-year requirement be based on the annual requirement of 2,260 p.a. net set out in the Draft Regional Spatial Strategy, December 2005.

The Executive Board also recognised that further work is required to determine what the longer term housing requirement for Leeds should be.

3.7 Ryedale

Ryedale is a large rural district in North Yorkshire, located between the historic City of York and Scarborough on the coast. The main settlement in the district is Malton and Norton, which has a direct rail link to York and can access the city along the A64. The planning approach being promoted by Ryedale is in line with the approach set out in the former Regional Spatial Strategy, with the focus for development on the main settlement of Malton and Norton, followed by other settlements which fall outside the York Sub Area boundary.

Approximately half of the district's housing growth will be focused in Malton / Norton, this equates to approximately 1,800 new homes between 2008 and 2026. The town is and will continue to be the main focus for employment land. There is an aspiration to foster the growth of high-tech, knowledge based economic activity, including the district's specialist advanced/precision engineering sector building on the Science City York concept. Ryedale are seeking to achieve this through the expansion of existing sites and identification of a new Science and Technology Business Park through the ELR.

A large proportion of the area between York and Malton and Norton is within an area of outstanding natural beauty and very little housing and employment growth is planned in the existing villages in this area. Part of southern Ryedale lies within the York Green Belt, as set out in the Ryedale District Council Local Plan. The emerging Ryedale Plan does not envisage that the future development strategy will require changes to the outer Green Belt boundary.

3.8 Selby

Selby District Council is seeking to promote an urban focus for growth in line with the former Regional Spatial Strategy settlement hierarchy. Selby will be the focus for housing and employment growth, with the aim of reducing out-commuting by providing a balanced housing and employment offer. To accommodate this level of growth in Selby town and in order to maximise the benefits of a comprehensive approach to development, an urban extension is being promoted through the Core Strategy in the area contained by the River Ouse and Selby Bypass to the east of the town (Olympia Park). This will accommodate a mixed scheme comprising about 1,000 dwellings and 23 hectare of employment land. The emerging Core Strategy seeks to give priority to higher value business, professional and financial services and other growth sector jobs, particularly in Selby Town Centre and in high quality environments close to Selby by-pass

The secondary focus in the district will be on Tadcaster and Sherburn-in-Elmet, as both these settlements are identified as local service centres. The emerging Selby Core Strategy seeks to encourage high value knowledge based activities in Tadcaster and to promote further expansion and modernisation of existing premises at Sherburn-in-Elmet.

Selby have carried out detailed analysis of the relative overall sustainability of village settlements, including the availability of services and accessibility to higher order services and employment opportunities. This has been supplemented by a further assessment of the capacity of individual villages to accept additional growth taking into account factors, such as flood risk and land availability. Based on this detailed analysis, 18 villages which are considered capable of accommodating additional limited growth have been designated as 'service villages'. Three of the service villages fall within the immediate hinterland of Selby town, whilst nine of the remaining 15 villages are located within the study area. It has been identified that there is scope for additional residential and small scale employment growth to support rural sustainability.

3.9 City of York

The City of York local authority area has a relatively tight administrative boundary. The boundary of the urban area of York is constrained by the Green

Belt set out in the draft policy. York's emerging Submission Draft Core Strategy[11] seeks to deliver 575 dwellings per annum between 2010 and 2031, with 94% of housing growth in the main urban area of York and the remainder in the local service centres and large villages. The focus for employment growth is also on the main urban area. This approach relies on the delivery of a number of complex previously developed sites, including the York Northwest Corridor and Terry's, as the city is constrained by its historic layout and the tightly defined draft Green Belt boundary. The York Northwest Corridor is the largest and most significant regeneration area in York and is of regional significance. It comprises two large brownfield development sites, which are both identified as Strategic Allocations; York Central and Former British Sugar/Manor School.

The City of York local authority area is the main economic driver in the York Sub Area, with strong relationships with surrounding local authorities in terms of retail and employment. The City also has a strong tourism offer based around its historic centre, the minister and past heritage.

The emerging Submission Draft Core Strategy includes a target to create up to 1,000 new jobs per annum.

3.10 Conclusions

The local authorities that fall within the York Sub Area are all at different stages of completing their Local Development Frameworks. Hambleton and Harrogate have both adopted their Core Strategies, providing statutory development plans based on the principles and housing targets set out in the Regional Spatial Strategy. Hambleton's Allocations Development Plan identifies the land needed to support housing and employment growth up to 2026, in accordance with the RSS.

The remaining local authorities that are yet to adopt their Core Strategies are generally promoting a policy approach based on the former Regional Spatial Strategy, with a focus of development within the urban area of York, followed by the settlements of Malton / Norton and Selby. The growth planned for Pocklington and Market Weighton is not insignificant in proportion to the existing size of these places. The emerging Core Strategies seek to constrain housing and employment growth in rural areas, to meet local needs. The aim of this approach is to focus housing and employment growth towards the most locations considered to be most sustainable.

This is not surprising given that the RSS was only revoked in July and prior to this local authority were developing their LDFs to be in general conformity with the RSS.

In the context of the Localism Bill, local authorities have been considering whether to continue to plan for the scale of growth set out in the Regional Spatial Strategy. Leeds and the City of York have both developed interim housing figures, which are lower than the level set out in the issued RSS 2008.

[11] Submission Draft Core Strategy being presented to Full Council in April 2011

4 Employment

4.1 Overview

This section undertakes an analysis of employment in the York Sub Area and the seven local authority districts. It begins with a review of past and emerging trends on a spatial and sectoral basis using the latest available Annual Business Inquiry (ABI) data for the past decade. The main issues and drivers of employment growth in the future are then considered – including impact of the late 2000s recession, public sector expenditure reductions, Science City York, the economic role of settlements surrounding York Urban Area, and the delivery of several large scale employment schemes. This includes an analysis of alternative forecasts for employment growth produced for the period to 2026. The section concludes by drawing out the key findings and policy considerations.

The purpose of this analysis is to understand past changes in employment in the York Sub Area and the key drivers expected to contribute to employment growth in the future.

4.2 Past and Emerging Trends

Data from the Annual Business Inquiry (ABI) provides a picture of recent trends in employment in the City of York itself and the surrounding local authority areas. This sub-section examines long run trends over the past decade and more recent trends in the last five years of available data.

4.2.1 Long-run historic trends, 1998-2008

To understand underlying trends in the economy, it is useful to look at the long term trend in employment and the extent of structural change within the composition of employment. The decade 1998-2008 is clearly one of two halves in terms of typical growth observed – as illustrated in the following table.

Table 4.1: Employment growth by local authority district, 1998-2008

	% change		
	1998 – 2003	2003 – 2008	1998 – 2008
East Riding	8.0%	-2.3%	5.5%
Hambleton	8.9%	-4.6%	3.9%
Harrogate	17.5%	5.6%	24.0%
Leeds	10.7%	3.1%	14.1%
Ryedale	13.3%	14.9%	30.1%
Selby	23.1%	5.0%	29.2%
York	12.2%	-2.8%	9.0%
TOTAL	**11.5%**	**1.8%**	**13.5%**

Source: Arup using ABI data. Note: data is for entire local authority areas.

Growth in the first half of the period was typically much higher than the latter half (total growth across the seven authorities of 11.5% compared with 1.8%). In 1998 to 2003, the City of York experienced considerable employment growth (12.2%) placing it in the upper tier of the seven authorities achieving proportional growth in excess of that recorded for Leeds (10.7%).

Employment growth across the authorities, with the exception of Ryedale, was considerably less in 2003 to 2008. The City of York actually experienced a decline of 2.8% in this period. However, the City of York has undergone substantial structural change and in the 2003-2008 period this overall decline can be explained to a large extent by job losses at a small number of large employers, often undertaking long-term restructuring at a European wide level. This has included 316 jobs at Terrys, 450 at Aviva, 102 at British Sugar and 645 jobs at Nestle. Despite these losses, over the 10-year period 1998-2008, employment in the City of York increased by 9.0%. This compares with rates for other north of England cities of 14% in Leeds and Manchester, 11% in Sheffield and 0% in Bradford, and is in line with the average of 9% for the Yorkshire and Humber region. The City of York's employment growth has also proved to be more sustainable than many other UK cities with a smaller rise in the claimant count observed as a consequence of the late 2000s recession.

4.2.2 Most recent trends, 2003-2008

The latest ABI data available is for 2008, capturing the beginning of the late 2000s recession. This can be examined with data from 2003 on to ascertain more recent trends in the last five years.

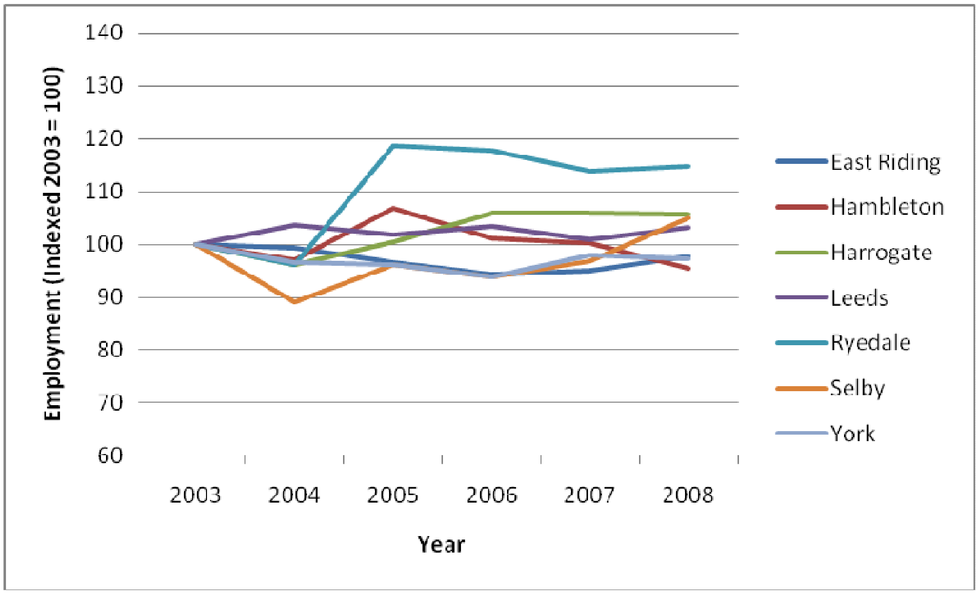
Examining data for the five year period 2003 to 2008 reveals some marked differences between local authority districts. The City of York experienced a drop in 2003/2004 and a sharp expansion in 2006/07. Over the five year period there was a contraction in employment of approximately 2.8%. Harrogate, Leeds, Ryedale and Selby all had expansions in employment over the same period while East Riding and Hambleton contracted. Overall, employment across the seven local authority districts as a whole expanded by 14,056 jobs or 1.8% over the period. The following figure and table illustrate these trends.

Table 4.2: Employment change by local authority district, 2003-2008

	Change 2003-2008	% Change 2003-2008
East Riding	-2,636	-2.3%
Hambleton	-1,817	-4.6%
Harrogate	3,814	+5.6%
Leeds	12,646	+3.1%
Ryedale	3,447	+14.9%
Selby	1,529	+5.0%
York	-2,927	-2.8%
TOTAL	**14,056**	**1.8%**

Source: Arup using ABI data. . Note: data is for entire local authority areas.

Figure 4.1: Employment change by local authority district, 2003-2008



Source: Arup using ABI data. . Note: data is for entire local authority areas.

Analysis of employment data at the local authority level provides a snapshot of employment across each distinct local authority. In our consideration of the York Sub Area, we have also examined trends within the parts of the local authorities that fall within the definition of 'York Sub Area' adopted for this report. This enables a better understanding of the employment in the sub area and the relationship of its geographical constituents to the City of York.

Because the entirety of the City of York local authority area is within the York Sub Area, the trend for the City of York is the same as the prior analysis. For the other area however, there are some marked differences and a change in the hierarchy in terms of employment growth. Harrogate and Hambleton exhibit the highest rates of employment growth over the 2003-2008 period, although in absolute terms their employment numbers represent the smallest of the seven authority areas within the York Sub Area. Selby shows significant growth. East Riding also shows growth (in contrast to East Riding which exhibits a contraction in employment). The starkest contrast is in the case of Ryedale – within the sub area it accounts for the largest percentage contraction in employment, whereas on a complete local authority basis it has the highest growth.

Overall, employment in the York Sub Area contracted by 3,430 jobs or 2.1% over the period 2003 to 2008.

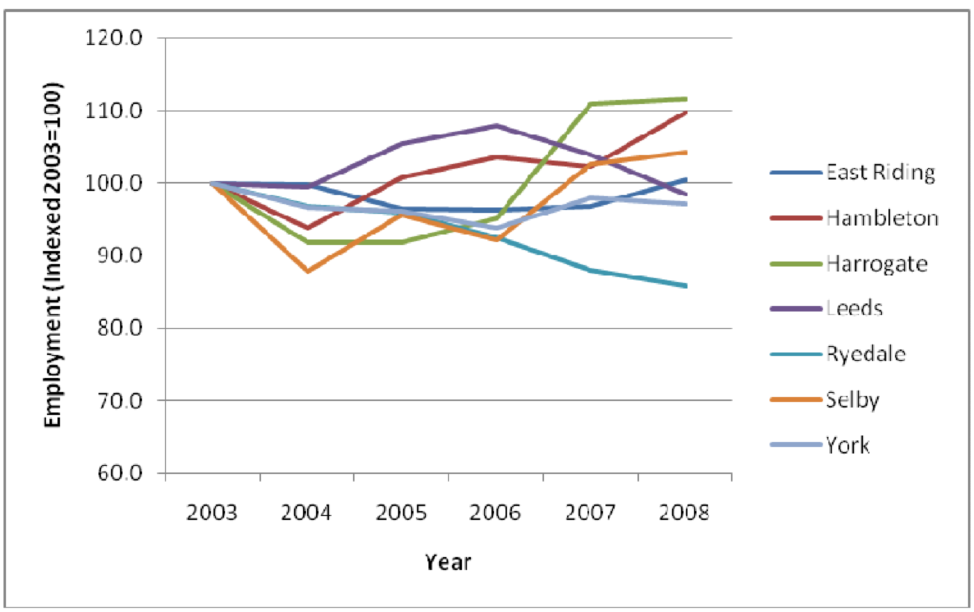
These findings have implications for the way in which we think about the relationship of the various constituent parts of the York Sub Area to the City of York itself, particularly when considered in conjunction with the commuting patterns discussed in section 2.2.3. In terms of rates of employment growth, Harrogate, Hambleton and Selby appear to be particularly important. In absolute terms, Selby is delivering the greatest number of additional jobs and Ryedale is accounting for the largest contraction in jobs. It is also noteworthy that the part of the Leeds district within the York Sub Area experienced a contraction in employment over the 2003-2008 period while the authority as a whole achieved a significant expansion. This suggests that while Leeds may be important for York's housing market, it may not the main driver of employment growth in the York Sub Area.

Table 4.3: Employment in York Sub Area, local authority constituents, 2003-2008

	Change 2003-2008	% Change 2003-2008
East Riding	50	0.5%
Hambleton	431	9.7%
Harrogate	314	11.6%
Leeds	-210	-1.6%
Ryedale	-1,837	-14.2%
Selby	749	4.2%
York	-2,927	-2.8%
TOTAL	**-3,430**	**-2.1%**

Source: Arup using ABI data. Note: data is for the part of local authority areas that full within the Arup definition of the York Sub Area.

Figure 4.4: Employment in York Sub Area, local authority constituents, 2003-2008



Source: Arup using ABI data. Note: data is for the part of local authority areas that full within the Arup definition of the York Sub Area

The relative importance of the York Sub Area in delivering employment growth for the seven local authorities can be explored by looking at the proportion of total employment in these Local Authorities accounted for by the York Sub Area over time. In the period 2003 to 2008, this proportion has fluctuated and ends slightly lower (declining from 21.1% to 20.3% of employment). By local authority, the most significant changes are observed for Hambleton where the area within the York Sub Area has increased in importance, and Ryedale where it has become less important.

Examination of 4-digit Standard Industrial Classification (SIC) data from the ABI highlights significant growth has occurred within some sub-sectors in the City of York in the 2003-2008 period. The following table provides some examples of growth after filtering the results to exclude sub-sectors with employment of less than 100 jobs in 2008. The Future York Group report[12] also provides illustration of the structural change which has occurred in the City of York and sets out a number of actions to develop its future.

Table 4.5: 4-digit SIC Analysis, City of York local authority 2003-2008

	Employment 2003 – 2008	
	Change	% Change
6523 : Other financial intermediation not elsewhere classified	+238	991.7%
6713 : Activities auxiliary to financial interdn not elsewhere classified	+291	309.6%
6601 : Life insurance	+641	180.1%
7415 : Management activities of holding companies	+305	108.9%
7411 : Legal activities	+592	62.3%
9231 : Artistic and literary creation and interpretation	+63	34.4%
8511 : Hospital activities	+1,740	32.3%
5117 : Agents involved in the sale of food, beverages and tobacco	+35	26.1%
9112 : Activities of professional organisations	+36	21.7%
7420 : Architectural and engineering activities/technical consultancy	+265	21.6%
7222 : Other software consultancy and supply	+54	6.3%
5530 : Restaurants	+113	3.7%
8512 : Medical practice activities	+24	3.6%
5510 : Hotels	+71	3.3%
7414 : Business and management consultancy activities	+27	2.6%

Source: Arup using ABI data.

4.2.3 Main conclusions on past employment trends

In summary, analysis of ABI shows that the City of York local authority area achieved substantial employment growth over the decade 1998 to 2008. This has occurred alongside significant structural change within the local economy and loss of jobs at a number of large employers in the latter half of the period. The City of York's employment growth, whilst not the highest when compared with other UK cities has proved relatively sustainable. It appears to have experienced a plateau in most recent year however.

[12] 'The Future York Group Report: An Independent Strategic Review of the York Economy', Future York Group (June 2007).

The full impact of the late 2000s recession on employment is not measurable at this time since the latest ABI data is from 2008. The recession has been severe and it would be expected that employment levels have fallen significantly since 2008. Nonetheless, the City of York has achieved important structural change and growth in sectors that are expected to grow in the longer term. The ABI data provides a useful measure of employment but it is important to understand that there are constraints using the data in a time-series analysis[13]. Accordingly, it is also important to consider the main drivers for the city's future economy and employment, and the associated forecasts which have been produced.

4.3 Issues and drivers for change

4.3.1 Main drivers for change

There are a number of key drivers relevant to the development of the economy of the York Sub Area and its future employment growth. These include:

- impact of the late 2000s recession, public sector expenditure cuts and shape of UK macroeconomic recovery;
- national and global growth sectors;
- Science City York;
- delivery of large scale employment sites in the City of York;

  the future role of York and the sub area in relation to financial and business services;
- the economic roles and sectors in settlements surrounding the City of York; and
- identifying a realistic market use and delivery of major employment sites outside the City of York.

Other research undertaken to inform York's Core Strategy[14] considers the role of these drivers in determining employment growth and hence employment land requirements in York to 2026.

[13] ONS highlight discontinuities between pre and post 2003 data due to SIC code changes and across 2005/06. More details are available at http://www.nomisweb.co.uk/articles/ref/abi/ETApr03Jones.pdf and https://www.nomisweb.co.uk/articles/news/files/ABI2006discontinuities.doc.

[14] Employment Research, Arup for City of York Council, (September 2010)

Table 4.6: Employment forecasts (average annual jobs growth), local authority districts

	REM (2010)	RSS REM based – indicative
	2010-2026	**2006-2026**
East Riding	470	760
Hambleton	243	190
Harrogate	554	410
Leeds	1,979	6,030
Ryedale	275	140
Selby	95	- 60
York	269	2,130

Source: Arup using REM data. Note: data is for entire local authority areas.

4.3.2 Main conclusions on employment forecasts

The REM based employment forecasts used in the adopted RSS were based on an optimistic scenario and were generated at a time of general optimism before the recession and public sector spending cuts. The employment forecasts of 2,130 jobs per annum outlined in the adopted RSS are optimistic given the changes since previous work was undertaken.

The more detailed localised employment forecasts (from Cambridge Econometrics) produced for the City of York Employment Land Review (ELR) of an average of 1,067 jobs per annum appear to be of a more realistic level. The sectoral mix of employment growth assumed in the ELR still appears sound for the City of York's long term planning. Pressures on public sector employment in the short to medium term may place greater reliance on private sector job creation. However, the existing private sector employment base is vulnerable. There are likely to be continued job losses in the manufacturing and potentially in the rail sectors. Financial and business services employment is concentrated in a small number of firms with large offices in York urban area. In some cases, such as Aviva, these are back-office, not head office functions and are therefore vulnerable to closure.

On the basis of an analysis of macroeconomic and fiscal changes since the ELR, a figure of around 960 additional jobs on average per annum in the City of York local authority area would appear to be realistic average figure for the period to 2026. It is expected that actual per annum jobs growth will fall short of this in the short to medium term horizon as the UK experiences muted growth. In the longer-term, growth in the Science City sectors and delivery of major development schemes in the city is expected to deliver higher levels of job creation.

In allocating future employment land across the Sub Area, it is important that the needs of future growth sectors are accommodated in suitable locations. To achieve this, it is necessary to take account of the respective strengths of particular locations from the point of view of specific sectors and types of firm. Recent local trends in employment growth and successful cases of job creating inward investment are useful indicators which can be used to inform this approach. Examination of key sectors and national trends and aligning these with existing locations of sector activity and location strengths provides a good starting point. The following table provides an overview of the key future sectors for employment in the York Sub Area and aligns these with the various constituent parts of the Sub Area. This shows the developing roles and opportunities across York and the market towns within the Sub Area.

4.4 Sector Prospects

An important question for the York Sub Area is which sectors are going to drive future economic growth, and what will be the requirements of firms in these sectors in terms of the location and type of business space. The Sub Area may not be able to rely in the future solely on the sectors that have driven past growth, in particular employment in public services, which is forecast to decline. Also the Sub Area faces risks and threats posed by its reliance on a small number of large employers in financial services. There are strong growth prospects for the sub area in sectors such as advanced manufacturing, research and development, tourism, energy and creative industries. Table 4.7 below sets out the prospects, drivers of change and locations of change associated with different sectors.

Table 4.7: Future Sector Strengths York Sub Area

Sector	National Trends	Locational Characteristics York Sub Area
Advanced Manufacturing	Advanced engineering is identified as one of three particularly promising sectors in science & technology in England[15]. The wider manufacturing and engineering sector as a whole contributes in order of £130 billion a year to the UK economy and generates some 53 per cent of UK exports[16]. The UK is renowned globally for the strength of its advanced engineering sector, with world-leading capabilities in technologies such as plastic electronics, materials and sensors and their application in a multitude of industry sectors including automotive manufacturing, space and aerospace.	In York Outer there is good potential, drawing on R&D linkages with the University of York. Future growth potential in Selby Town, especially related to renewable energy; its proximity to York Science Park and Drax Power Station is an advantage. Precision engineering comprising mainly of small firms in Malton/Norton.
Financial Intermediation & Business Services	Professional and business services account for almost 20% of UK national output. They are integral to the development of the national economy, supporting business competitiveness, and promoting change, good practice and efficiency in private and public sectors alike. The UK's service capabilities in professional and business services are traded in global markets with great success. The UK is the second largest exporter of business services after the USA and is the largest net exporter of these services in G7.[17]	Nature of the York city centre office market is a constraint, primarily due to road access and historical context. The city centre is perceived as a good location for professional services firms, in particular to serve specific local markets. Quality of life on offer is key to attracting good staff. Existing critical mass of activity in Outer York is an asset. It is perceived as a good location for professional services firms, in particular to serve specific local markets. Quality of life on offer is key to attracting good staff. There is a challenge faced by secondary tier operations though in the face of consolidation across major firms in the sector. Selby Town has a role as a secondary location for firms. Existing firms include NFU Mutual.

[15] 'New Industries, New jobs', HM Government (April 2009).
[16] 'UK Inward Investment Report 2009/10', Advanced Engineering Sector Report (2010).
[17] UKTI.

Sector	National Trends	Locational Characteristics York Sub Area
Tourism	The travel and leisure sector comprises of a number of distinct sub markets (for example, overseas travel, domestic tourism and weekend getways). The nature of these markets means that some may experience growth at the same time as others decline. On a broad level, travel and leisure is highly related to consumer confidence and therefore general macroeconomic conditions. It is also significantly influenced by changes in exchange rates. In the UK, the negative impact of the late 2000s recession on consumer confidence and weakness of sterling have impacted heavily on the demand for overseas and luxury holidays. However, at the same time this has created opportunities for the domestic market both in terms of UK residents looking to stay within the UK on their holidays and also inbound tourists from abroad incentivised by more favourable exchange rates.	York City Centre has strong historical assets which can act as a foundation for future growth in tourism. The City is an established international tourist destination. Opportunity around increasing the overall quality of the offer and capitalising on inbound UK trends (such as increased visits from affluent Chinese). The sub area has a wide range of tourism assets including Castle Howard and has a strong tourism offer associated with the national parks and wider North Yorkshire offer. Opportunity to increase tourism activity derived from increased activity in York Central in Outer York and provide a coordinated tourism offer building on the existing popularity of the City of York and the wider sub area.
Food & Drink	The food and drink manufacturing industry is the single largest manufacturing sector in the UK, with a turnover of £72.8bn, with a gross value added of £21.6bn, accounting for 15% of the total manufacturing sector. The industry employs some 440,000 people. This represents 14% of the manufacturing workforce in the UK.	Historically an important sector in providing employment in Outer York, but becoming less so as the economy restructures. Some opportunities in the sector, with Selby Town acting as a secondary location.
Insurance	The UK Insurance sector remains a crucial contributor to the UK economy after the public, banking and manufacturing sectors. The sector comprises general insurers, life insurers and wholesale insurance intermediaries. The sector faces a number of macroeconomic challenges including environmental uncertainties for businesses, M&A activity, legislative reform and changes to working practices. The sector is well established in the UK but levels of employment over time are at risk due to trends in outsourcing of services to developing economies.	

Sector	National Trends	Locational Characteristics York Sub Area
Public Sector	The public sector is an important employer in the UK economy - most recent data from the third quarter of 2010 shows that the sector accounts for around 20% of total UK employment. It is anticipated that employment levels in the sector will contract over the short to medium term – in light of planned cuts to public expenditure. However, in the longer-term it will need to respond to the needs of a rapidly growing population and the associated services that are demanded.	Historically an important sector in providing employment in the Sub Area, but is expected to contract over the medium term.
Bioscience (YSC)	The UK is the European leader in the bioscience industry, and number two in the world after the US. The majority of companies are less than 15 years old, and only 8% are publicly traded. The sector is fast-growing – taking the biotech sub-sector as a proxy of the broader bioscience/healthcare sector, employee numbers have grown at a CAGR of 35% and revenues by 48% between 1995 and 2002. The UK bioscience sector has significant sources of competitive advantage against most other countries: an existing bioscience sector; strong bioscience research base; improving university-industry links; presence of large pharmaceutical companies; and a growing scientific and managerial talent base. The sector is expected to experience strong future growth worldwide, therefore offering significant opportunity for firms based in the UK.	In York Outer a key asset is the University of York which has expanded considerably in recent years and achieves a high standard of research. There is an opportunity to capitalise on this strength through support of spin-out activities and firms, taking advantage of national and global trends in the sector. Malton/Norton is well positioned to capitalise on growth in science based industries. A 12ha site adjacent to Eden Camp is identified in the ELR.
IT & Digital Industries (YSC)	The UK has one of the world's most advanced industries in the rapidly changing phenomenon of digital media - the combination of digital technology and creativity. Supported by the country's position as a leading global hub for innovation, R&D and entrepreneurship, the UK's new media sector is at the forefront of the international digital revolution. The UK digital industry is strong, economically sound and thriving. Growth in the sector is supported by positive trends worldwide and it therefore offers opportunity for an expansion in future employment.	Delivery of large scale employment sites in York Outer will be key in providing a suitable offer for these sectors.

Sector	National Trends	Locational Characteristics York Sub Area
Creative Industries (YSC)	The creative industries in the UK are recognised as being among the best in the world. They form a growing sector that out-performs the rest of the economy's growth in terms of jobs, and driving innovation. The Government has recognised the crucial importance of the creative industries both to the UK economy and to future of employment at a time when conditions in other sectors are challenging. In the last ten years, for example, there has been a 39% increase in the number of businesses within the UK cultural and creative sectors, with over 150,000 companies employing almost two million people.	Opportunities for firms outside of the centre of York where there is less congestion and potential linkages with R&D/collaborative working with the University of York. Commercial developments at Monks Cross and Clifton Moor have benefitted from close Easingwold provides an attractive location for small businesses. The Hawk Creative Business Park combines high speed digital infrastructure in an attractive rural environment.
Retail Service Provision	The level of retail service provision in a location is important in providing an attractive location for people to live and work, and therefore firms to locate. For smaller settlements, a core level of provision can be important in enabling them to maintain a significant mass of business activity.	
Non sector specific		Wetherby Thorpe Arch benefits from good access to the A1. Locations such as the Thorpe Arch Estate attract a broad range of businesses including a reading room for the British Library.

Whilst the employment projections in the adopted RSS may be overly optimistic, the general priorities and strategy outlined for the York Sub Area remain valid – growing the city as a key driver in the Wider Leeds City Region. The comparisons with other UK cities in resilience to the late 2000s recession also highlights the value of retaining an emphasis on creating high value sustainable growth of employment in York rather than purely growth alone.

It is clear that the most recent outputs from the REM forecast are significantly different to the previous optimistic, pre-recession forecasts that informed the indicative potential job growth figures in the RSS. There is clearly significant uncertainty regarding the pace and trajectory of future economic recovery, particularly given the impact of public spending cuts. This uncertainty is exacerbated by the fact that there have been major variations in the REM figures between different recent data releases. The back-dated REM figures also show major employment growth from 2006-2010, which we do not think is robust data and does not provide a sound basis for using to help calculate future employment land demand. The implication is that we have two sets of REM forecasts that are relatively extreme in their outlook – a consequence of strong polar trends in the key determinant variables occurring in the most recent years preceding the forecasts. There are also concerns about how the REM data is “stepped down” from regional to local authority level. Accordingly, we would stress the importance of a more locally informed approach.

It is important to note that the relevant RSS policy stated that local authorities should undertake their own locally specific and up-to-date assessments of employment land demand, and that the RSS figures should only provide a guide in the absence of any more robust local authority evidence.

We would recommend that local authorities across the sub area (that have not already done so) undertake (potentially working together) their own, up-to-date assessments of future employment growth, taking into account past take-up rates, market evidence, evidence on the needs of business, as well as economic forecasts. Given the current economic uncertainty this analysis should be kept up to date.

4.5 Employment land supply

There is considerable uncertainty over the macroeconomic performance of the wider UK economy at this time. Although the UK has posted several quarters of positive GDP growth, the general consensus amongst economists and analysts is that the sustainability and strength of the recovery will remain uncertain until at least mid-2011. National macroeconomic performance will be a vital determinant of growth in future employment levels in the York Sub Area and therefore there is a commensurate level of uncertainty attached to this employment.

There is a need to consider the most appropriate approach to the supply of employment land in different parts of the York Sub Area in the context of economic uncertainty and policy on cross-boundary relationships.

The economic forecasts on which projections of employment land are based are in some cases now out of date and do not reflect the implications of the recent recession and future cuts in public spending. However it is important, particularly in a time of economic weakness and change to ensure there is an adequate market choice of sites and premises. In particular it is necessary to make provision for a sufficient amount of employment land to enable a level of ‘churn’ within the portfolio of potential supply – enabling for movement and choice for firms and the redevelopment and recycling of sites and premises. The critical factor is that the employment land provision is suitable - in the right locations and of the appropriate format and quality to meet the competitive needs of businesses. There are also policy choices on the extent to which local authorities seek to be more self-contained in their approach to providing for employment needs, reducing reliance on out-commuting, and building on indigenous strengths.

The available employment land in the City of York local authority area is currently dominated by several large centrally located sites and sites that are located some distance away from the city. This reflects the emphasis of the current strategy to focus growth centrally on mixed-use brownfield sites in the urban boundary of York (York Central for example) and at a number of satellite locations outside (such as Clifton Moor).

An important question for the Sub Area is what kind of city centre office market can York offer? Leeds is currently the main regional hub of financial and business services, and Leeds is very competitive in terms of cost, and has substantial new office space with consent in the pipeline. York city centre has constraints in terms of its historic environment, limited car parking, road congestion, and limited commuter rail or rapid transit networks. Evidence from elsewhere shows that there are likely to be significant challenges in encouraging “Science City” research and development business functions to locate in the city centre, as these type of occupiers tend to prefer out of centre business parks. In our view, the way forward for York city centre is to develop an offer that is distinct from locations such as Leeds. Its heritage setting, and good access to the national rail network could make York attractive for creative and design firms (which generally prefer city centre locations), sub-regional branch offices of major business services firms, and relocated public sector functions from London. In developing a strategy for the future, there is a need to understand what could be developed in York in terms of the physical formats, and where the potential demand could come from (e.g. in terms of sectors and type of space).

Strategies around future employment growth in the other local authority districts are quite different to York. There is a need to recognise that the employment markets in locations such as Selby, Malton and Thirsk differ to the urban area of York. Each currently provide distinct offers, which have potential to compliment Science City York, for example the biosciences businesses found in Malton. There are clear differences between parts of the Sub Area in terms of existing and future potential activity in future growth sectors. Market towns in the Sub Area each have their own strengths which align them more to attracting occupiers in particular sectors. However, for most potential medium-to-large occupiers the choice will be whether to locate in York City Centre, the outskirts of York (i.e. Monks Cross, Clifton Moor, or Heslington), or other main cities (such as Leeds) or business parks in the A1/M1 corridor (for example, Thorpe Arch or Thorpe Park).

In Selby, the policy emphasis is focused on Selby Town. The aim is to provide a range and choice of employment opportunities across the District including sites for indigenous employment. Approximately 54% of allocated employment land is located in Selby and Urban Hinterland. A strategic employment site has been identified as part of a mixed housing /employment expansion to the east of the town in the area contained by the River Ouse and Selby Bypass (Olympia Park).

The Employment Land Refresh also identifies the potential to build on Tadcaster's role as a high value employment location. A 9 ha site is identified but this may have deliverability issues given ownership issues in and around the town. Increased B1 office is identified as a priority with emphasis on increasing allocations in Selby town centre and on the urban fringe of Selby town as a secondary allocation. On a sector basis, opportunities may arise in the energy and food and drink sectors. There are a number of former mining sites in Selby district in the A19 corridor between Selby and York City and at Gascoigne Wood. These sites are not earmarked for intensive employment development in the Council's Core Strategy as they are located outside established settlements and, with the exception of Gascoigne Wood, they do not have previously developed land status. Gascoigne Wood has planning consent for the re-use of the remaining buildings linked to the railhead. While the Council supports the re-use of former mine sites with economic activities appropriate to their countryside location, such as tourism, recreation, research, renewable energy generation etc, significant employment at these locations is not encouraged.

In the East Riding local authority area, the ELR indicates that only 31% of allocated employment land is unconstrained. There is limited employment land provision in Market Weighton and Pocklington.

In Ryedale, Malton and Norton are positioned to build on the science city concept in York with a large 12 hectare site adjacent to Eden Camp identified in the ELR. The area is capable of supporting the regional/sub- regional economy for science based businesses, including expansion of existing sites and the provision of a new Science and Technology Business Park at Malton and Norton. It offers opportunities for specialist sectors including precision engineering and advanced manufacturing and existing key businesses. Malton and Norton are also well placed to provide accommodation for small businesses, supporting the high business formation rate in Ryedale – including incubator space, new managed workspace, small business units and live-work space. Local business services are important for the future, as are small businesses locating based on the area's quality of life offer. In Hambleton, future support of employment growth is reliant on delivery of 6ha of employment land at Stillington Road / York Road, Easingwold. A range of sites and premises are available at various small business parks in and around Easingwold, including Shires, Hawk, Green and Tholthorpe.

4.6 Main policy considerations

The urban area of York is key source of employment growth for the wider York Sub Area. It has achieved significant employment growth over the 1998-2008 decade and restructuring of its economy important in laying the foundations for its long-term prosperity. This restructuring away from traditional industries towards tourism, science and professional and financial services explains much of the modest contraction in employment observed for the period 2003 to 2008. Analysis of the available data demonstrates growth in higher value-added, knowledge intensive sectors which are generally expected to deliver significant employment growth nationally, and indeed globally. Overall however, the City of York faces key challenges in retaining its competitiveness and securing future employment growth. Reductions in public spending, vulnerabilities in York's financial services employment base, and continued shake-out of manufacturing and engineering employment all pose risks. Employment levels appear to have reached a plateau in most recent years and not just as a consequence of the late

2000s recession. The key question for York is how does it remain competitive and how is it going to deliver higher levels of employment growth?

The delivery of large scale, flagship schemes will be vital if target levels of employment growth are to be achieved. If appropriately designed, such schemes offer the opportunity to deliver larger numbers of jobs than growth in indigenous firms alone. In addition to creating direct jobs in their own right, these schemes can also act to drive higher levels of organic growth in indigenous firms. The long term implications of restructuring of the economic base, anticipated growth in the 'Science City' sectors and delivery of several major employment schemes in York mean that there is a need to ensure that sufficient capacity for growth is in place for the long term in the right places. Past trends in employment also exhibit a 'lumpy' pattern, largely as a consequence of economic restructuring and closure of a number of large business units. The shape of the growth sectors emerging is also still developing. Accordingly, there is a need to allow for a relatively high level of 'churn' in the figures – offering an sufficiently broad choice of employment locations that is accommodating to future growth.

From a spatial perspective, it also appears that geographically, the City of York's employment market does not stretch as far out as far as its housing market. Realism is needed about the extent to which planning for large employment sites outside York City (but some distance from the City) can offer a viable alternative to development in, or in the immediate vicinity of the city. The trend of increasing in-commuting to York, and longer-distance commuting to locations outside the Sub Area, is likely to continue. However, it is also clear that sectors such as energy (including renewable) in Selby, or precision engineering (mainly small firms) in and around Malton do have growth potential, and require particular types of employment sites and premises. Some of the rural parts of the sub area and the market towns offer a good quality of life, good schools, and attractive countryside (and good access to spectacular countryside), combined with good access to the strategic road and rail networks. This is likely to continue to make them attractive places for skilled people to start and grow small businesses.

In planning for the future, there is a need to think carefully and be realistic about the type of employment space that the York Sub Area can offer. In the case of some employment space types in market towns, it could be that there is a current over supply. In others, for example in York city centre, thought is required as to what the offer is and how this might be distinct from other cities and meet the needs of new firms from sectors which the city is likely to attract. In order to accommodate the growth of the York Sub Area in the longer term, it will be critical that the right type of sites are provided and in the right locations. Utilising local knowledge of employment trends by sector and inward investment successes is important in allowing locations across the Sub Area further develop their own roles in particular growth sectors and therefore supporting sustainable jobs growth in the long term.

It is recommended that consideration be given to undertaking a strategic review of employment land provision in the York Sub Area. This would enable a greater handle on the current quantum and typology of provision and the location and type of further employment space provision.

5 Housing

5.1 Overview

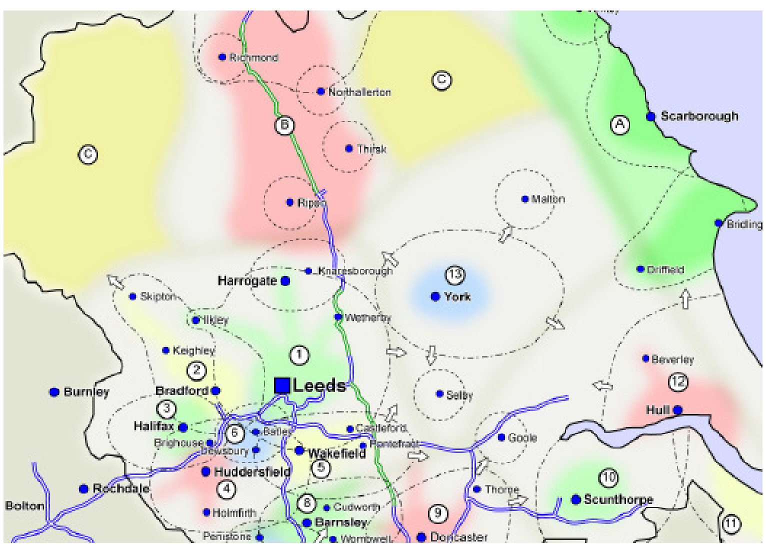
This chapter provides a discussion of the issues that characterise the Sub Area's residential offer. This includes an analysis of the past and emerging trends, before going on to set out the future drivers of change in the area. Finally it sets out the issues that will require to be considered in the future.

5.2 Past and Emerging Trends

The housing market for York stretches beyond the City of York local authority area. This market is driven by York and its economic growth, with people commuting into this area to access employment. Understanding the issues facing the housing market necessitates an approach that looks beyond this boundary.

The figure below shows how the York housing market extends beyond its local authority boundary, and how the Leeds and Harrogate markets are clearly also creating other significant pressures. Additional research[18] has shown that in fact there are strong links between these markets to form the 'Golden Triangle' partnership of City of York, Harrogate and Leeds. Consequently, this means that much of the Sub Area faces pressures from three directions, which has led to such high levels of demand. This quality of the residential offer attracts new residents from across the country[19] and is fundamental to the area's economic success, as it provides a quality of life that will encourage new businesses/investment into the area, in addition to a higher skilled population.

Figure 5.1: Strategic Housing Market Areas in Yorkshire and Humber



Source: Yorkshire and Humber Assembly, DTZ, Mapping Housing Markets, 2006

[18] Strategic Housing Market Assessments for Yorkshire & the Humber Final Report, York Housing Market Area, Ecotec, June 2008

[19] Nevin Leather Associates (2010) The evidence base for housing in Yorkshire and the Humber, Local Government Yorkshire and Humber (LGYH)

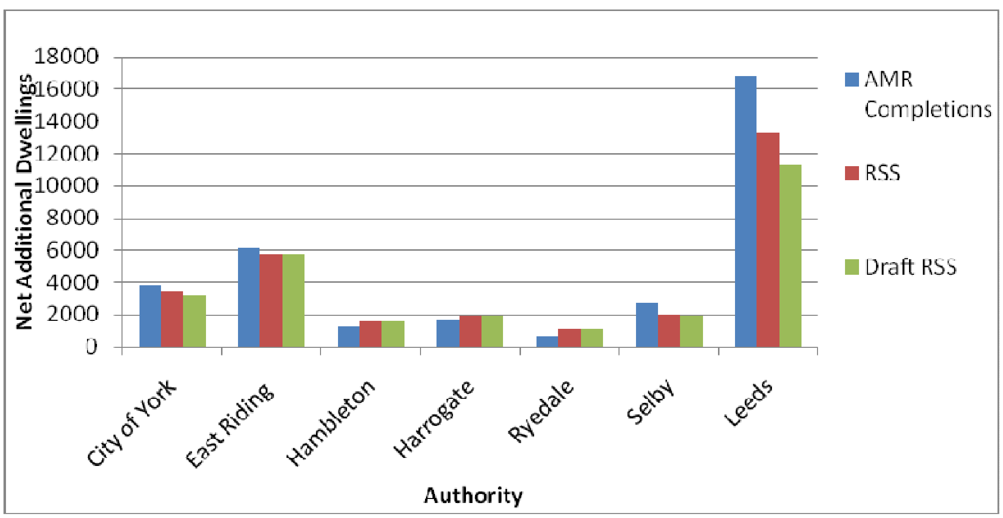
A key asset of the York Sub Area is its high quality residential offer and quality of place, making it a desirable area to live. This has helped to contribute to its economic success by providing homes that support the high value jobs contained within the area. The perceived high quality of life on offer is reflected in the affordability problems experienced (as discussed below), with demand levels to live here amongst the highest in the region.

Over the last five years the number of completions across the local authorities in the York Sub Area has been mixed, until the recession when completions have fallen in almost all authorities, with the exception of Leeds. City of York, East Riding, Leeds, and Selby local authority areas exceeded the target set out in the RSS for the cumulative period between 2004/05 and 2008/09. However, it should be remembered that between 2004 and 2008 Leeds, the City of York, and Selby all had lower annual housing figures than between 2008 and 2026. In Selby the delivery rate between 2004 and 2008 also exceeded the (higher) 2008 figure.

In contrast, Hambleton, Harrogate, and Ryedale did not meet the figure set out in the Regional Spatial Strategy. In absolute terms these authorities were also delivering much lower levels of growth reflecting their more rural nature, whilst the majority of housing growth occurred in the urban centres.

In those authorities with higher levels of completions this was in part achieved through an increased development of high density apartments. Housing schemes were being built to higher densities, enabling more development on smaller amounts of land.

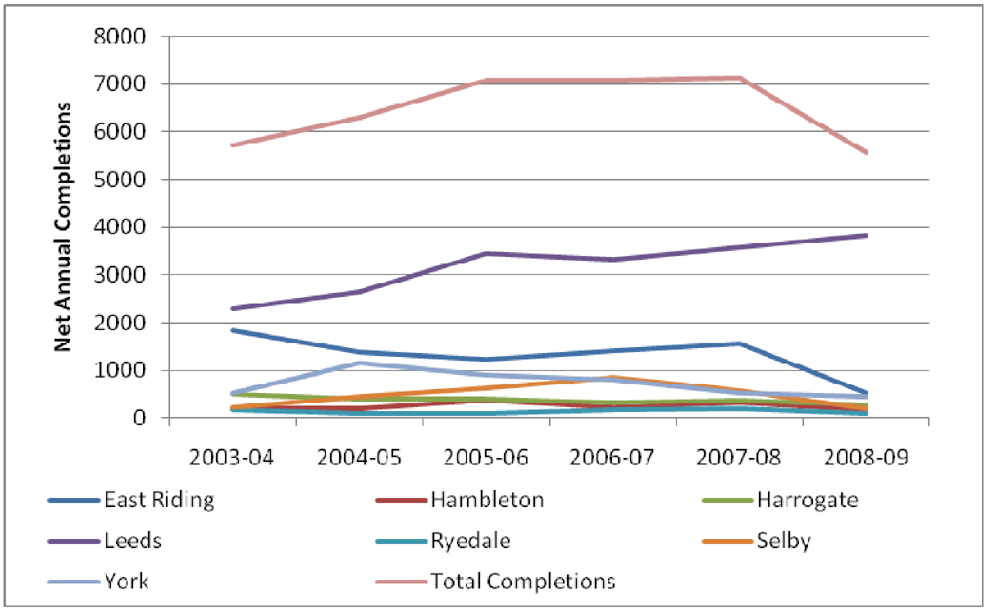
Figure 5.2: Comparison of housing completions, revoked RSS, and draft RSS targets for entire local authorities, 2004/05 – 2008/09



Source: LGYH (2010) Annual Monitoring Report 2009 Regional Spatial Strategy for Yorkshire and the Humber, GOYH (2008) The Yorkshire and Humber Plan, and the Draft RSS for Yorkshire and the Humber

Figure 5.3 shows that the number of completions in all authorities has decreased, with the exception of Leeds, as a result of the recession. However the completion rates in Leeds have been delivered through a reliance on the delivery of city centre buy-to-let apartments.

Figure 5.3: Comparison of Completions 2003/04 to 2008/09 in the entire local authority areas

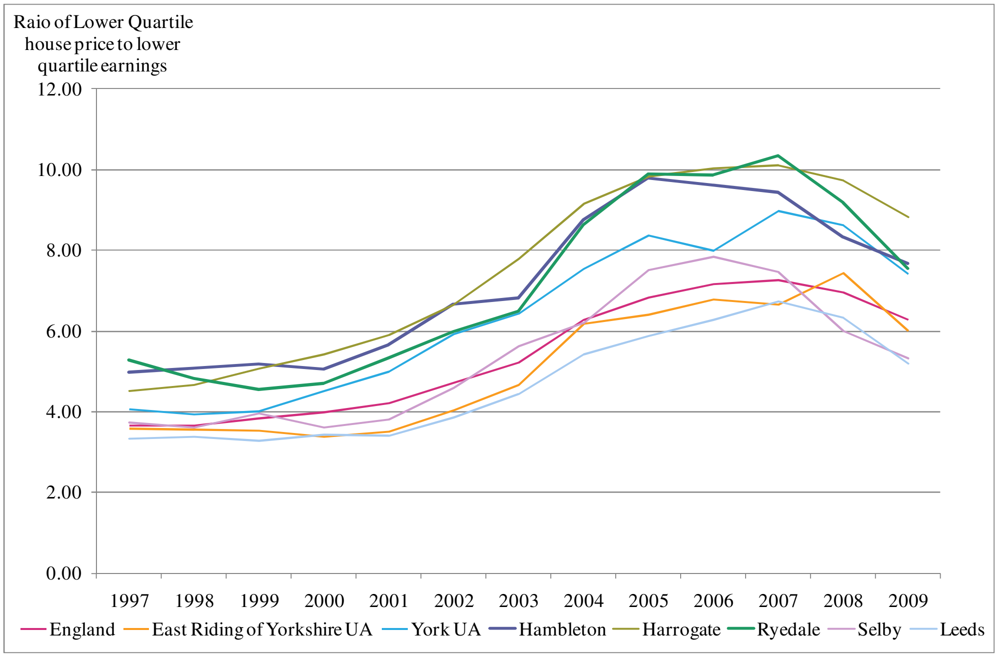


Source: LGYH (2010) Annual Monitoring Report 2009 Regional Spatial Strategy for Yorkshire and the Humber, Table 2.3

Housing affordability across all authorities in the Sub Area has worsened in the last decade, making it more difficult for those on low incomes to access the housing market. Although the recession has caused the affordability problem to decrease slightly, levels still remain the highest in the Yorkshire and Humber Region and in Ryedale, Harrogate, Hambleton, and York are higher than the English average. As stated above, the affordability problems experienced are in part testament to the high quality residential offer and to the relatively limited supply of properties.

In those areas where the worst pressures are being experienced there is a clear overlap with the influence of the Leeds and Harrogate housing markets. This can be seen to be contributing the affordability problems being experienced with very high demand being created in these areas, as they are meeting the needs of more than one labour market.

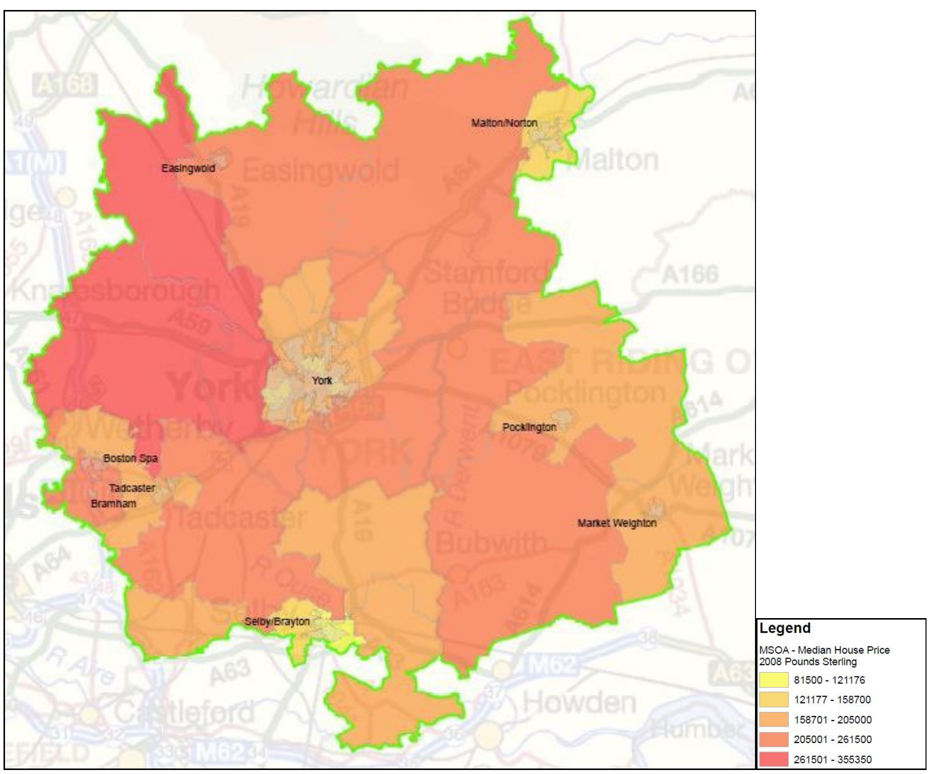
Figure 5.4: Housing affordability, 1997 - 2009



Source: CLG Live Tables

Note: this is for entire local authority areas, not just the parts within the defined Sub Area

Figure 5.5: Median House Prices in the York Sub Area, 2008



5.3 Issues and Drivers

In the context of the initial revocation of the RSS, and (following its recent reinstatement) and future abolition through the Localism Bill, we have considered housing need in the Sub Area on the basis of CLG household projections.

The most recent projections are 2008-based. But these were based on particularly (buoyant) economic conditions and rapid population growth (particularly as a result of migration over the previous five years). These underlying trends have changed significantly since 2008 as a result of the recession. Migration patterns are a critical factor in projecting household growth. It is very difficult to predict future migration trends. Structural trends of migration to attractive medium sized cities such as York, and rural locations with good accessibility are likely to continue.

It is for local authorities to decide the appropriate level of household growth, taking account of household projections. Whilst 2008-based figures are the most up-to-date they reflect the five years of boom before them. Therefore an argument could be made that 2003-based figures provide a more realistic view of current structural trends in the York Sub Area. It should be noted that we have not considered the issue of the most appropriate household projections for Leeds, where there are somewhat different housing market and migration issues.

The 2003 projected household growth data produced by the ODPM gave the Yorkshire and Humber Region an average annual change of 17,700 net additional dwellings between 2003 and 2026. We have carried out some analysis to provide district wide figures based on the 2003 projections. We estimate that, based on the 2003-based projections, there will be a need for 1,441 average net additional dwellings per annum in the York Sub Area. The 2008 based projections show that there will be a need for 2,189 dwellings per annum. A breakdown of this local authority in our definition of the Sub Area is shown in the table below.

It should be noted that in addition to national "top-down" forecasts of household change, it is also appropriate to consider local factors such as local patterns of housing need, the characteristics of the existing housing offer, and trends in urban-rural migration. In planning for housing there are also capacity considerations such as environmental constraints and infrastructure.

Table 5.1: Projected Housing Growth in the York Sub Area **Local Authority**	**Proportion of jobs within Local Authority area in defined York Sub Area, 2008**	**Proportion of households within Local Authority area in defined York Sub Area, 2001**	**2003 Projected Household Growth (2006 to 2026)[20] within defined York Sub Area**	**2003 Projections Forecast Annual Average Household Growth within defined York Sub Area**	**2008 based Projected Household Growth (2006 to 2026) within defined York Sub Area**	**2008 Projections Forecast Annual Average Household Growth within defined York Sub Area**	**Adopted or Emerging Core Strategy annual average housing allocation**
East Riding	9.5%	10%	3,715	186	4,200	210	173[21]
Hambleton	13.1%	16.4%	1,166	58	984	49	41[22]
Harrogate	4.2%	4.7%	701	35	752	38	19[23]
Leeds	3.1%	2.7%	1,421	71	2,997	150	71[24]
Ryedale	41.7%	41.4%	1,633	82	2,070	104	100[25]
Selby	57.9%	61.6%	4,382	219	6,776	339	382[26]
York	100%	100%	15,800	790	26,00	1,300	570[27]
Total			**28,818**	**1,441**	**43,779**	**2,189**	**1,346**

[20] The 2003 household projections were only produced at a regional level. Therefore a calculation based on the 2004 household projections has been carried out. The 2003 household projections predicted a 17,700 annual increase in households in Yorkshire and the Humber up to 2026. The 2004 household projections predicted an annual increase of 22,000 households in the region up to 2026. The district level 2003 household projections have been calculated by using 79% of the 2004 district household projections.

[21] Based on 4% of district growth in Market Weighton, 6% in Pocklington, and 4.5% in the Rural Service Centres, Supporting Villages and Countryside, as set out in the East of Riding Council Core Strategy Preferred Option, May 2010, which aims to deliver 1,190 net additional dwellings per annum between 2009 and 2026 in the district.

[22] Based on the figure of 735 homes in the Easingwold Area between 2008 and 2026 (this takes into account the 138 homes delivered between 2004 and 2008 in the area, out of the 873 set out for between 2004 and 2026) as set out in the Adopted Allocations Development Plan Document, December 2010

[23] Harrogate Borough Council Adopted Core Strategy sets out a target to deliver 1260 dwellings in villages and countryside between 2008 and 2023. This equates to 84 dwellings per annum over this period. This growth is focused in identified category C villages. Eight out of the 35 category C villages' fall within the study area. We have therefore divided the total housing target by 25 to give a potential village total and then multiplied by eight to give a total for the sub area.

[24] Due to uncertainty surrounding the figure for Leeds we have assumed that the area within Leeds will meet its own needs

[25] Based on the 1500 homes to be built over a fifteen year period in Malton and Norton, as set out in The Ryedale Plan, Draft Core Strategy Summer 2010 Consultation

[26] The emerging Selby District Council Core Strategy sets out housing figures for the district between 2009 and 2026. Housing figures for Selby, Sherburn in Elmet and Tadcaster have been taken straight from this document. The total housing figure for Selby includes three of the designated service villages. Of the remaining 12 designated service villages, 7 are in the study area. The total for the designated service centres has therefore been divided by 12 and then multiplied by 7 to give a total for the sub area.

[27] Members have agreed at the LDF Working Group a figure of approximately 570 net additional dwellings per annum

The analysis presented in Table 5.1 shows the variations in the projected household growth across the Sub Area. It also compares this with the figure for planned housing growth as set out in the various adopted and emerging Core Strategies. However, it should be noted here that since these documents were developed in accordance with the RSS. The commitment to abolish this document means that the onus in now on local authorities to select a housing target that is soundly-based.

The analysis presented in the table on the previous page could be interpreted to suggest that the levels of housing growth that are being planned would just fall short of meeting meet need in the Sub Area. However we think there is a risk of a much greater shortfall in meeting housing need for a number of reasons.

First, in working on the basis of an annual housing figure of 570, the City of York would fail by a significant margin to meet York's own housing need. York is the main driver of economic growth and housing market pressure. Failing to meet the city's own needs would place further pressure on housing markets within the city and the surrounding areas.

Secondly, in the current market and public spending context the delivery of constrained brownfield sites is likely to be challenging. However, it is important to recognise that these are long term strategies and it is important to consider how the market may recover and how new funding mechanism such as the New Homes Bonus and the Community Infrastructure Levy may help to secure delivery.

Thirdly, Hambleton's planned housing growth in its adopted Core Strategy, which was produced in accordance with the RSS, falls short of its own housing need when using 2003 based projections (although not when using 2008 based projections). The modest levels of housing growth that are being planned for Hambleton are earmarked mainly for Northallerton and Thirsk, outside the York sub-area. Limited growth is planned for Easingwold to support local housing need, on the basis that has been identified as a Local Service Centre.

Finally, the wider influences of the Leeds and Harrogate housing markets need to be factored in. Analysis presented in the table below shows that even when using the lowest estimates of projected household growth, Harrogate (by a large margin) is not meeting its own need. Furthermore following the announcement to revoke the RSS, the Leeds City Council Executive Board resolved to adopt a figure, in the interim, of only 2,260 net additional dwellings per annum. A The cumulative impact of Leeds, Harrogate and York, three of the largest sources of economic growth in Yorkshire, not providing enough housing to meet their own needs raises a significant issue. Not meeting this need could pose severe repercussions for the area's economy and could encourage social polarisation with the less affluent priced out of the market.

Table 5.2: Projected Household Growth, York Sub Area

Local Authority	2003 Projected Household Growth (2006 to 2026)[28]	2003 Projections Forecast Annual Average Household Growth	2004 Projected Household Growth (2006 to 2026)	2004 Projections Forecast Annual Average Household Growth	2006 Projected Household Growth (2006 to 2026)	2006 Projections Forecast Annual Average Household Growth	2008 based Projected Household Growth (2006 to 2026)	2008 based Projections Forecast Annual Average Household Growth	Revoked RSS Annual Allocation, 2008-2026	Adopted or Emerging Core Strategy annual average housing allocation
City of York	15,800	790	20,000	1,000	28,000	1,400	26,000	1,300	850	575[29]
East Riding of Yorkshire	37,130	1,857	47,000	2,350	51,000	2,550	42,000	2,100	1,150	1,190[30]
Hambleton	7,110	356	9,000	450	9,000	450	6,000	300	280	285[31]
Harrogate	15,010	751	19,000	950	23,000	1,150	16,000	800	390	390[32]
Leeds	52,140	2,607	66,000	3,300	113,000	5,650	111,000	5,550	4,300	2,260[33]
Ryedale	3950	198	5,000	250	7,000	350	5,000	250	200	200[34]
Selby	7,110	356	9,000	450	10,000	500	11,000	550	440	440[35]

[28] The 2003 household projections were only produced at a regional level. Therefore a calculation based on the 2004 household projections has been carried out. The 2003 household projections predicted a 17,700 annual increase in households in Yorkshire and the Humber up to 2026. The 2004 household projections predicted an annual increase of 22,000 households in the region up to 2026. The district level 2003 household projections have been calculated by using 79% of the 2004 district household projections.
[29] Set out in the emerging Submission Draft Core Strategy - 575 additional dwellings per annum
[30] East of Riding Council Core Strategy Preferred Option, May 2010 aims to deliver 1,190 net additional dwellings per annum between 2009 and 2026.
[31] Hambleton Core Strategy, Adopted April 2007. Core Strategy sets out 285 annual average net additional dwellings between 2008 and 2021, based on 320 units per annum from 2004 till 2011, 290 units per annum between 2011 and 2016 and 260 units per annum between 2016 and 2021.
[32] Harrogate Core Strategy, Adopted February 2009. The document sets out an average annual of 390 net additional dwellings between 2008 and 2021.
[33] Leeds City Council (2010) Minutes Executive Board, 21st July, 2010
[34] The Ryedale Plan, Draft Core Strategy Summer 2010 Consultation. The document sets a target to deliver 200 net additional dwellings per annum up to 2026.
[35] The Selby Consultation Draft Core Strategy February 2010. The document sets a target to deliver 440 dwellings per annum up to 2026.

5.4 Main Policy Considerations

In understanding future housing provision in the district, it is important to consider a number of issues in addition to the household projections shown above that are one of the key drivers of this theme.

First, there is a significant dependence on the delivery of large scale brownfield sites and windfall development in adopted and emerging Core Strategy policy. Some of these sites have been identified as being heavily constrained. Therefore, the ability to enable the delivery of this planned level of development appears to be reduced.

Second, the comparison of aggregated housing projections and adopted or emerging policy could be interpreted to suggest that the Sub Area is almost meeting this need. However these figures need to be viewed in a wider context to be understood as they pose a number of implications. In providing 575 net additional dwellings per annum York will not be meetings its housing need. Furthermore, this issue is compounded as other important economic drivers such as Leeds and Harrogate are not meeting their own needs. At the moment the Sub Area only appears to meet need as Selby is generating an over-supply of housing. However, this reflects the policy approach set out in Selby's emerging Core Strategy to focus growth in the main existing population centres and thus this over-supply is to meet the rest of Selby's need, not that of York. The district also faces pressure in the south of the district as an attractive location for commuters from the Five Towns in Wakefield and from Leeds to the West.

Third, in order to enable the future growth of the Sub Area, in addition to Leeds, Harrogate and Hull, it will be vital to provide an appropriate residential offer of the right, quantity, type and quality to retain and attract a skilled and creative workforce.

Fourth, there is a less constrained supply of housing land in the southern part of the Sub Area than in the north, with the area subject to less environmental designations constraining development. However, the greatest demand for housing is in the City of York local authority area and the northern parts of the Sub Area. Housing affordability is an acute issue across the sub Area, but in particular in the north and west.

In order to ensure that the housing offer continues to support the future economic prosperity of the Sub Area it will be important to ensure that it is developed in an appropriate and coordinated way. This may benefit from a co-ordinated approach to ensure that the right types of homes are created, in the right locations, enabling all to access them.

6 Other Policy Issues

6.1 Retail

6.1.1 Past and Emerging Trends

York is part of a wider polycentric town centre with overlapping catchment areas. Evidence from the 2008 Retail study[36] suggests that Darlington, Doncaster, Goole, Harrogate, Hull, Leeds, Middlesbrough, Northallerton, Ripon and Selby are the main centres competing with York. However, located about 18 miles from York, it is clear that Leeds is York's greatest competitor in terms of scale and quality of retail offer, rental income, rank position and major development opportunities coming forward.

The 2008 retail study analysis used a study area as shown below. Based on surveys, it found that York City Centre draws £402m of comparison goods[37] expenditure (20.6%) from within the survey area (Zones 1-20). After York, Harrogate attracts the largest proportion of available expenditure, £132.3m (6.8%), in large part due to its location within the survey area and ability for the survey results to pick up a greater proportion of the centre's catchment area. Harrogate's trade draw is more than twice as much as the next most popular shopping destination: Northallerton with £64.8m, representing a 3.3% market share. Despite the dominant role of Leeds as a shopping destination in the region, the centre only attracts £61.5m (3.2%) given its location beyond the survey area boundary. The study suggests that York is experiencing difficulty in maintaining an influence in the catchment area overlapping with Leeds.

Table 6.1: Retail study area and comparison goods trade draw, key competing centres

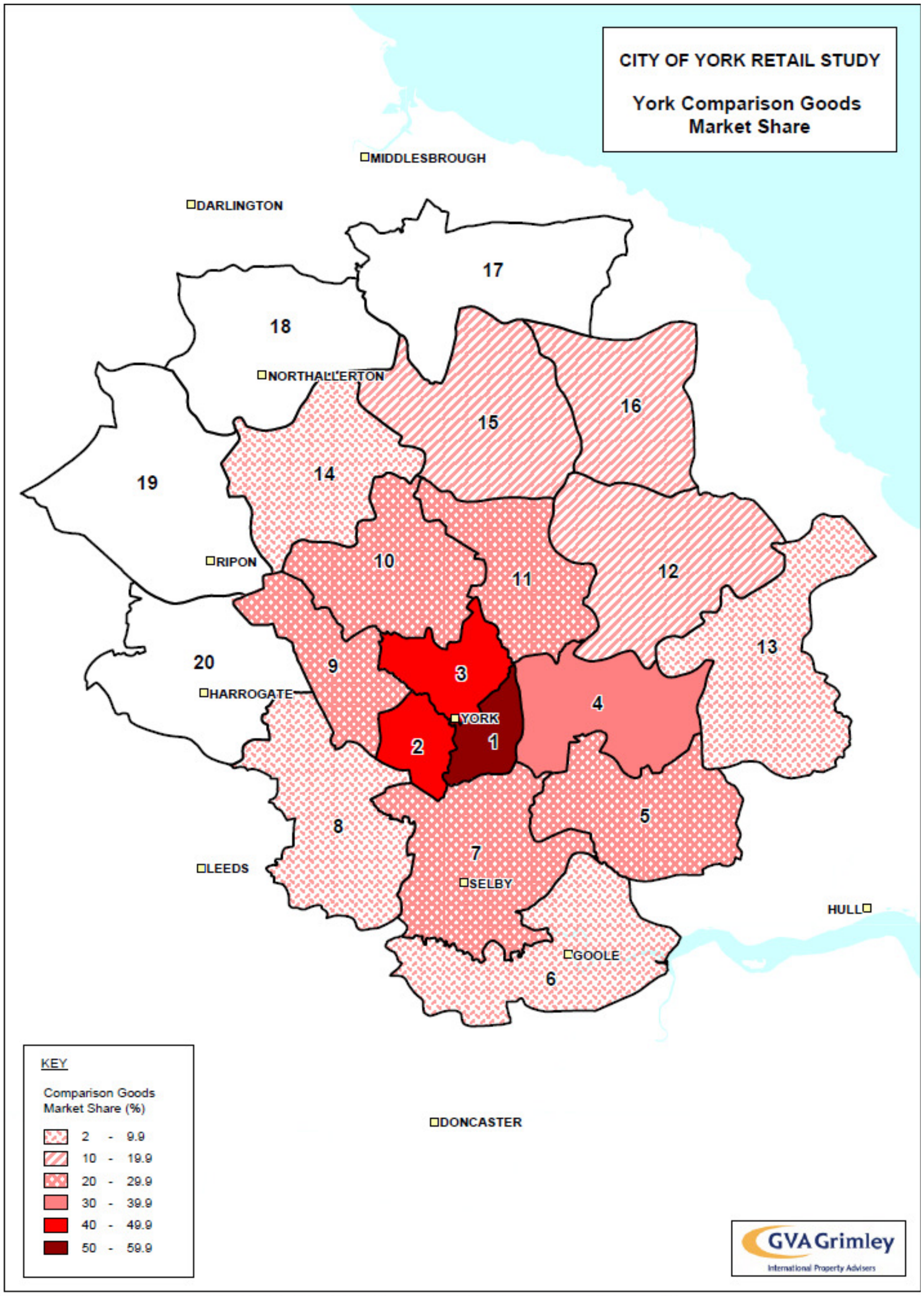
Centre	£(000s)	Market Share of Expenditure in Catchment
York	402,435	20.5%
Harrogate	132,331	6.8%
Northallerton	64,805	3.3%
Leeds	61,525	3.2%
Selby	46,591	2.4%
Goole	39,777	2.1%
Hull	34,284	1.8%
Ripon	30,206	1.6%
Middlesbrough	21,525	1.1%

Source: York Retail Study (2008)

[36] City of York Retail Study (2008) GVA Grimley

[37] Comparison retailing is the provision of items not obtained on a frequent basis. These include clothing, footwear, household and recreational goods.

Figure 6.2. York Comparison Goods Market Share



Map reproduced from GBPro 200 GB (2005 edition). © Colins Bartholomew Ltd (2005). [Date Produced 17.08.2007]

The strength of York as a retail centre is its unique cultural and heritage offer which supports its attractiveness and differentiated retail and leisure offer. However, trends over the past decade have been for bigger centres to become stronger, and smaller centres to decline unless they are able to develop a niche offer. The scale of the offer of York City Centre is at the lower end of similar centres including other historic centres such as Exeter and Norwich (which have seen major development on edge of centre brownfield sites) and the centre lacks some of the anchor offers (such as a John Lewis or other modern department stores) which are often considered prerequisites for a higher order centre. However, this deficiency is to some extent offset by an increasingly upmarket offer and strong representation of distinctive independent and boutique stores. The conclusion of the York retail study was that York is performing well in the comparison sector considering the constrained nature of retailing and lack of development schemes coming forward in recent years.

The decision in the 1990s to build the Monk's Cross Retail Park has also reduced possible floorspace growth in the City Centre and provided a mass market and standard offer. Monk's Cross a has strong national retailer representation including Marks and Spencer , TK Maxx and Debenhams. The combination of this offer, with extensive food retail provision and high levels of car accessibility is likely to have had a detrimental effect on the performance of other smaller centres and market towns, such as Malton.

6.1.2 Issues and drivers

The 2008 retail study provided capacity forecasts that have been updated recently by GVA Grimley to reflect the current economic climate and the expectation of lower growth rates. The revised growth rates are 0.3% per annum 2008-2011, 2.5% p.a. 2011-2016 and 4.6% p.a. from 2016 onwards.

Conclusions from the York Retail Study indicate the need to meet the growing demand from retailers requiring larger modern retail units including the need to upgrade and enhance York's department store offer. It is critical that such development is undertaken alongside protecting the historic built environment and the protection and enhancement of York's specialist independent retail sector.

At present, York City Centre retains around 28% of total available comparison goods expenditure with the catchment area. The remaining trade is being directed towards the competing out of centre shopping destinations within the City of York and to centres beyond the York sub region as defined in this study. Major development proposals in Leeds, Hull, Darlington and Harrogate are likely to further enhance their market shares and the proportion of spend they capture.

6.1.3 Main policy considerations

There is a widely stated risk that a 'do nothing' approach to York's retail strategy could jeopardise the city centre's position in the retail hierarchy, especially in light of the large scale retail developments that are coming through the pipeline in competing centres. However, at the same time, our judgement is that the emphasis should be on vitality and viability alongside growth. It is thus important that future growth in the city maintains both the distinct historic identity and overall quality and attractiveness rather than seeking a standard "clone town" offer". In this respect it is also equally important to maintain and grow the specialist and independent offer. York also offers advantages over its larger rivals in terms of potential tourism spend, perceptions of safety, attractiveness to families, a broader visitor and cultural offer and it is important that these aspects are recognised through policy.

6.2 Tourism

6.2.1 Past and emerging trends

Tourism is an important part of the York Sub Area, in York alone the visitor economy employs almost 23,000 full time equivalent positions. This equates to one in five jobs. Furthermore, it receives 7.1 million visitors a years, who generate an expenditure of £442.6 million[38].

Across York and North Yorkshire collectively the estimated tourism expenditure totals £1.9 billion; equating to 3.9% of the national figure. Furthermore, 7,800 jobs in hotels, catering and retailing are forecast to be created in York and North Yorkshire by 2020; representing 43% of all employment growth in the Sub Area up to 2020. The success of the City of York reflects that it acts as the gateway to the wider North Yorkshire area, with other places acting as attractions in their own right. The breadth of this tourist offer is shown in the table below, which sets out the tourist attractions that are within the top 20 most popular free and most popular paid exhibitions in Yorkshire that fall within the York Sub Area. This represents a significant proportion of all the most popular tourist attractions in the Yorkshire and Humber Region. In looking at this range of attractions it is clear that the Sub Area is an important driver of the visitor economy and that there are a range of attractions to visit, with a particular specialism in heritage. Attractions such as York Racecourse help to diversify the area's offer.

Table 6.2: The Attractions in the York Sub Area that are in top 20 free and top 20 paid attractions in Yorkshire and the Humber, 2008

Attraction	District	Number of visitors	Free / paid
National Railway Museum	York	805,582	Free
York Minster	York	453,547	Paid
Jorvik	York	365,268	Paid
Castle Howard	Ryedale	207,377	Paid
Cliffords Tower	York	114,243	Paid
Yorkboat	York	110,508	Paid
Beningbrough Hall and Gardens	Hambleton	107,672	Paid
Yorkshire Air Museum	York	80,000	Paid
Burnby Hall Gardens	East Riding	56,750	Paid

Source: Visit England, Top 20 Yorkshire & Humberside Attractions – Paid and Top 20 Yorkshire & Humberside Attractions – Free

Note: This is based on those attractions taking part and who agreed for the figure to be published.

The urban area of York is also an increasingly popular destination for business tourism and conferences. However, in line with the national trend business tourism has decreased since the recession. The city's strategic connectivity and

[38] Visit York, Facts and figures on tourism in York 2008 update, Issued May 2010, http://www.visityork.org/membership/about/research.aspx

wider offer may mean that targeting the growth of business tourism is a priority sector for future growth.

An analysis of the Regional Visitor Survey illustrates some broad trends in the local authorities that comprise the Sub Area. This Survey shows the different markets being catered for and the types of visitors that they attract.

York and Selby attract a high proportion of both day visitors and those staying overnight, reflecting the number of activities on offer here. It is less popular with families than other parts of the Sub Area and attracts a higher proportion of older people than the regional average. It also attracts a higher proportion of people visiting with friends, potentially reflecting the ability to access the amenities on offer in York city centre. It has lower levels of first time visitors and higher levels of people returning after more than 10 years. This reflects the City of York's reputation as an attractive place of history where there is a strong tourist offer.

The Dales and Harrogate rely more on day visits, however the area has the second largest proportion of overnight visitors in the Sub Area. The majority of those visiting the area have been there within the last 12 months. Like York and Selby the area has a lower proportion of families visiting the area but a higher proportion of couples. Furthermore, there are more older people visiting the area. This reflects that attractions like the National Park are more popular with these groups.

The Moors and Coast are more popular with families visiting and staying overnight in the area for the day, with 44% of visitors having previously visited the area in the last year. Furthermore the majority of visitors came to the area for the day. This reflects that it is popular with families, who stay overnight, proportionately, relatively frequently and potentially are coming to the area to visit the coastal resorts.

Hull and East Yorkshire are more popular with couples and has the highest proportion of day visits of all places in the study area. It has the lowest proportion of first time visitors and the highest proportion of return visits within one year in the York Sub Area. This reflects that this area's tourist offer is based on a range of day activities, which people return to relatively frequently.

6.2.2 Policy issues

An important challenge moving forward for the City of York will be to maintain its role as a gateway tourist destination. Currently, day visitors dominate the tourist market and increasing the number of overnight stays could help to further enhance the economic contribution of this sector. The recent opening of the first five star hotel in the city may help to broaden the appeal of the area to a wider range of visitors. Further improvements to the range of hotels in the city, particularly higher quality hotels, may help to achieve this aim.

In contrast outside of the urban area of York where there is a higher incidence of overnight stays there is a lower average spend per visitor, there is a need to develop the offer to increase this spend, to capture greater benefits from the visitors to the area. This may in part be achieved through ensuring that the area is marketed coherently and holistically to bring together the area's assets, around the central heritage offer that they provide. This is of particular importance for the area as the nature of many of the assets means that they are not whole day activities and therefore there is the potential to connect up the attractions to visitors to the area.

Mechanisms to increase the amount of business tourism in the area may help to reduce the seasonality of the sector, by attracting more people to the area in the winter months that traditionally see a fall in visitor numbers, leading to an increase in unemployment (particularly in November and December).

6.3 Transport

6.3.1 Introduction – the characteristics of the York Sub-Area's transport network

Transport is an important factor in the future economic competitiveness of the York sub area. The transport network is vital to enable people to commute to work, businesses to provide goods and services to their customers, and to provide access for businesses and visitors to and from main cities in the UK and globally. Transport costs, congestion and journey time variability can affect the attractiveness of places to invest to do business in, and cause environmental and amenity issues.

The York Sub Area is covered by four Local Transport Plans (LTPs): the City of York; East Riding; West Yorkshire and the North Yorkshire LTPs. The Leeds City Region Transport Strategy also provides a strategic framework for parts of the Sub Area: the districts of Harrogate, Leeds, Selby, and York.

York is clearly the hub of the transport network of the sub-area. The urban area of York has limited highway capacity due to physical constraints. There are capacity constraints on the Outer Ring Road on the single-carriage way northern and western section (A1237). Several of the Outer Ring Road junctions (which are not generally signalised or grade-separated) on the northern and western sections are particular bottlenecks.

Outside York, there are constraints and problems on several of the main arterial roads. The A64 to Malton and Scarborough is only partially dualled between York and Malton, and is single carriageway between Malton and Scarborough. There are capacity constraints on the A64 junctions around Malton. To the east of York, the A1079 (which connects York to Pocklington, Market Weighton, Beverley and Hull) has problems of journey time unreliability and safety. The A59 suffers from congestion, particularly as it approaches the York Outer Ring Road.

York is well-located on the strategic national rail network. It is a key node on the East Coast Main Line, TransPennine and Cross Country networks. It benefits from regular direct services to London, the North East and Scotland, Leeds, Manchester, South Yorkshire and the East and West Midlands. However rail connections within the York Sub Area are less good. Locations such as Thirsk, Malton, Selby and Harrogate have at best only an hourly service to and from York. There are no stations on the outskirts or in the immediate vicinity of York on the East Coast Main Line or the York – Scarborough line (for instance, there are no stations at Haxby or Strensall despite the Scarborough line going through these settlements). Services between York and Harrogate, and York and Selby are slow (and in the case of Selby, circuitous via Sherburn-in-Elmet), and of poor quality. The rail route between York and Leeds is used by local as well as long distance services, and has intermediate stations within the York Sub Area at Ulleskelf (which only has 5 services a day) and Church Fenton. There is crowding on York to Leeds services in the morning peak, and Leeds to York services in the evening peak. In the long term, due to there being no funding source currently available, there is potential to re-open the York to Beverley line.

There is a reasonable density, frequency and quality of bus services within York, particularly on the five corridors that connect the Park and Ride sites on the Outer Ring Road with the city centre, and also on the University-City Centre-Acomb "ftr" services. However the speed and reliability of services are impaired by more general traffic congestion within the city centre.

The inter-urban bus services are of variable quality. The Leeds to York services are fairly good, partly as a result of competition between the First Group services and Transdev's "Coastliner" services. The "Coastliner" route between York and Scarborough (via Malton) also has a reasonable service. Services to York for Harrogate and Wetherby are generally poor, and along with the services to York from Selby, and Stamford Bridge are not attractive for longer-distance trips because they stop at many local intermediate points. There is a reasonable long distance limited stop Hull-Beverly-Market Weighton-Pocklington York service.

Because York is generally flat, and distances between points in the city are generally short, it is well-placed to benefit from increases in cycling. York was designated a Cycling City for the period 2008-2011. Extensive cycle parking and some cycle hire facilities have been introduced at York railway station. In addition to the cycle routes in the city, access to the countryside to north of York (including to Beningbrough Hall) and to the south to Selby (via the Solar System trail) is provide by National Cycle Network Route 65. National Cycle Network route 66 (which forms the Bridlington to Morecombe) route provides access to the countryside to the East and West of the city.

The quality of pedestrian movement and public space in the historic core of York city centre is an important transport issue, given the importance of this area to York's visitor and retail offer.

6.3.2 Main Trends

The transport networks in the York Sub Area have been operating under increasing pressure as a result of changing travel patterns and land-use change over the past two decades. The main relevant trends include:

- substantial economic and population growth which have been a major factor in increasing travel demand (both in terms of people's propensity to travel, and length of journeys);
- a widening York travel-to-work area, with a trend of longer distance journeys to work;
- development of significant office, commercial, education and retail functions in out-of-centre areas, including Monks Cross, Clifton Moor, Naburn, Heslington, and Thorpe Arch, which have led to an increase in demand for travel by car;
- increases in long-distance car commuting from or through the sub-area to other locations, including Leeds and the M62 corridor, the Humber, the A1 corridor, and the Harrogate Knaresborough area;

- an increase in longer-distance commuting by rail via the East Coast Main Line, particularly from York to London;
- increasing congestion on the northern sections of the York Outer Ring Road, and on main arterial routes into York;
- bus patronage has been rising (although is now stable), in contrast to a trend of declining patronage elsewhere, although the situation varies between routes; and
- whilst the internet is enabling people to work from home or more remotely from others, the evidence points to the continued importance of face-to-face contact and proximity to colleagues, customers, and collaborators in advanced knowledge-intensive economic activity.

6.3.3 Main Policy Issues

The York Sub Area faces significant challenges in securing transport investment.

There is one local authority major scheme in the York Sub Area that is currently being considered by the Department for Transport: the "Access York Phase 1" scheme to improve capacity at park and ride sites and bus links from these sites to the city centre. This scheme was part of the previous Regional Funding Advice investment programme. However it is only in the DfT's "Development Pool" of projects, which has a far lower likelihood of funding than the "Supported Pool". The proposed new station at Haxby, which was recommended in the Regional Funding Advice would now need to be secured through alternative means (probably through the mainstream rail investment or, less likely, through the Local Sustainable Transport Fund). The proposed Highways Agency scheme to improve the section of the A1 south of Ferrybridge was cancelled as a result of the recent Government Spending Review.

The constrained national public funding available for transport poses significant challenges, particularly in the short-to-medium term. It will be important to find solutions to bring forward some of these stalled schemes. However it is also important that partners adopt a coherent cross-boundary approach to develop a long-term pipeline of potential future investment projects so that funding opportunities can be exploited in the future. These opportunities could be based on greater local flexibility to raise funding and borrow against income stream, including through Tax Increment Financing, the Community Infrastructure Levy, and charging measures. By using some parts of the transport network differently (for example, by converting the York to Harrogate rail line to tram-train operation) it may be possible to reduce costs and / or drive up passenger demand. The York Sub Area is also well-placed to bid to the Local Sustainable Travel Fund.

It is important that partners in the area work together, and with and through others (including the Leeds City Region LEP) to influence investment plans for national bodies, including the Highways Agency, Network Rail, and the rail franchise specifications.

The North Yorkshire and York Transport Strategy and the Leeds City Region Transport Strategy provide the cross-boundary policy framework for transport in the area. Both of these documents set out the main transport challenges and priority high level outcomes to be achieved from future interventions. In line with the principles of the national *Delivering a Sustainable Transport System* policy framework set out by the previous Government, these documents do not set out specific investment schemes.

There is a need for the main long-term transport investment priorities for the area to be identified more specifically than at present. This can provide an implementation framework for the two over-arching transport strategies, and the context for the three LTPs. This should consider how partners in the Sub Area can influence national bodies to secure investment in the Highways Agency road network and the rail network. The focus should be on the schemes that need to be delivered over the long term. There is a need to recognise existing funding constraints, but also to take a longer term perspective including the scope for new funding mechanisms.

It is important that the spatial strategy for development and change is integrated with the transport investment priorities for the Sub Area. In particular the investment priorities need to be focused on addressing transport problems of greatest economic significance, improving links with York City Centre from key out-of-centre parts of York and main settlements outside York, and unlocking major development sites. Also, an important factor for the Sub Areas' economic competitiveness is its external connectivity to other main UK cities and also internationally. The Sub Area needs to make the case for investment in strategic transport routes on the national network that access York, and in links to airports.

6.3.4 Strategically Significant Transport Projects for the Sub Area

The main potential transport investment priorities for the York issues for the York Sub Area are set out below:

- highways capacity and network performance improvements, particularly for the York Outer Ring Road (including potentially partial dualling of the Ring Road over the longer term), the A64 and the A1079;
- improved rail connectivity for local and commuter journeys, including more frequent service to York from main surrounding towns, new stations to provide access to the network from parts of York and from some other settlements (including converting the York – Harrogate line to tram-train), and electrification of the Leeds-York route;
- investments to strengthen the role of bus, including increased capacity at existing park and ride sites and providing new park and ride sites, and developing a high quality, limited stop, fast longer distance bus network on particular corridors, where the rail offer is limited, to connect York with main settlements in the Sub Area;
- transport projects to improve national connectivity, including improvements to the A1 south of Ferrybridge, the improvements to the East Coast Main Line in control periods 4-6 of Network Rail's business plan; improvements to the Transpennine rail network; and linking York to the national high speed rail network which is being planned currently;
- improved walking and cycling routes in and around York, improved public realm and pedestrian routes in York City Centre, and softer measures to encourage behavioural change;

- making the case for better links to airports, including a direct link to Leeds-Bradford via tram-train, journey-time improvement on transpennine rail services to Manchester Airport, better interchange and onward links from Doncaster station and the M18 to Robin Hood Airport Doncaster Sheffield, and over the longer term a potential heavy rail link to Newcastle Airport;
- transport measures that significantly reduce CO2 emissions; and
- improved public transport connectivity between York and the Sub area to the East.

6.4 Historic and Natural Environment

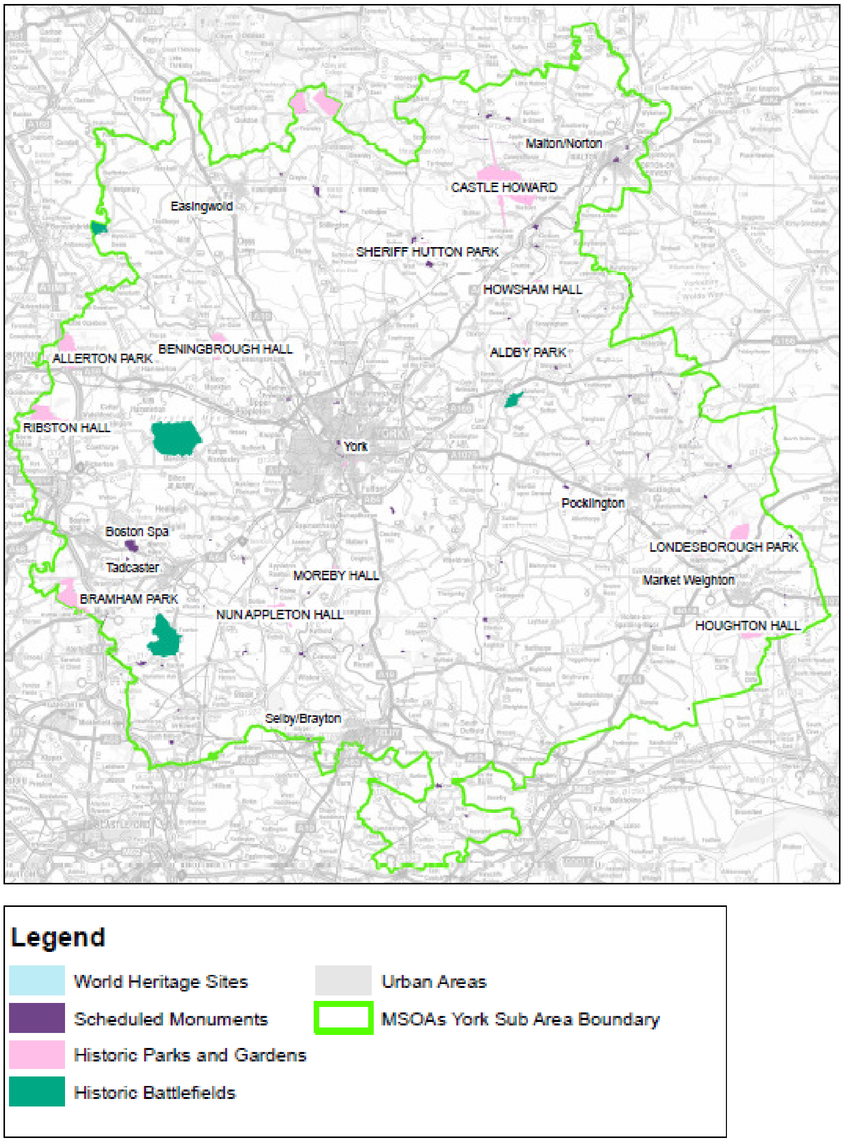
6.4.1 Historic environment

The York Sub Area's high environmental quality is one of its greatest assets. Its historic built environment and landscape is one of the largest factors that make the area distinctive and unique. The outstanding historical heritage in York includes the York Minster and its surrounding precinct; Clifford's Tower and the buildings around the 'Eye of York' and the City Walls. The City contains many outstanding examples of structures which exhibit developments in architecture, monumental arts and town planning over a long span of time including the medieval Merchant Adventurer's Hall, Georgian town houses such as Fairfax House and the Mansion House, as well as Victorian engineering displayed at York Railway Station and Skeldergate Bridge.

This contributes to the economic success of the area and be in part responsible for the high demand for housing. The analysis of the Sub Area's tourism assets in figure 6.2 illustrated that heritage is an important part of this tourist offer, with attraction such as Castle Howard attracting a large number of visitors to the Sub Area.

There are two main heritage issues from the perspective of this Sub Area study. Firstly, it will be important to ensure continued cooperation across the area to maintain, develop, enhance and promote the Sub Area's heritage assets and linkages between them. Secondly, it will be important to ensure that strategies, plans and proposals for growth and change are consistent with the policy objectives to maintain and enhance the quality of the historic environment. This is a particular issue for York city centre, and the landscape setting of the city.

Figure 6.2: The York Sub Area's Heritage Assets



6.4.2 Natural Environment and Landscape

Environmental designations in the sub area are shown in figure 6.3 and Green Infrastructure Corridors are shown on figure 6.4.

The main environmental designations relevant to this Sub Area study are the York Green Belt (see below) and the Howardian Hills Area of Outstanding Natural Beauty (AONB).

Figure 6.3: Environmental Designations

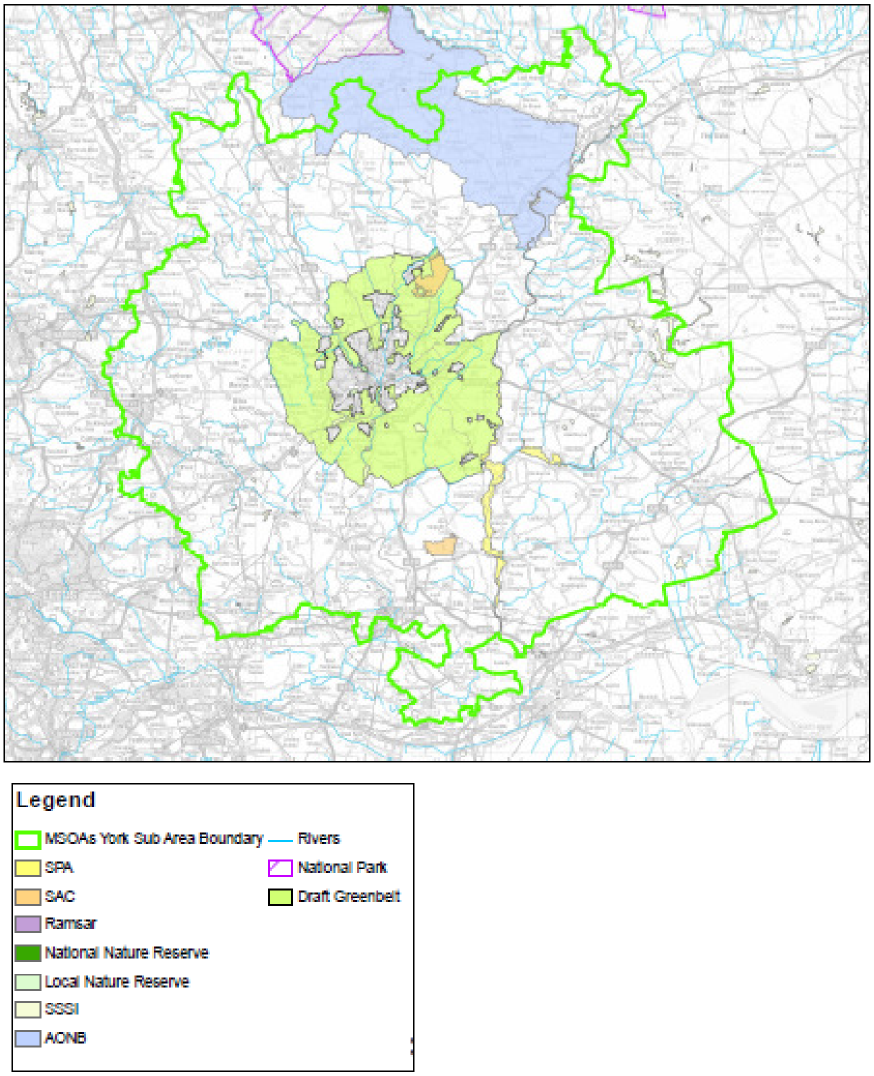
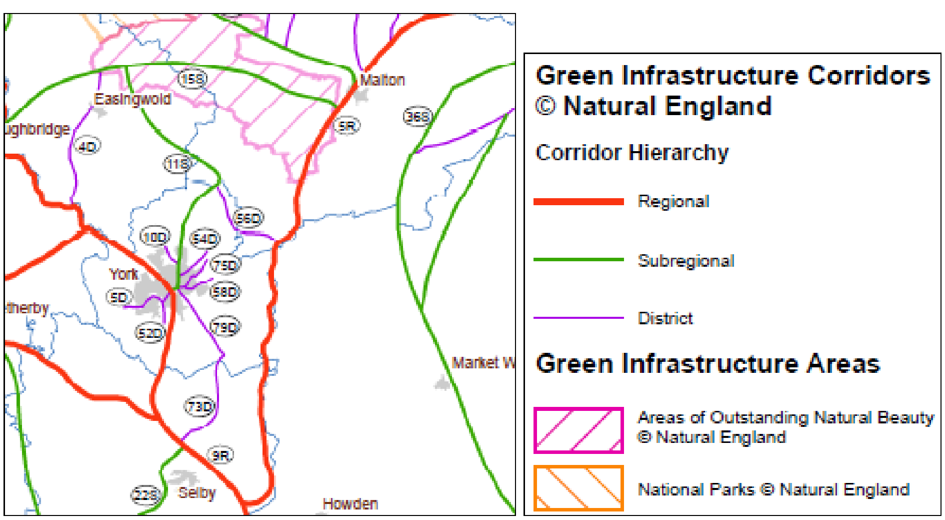


Figure 6.4: Green Infrastructure Corridors



Source: Natural England: Yorkshire and the Humber Diagrammatic Green Infrastructure Corridors

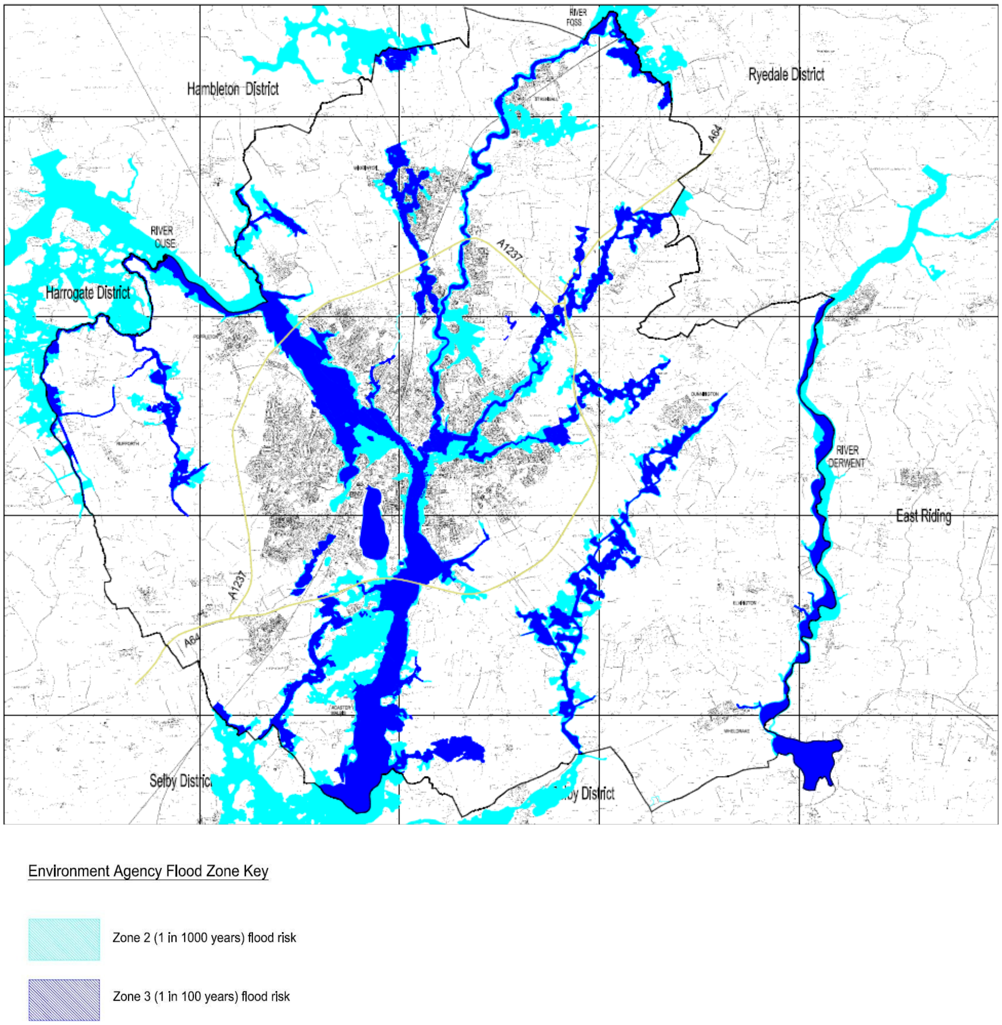
Whilst an asset, the historic character of the landscape and area does pose implications for the future growth of the city of York. The historic landscape and character of the area is an important factor in relation to the cities outward development, including the role of the Green Belt. One of the principal roles of the York Green Belt is to protect the landscape setting of York. York's heritage and landscape character stem in part from the city's setting within the landscape. Of critical importance are the roles of strategic green spaces and wedges (the Strays) which link the inner urban area with its rural fringe. Also important are the views of the city (particularly the Minster) from the surrounding countryside.

Studies by City of York Council have highlighted the parts of the Green Belt that would be least sensitive to plan led development and would enable the retention of the historic character, whilst meeting housing need.

6.4.3 Flood risk

The figure below shows the parts of the Sub Area that are subject to high levels of flood risk. This poses a significant issue governing the future of this area. Recent flood defence schemes and a policy approach which seeks to deliver development away from land characterised as being in the highest risk zones has enabled development to occur in York. Current housing land availability assessments show that sufficient land can be provided to support the current housing growth scenario. However, long term growth proposals may be impacted by the extent of flood risk within York.

Figure 6.5: Extent of Flood Risk Zones in York and surrounding area, 2007



Source: Environment Agency Flood Map taken from City of York Strategic Flood Risk Assessment, 2007

In order to improve the resilience of the Sub Area to flooding it will be important to adopt a catchment wide approach, in recognition of the fact that the problem transcends local authority boundaries.

The Ouse Catchment Flood Management Plan (CMFP)[39] sets out an overview of flood risk in the Ouse catchment and provides the preferred plan for sustainable flood risk management over the next 50 to 100 years. The CFMP considers all types of inland flooding, from rivers, ground water, surface water and tidal flooding, but not flooding directly from the sea (coastal flooding), which is covered by Shoreline Management Plans (SMPs).

The Ouse CFMP study-area covers approximately 4,847 square kilometres. There are nearly 606,000 people living within the CFMP area. The CFMP covers an area wider than that of the York Sub Area, including the districts of Bradford, Craven,

[39] Environment Agency (2010) The Ouse Catchment Flood Management Plan Managing Flood Risk

East Riding of Yorkshire, Hambleton, Harrogate, Leeds, Richmondshire, Ryedale, Selby, and York.

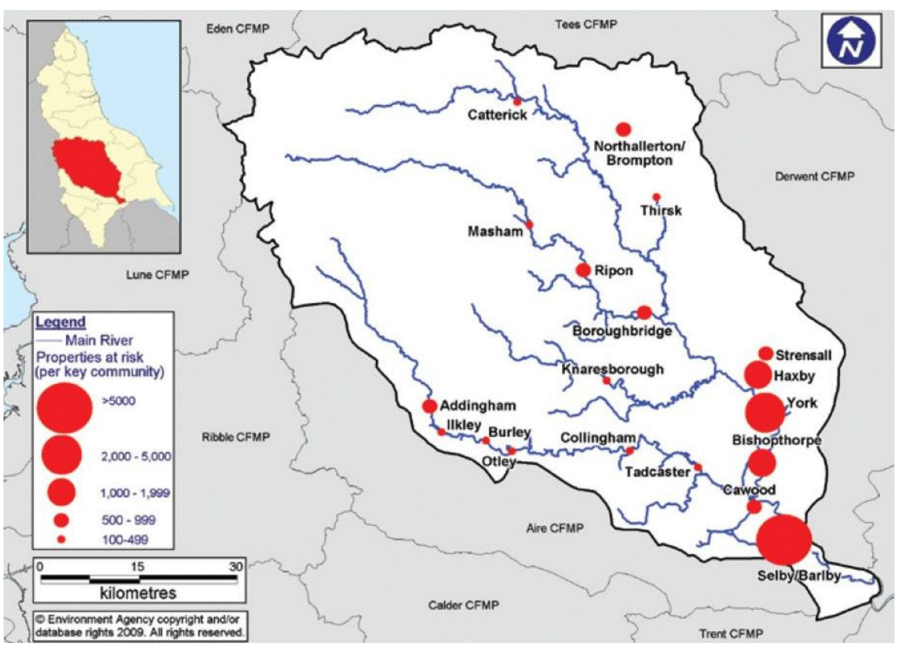
The risk of flooding is significant within the Ouse CFMP area. The key sources of flood risk are river, tidal and surface water flows. Analysis shows that during a one per cent annual probabilty river flood, 31,327 properties are at risk of flooding. This figure does not take into consideration the defences which currently reduce risk in the catchment. There are over 372 kilometres of flood defences that reduce the probability of flooding in some communities. The risks from surface water have not been fully explored within this CFMP although flooding from surface water has been recorded in the catchment. The table below sets out the communities where 100 or more properties are at risk of flooding, not taking into consideration flood defences.

Table 6.3: Locations of towns and villages with 100 or more properties at risk in a 1% annual probability river flood in the York Sub Area

Number of properties at risk	Location
>5,000	Selby/Barlby
2,000 to 5,000	York
1,000 to 2,000	Haxby, Bishopthorpe
500 to 1,000	Strensall, Cawood
100 to 500	Tadcaster

Source: Environment Agency (2010) Ouse CFMP

Figure 6.6: Properties at Risk of Flooding in the Ouse Catchment

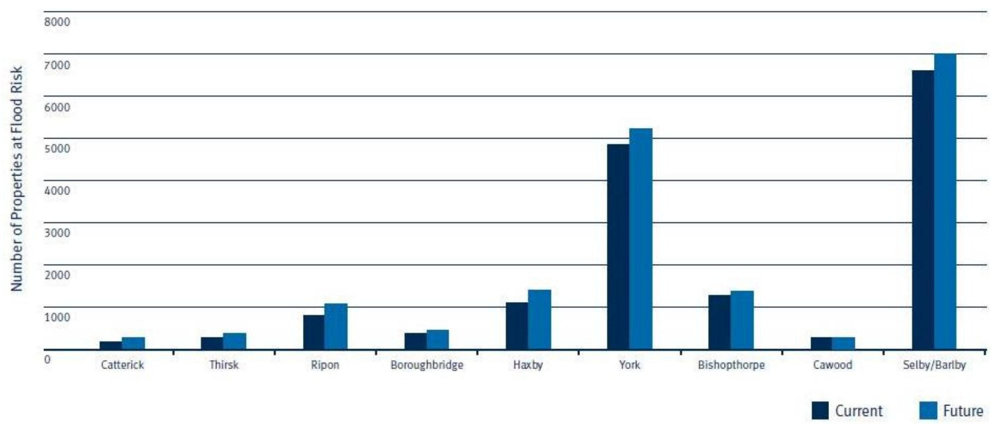


Source: Environment Agency (2010) Ouse CFMP

The catchment has a long history of flooding which has resulted in a number of engineering schemes being implemented to reduce the risk of flooding. Within the Ouse catchment there are over 370 kilometres of defences and over 400 other structures such as the Foss Barrier, pumping stations, screens, culverts and sluices. These defences offer various standards of protection within the Ouse catchment but the majority offer a minimum standard of protection of around one in 25 years, or a 4 per cent chance.

The figure below illustrates current projected future levels of flood risk in the Catchment Area. This shows that the number of properties impacted by flood risk is set to increase within the Sub Area, with the largest concentration of effected properties found in York and Selby.

Figure 6.7: Current and future (2100) flood risk to property from a one per cent annual probability river flood, not taking into account current flood defences



Source: Environment Agency (2010) Ouse CFMP

Flood risk varies across the catchment area and therefore different approaches to managing flood risk are put forward in the Ouse CFMP. For example, in York the emphasis is placed upon taking further steps to reduce flood risk. Meanwhile, in Selby the policy approach seeks to take action to sustain the current scale of flood risk in the future. This catchment wide approach to flooding seeks to provide the preferred plan for sustainable flood risk management over the next 50 to 100 years.

7 Conclusions, Potential Future Spatial Options and Recommendations for Future Joint Working

7.1 Introduction

This section draws some general conclusions from the assessment of the evidence on trends and functional relationships in the York Sub Area. It sets out the main spatial options for the future development of the Sub Area, but does not draw conclusions on which are the best options. Finally, some pointers on future joint working are set out.

7.2 General Conclusions

7.2.1 The Strategic Significance of the York Sub Area

The York Sub Area is an important functional economic area. The Sub Area has a role that whilst linked to the rest of the Leeds City Region, is also distinctive to it. The City of York is an important economic driver in its own right, and is of strategic significance in the wider context of the economy of the north of England. It has an inter-dependent, not dependent, relationship with Leeds.

It is important that the importance of the city, its economic significance, and its role in driving the economy of the surrounding area is reflected adequately in strategic policy. Had the integrated Regional Strategy been progressed, there would have been a strong case for York being classified as a “Regional City” in the regional settlement hierarchy (particularly given that Bradford and Hull are Regional Cities, along with Leeds and Sheffield). It is certainly the most strategically significant of the Sub Regional Cities and Towns.

It is also important that, in the context of the Leeds City Region, the strategic significance and economic role of the City of York is recognised fully. The Leeds City Region policy and partnership working will cover the York, Leeds, Harrogate and Selby parts of the York Sub Area. It is important that the Leeds City region work is not overly focused on the role and influence of Leeds. It is also important that policy is developed and partnership arrangements are put in place to reflect York’s significant influence on and inter-relationships with parts of Hambleton, Malton, and the East Riding.

7.2.2 Functional Relationships Within the York Sub Area

York’s influence extends beyond its administrative boundaries. It acts as major hub of employment, retail and service provision, transport and a tourism gateway for the surrounding areas. The housing markets, and housing market pressures, cut across administrative boundaries. The economic success of York, the attractiveness of surrounding areas (and policies of restraint in them) and the wider influences of the Harrogate and Leeds housing markets all have cross-boundary impacts. The housing market relationships between places in the Sub Area are stronger and extend further than the markets for business space and employment land. The business space market for York (city centre and outskirts) and its immediate environs appears to be somewhat different to that in and around the main settlements further away from York.

7.2.3 The Future Economic Success of the York Sub Area?

The York Sub Area has experienced phenomenal economic and population growth over the past two decades. However economic growth levelled off in the period between 2003 and the recent recession. Whilst the recession has had a less severely adverse impact on York and the surrounding area compared to other places, there are weaknesses in the position of the York Sub Area that pose risks for the future. York is heavily reliant on a small number of large employers in the financial services sector, for whom York is not predominantly a head office location. The cuts in public spending will lead to job losses. There is a risk of a continued shake-out of jobs in the manufacturing and engineering. Many potential employment sites in the city and across the Sub Area are constrained and are not market ready.

Therefore, the future economic success of the York Sub Area cannot be taken for granted. There is a need for the relevant local authorities to work together to plan proactively to meet the needs of economy. This means ensuring a realistic plan for accommodating growth, which recognises the need to some extent to provide capacity for growth in the areas where people want to live and businesses want to locate. It is also means continuing to focus on delivering the large scale flagship development projects, particularly in York, but also in Selby and Malton. However, in the context of a slow economic and property market recovery, and constraints in public sector housing and regeneration funding, realism is needed on the timescales for bringing forward and developing large, constrained brownfield sites.

7.3 Scenarios for the Future Distribution of Development

7.3.1 Option 1: Focusing growth in the main existing centres

This approach would:

- focus growth in the main existing settlements, based on the existing settlement hierarchy, with plan-led expansion of these where necessary;
- a more general policy of restraint in the rural / semi-rural areas of high housing market demand, combined with policies that seek to focus development and achieve regeneration on brownfield sites in inner-urban areas with weak housing markets; and
- would therefore see growth occurring within the main cities, towns, and by the nature of the Sub Area market towns.

Such an approach would help to strengthen and enhance the role of existing places. However the delivery of constrained brownfield sites would be challenging given funding constraints. Generally, there would be insufficient capacity to delivery housing growth to meet identified need. There is also a risk that, longer term, insufficient capacity will be provided for market-ready business space and employment land, including land in close proximity to the University. This approach would be more restrictive than that set out in the RSS.

Pros	Cons
• Would support the development and regeneration of brownfield sites, meaning that less Greenfield sites required for development, helping to protect the best and most versatile agricultural land. • Development likely to be in locations with good accessibility by public transport. • Politically expedient in the short-term. • Provision of homes and jobs in close proximity. • Increased accessibility by walking and cycling, reducing the need to travel. • May help to reduce growth of in-commuting to York, reducing impact on transport infrastructure. • Focused growth allows for more targeted investment in infrastructure.	• Achieving these levels of development will necessitate high density development – questions over deliverability. • Focusing growth on main urban areas will necessitate the use of brownfield sites, some of which are highly constrained. Brining these sites forward will require significant investment and it is potentially more difficult to make development viable. • If these levels of development cannot be delivered in York, additional pressures will be placed on the surrounding areas. • May not meet business needs and therefore may potentially limit economic development. • There is insufficient capacity to meet need in York without the "release" of land in the draft Green Belt. • Public transport does not currently provide a viable or attractive option for many journeys to work in the Sub Area.

7.3.2 Option 2: Focusing growth in the existing main settlements with limited selective urban extensions

This approach would mirror the option set out for the previous scenario, with development focused in the main urban areas. However in order to meet housing need urban extensions would be brought forward in selected locations. This would include urban extensions of York and surrounding settlements, in a manner that is commensurate with the role and function of the settlements in Sub Area, for example as Principal Towns or local service centres.

This would provide a balanced and flexible development strategy, given the risks and challenges associated with bringing brownfield sites forward. It would also provide greater capacity than a brownfield-only strategy. The specific distribution of development between settlements would need to be considered. This approach is broadly in line with that set out in the RSS, although the specific distribution of development between local authorities would need to be reviewed.

Pros	Cons
• Flexible approach, balancing brownfield and greenfield development. • Could provide sufficient capacity for growth. • Creating urban extensions in a selected number of places, could make it feasible to deliver the associated infrastructure. • Could help to facilitate the use of public transport by focusing development in a limed number of places. • Would help meet business needs for market-ready sites, and choice of city/town centre and out-of-centre locations.	• Danger that greenfield development could undermine brownfield regeneration if approach to phasing is not considered carefully. • Strategy would still be dependent on delivering large brownfield sites with the associated infrastructure constraints and delivery risks, and some of the large greenfield extensions are not without funding and delivery challenges either. • May lead to increase in in-commuting into York, placing additional burden on transport infrastructure. • Would impact on the draft York Green

	Belt. • Could be challenging politically in the context of "localism" to gain agreement to enable delivery. • Goes against policy and would require some authorities to review approaches in adopted Core Strategies and Allocations DPDs.

7.3.3 Option 3: Grow a wider range of existing settlements and / or develop new settlements

This option could manifest itself in a number of different ways, including:

- growing many of the small settlements within the York Sub Area, effectively operating on a "hub and spoke" system with York acting as the hub; and / or
- creating a single new free standing new settlement, or a range of smaller "garden village" settlements.

This approach would be likely to be taken forward in combination with also seeking to bring forward brownfield development sites in existing urban areas.

Pros	Cons
• Scope for this approach to make significant contribution to meeting housing need, in areas with high housing demand. • Scope to locate growth on existing corridors, driving up demand for public transport, and developing the case for new / improved services. • Development pressure could be relieved on existing places. • Could provide employment land as well as residential development, helping meet the needs of business.	• Danger that greenfield development could undermine brownfield regeneration if approach to phasing is not considered carefully. • Likely to require the largest amount of greenfield development of all three options. • Significant up-front infrastructure costs, although these could be off-set by high development values. • Not providing homes and jobs in the same place, will not generate sustainable patterns of development. • May lead to increase in in-commuting into York, placing additional burden on transport infrastructure. • Difficulties associated with developing new communities. • Political sensitivities. Not in line with existing or emerging policy locally and nationally.

7.4 Pointers for Future Joint-Working in the York Sub Area

7.4.1 The importance of joint working on cross-boundary planning evidence and policy

This study has shown there is a strong case for the relevant local authorities in the York Sub Area to work together in the future to develop the evidence base for spatial planning policy, and to work together on the main policy areas. This is because the main trends, drivers for change, and functional relationships between places in the York Sub Area cut across local authority boundaries. There could also be resource efficiencies from working together on the evidence base.

It is for the local authorities to consider whether the potential merits of a cross-boundary strategic policy framework for the Sub Area (i.e. along the lines of the local policy statements recommended by the Planning Officers Society). This could be challenging, given the fact that the local authorities are at different stages with their Local Development Statements, and the political challenges in building cross-boundary consensus around the distribution of housing growth. However, this study points to a strong *prima facia* case for a coherent cross boundary policy framework for the area.

The most productive way forward may be initially through further cooperation on the planning evidence base for the area. In the context of the future revocation of the RSS and of localism, there will still be a requirement for local authorities to justify the policies in their Development Plan Documents and to demonstrate they are sound. Even with references to RSSs / Regional Strategies removed, national planning policy (particularly on housing) still emphasises the importance of a cross-boundary perspective in considering evidence to inform local planning policies. For those authorities with adopted Core Strategies there will be a need to review and potentially update policies in the context of monitoring information and the removal of the higher level spatial planning framework provided by the RSS.

There is a particularly strong case for more coherent cross-boundary evidence and policy in the areas set out below.

- **Housing** – there is a case for a joint Strategic Housing Market Area Assessment for the York Sub Area and for sharing of information on housing land supply [40] to inform their decisions on the scale and distribution of housing development. There is also a case for local authorities working together to agree the broad overall scale and type of housing growth needed in the Sub Area and the strategic approach to making provision.
- **Employment land** – there is a strong case for joint work on employment land demand, including shared economic forecasts, and the supply of strategic employment sites across the Sub Area.
- **Transport** – there is a case for joint working to advance strategic transport priorities; this is of heightened importance in the short to medium term due to current fiscal climate.
- **Culture, heritage and tourism** – joint working between local authorities and other bodies will be important to ensure a coherent approach to developing, enhancing and promoting the York Sub Area's cultural, heritage and tourism offer.

[40] PPS3 (particularly paragraph 33) states the LPAs should take into account sub-regional evidence on housing need and demand and housing land supply (as well as Government household projections) in determining the level of housing provision. The CLG guidance on SHMAs recommends that local authorities work together to produce joint cross-boundary SHMAs where appropriate.

The relevant local authorities should consider the best organisational model to take joint-working forward. One option would be to create a York Sub Area working group, which could undertake or commission joint technical work and consider cross-boundary policy issues. This could work with and through wider sub-regional structures.

It will be important that joint-working on planning policy is open-minded and realistic about potential policy options across the Sub Area. Clearly there are political sensitivities around some potential policy options. But the policy and political debates will be better-informed if the evidence and potential policy solutions are considered in an open way. Realism is needed in relation to issues of deliverability, business needs, and the likelihood of reversing long-run structural trends around urban-rural migration and commuting patterns. Care is needed around adopting starting points for policy based on pre-judged notions such as the benefits of particular development patterns being more "sustainable" than others, the benefits of "self containment" and reducing out-commuting, and the danger of greenfield development undermining regeneration of brownfield sites. These principles need to be based on evidence and subject to challenge. Local policy approaches developed on the basis of the RSS should be reviewed in the context of changing circumstances, and the future revocation of the RSS.

The York Sub Area faces significant long-term challenges, particularly in relation to housing need and demand, and securing its future economic success. There is also significant uncertainty at present about future economic and household growth. It would therefore be unhelpful and imprudent for any policy options releases to be taken off the table. The main trends, linkages between places and drivers for change for the area cut across local authority boundaries. Housing markets, population trends, the markets for employment land and business space, commuting patterns, retail catchments, transport and infrastructure networks, commuting patterns, and the tourism, culture and heritage offer do not respect administrative boundaries within the York Sub Area. The relevant local authorities and other partners need to work together to understand these issues, and to develop coherent policy responses to secure a successful long-term future for the area.

7.4.2 The importance of joint working on strategically significant investment projects

There would be benefits in local authorities working together to identify priorities for investment that will have the greatest impact in driving the economy across the Sub Area. Some very difficult decisions on priorities will be needed in the context of spending constraints in the short to medium term. However it is also important that there is a long term perspective in working up and making the case for strategic investment projects. Whilst national funding is highly constrained currently and will continue to be so for some time, there could be significantly greater freedoms and flexibilities in terms of how local authorities can raise funding from alternative sources. For instance, mechanisms such as Tax Increment Financing could be appropriate for some projects in the York Sub Area.

Based on the evidence from this study, important strategic housing, regeneration and economic development investment projects for the York Sub Area include:

- bringing forward the York Central / York Northwest major development sites, and other major development sites in York for high quality commercial and residential development – this is clearly a top priority; the Sub Area's strategy for delivering housing growth and business space is critically dependant on these projects;

- a coherent, long-term pipeline of transport investment projects;
- infrastructure improvements needed to help bring forward the main housing and commercial development areas around Malton and Selby;
- smaller scale infrastructure improvements to help bring forward development sites around Pocklington and Market Weighton;
- the Science City York initiative, and bringing forward business space to support business spin-offs from the University; and
- a package of projects to improve and promote culture, heritage and tourism offer in York and connections to other attractions