

MATTER 3 – ECONOMIC DEVELOPMENT

The Plan requirement for economic development

- 3.1** *Policy SS1, as currently worded in the Plan, says that sufficient land will be provided to accommodate around 650 new jobs per year.*
- a) *In effect, is 650 new jobs per year the Plan's requirement or target for economic growth?*
 - b) *How has the 650 figure been arrived at and is the evidence underpinning it both robust and consistent with national policy and guidance?*
 - c) *What proportion of the 650 new jobs per year target should be identified for each employment sector? Has this been assessed? If not, should such an assessment have been undertaken to assist in identifying an appropriate supply for the identified amount?*

Response

It is for the Council to address much of the response to this question. However, the Chamber would add that the figure of 650 new jobs seem low and unambitious, regardless of whether it is a target or requirement. The Council has ambitious aspirations for economic growth, for example attracting the HQ for Great British Railways and attracting a significant number of civil service jobs to York Central. It is estimated that York Central alone could accommodate between 5,000 and 6,000 jobs. In addition, all the major higher education establishments have ambition for growth that would add significantly to the job count for the City.

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

Response

We find the relationship between the employment land requirement in Table 4.1 and the employment land provision in Policy EC1 to be confusing. Policy EC1 identifies approximately 42.19 hectares of land for B Class employment uses (and an additional 21.5 ha specifically for University Expansion). However, this 42.19 figure does not include any land at York Central, but the policy instead identifies 100,000 sqm of office floorspace for that site.

Table 4.1, on the other hand, identifies 34.3 ha of land for B Class employment uses that includes 13.8 hectares of land for B1a office use. It is unclear how the 42.19 ha of land in Policy EC1 for B class relates to the 34.3 ha of land in Table 4.1.

If the 34.3 hectares identified in table 4.1 is expected to come from the 42.19 ha identified in Policy EC1, then the assessment is flawed because:

- 4.5 hectares of the 15 ha identified at Northminster Business Park in policy EC1 has already been built out or is under construction.
- The 10.1 ha of land at Whitehall grange is specific to one occupier, and not available for other uses.

In other words, much of the employment land allocation is already gone, with 11 years of the plan left to run. This is endorsed by our members experience that it is very difficult to find office or other business premises in York. This leads to employers choosing to set-up or relocate to other places when they would have preferred to be in York.

Employment land is also being lost to other uses including student housing for example on James Street and the surrounding area. The loss of this existing employment land does not seem to have been factored into the future employment land requirements.

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

For the Council to answer.

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

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

Response

We take question 3.4 and 3.5 together.

Whilst this is primarily a question for the Council to answer, the Chamber's view is that the nature of employment is changing dramatically over short time periods. It is almost impossible to estimate employment land requirements with any precision. This is particularly the case when dealing within major inward investment opportunities that cannot be predicted but which can often require significant and immediate employment land.

There is a need to reappraise the requirement for both employment land and employment floorspace to account for changes in economic activity as we emerge from the COVID pandemic. In addition, there is now more certainty about the York Central development following the grant of planning permission in 2019 and we are aware that the University of York has updated forecasts for growth that will require an increase land allocation. All these issues need to be factored into an updated assessment of future employment land and floorspace needs.

We would also re-emphasise the need for flexibility in the allocation land for employment. New opportunities can come forward at short notice and taking full advantage of these opportunities often hinges on the immediate availability of land. A good example of such opportunities is the requirement for a new national headquarters for Great British Railways. York City Council is leading a bid for the HQ to be located in York

We have made the point in our representations that additional land should be allocated to account for this uncertainty in the employment land market. We have also made the point that safeguarded land should be identified in the Plan to account for unknown development needs in the longer term, and that would be one measure that could be taken to address the unpredictability for employment land needs.

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

For the Council to Answer

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

Response

As we argue above the Plan should provide more land and allow for more flexibility through safeguarded land as it will be difficult to forecast the impact of the profound changes Covid has had. We have seen in the residential market York's attractiveness increase for inward migration by workers from the southeast who can now work more flexibly and commute part of the time to London. Whilst this might not immediately impact on the demand for office space it could lead to more demand for flexible working space which York is woefully underserved by.

The supply of land for economic development

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

Response

Our reading of the floor space figures in Policy EC1 is that they are a general estimate of floorspace calculated by simply assuming a plot ratio of 33%. This is a crude and somewhat meaningless way to estimate the floorspace to be provided on each site.

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

Response

We are not convinced that employment floorspace provision and its distribution is consistent with the evidence base. A good example is how the floorspace for each site has been estimated – see response to question 3.8. And as we have pointed out, there have been some significant changes in the economy since the Cambridge Econometrics update in December 2019 that a fresh approach to employment land and floor space requirements is needed.

In our representations of 2019, we made clear our concerns that the Council's restrictive or 'constraint driven' approach to allocating land for housing and employment land needs because of their mistaken 'exceptional circumstances' approach had inevitably resulted in under provision of land required for development needs (Para 3.5 of our 2019 representations ref: PM SID 590). We therefore welcome the Inspector clarification in their letter of 12 June 2020 that the need to demonstrate exceptional circumstances when defining Green Belt boundaries or allocating land for development is **not** engaged.

In our view this supports our contention that the constraint driven approach to land allocation has resulted in inadequate land being identified for employment needs.

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

Response

The Chambers representation is that sufficient land has not been identified for employment needs for the reasons we have set out in response to questions 3.2, 3.4 and 3.5 and 3.7 and in our representations on the various stages of the Plan.

Ambitions to secure senior civil service jobs in the city and in particular the commissioning powers which some of these roles will bring to York could see interest by the private sector in being located close, within the orbit of such authorities. In turn we would expect to see an increase in office demand as has been seen by similar relocations by the BBC in Manchester

and Channel 4 in Leeds. The Government's focus on 'Levelling Up' could also act as a catalyst for further interest and expansion of Westminster roles beyond the capital and well-connected locations like York would be extremely attractive as long as it were able to provide sufficient employment land.