Employment Land Review

East Riding of Yorkshire Council

November 2013
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Prepared By. Anne Hargreaves ............ Status..Principal..................Date November 2013............

Reviewed By Nicola Rigby .................. Status..Associate ..............Date November 2013............

For and on behalf of GVA Grimley Ltd

Minor changes related to amending typos, and consequential amendments to the numbering of paragraphs and tables numbers that follow from the amendments listed in the schedule, are not been specifically identified on the schedule below.

January 2014 amendments:

<table>
<thead>
<tr>
<th>Page No.</th>
<th>Para No.</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>2.26</td>
<td>&quot;...There is a recognition within the plan that the stock of available land available and of premises, is not evenly distributed through the (former) Borough...&quot;</td>
</tr>
<tr>
<td>25</td>
<td>2.95</td>
<td>&quot;The East Riding is also unique in Assisted Area terms across the Humber in that the intervention rate in the other 3 local authorities is 5% lower which gives Melton Park another competitive advantage. These incentives...&quot;</td>
</tr>
<tr>
<td>42</td>
<td>3.20</td>
<td>&quot;Given banks’ limited appetite for development lending the demand for employment sites outside of prime locations has largely evaporated.&quot;</td>
</tr>
<tr>
<td>58</td>
<td>4.6</td>
<td>&quot;...Where this is the case, the highest score range of scores for of the multiple sites is taken set out forward to inform this analysis.&quot;</td>
</tr>
<tr>
<td>64</td>
<td>4.27</td>
<td>&quot;Four-three of the sites in the FEA achieve a total score of over 3540. Two-three of the sites have planning permission and include Green Park (score of 39), Ozone Business Park (score of 40) and Capitol Park (score of 43). All three sites are largely greenfield development opportunities, and as stated above, Capital Park and Ozone both have site wide infrastructure installed / due to be installed. They are both all being actively marketed. The Ozone site is identified identified as subject to a significant physical constraint (flood risk) but the existence of the planning permission demonstrates that this can be overcome.&quot;</td>
</tr>
<tr>
<td>64</td>
<td>4.28</td>
<td>&quot;Glews Hollow (ELMR 236) achieves the highest score for the FEA of 46. This is a site is a brownfield site adjacent to the Glews Hollow industrial area in Goole...&quot;</td>
</tr>
<tr>
<td>64</td>
<td>(now 4.29)</td>
<td>Insert new paragraph: &quot;Close to achieving a high score of 40 or above is committed development site Green Park (score of 39). This is a greenfield site that is being actively marketed.&quot;</td>
</tr>
<tr>
<td>64</td>
<td>(now 4.30)</td>
<td>&quot;ELMR 32 at Howdendyke is adjacent would form an extension to an existing industrial site and the site would form extension to existing port site but it is also in very close proximity to residential properties and there is no evidence of commercial activity...&quot;</td>
</tr>
<tr>
<td>65</td>
<td>(now 4.33)</td>
<td>&quot;...They include the windfall site at Airmyn (ELMR 147) which is located in an area of general market activity connected to the installation of the new roundabout and the nearby Court House Farm development, the site at Pollington which benefits from outline permission and has recently been subject to marketing (ELMR 36), and two small sites at Newport (ELMR 35) and Snith (ELMR 38).&quot;</td>
</tr>
<tr>
<td>69</td>
<td>(now 4.64)</td>
<td>&quot;The highest scoring stand alone site is Development Land North Of Flemingate in Beverley (ELMR 161) (score of 46).&quot;</td>
</tr>
<tr>
<td>70 (now 69)</td>
<td>4.65 (now 4.66)</td>
<td>&quot;Also scoring highly are the Melton West Business Park area (ELMR 14) (score of 44 - 45), the Humber Bridgehead sites (ELMR 82) (score of 43 - 44)...&quot;</td>
</tr>
</tbody>
</table>
| 70 (now 69) | 4.71 (now 4.66) | "East of Brickyard Lane (Melton Park) (ELMR 12) scores 40 – 47 and Land East of Melton Fields (ELMR 16) scores 39... ELMR 12 has the benefit of outline planning..."
4.72) permission for employment development and includes land covered by two separate site assessments (one for MELT23 and one for MELT26). The higher scoring land, which is the highest scoring in the FEA is the MELT26 land."

70 (now 71) 4.71 (now 4.73) "Both sites ELMR12 and ELMR16 are in the ownership of St Modwen who is seeking to bring forward a residential led development across the sites (excluding the MELT26 element of ELMR12, which is part of the reason for its higher score). Permission has been refused by the Council and at the time of writing this ELR, St Modwen is pursuing an appeal against the refusal. These plans for the site are the reason that the MELT26 element of ELMR12 and ELMR16 score lower than ELMR14 (Melton West)..."

70 (now 71) 4.72 (now 4.74) "Also scoring just below 40 is North of Annie Reed Road, Beverley (ELMR1) with a score of 39..."

73 4.89 (now 4.91) "...These sites score between 35 and 38, reflective of the lack of significant physical constraints, and the general market activity on the industrial estate at Pocklington..."

75 4.98 Delete paragraph: "The site at Skerne Road (ELMR44) did, until recently, have a planning permission for employment development which has lapsed."

75 4.99 (now 4.100) "Three sites in the FEA are high scoring (over 40) – Carnaby Industrial Estate, and the two sites at Driffield."

75 4.100 (now 4.101) "Carnaby Industrial Estate scores the highest (score of 43). As the scoring for the sites was undertaken based on their split into potential sites for the purposes of the emerging Local Plan, this does belie a range of scores across the Carnaby Industrial Estate sites, which in fact range from 38 – 43, therefore the estate overall is high scoring..."

75 (now 76) 4.102 (now 4.103) "Kellythorpe at Driffield (ELMR43) (score of 40 - 41) has the benefit of planning permission as set out above, and is easily accessible from A614 with no significant physical constraints."

76 4.103 (now 4.104) "One site in two sites within the FEA are low scoring scores 30 or under. These are Pinfold Lane, Bridlington (ELMR40) (score of 28), and New Road, Nafferton (ELMR54) (score of 31). The lack of suitability of Pinfold Lane, Bridlington for employment uses is alluded to above, given its proximity to residential dwellings..."

76 4.104 (now 4.105) Also low scoring but with just above 30 is New Road, Nafferton (ELMR54) (score of 31). New Road, Nafferton This site is close to residential properties and removed from other employment uses, with no evidence of commercial activity, but it does not have any significant physical constraints and has good access onto the A614.

77 (now 78) 4.114 (now 4.115) "Of the potential additional sites in this FEA, one site scores over 35 – 38 or over..."

79 4.127 (now 4.128) "Sites scoring over 35 – 38 or over in this FEA include sites largely in proximity to established or emerging employment areas."

79 (now 80) 4.129 (now 4.130) "...As an unallocated area with no permission, this part of MELT23 (4.5ha) would in fact score 38 taken on its own lower, but on the basis that the site would only ever come forward as part of a comprehensive scheme with the remaining MELT23 land, then it is considered that applying the high score is justified. That said, the score remains at the high end, reflecting the suitability of land to the north of the railway at..."
80 4.131 "Below 38, there are a number of other relatively well performing sites, HES2 and HES3 score highly (37 and 36 respectively)."

80 4.132 Delete paragraph: “As well as having high scoring sites, this FEA has a number of poor scoring sites. A number of sites score 26 or less, including the two sites in Melton removed from the main employment area to the north of the A63 (MELT13 and MELT22) and a number of sites at Dunswell, Woodmansey, Ellerker, Roos and Halsham. The lowest scoring site overall is the very large site at Woodmansey (WOOD25) which achieves a score of 20.”

81 4.136 "The 4 sites in this FEA achieve low-average scores therefore there are no high performing potential additional sites in this FEA..."

81 4.141 "The sites in this FEA achieve scores from 29 to 39...DRF17 at Driffield scores 39..."

81 4.142 "CARS at Carnaby scores just under 38 with a score of 37. This site scores highly due to..."

99 Table 5.9 Amend figures in table:

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total B Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>1683</td>
<td>-4100</td>
<td>804</td>
<td>-1613</td>
</tr>
<tr>
<td>Project On</td>
<td>2686</td>
<td>47</td>
<td>1538</td>
<td>4270</td>
</tr>
</tbody>
</table>

99 5.53 "...This is contrasted in the project-on REM scenario, which project growth in B Use Class employment of over 4,200 to 7,500 FTE jobs over the period to 2029, including growth across all B class activities, including significant growth in B1c / B2 activities.

100 Table 5.10 Amend figures in table:

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>26924</td>
<td>-274732</td>
<td>53885</td>
<td>-193922</td>
</tr>
<tr>
<td>Project On</td>
<td>42975</td>
<td>3125</td>
<td>103020</td>
<td>149120</td>
</tr>
</tbody>
</table>

103 5.75 "The land requirements associated with the project-on scenario are more positive, showing additional requirements across all sectors with a total requirement for 138.88 hectares to 2029..."

103 Table 5.12 Amend figures in table:

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total with churn</th>
<th>Total with churn and losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>8.2</td>
<td>-78.5</td>
<td>16.3</td>
<td>-54*</td>
<td>-14.3</td>
</tr>
</tbody>
</table>
5.100 It should further be noted that on the basis of the analysis undertaken it is clear that the land requirements associated with the project-on econometric forecasting model underestimate the actual site requirements that are known at the time of writing. This relates to a number of the projects, for which extant planning permission relating to the job numbers cited in the model significantly exceed the land requirements generated by the model. This point specifically relates to land take associated with planning permissions / LDOs at Bridgehead, Capitol Park, Melton and Paull."

Table 6.1

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Land Requirements to 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historic land take-up</td>
<td>Requirement of 291ha, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Commercial floorspace change</td>
<td>Requirement of 292ha, broken down to 18.6ha of office and 274ha of industrial floorspace, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Baseline REM</td>
<td>A total land requirement showing contraction to 2029 of 54ha, although this figure masks positive requirements of 8ha for B1a/b, and 16ha B8 uses, increasing to total requirement (contraction) of just -14.3ha when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Project On Scenario</td>
<td>Just over 48ha land requirement, broken down to 13ha for B1a/b, 4ha B1c/B2 and 31ha B8 uses, increasing to total requirement of just under 88ha when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Adjusted Baseline REM</td>
<td>Requirement for just 0.2ha, with positive requirement for B1a/b (8ha) and B8 (16ha) uses, increasing to total requirement of just under 40ha when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Adjusted Project On Scenario</td>
<td>Just under 103ha land requirement, broken down to 13ha for B1a/b, 57ha B1c/B2 and 31ha B8 uses, increasing to total requirement of 143ha when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
</tbody>
</table>

"Factoring in take-up rates

It is noted that the models presented have different base dates / starting points, and for the purposes of the ELR analysis must be brought into line by the netting off of land developed over the period from the start date of the analysis to 2013 (as the base date of this study). For the econometric forecasting based models this includes take-up rates for the period 2011 to 2013, and for the historic change in commercial floorspace model this includes take-up for the period 2012 to 2013."
Table 6.4 below illustrates the breakdown of these take-up rates by FEA over the period outlined. It should be noted that due to changes made within the land monitoring database within East Riding of Yorkshire Council over this timeframe the figures for the period 2000 to 2012 are not broken down annually. The take-up rates for the period 2011 to 2012 have therefore been worked out manually by officers within the Council and should be treated as ‘best estimate figures in this context.

Table 6.4: 2011 – 2013 take-up rates by FEA

<table>
<thead>
<tr>
<th>Functional Economic Areas</th>
<th>Employment take up 2011-12 (ha)</th>
<th>Employment take up 2012-13 (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>0</td>
<td>7.30</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>2.64</td>
<td>1.45</td>
</tr>
<tr>
<td>York FEA</td>
<td>0.38</td>
<td>1.82</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>1.61</td>
<td>0.14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.63</strong></td>
<td><strong>10.71</strong></td>
</tr>
</tbody>
</table>

The take-up rates are not available disaggregated by B Use Class, but rather have been disaggregated on the basis of the models as summarised in the tables below.

Table 6.5: Land requirements by type (Commercial and industrial floorspace model)

<table>
<thead>
<tr>
<th></th>
<th>Absolute (ha)</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office requirement</td>
<td>18.55</td>
<td>6%</td>
</tr>
<tr>
<td>Industrial requirement</td>
<td>274.14</td>
<td>94%</td>
</tr>
<tr>
<td><strong>Total requirement</strong></td>
<td><strong>292.69</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

When these figures are applied to the take-up rates for the period 2012-13 the figures in Table 6.6 below are identified to be netted off total requirements over the period to 2029.

Table 6.6: Disaggregated take-up rates by type (Commercial and industrial floorspace model)

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office take up</td>
<td>0.64</td>
<td>0.44</td>
<td>0.09</td>
<td>0.11</td>
<td>0.01</td>
</tr>
<tr>
<td>Industrial take up</td>
<td>10.07</td>
<td>6.86</td>
<td>1.36</td>
<td>1.71</td>
<td>0.13</td>
</tr>
<tr>
<td><strong>Total take up</strong></td>
<td><strong>10.71</strong></td>
<td><strong>7.30</strong></td>
<td><strong>1.45</strong></td>
<td><strong>1.82</strong></td>
<td><strong>0.14</strong></td>
</tr>
</tbody>
</table>

This results in the following land requirements (Table 6.7) under the high end of the range of scenarios presented.

Table 6.7: Land requirements 2013-2029 (Commercial and industrial floorspace model)

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office requirements</td>
<td>17.96</td>
<td>8.96</td>
<td>4.80</td>
<td>1.59</td>
<td>2.60</td>
</tr>
<tr>
<td>Industrial requirements</td>
<td>263.93</td>
<td>131.64</td>
<td>70.67</td>
<td>23.35</td>
<td>38.28</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>281.89</strong></td>
<td><strong>140.60</strong></td>
<td><strong>75.47</strong></td>
<td><strong>24.94</strong></td>
<td><strong>40.88</strong></td>
</tr>
</tbody>
</table>
A similar analysis is undertaken for the low end of the range summarised in the following tables.

**Table 6.8: Land requirements by type (Adjusted project-on model)**

<table>
<thead>
<tr>
<th>Type</th>
<th>Absolute (ha)</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office requirement</td>
<td>18</td>
<td>12.6%</td>
</tr>
<tr>
<td>Industrial requirement</td>
<td>124.72</td>
<td>87.4%</td>
</tr>
<tr>
<td><strong>Total requirement</strong></td>
<td><strong>142.73</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

When these figures are applied to the take-up rates for the period 2011-13 the figures in Table 6.9 are identified to be netted off total requirements over the period to 2029.

**Table 6.9: Disaggregated take-up rates by type (Adjusted project-on model)**

<table>
<thead>
<tr>
<th>Type</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>1.93</td>
<td>0.92</td>
<td>0.52</td>
<td>0.28</td>
</tr>
<tr>
<td>Industrial</td>
<td>12.53</td>
<td>6.38</td>
<td>3.57</td>
<td>1.92</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14.47</strong></td>
<td><strong>7.30</strong></td>
<td><strong>4.09</strong></td>
<td><strong>2.20</strong></td>
</tr>
</tbody>
</table>

This results in the following land requirements (Table 6.10) under the low end of the range of scenarios presented.

**Table 6.10: Land requirements 2013-2029 (Adjusted project-on model)**

<table>
<thead>
<tr>
<th>Type</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>16.07</td>
<td>8.19</td>
<td>4.22</td>
<td>1.37</td>
</tr>
<tr>
<td>Industrial</td>
<td>112.19</td>
<td>56.64</td>
<td>29.21</td>
<td>9.49</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>128.26</strong></td>
<td><strong>64.80</strong></td>
<td><strong>33.41</strong></td>
<td><strong>10.90</strong></td>
</tr>
</tbody>
</table>

119 (now 123) 6.22 (now 6.30)  “This assumption also supports the assumption of an allowance within the demand analysis to allow for choice within the market...”

120 - 121 (now 124 - 125) Table 6.6 (now table 6.13) Deletion of total rows, amendment of total score figures for ELMR sites 12, 14, 82 and 60 and re-ordering to reflect revised ranking.

122 (now 125) Table 6.7 (now table 6.14) Deletion of total rows from table

123 (now 126 - 127) 6.32 (now 6.40) Amend text of bullets:

• Headline demand for between 12843 and 28292 hectares of employment land compared to a supply of 363 hectares which is generally available for development;
• Demand for around 1816-18 hectares of B1a/b employment land compared to a
<table>
<thead>
<tr>
<th>Page No.</th>
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<th>Change</th>
</tr>
</thead>
</table>
|         |          | specific supply of less than 5 hectares;  
|         |          | • Demand for between 11224 and 264274 hectares of B1c/B2 or B8 employment land compared to a specific supply of under 14 hectares..." |
| 127 (now 131) | 6.52 (now 6.60) | “The indicative land requirement for the FEA through the demand work, as set out in Tables 6.27 (high end of range) and 6.10 (low end of range) is as follows:  
|         |          | • Office land – around 8/9ha  
|         |          | • Industrial land – between 56.6463.02ha and 131.64138.50ha  
|         |          | • Total land – between 68.4072.1ha and 140.60147.90ha” |
| 129 (now 133) | 6.63 (now 6.71) | “Of the above sites, one of the sites in the FEA meets the criteria set out in paragraph 1.46 above...” |
| 130 (now 134) | 6.65 (now 6.73) | “The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) Tables 6.2 and 6.3 is as follows:  
|         |          | • Office land – around 4/5ha  
|         |          | • Industrial land – between 29.2132.7ha and 70.6772.03ha  
|         |          | • Total land – between 33.4137.5ha and 75.4776.92ha” |
| 132 (now 135 - 136) | 6.70 (now 6.78) | “...Springfield Way Anlaby (1.13ha), Hessle Dock Site (3.34ha), Former Harborlite Factory (1.54ha), and Melton Park (40.26ha). These sites provide land for both general industrial / business and more specialised / specific uses. The total provision from these sites, all of which are committed development sites with the exception of Priory Park, totals 92.38ha.” |
| 132 (now 136) | 6.72 (now 6.80) | Amend text of first bullet:  
|         |          | • The element of MELT23 (4.5ha) at Melton that is not in the existing supply, which is identified as a General Business / Industrial site adjacent to permitted development land at Melton Park (scores highly in the assessment exercise as it is assessed as part of the neighbouring land which benefits from the planning permission but this is deemed applicable because the site would only come forward as part of a wider scheme on MELT23).” |
| 132 (now 136) | 6.73 (now 6.81) | Insert additional bullet:  
|         |          | Based on the low scores achieved, specific deallocations from the existing supply should be considered for:  
|         |          | • North of Ellifoot Lane (4.33ha), Burstwick (ELMR 60)  
|         |          | • East of Hull Road (0.79ha), Aldbrough (ELMR 58)...” |
| 135 (now 139) | 6.82 (now 6.90) | “The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) Tables 6.2 and 6.3 is as follows:  
|         |          | • Office land – around 1/2ha  
|         |          | • Industrial land – between 9.4911.4ha and 23.3525.06ha  
|         |          | • Total land – between 10.9013.1ha and 24.9426.76ha” |
| 137 (now 141) | 6.86 (now 6.94) | “Based on these figures, there appears to be an oversupply of land within this FEA based on the existing supply.” |
| 137 (now 141) | 6.87 (now 6.95) | “...and a further 0.26ha site at York Road, Market Weighton (ELMR 50)” |
| 137 (now 141) | 6.90 (now 6.98) | “Given that with the best sites from the existing supply identified above will not alone meet the higher demand requirement, it will be down to the Local Plan preparation process to identify any further allocations from the remaining sites available within the existing and potential additional supply. With a score of 35 - 37,
The best site to make up the shortfall is likely to be best placed to address this need is the 27.88ha at Pocklington Airfield (ELMR 56) if required.

The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:

- Office land – around 2/3ha
- Industrial land – between 15.25 and 17.48ha
- Total land – between 18.25 and 20.1ha

Based on these figures, there appears to be an oversupply of land within this FEA based on the existing supply.

Given the amount of land at Carnaby Industrial Estate (some of which falls below the high score threshold of 40 when considered in its component parts), DRF17 may be a suitable site to carry forward...

| Appendix 3 | Amendments to draft Local Plan reference, current planning permission details or total score for various sites. |
| Appendix 4 | Amendments to score for 2 sites. |
| Appendix 6 | Amendments to draft Local Plan reference, current planning permission details or total score for various sites. |
| Appendix 7 | Amendments to score for 2 sites. |

March 2014 amendments:

<table>
<thead>
<tr>
<th>Page No.</th>
<th>Para No.</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>83</td>
<td>5.3</td>
<td>“If this annual average was projected forward for the 16 year period between 2013 and 2029 this would create a requirement for just under 291-297 ha of employment land within the East Riding.”</td>
</tr>
<tr>
<td>87</td>
<td>Table 5.5</td>
<td>Amend figures in table:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2012 - 2029 Office Floorspace requirements</th>
<th>2012 - 2029 Industrial Floorspace requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>29,360</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>15,268</td>
</tr>
<tr>
<td>York FEA</td>
<td>5,312</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>8,143</td>
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<tr>
<td>Total</td>
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| 115 | Table 6.1 | Update text in table: |

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Land Requirements to 2029</th>
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<tr>
<td>Historic land take-up</td>
<td>Requirement of 297 297ha, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Commercial floorspace</td>
<td>Requirement of 261 292ha, broken down to</td>
</tr>
</tbody>
</table>
change

1718.6 ha of office and 245.274 ha of industrial floorspace, excluding additional land required at Hedon Haven

117 6.6 "The forecasting analysis and development levels identified over the last 10 – 15 years suggest that there is a need to plan for between 143 and 292.297 hectares of employment land across East Riding, around 18.6 ha of this total for B1a development and the remainder for industrial and warehousing..."

117 6.7 "...As such these key projects and existing commitments are seen to be required to deliver the ‘project on’ scenario of growth, with the 17 ha required as additional to these sites..."

118 Table 6.3 Amend figures in table:

<table>
<thead>
<tr>
<th></th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
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</thead>
<tbody>
<tr>
<td>Office (Ha)</td>
<td>18.6 16.6</td>
<td>9.40 8.38</td>
<td>1.70 1.52</td>
<td>2.61 2.32</td>
</tr>
<tr>
<td>Industrial (Ha)</td>
<td>274 245.3</td>
<td>138.50 123.88</td>
<td>25.06 22.42</td>
<td>38.41 34.34</td>
</tr>
<tr>
<td>Total</td>
<td>292.6 261.9</td>
<td>147.90 132.26</td>
<td>26.76 23.94</td>
<td>41.02 36.66</td>
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</table>

120 Table 6.5 Amend figures in table:

<table>
<thead>
<tr>
<th></th>
<th>Absolute (ha)</th>
<th>Percentage of total</th>
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<tbody>
<tr>
<td>Office requirement</td>
<td>18.55 16.6</td>
<td>6%</td>
</tr>
<tr>
<td>Industrial requirement</td>
<td>274.14 245.3</td>
<td>94%</td>
</tr>
<tr>
<td>Total requirement</td>
<td>292.69 261.9</td>
<td>100%</td>
</tr>
</tbody>
</table>

120 Table 6.7 Amend figures in table:

<table>
<thead>
<tr>
<th></th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office requirements</td>
<td>17.96 15.96</td>
<td>8.96 7.94</td>
<td>1.59 1.41</td>
<td>2.60 2.31</td>
</tr>
<tr>
<td>Industrial requirements</td>
<td>263.93 235.23</td>
<td>131.64 117.02</td>
<td>20.47 63.15</td>
<td>38.28 34.21</td>
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<tr>
<td>Total</td>
<td>281.89 251.19</td>
<td>140.60 124.96</td>
<td>75.47 67.43</td>
<td>40.88 36.52</td>
</tr>
</tbody>
</table>

126 - 127 6.40 "Comparing this demand analysis with the supply (less the land available at Hedon Haven) allows the following headline conclusions to be drawn (to be read alongside qualitative analysis of drivers across each market area set out in later text):

- Headline demand for between 128 and 282.252 hectares of employment land compared to a supply of 363 hectares which is generally available for development;
- Demand for 16-17 ha hectares of B1a/b employment land compared to a
specific supply of less than 5 hectares;
- Demand for between 112 and 236 hectares of B1c/B2 or B8 employment land compared to a specific supply of under 14 hectares, with the commercial analysis suggesting that B2/B8 requirements are likely to drive this requirement; and
- Over 346 hectares of ‘mixed’ employment land supply."

131 6.60 "The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:
- Office land – around 8 ha
- Industrial land – between 56.64 ha and 117.13 ha
- Total land – between 65.68 ha and 125.14 ha"

134 6.73 The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:
- Office land – around 4.5 ha
- Industrial land – between 29.2 ha and 64.7 ha
- Total land – between 33.4 ha and 68.7 ha"

139 6.90 The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:
- Office land – around 1.2 ha
- Industrial land – between 9.49 ha and 21.23 ha
- Total land – between 10.4 ha and 23.24 ha"

141-142 6.100 The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:
- Office land – around 2.3 ha
- Industrial land – between 15.95 ha and 35.38 ha
- Total land – between 18.25 ha and 37.40 ha"

Appendix 3 Corrected score for ELMR site 16
Appendix 6 Corrected score for ELMR site 16
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Appendix 3: Existing employment land supply ........................................................................
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Appendix 5: Maps of sites ........................................................................................................
Appendix 6: Existing employment land supply by score..........................................................
Appendix 7: Potential additional sites by score ........................................................................
1. Introduction

Background

1.1 This report sets out the processes and findings of the East Riding of Yorkshire Employment Land Review (ELR). The ELR has been produced taking into account Office of the Deputy Prime Minister (ODPM) (as was) guidance on conducting ELRs (Employment Land Reviews – Guidance Note 2004) (‘the guidance’) considered in the light of more recent policy direction including the National Planning Policy Framework (NPPF) and draft National Planning Policy Guidance (NPPG) and has been undertaken by GVA.

1.2 The report replaces those prepared previously by GVA relating to employment land evidence base including the 2007 Employment Land Review, and subsequent Partial Update undertaken in 2009, as well as the Demand Assessment Update undertaken in-house by East Riding of Yorkshire Council in 2011.

Brief

1.3 Since completion of the original ELR and subsequent updates to the evidence base, there have been a number of changes in the economic climate and national planning policy, including the publication of the NPPF and more recent release of the draft NPPG. This changing policy climate, alongside macro-economic changes, the availability of updated secondary data and changes to the land supply support the need to undertake an update to the ELR evidence base.

1.4 This update exercise is noted to be particularly pertinent given the timescales for the production of the Local Plan. We also recognise that progress has been made on economic development strategy, including relating to specific projects (e.g. off-shore renewable energy, and the establishment of Enterprise Zones). Local Enterprise Partnerships (LEPs) have also formed to provide strategic leadership for economic growth. The East Riding is a member of both the Humber LEP and the York, North Yorkshire & East Riding LEP, reflecting the large and diverse economic area it covers. The implications of this need to be taken into account within the evidence base.
1.5 In commissioning the update, the Council is keen to understand existing business needs, likely changes in the market, land requirements over the plan period in this context, and the current land supply position. In understanding these elements, the Council requires the information provided to form the basis of recommendations that support the Plan including:

- The need for land or floorspace for economic development, including both the quantitative and qualitative needs; and

- The existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs.

**Report Structure**

1.6 The remainder of this report is structured as follows:

- Section 2 – Baseline review
- Section 3 – Commercial market assessment
- Section 4 – Employment land supply
- Section 5 – Projecting the demand for employment land
- Section 6 – Balancing supply and demand / recommendations
2. **Baseline Review**

2.1 The first part of the baseline review highlights the key themes and recommendations coming from a number of key policy documents at the national, regional, sub-regional and local levels that are of particular relevance to planning for economic growth. The second part of the review identifies the key socio-economic characteristics of East Riding, and the perspectives of existing local businesses.

**Document Review**

**Planning policy and strategy**

*National Planning Policy Framework*

2.2 The National Planning Policy Framework (NPPF), which sets out the Government’s planning policies for England and how they are expected to be applied, was published in March 2012. The document replaces a number of documents in place previously including Planning Policy Statement (PPS) and Planning Policy Guidance (PPG) documents, including of specific relevance to this ELR, Planning Policy Statement 4 (PPS4) *Planning for Sustainable Economic Growth*.

2.3 The NPPF states that the purpose of the planning system is to contribute to the achievement of sustainable development, and establishes a presumption in favour of sustainable development.

2.4 ‘Building a strong, competitive economy’ is a key priority area within the NPPF, recognising the Government’s commitment to securing economic growth in order to create jobs and prosperity, building on the country’s inherent strengths, and to meeting the twin challenges of global competition and of a low carbon future.

2.5 In order to achieve economic growth, the NPPF states that Local Planning Authorities (LPAs) should plan proactively to meet the development needs of business and support an economy fit for the 21st century. This includes:
• Setting out a clear economic vision and strategy for the area which positively and proactively encourages sustainable economic growth;

• Setting criteria, or identifying sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

• Supporting existing business sectors, taking account of whether they are expanding or contracting and, where possible, identifying and planning for new and emerging sectors likely to locate in the area. Policies should be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances;

• Planning positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries;

• Identifying priority areas for economic regeneration, infrastructure provision and environmental enhancement; and

• Facilitating flexible working practices such as the integration of residential and commercial uses within the same unit.

2.6 Importantly for the undertaking of this ELR, the NPPF states that policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of it being used for that purpose, including the need for regular reviews of sites, having regard to market signals.

2.7 The NPPF also introduces a duty for public bodies to cooperate on planning issues that cross administrative boundaries, including for strategic priorities such as economic development requirements and land supply.

2.8 National Planning Policy Guidance (NPPG) has recently been published in draft format for consultation, providing more detail of the application of the NPPF in policy terms. Within NPPG it is stated that the primary objective of identifying need is to:

• Identify the future quantity of land or floorspace required for economic development uses including both the quantitative and qualitative needs for new development; and

• Provide a breakdown of that analysis in terms of quality and location, and to provide an indication of gaps in current supply.
2.9 The guidance further states that there is no one methodological approach or use of a particular dataset(s) that will provide a definitive assessment of development need. With specific reference to the most appropriate geography of analysis, the guidance notes:

The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area.

2.10 On the basis of this guidance, it is considered most appropriate for the ELR to align with the Functional Economic Area (FEA) geography established within the East Riding of Yorkshire Council Local Economic Assessment (LEA) (2011). This geography, summarised below, forms the basis for reviewing land supply and demand within the ELR. A map showing the extent of coverage of each of the four FEAs (both within and outside of the East Riding) is included in Appendix 1.

2.11 The four FEAs are summarised in the bullet points below.

- The Goole & Selby FEA is noted to be fairly self-contained, sharing its closest economic linkages with Selby to the west. The level of self-containment within this FEA is linked to the development of Capitol Park, a major employment location, with further expansion potential noted.

- The Hull FEA covers a significant area of the East Riding, taking in settlements including Beverley, Hornsea and Withernsea. The FEA is dictated, in part, by the influence of Hull to the south including pulls on the labour market, availability of educational opportunities, retail offer, and cultural attractions.

- The York FEA exerts a sphere of influence onto the East Riding, most notably within the Pocklington and Wolds Weighton areas. The commentary notes strong connections with East Riding residents who travel into York and the wider North Yorkshire area for employment and learning opportunities, in addition to tourism and retail links.

- The Yorkshire Coastal FEA includes a number of travel to work areas including Bridlington and Driffield, Scarborough and Whitby. There are a number of economic sectors that are recognised to be distinct to the coastal zone including seaside tourism and the visitor economy, the fishing industry, and lifestyle businesses attracted to the high quality of life.
2.12 It should be noted that the FEAs will be considered again with the release of full Census data in 2014 and the development of LEP Growth Strategies.

The end of regional planning policy

2.13 The enactment of the Localism and Decentralisation Bill in November 2011 marked the beginning of the end of the Regional Spatial Strategy (RSS). The Localism Act provides a legal foundation of the revocation of the RSS (following a series of legal challenges from CALA Homes on the initial revocation of the regional tier of planning in June 2010).

2.14 The Act imposes a duty on local planning authorities to co-operate and provide constructive, active and ongoing engagement in decisions relating to sustainable development or strategic infrastructure. Authorities maintain their strategic responsibilities in setting planning policy which plans for future growth.

2.15 This marks the end of employment targets and policy at the regional scale, further emphasising the importance of having an evidenced assessment of the level of employment land required within a local area.

2.16 It is important for local authorities to provide a credible and robust evidence base to justify future employment requirements at a local level, which can be translated into policy, rather than being reliant on targets set out at a regional level.

2.17 The loss of RSS, and the abolition of Yorkshire Forward, the Regional Development Agency, emphasises the importance of having an evidenced and up-to-date ELR that is robust for use at both the local and the Local Enterprise Partnership (LEP) level. Under this new LEP landscape, policy consistency, collaboration and decision making is being driven forward at both the local and sub-regional scales.
Current local policy framework

2.18 The principles of a plan-led system were established in PPS12 and are retained under the NPPF, but with a presumption in favour of sustainable development. The NPPF consistently references the need for clear policies based on local community and neighbourhood requirements and needs.

2.19 This includes the need to pro-actively drive and support sustainable economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs, through the local planning process.

2.20 ELRs play a key role in establishing requirements for locally distinctive policy responses, in particular relating to the provision of a suitable portfolio of employment land and the creation of ‘balanced economic markets’.

2.21 The statutory development plan at the local level comprises the Joint Structure Plan for Hull and the East Riding (adopted June 2005) as well as four local plans:

- Beverley Borough Local Plan (adopted June 1996);
- Boothferry Borough Local Plan (adopted April 1999);
- East Yorkshire Borough Local Plan (adopted June 1997); and
- Holderness District Wide Local Plan (adopted April 1999).

Local Employment Land Requirements

2.22 The Joint Structure Plan (JSP) for Hull and East Riding identifies almost 900ha of land allocated or committed for employment use in existing Local Plans, which represented (on the basis of average past-take up) about 27 years worth of supply. Broken down specifically to East Riding, there was an identified land supply of around 38 years, excluding vacant industrial and office floorspace.

2.23 Saved Policy EC1 of the JSP identifies almost 20ha of land at Humber Bridgehead as a Strategic Employment site, whilst saved Policy EC2 of the JSP identifies further strategic employment sites including: over 100ha at Junction 36 Goole (now Capitol Park), over 80ha of land to the east of Hull, between Paull and Saltend (known as the Paull site) and approximately 90ha of land at Melton.
2.24 Below the sub-regional level, the Local Plans covering the four areas of Beverley, Boothferry, East Yorkshire, and Holderness all pre-date the JSP.

2.25 The Beverley Borough Local Plan identifies on the basis of average take-up rates, that the (then) present supply of land immediately available within the (former) Borough is adequate to meet needs over the plan period although the distribution of industrial / commercial land across the Borough varies:

- The Beverley sub-area has some 9.95ha of available land identified to be sufficient for 10 years based on past take-up rates. The Local Plan identifies issues identifying additional land within the area, with an increased importance on the need to protect land supply from losses to non-employment uses.
- Low land supply at Anlaby / Willerby / Kirk Ella, with only four sites totalling 2.79ha, and no industrial / commercial land remaining at Cottingham.
- The Hessle sub-area is identified to have adequate available land to meet needs over the plan period, although a large proportion of this is at Priory Park.
- The Local Plan recognises the considerable reserve of industrial / commercial land at Melton, with the Council recognising the access constraints hindering development but also the strategic value of this allocation and its potential for very large developments.

2.26 The Boothferry Borough Local Plan considered a range of evidence to support land allocations including changing employment levels, past take-up / building rates, and analysis of enquiries received. There is a recognition within the plan that the stock of land available and of premises, is not evenly distributed through the (former) Borough and that there is a distinct lack of suitably serviced land, most notably of larger sites. In view of this, the Local Plan made significant allocations totalling 259.6ha across a number of locations.

2.27 The East Yorkshire Borough Wide Local Plan did not identify a specific overarching land requirement figure. Rather, the economic policy included in the plan draws on the Humberside Structure Plan including an emphasis on the need to provide land for new economic development, such as within Policy E2 which identifies strategic locations, generally over 20ha in size, where new employment land should be provided. Within East Riding, Carnaby is identified as such a location, where 45ha of land should be made available.
2.28 Elsewhere in the Borough, Policy E3 of the Structure Plan guides the development of sites for employment uses. The Borough’s urban centres of Bridlington, Driffield, Market Weighton and Pocklington are defined as local employment centres, where proposals for industry and commerce which are compatible with their size and character will normally be permitted. Outside of Carnaby, the Local Plan allocated 72.3ha of employment land.

2.29 As with the East Yorkshire Local Plan, the **Holderness District Wide Local Plan** does not include a specific land requirement figure. Rather, the plan similarly draws on the Structure Plan’s policies regarding strategic sites and smaller sites. The Local Plan makes the following allocations:

- Two large scale industrial allocations at Saltend (85ha at Hedon Haven and 45ha north of Hull Road)
- Medium sized sites at Brandesburton and Burstwick largely based on existing industrial areas and for storage uses at Catfoss Airfield
- Smaller sites identified in the ‘urban centres’ of Hedon (8ha), Hornsea (5ha), and Withernsea (3ha) or related to the following ‘selected settlements’ in the rural development area: Aldborough, Easington, Partington, and Withernwick

**Emerging Local Planning Policy**

2.30 In January 2013, East Riding of Yorkshire Council published consultation versions of its emerging Draft Strategy Document and Draft Allocations Document. These documents set out the proposed future planning policy context for the East Riding district and the following 6 sub areas:

- Beverley & Central sub area;
- Bridlington Coastal sub area;
- Driffield & Wolds sub area;
- Goole and Humberhead Level sub area;
- Holderness & Southern Coastal sub area; and
- Vale of York sub area.

2.31 The **Draft Strategy Document** (January 2013) sets out the proposed spatial strategy and development policies for the district. Relevant policies are set out below.
Draft Policy S3 states that new development should seek to prioritise the re-use of previously developed land and defines a Settlement Network for where new development should be focused. It identifies the Major Haltemprice Settlements, Principal Towns and Towns of the district to be the main focus of growth in the East Riding as well as the Key Employment Sites along the East-West Multi-Modal Transport Corridor; Hedon Haven, Humber Bridgehead (Hessle), Melton and Capitol Park (Goole). These Key Employment Sites are to support the growth of key employment sectors and clusters by providing significant opportunities for inward investment and expanding local businesses.

Draft Policy S6 proposes to deliver 235 ha of employment land on a broad range of sites. Allocated employment sites are to support the delivery of approximately:

- 55 ha for B1 uses, predominantly in the Major Haltemprice Settlements and the Principal Towns;
- 65 ha for B2 uses, spread across a range of sites across the East Riding; and
- 115 ha for B8 uses, primarily at locations along the East-West Multi-Modal Transport Corridor for storage & distribution uses.

The draft policy states that up to 240 ha of land will also be allocated at Hedon Haven to cater for the expansion of the Port of Hull.

Draft Policy EC1 looks to strengthen and encourage growth of the East Riding economy by supporting employment development within defined development limits. The draft policy states that Key Employment Sites will be safeguarded from alternative uses and proposes a presumption in favour of retaining all other employment sites, allocations or premises, except where they are no longer needed. Draft Policy EC1 further states that substantial proposals for employment development that cannot be accommodated on allocated sites will be supported where substantial employment benefits would arise and the identified site provides the most appropriate location for the proposal in the context of the defined Settlement Network.

Draft Policy EC2 proposes support for employment development in the Countryside, where it would contribute to the development and diversification of the rural economy.

Draft Policy A1 states that for the Beverley & Central sub-area, support will be given to the expansion and diversification of its key economic sectors including ports and logistics; renewable energy; manufacturing and engineering (including chemicals); and transport
equipment. As part of this, the draft policy looks to provide support for the role and development of the Key Employment Sites at:

- Hedon Haven; for the expansion of the Port of Hull;
- Humber Bridgehead; for high quality office and research; and
- Melton; predominantly for manufacturing, storage and distribution activities.

2.38 The draft policy also provides support for:

- Completion of the existing Willerby Hill Business Park;
- The role of Priory Park for a variety of economic development uses;
- The role of Salt End, particularly for the chemicals industry and related sectors;
- The comprehensive redevelopment of land north of Flemingate to include a mix of uses;
- Expansion of the town centre boundary;
- The role and physical improvements of the industrial estates to the east of Swinemoor Lane as a location for business; and
- The strengthening of Elloughton-cum-Brough’s role as a Town by encouraging employment opportunities.

2.39 Draft Policy A2 states that for the Bridlington Coast sub area, support will be given for the delivery of the Bridlington Town Centre’s AAP Regeneration Strategy which seeks to support appropriate expansion and diversification of the sub area’s key economic sectors including manufacturing and engineering. The draft policy also proposes:

- Support for the growth of new and existing businesses at Carnaby Industrial Estate, predominantly for manufacturing, storage and distribution uses;
- Support for Bessingby Industrial Estate as a location for predominantly manufacturing, storage and distribution uses; and
- Support for the relocation of businesses from the Pinfold Lane Industrial Area to Carnaby Industrial Estates and the comprehensive redevelopment of the Pinfold Lane Industrial Area for residential development.

2.40 Draft Policy A3 states that for the Driffield & Wolds sub area, support will be given to the expansion and diversification of the sub area’s key economic sectors including logistics
and manufacturing and engineering. It also looks to promote employment development at Skerne Road and Kelleythorpe Industrial Estates to accommodate small and medium enterprises.

2.41 Draft Policy A4 states that for the Goole & Humberhead Levels sub area, support will be given to the expansion and diversification of the sub area’s key economic sectors, particularly in terms of ports and logistics as well as manufacturing and engineering. It also looks to provide support for:

- The development of Capital Park as a Key Employment site for manufacturing, storage and distribution uses;
- The development of the Ozone Industrial Estate predominantly for manufacturing, storage and distribution uses;
- Initiatives aimed at linking employment opportunities with residential areas of Goole and the wider sub area; and
- The encouragement of value-added, port-related activities and maximisation of opportunities for intensification and expansion around the sub area’s ports and wharves at Goole and Howdendyke.

2.42 Draft Policy A5 states that for the Holderness & Coastal sub area, support will be given for the promotion of employment development at Beacon Road Industrial Estate, Withernsea and allocated employment sites in Hornsea.

2.43 Draft Policy A6 states that for the Vale of York sub area, support will be given for the sub area’s key economic sectors including manufacturing and engineering. As part of this, draft policy looks to promote employment development at Pocklington Industrial Estate and at York Road, Market Weighton.


2.45 Whilst this Employment Land Review acknowledges the progress of the emerging Local Plan, it has not been unduly influenced by its proposed policies and seeks to inform the final version of the Plan.
Other Policy Drivers

2.46 Beside the statutory development plan and emerging planning documents, there are a number of other policy plans and projects that will influence demand for employment land within the East Riding. These are discussed briefly below.

Local Enterprise Partnerships

2.47 The Localism Act replaced Regional Development Agencies (RDAs), such as Yorkshire Forward, with Local Enterprise Partnerships (LEPs). Since October 2010 the Government has announced the creation of 39 LEPs. East Riding sits within two LEP areas as a result of its economic geography including four functional areas with strong respective interfaces with the wider sub-regional areas: the Humber LEP and the York, North Yorkshire and East Riding LEP. LEPs are now required to prepare Local Growth Strategies (Strategic Economic Plans), as detailed in ‘Growth Deals – Initial Guidance for Local Enterprise Partnerships’ (July 2013).

Humber LEP

2.48 A Plan for the Humber 2012-2017 (October 2012) sets out the Humber LEPs vision for the Humber over the next five years. It centres its vision around the development of the sustainable renewable energy industry on the Humber estuary as well as its strengths in terms of trade, logistics and chemicals.

2.49 In order to deliver its vision, the Plan acknowledges the need to improve the Humber’s quality of resources, including its physical assets and accessibility.

2.50 The report describes how the logistics element of the Humber’s port offer needs to be positioned to create more local ‘value added’ and encourages the development of a ‘supercluster’ of renewable energy industry on both banks of the Estuary.

2.51 The Centres for Offshore Renewable Engineering - Humber Prospectus (November 2011) promotes the Humber Estuary and its ports complex as a strategic location for the growth of the offshore renewables industry and recognises the need to provide high quality infrastructure to support the needs of the Offshore Wind sector.

2.52 Across the Humber area, it identifies 17 sites which benefit from Enterprise Zone status, totalling an area of 819 ha, as being available for such development across the Humber
(North and South Bank); on the North Bank the majority of these sites (11) are located within Kingston Upon Hull district boundary. 3 of the sites are located in East Riding and total an area of 126 ha:

- Paull (81 ha)
- Brough (35 ha)
- Staithes Road (2 ha)

2.53 In January 2013, the four Humber local authorities and the Humber LEP submitted their Hull & Humber City Deal proposals to the Government, focussed on accelerating the area’s development as an offshore wind cluster. In February 2013, the Hull & Humber region was granted approval to begin necessary steps to negotiate City Deal status. Negotiations are ongoing and due to be completed in the coming months. As part of the City Deal proposals, the development of a spatial plan for the Humber to demonstrate alignment of the Estuary’s sustainable development is being considered.

2.54 As part of the preparation of this Employment Land Review, the LEP was contacted to establish their views in relation to employment land supply in the East Riding. Their view is that the East Riding plays a prominent role in the employment land offer within the LEP area, and it has a varied offer when compared to Hull (which has a constrained land boundary).

2.55 The East Riding is considered to contribute to achieving the LEP priorities, in particular in relation to ports and logistics, chemicals and renewables, as well as contributing to the emerging priority of food manufacturing. The East Riding also has a role to play in terms of the LEP’s secondary tier of cross cutting priorities for example, enhancing skills.

2.56 The LEP see the East Riding and Hull areas as working together and competing with other locations in terms of renewable. The LEP identifies the ability of East Riding and Hull to work together as a particular strength of the area.

2.57 In terms of employment land supply in the sub-region, the LEP’s view is that the quantum of employment land with good access makes it a competitive location. They do identify that in some locations there are environmental constraints but that the LEP is currently working with the various authorities to overcome these.
2.58 The LEP considers the key employment sites in the East Riding to be located around the M62 / A63 corridor.

York, North Yorkshire and East Riding LEP

2.59 In August 2013, the York, North Yorkshire and East Riding LEP released for consultation their Strategic Economic Plan (Consultation Draft). The priorities identified by the LEP within this document include:

- Profitable and ambitious small and micro businesses
- A UK leader in food manufacturing, agriculture, and biorenewables
- Driving growth in our towns and the City of York
- A workforce with the skills that businesses need to grow
- An economy that is well connected to its markets

2.60 As per the Humber LEP, as part of the preparation of this Employment Land Review, the York, North Yorkshire and East Riding LEP was contacted to establish their views in relation to employment land supply in the East Riding. The LEP considers that the advantage of the East Riding location is that it sits within two LEP areas, and the key challenge for East Riding and the LEPs is knowing who needs to be involved with what according to the different priorities of the LEPs.

2.61 The LEP consider the East Riding to be in a strong position – able to contribute to the offshore wind industry, but it is also well postioned in terms of agricultural, food manufacturing and bio-renewable sectors, which are priorities for the York, North Yorkshire and East Riding LEP. In terms of agri-tech and bio-renewables, West Yorkshire, East Yorkshire and North Yorkshire work together to compete against East Anglia and, perhaps, Lincolnshire.

2.62 The Yorkshire Coast is identified by the LEP as an important attribute of the East Riding in terms of offshore wind and tourism opportunities and the Yorkshire Coast, including Scarborough and Whitby, help to create a strong brand. The natural environmental of the Moors / Wolds is also seen as key to some industries. The LEP also stated that northern parts of the East Riding are typified by micro / small business units; these are a focus for the LEP.
The Yorkshire Coast and the market towns are considered to be a focus for the LEP. The LEP is trying to understand the role of these places in economic terms in order to be able to exploit / anticipate demand.

Land availability in East Riding is not considered to be an issue, but one issue for the area is seen to be the availability of a workforce to improve demand / inward investment from businesses.

The LEP commented that whilst infrastructure is generally good in the East Riding, there are some rural parts of the area where transport is an issue.

**Previous Employment Land Review Findings**

The East Riding Stage 2 Employment Land Review was published in 2007, with a partial update undertaken in 2009, and a demand assessment update in 2011. Together this evidence base provides an assessment of employment land within the borough in terms of quality, quantity and the extent to which this land can meet the identified future requirements. This Employment Land Review has been prepared to wholly update and replace this existing evidence base in a single report.

**Adjacent Authorities Employment Land Position**

As recognised in the LEA and the NPPF, it is relevant to consider the employment land position, both current and in terms of forward planning policy, of adjacent authority areas when considering the future position for East Riding. This approach forms part of the Council’s Duty to Co-Operate; a requirement of the Localism Act.

There is significant evidence of the economic linkages between the East Riding and adjacent areas, particularly including Hull, York, Scarborough and Selby, noted previously in considering the FEAs operational across the area and the overlaps to these adjacent authorities. It is relevant to consider and recognise the aspirations of these wider economies in employment land terms when establishing the aspiration for East Riding. This is particularly true of where assumptions are being applied around future scales of commuting and employment growth.

Adjacent authorities were invited to the stakeholder workshop held on 16th April 2013 and Hull City Council attended. The adjacent authorities were also contacted by telephone...
to seek a better understanding of their employment land position and economic strategy. Given the importance of the functional linkages with Hull, a draft of this report was also shared with Hull City Council for their comments prior to finalisation. This has sought to ensure a joined up approach to economic planning across local authority boundaries.

Hull

2.70 The Hull Employment Land Review (ELR) (July 2008) is presented in context of the Council’s aspirations to create 20,000 new jobs and 1500 new businesses by 2020, as well as ambitions to join up the existing manufacturing sector with knowledge and service sectors.

2.71 Within the district, the ELR identifies an estimated 193ha of employment land on 132 sites. Of this land:

- 46% is stated as being committed, but not yet delivered, for future employment use;
- 20% is considered to be constrained (particularly from flooding); and
- 15% (29 ha) is dependent on the relocation of existing uses.

2.72 The area is considered by the ELR to have a very tight and constrained boundary and this is reflected by the fact that around three quarters (139 ha) of the employment land is on previously developed land. As a result of the authority’s tight boundary, the ELR acknowledges the need for joint-working with East Riding of Yorkshire Council to provide suitable employment land.

2.73 Of its existing employment land supply, the ELR identifies an over-representation of manufacturing industries in Hull, with an under-representation of service and knowledge driven sectors. It describes the district’s current employment stock as being dispersed, unsuitable for modern occupiers and constrained by existing infrastructure provision. The ELR also identifies a lack of ‘oven ready’ office space in Hull and describes its current stock as being out-dated. These issues are seen to encourage the leakage of employment value and benefits to the neighbouring East Riding.

2.74 In terms of Hull’s future employment supply, the ELR identifies a need to supply between 113.6 ha – 128.7 ha of employment land between 2006 and 2026, with demand for speculative industrial development expected to be strong. As a result of the constrained boundary, however, the ELR recommends that the most ‘land-hungry’ B2 and B8 land uses should be encouraged to locate within the East Riding.
2.75 In terms of office land supply, the role of Hull City Centre’s office market is seen to be of vital importance to the overall competitiveness of both Hull and the East Riding. B1 uses in the East Riding must complement rather than undermine the city centre. The City Centre is the primary location for Grade A office premises, and offices in the East Riding can provide a different offer (less dense high quality business parks in accessible locations).

2.76 In May 2013, Hull City Council adopted the Hull City Plan. This is to be used as the City’s Community Strategy; a guiding document for strategic decision-making in the City.

2.77 The overarching aim of the Plan is to drive change in the City and above all, create over 7,500 jobs for local residents to take up. In turn, this is anticipated to raise health, income and skill levels, as well as the perception of the City.

2.78 In order to deliver its aims, the following 5 priorities are set out in the Plan:

1. Harness all Hull’s assets to become the leading UK Energy City
2. Make Hull a world-class visitor destination
3. Help residents to make their money go further
4. Prevention and early intervention
5. Safeguarding the most vulnerable residents

2.79 It is noted that Hull City Council recently commissioned an update to their ELR. At the time of writing, this report is at an early stage in its preparation. However, the ongoing engagement with Hull City Council through the preparation of this study has sought to ensure the alignment of this study with this emerging evidence.

York

2.80 The current employment land supply for York is stated within the 2009 Stage 2 Employment Land Review to comprise 92 large employment sites. Moving forward, the ELR identifies a need to deliver 49.6 ha of employment land to 2029, covering the following different land uses.
2.81 The ELR looks to encourage the supply of B1a space towards undeveloped sites in centres, with B1b, B1c, B2 and B8 uses towards previously developed land outside of centres.

2.82 Discussions with York Council have identified that they consider their emerging Local Plan to be ambitious in terms of economic growth (linked to ambitious housing growth). The York City Council emerging Local Plan Preferred Options document (June 2013) states the following:

In more recent times, the city’s economy has moved towards being based on a service industry including both tourism as well as knowledge-based industries. The city has a number of key sector strengths. These include: the healthcare and bioscience sectors, rail, environmental and bio-renewable technologies, IT and digital companies, creative industries and financial and professional services.

2.83 It also quotes the York Economic Strategy 2011–15 (2011), which sets ambitious targets for York to become a top five UK city and a top ten mid-sized European city. It states that:

The Strategy sets the following vision for York: Our economic vision is for the City of York to become an international and enterprising city, and in time, the most competitive city of its size, not only in the UK but globally, leading to increased growth in the overall economy and jobs.

2.84 The Preferred Options document also sets out that Oxford Economic Forecasting (OEF) produced a series of projections for York for the period 2012 to 2030 as part of the City of York Economic and Retail Growth and Visioning Study (2013). Of the 3 scenarios assessed, Scenario 2 is set out as preferred in the Preferred Options document. This represents a ‘policy-on’ scenario based on faster growth in the sectors of: advanced manufacturing, science and research, financial and professional services, and tourism and leisure.

2.85 Paragraphs 8.2 – 8.3 and 8.5 set out the Council’s preferred approach to future employment land provision as follows (GVA emphasis):
**York City Centre** is the economic, social and cultural heart of York. It is vital to the future economic success of the wider city. The Economic Baseline (2013) recognises that York’s ability to attract and retain investment into the city and support business expansion is in part dependent on ensuring the availability and suitability of land and importantly, to maintain the balance between historic city, and new economy.

The Local Plan recognises this need and will support investment to deliver this requirement, together with facilitating new commercial development proposals at Castle Piccadilly, Hungate and a new urban quarter as part of the York Central Strategic Allocation to ensure a portfolio of opportunity sites capable of securing large employer requirements in a central, sustainable location.

**Outside the city centre** the land needed for commercial and business uses will be met through development opportunities at existing employment locations as set out at Policy EMP1. This will include the delivery of development in the Monks Cross area, within the remaining development plots at York Business Park, new development plots at Northminster Business Park and additional land specifically for leisure based uses at the Naburn Designer Outlet. In addition, Clifton Moor is recognised as offering opportunities for redevelopment. Whilst not providing any significant net gain to the overall supply of employment land this should allow flexibility for this area to adapt to reflect the City’s economic needs. Other smaller scale sites are also identified.

2.86 This preferred approach demonstrates that the proposed growth / sites being promoted for employment development in the York area are not likely to compete with or undermine the ongoing economic function of the market towns that fall within the York FEA (Pocklington and Market Weighton).

**Scarborough**

2.87 The Scarborough Employment Land Review (2006) identifies Scarborough, Whitby and Filey as being the main centres for employment in the district, with the 113 ha Scarborough Business Park providing more than half (58%) of its total supply. Notwithstanding this, the ELR states that half of the Scarborough Business Park is currently vacated / undeveloped and is limited to providing predominantly B2 and B8 uses. 146 small employment cluster sites complement the Scarborough Business Park and provide 197 ha of additional employment land.
2.88 Only a modest demand for employment space is seen to exist in the district, with its current supply able to meet short to long-term demand. As such, rather than expanding the district’s employment land supply, the ELR recommends that the existing supply is retained and safeguarded from future development.

2.89 Scarborough Council has confirmed that the Council is not planning for any significant employment land expansion during the Plan period, with the main focus of their strategy being to retain existing land. They consider their administrative area to be quite self contained in terms of employment development due to the geographical location. The new Potash Mine project could, however, have a bearing on the economic function of the area.

Selby

2.90 The Selby Employment Land Review Refresh (2010) states there to be an over-representation of manufacturing and energy sector jobs and floorspace in the Selby district, particularly around the settlements of Sherburn and Selby.

2.91 Whilst the ELR identifies 224.49 ha of potentially available employment land, the majority of sites (75%) are clustered within the Selby Town sub area and 67% of the total supply is considered to be constrained.

2.92 108 employment related premises are identified by the report as being currently available but generally, the current stock of employment premises is considered to be out-dated and lacking in terms of purpose-built B1 accommodation. The report therefore concludes that the district’s current employment land supply may not be suitable in meeting all future business needs.

2.93 Discussions with Selby Council point to Olympia Park (a proposed mixed use urban extension to Selby) as the likely main focus for employment growth in the future, with smaller allocations likely at Tadcaster and Sherburn in Elmet. Olympia Park looks to deliver 23 ha of employment land, including B1, B2, B8 uses, up to 2027. A further 10.6 ha of employment land is to be reserved for long term employment use.
Assisted Area Status

2.94 In addition to Enterprise Zone status a different type of support is provided to areas with Assisted Area status. This status is important for accessing all forms of public assistance. The status allows for a different level of aid (usually grant assistance) to be provided to businesses in the area compared to those outside the area. It is a form of regional policy to try and encourage investment into those areas.

2.95 The East Riding is also unique in Assisted Area terms across the Humber in that the intervention rate in the other 3 local authorities is 5% lower. These incentives can make a massive difference when attracting footloose inward investment enquiries. UK Trade & Investment (UKTI), which is the Government portal for Foreign Direct Investment (FDI) enquires, will often only ask for responses from Assisted Area locations.

2.96 In East Riding, the wards with Assisted Area status are South Hunsley Ward (covering Melton), South West Holderness Ward (covering Hedon Haven, Salt End and Hedon) and Hessle Ward (covering Hessle). All of these wards are in the Hull FEA.

Assessment of Household Growth Options

2.97 The 2011 Strategic Housing Market Assessment (‘SHMA’) provides an assessment of the East Riding of Yorkshire’s current housing stock and looks to identify what the future provision of housing should be based on market demand and need.

2.98 The SHMA states that East Riding currently contains a total of 150,065 dwellings of which 3,357 are vacant and 1,617 are second homes; an increase from the 2007 SHMA which recorded 144,322 dwellings in total. Based on the 2011 SHMA, the East Riding has an estimated total dwelling occupancy level of 145,091 and a vacancy rate of 3.31%.

2.99 Taken as an average over the last seven year period, the SHMA states that the East Riding has delivered 1,012 net additional dwellings per annum. This is considered to be an under-provision of housing supply against demand.

2.100 The SHMA estimates that the majority of East Riding’s housing stock consists of 3 bedroom accommodation (42.2%) with smaller 1 bedroom stock and larger 5 or more bedroom stock being least prevalent. The average household size is seen to be on a downward
trend; declining from 2.49 in 1991 to 2.33 in 2008. This is below the regional average of 2.36 in 2008.

2.101 The SHMA identifies an increasing population in East Riding. This is largely driven by internal migration, with more people moving into the area than out. Over the last 10 years, the net in-flow of internal migrants has been 3,066 per annum between 1999-2010, however, lower net in-migration rates have been experienced in more recent years.

2.102 Based on ONS data, the SHMA states that the number of jobs located within East Riding to be 114,203 in 2009. Job numbers have been seen to increase between 1998 and 2008, with an average annual rate of increase of 777 jobs per annum. The economy is seen as being an important driver of population and household change in East Riding.

2.103 Whilst the SHMA considers East Riding’s economy to be diverse, it is seen to be dependent on small businesses, a limited number of major employers and the public sector. Furthermore, whilst people are attracted to live in the East Riding because it offers a good quality of life, a high proportion of residents are seen to commute to the surrounding towns and cities.

2.104 At the time of writing, East Riding of Yorkshire Council has commissioned GVA to undertake an update to the 2011 Local Housing Study (LHS), although the findings are not in place to reference within this document. The LHS is taking into account the economic analysis and forecasts considered within the ELR in establishing levels of objectively assessed need over the plan period.

**Baseline Economic Analysis**

**Employment Change**

2.105 Current Full Time Equivalent (FTE) employment in the East Riding is estimated at 105,665 in 2012 by the Regional Econometric Model (REM). This forecast projects forward historic data, linked with national trends, and suggests that the number of jobs within the area throughout the economic downturn has remained relatively stable (despite some major losses, for example at BAE Systems).
2.106 The current employment level is a growth of over 16,600 since 1998, with a general upwards trajectory noted over this period, with the exception of a slight downward trend post 2008 before recovery by 2012. This is shown in Chart 2.1 below.

**Chart 2.1: Change in FTEs 1998 – 2012**

![Chart 2.1: Change in FTEs 1998 – 2012](image)

Source: REM, 2013

**Employment Structure**

2.107 The current structure of employment across East Riding is illustrated in Chart 2.2. It shows a relatively balanced economy, in terms of proportionate split of FTEs by sector. The two largest sectors of employment within East Riding are noted to be Business and Professional Services (16,248 FTEs, 15.4% of total), and Manufacturing (13,612 FTEs, 12.9% of total). A number of sectors are identified to employ around 8,800 – 9,000 FTEs, between 8 and 9% of the total. This includes Construction, Education, etc.

2.108 The importance of the rural economy across the East Riding is also noted in the figures, with Agriculture, Forestry and Fishing representing some 5.1% of total employment (5,354 FTEs), Retail representing 8.4% (8,867 FTEs), and Hotels and Catering 5.2% (5,468 FTEs).
2.109 Of further interest is the changing structure of the East Riding economy, in terms of employment, over the period 1998 to 2012. The following two charts (Chart 2.3 and Chart 2.4) show the sectors that recorded the biggest ‘losses’ and the biggest ‘gains’ in FTEs over this period.
2.110 There has been a clear structural shift in the East Riding economy, in employment terms, between 1998 to 2012, notable in the previous charts. Specifically this includes a shift away from employment within Manufacturing sectors, with these comprising 8 of the 10 biggest losses in FTEs over the period, with gains noted in less traditional employment sectors.
including Retail, Public Administration and Defence, Health, Residential Care and Social Work, Construction and Education.

2.111 These trends are generally reflective of wider economic restructuring at the wider regional and national scale. This is particularly evident in the growth within business sectors including Professional Services (+2,424), Administrative and Support (+1,506), and Other Private Services (+1,485).

2.112 It should be noted that even with the recorded losses within specific sub-sectors, Manufacturing remains a significant employer within the East Riding, as recognised previously, including over 12% of FTEs within the economy in 2012.

Business Base Structure

2.113 Annual Business Inquiry (ABI) data is available for the period 1998 to 2008, showing the scale and structure of business units within East Riding. This is illustrated in Chart 2.5 below.

Chart 2.5: Business Units by Size, 2008

Source: ABI, 2008
2.114 The ABI recorded over 12,600 businesses within the East Riding economy in 2008, an increase of over 2,700 since 1998. Of these businesses recorded in 2008, a significant proportion (88%) are small businesses with between 1 and 10 employees, less than 1% of total businesses have over 200 employees within the East Riding economy.

2.115 Broken down by sector, 21% of businesses in East Riding in 2008 were within the Wholesale and Retail Trade sector (2,641 business units), with just under 25% in the Real Estate, Renting and Business Activities sector (3,150 business units), and 14% in the Construction sector (1,788 business units).

2.116 Reading this data alongside the previously presented figures on employment by sector, larger businesses within East Riding are predominantly within the Manufacturing, Wholesale and Retail Trade, Education, and Health and Social Work sectors.

Productivity

2.117 Gross Value Added (GVA) is a measure of the productivity of the economy, and when considered in the context of total employment, is a measure of the productivity of each job within the economy.

2.118 GVA per FTE within East Riding stood at £44,961 in 2012 (at 2008 prices), a fairly modest increase from the GVA per FTE recorded in 1998 of £44,275 (albeit this figure did drop following 1998). Comparing this with the change in employment over the period, there are suggestions that job growth locally has not resulted in productivity growth – i.e. the value of the jobs delivered is questioned, albeit this is only one datasource and therefore must be read with caution.

Business Consultation

2.119 As part of the update to the ELR, consultation has been undertaken to acquire the views of local businesses. Major local employers within East Riding were identified by the Council at the outset of the commission.

2.120 The consultations were carried out over the telephone or via email correspondence, depending on the consultees’ preferences. Contact, wherever possible, was made with Directors or Managing Directors with responsibility for future development and business
location decisions. However, in many cases a senior member of HR was the most appropriate source of information.

2.121 The following list details the 16 companies which took part in the consultation:

- J Z Flowers (Brough)
- K Fresh (Rimswell)
- Rofin-Sinar UK (Willerby)
- BAE Systems (Brough)
- Heron Foods (Melton)
- Nichigo / Nippon-Gohsei UK (Saltend)
- Omya UK (Melton)
- Meadow Foods (Holme-on-Spalding-Moor)
- Paragon (Melton)
- McKechnie Plastic Components (Stamford Bridge)
- Needlers (Melton)
- Croda (Goole)
- Allam Marine (Melton)
- A B Graphic International Ltd (Bridlington)
- Farmhouse Potato Bakers Ltd (Bridlington)
- J Rotherham (Market Weighton)

2.122 Of the 16 companies consulted, 13 (81%) are manufacturing companies and the remaining three companies are distribution only (19%).

2.123 The sample size was limited by a number of businesses which were unwilling to partake or which did not respond after several attempts to make contact. Due to the scope of the sample size, the views presented reflect those of individual businesses, rather than sectors.
2.124 The following section details the findings of the consultation under the following headings:

- Employees – levels of employment, location of employees;
- History of the company and site – How and why the company came to be located in East Riding and the current/future suitability of the site;
- Supply chain linkages – role as an importer / exporter within the region; and
- The future – future investment plans and growth trajectory.

Employees

Number of employees

2.125 The responses indicate that the majority of businesses consulted have experienced recent growth in employee numbers, over the past 5 years. Ten of the sixteen businesses consulted had recorded increased numbers; which was due to business growth, diversification or an increased size of the site.

2.126 Three of the businesses have experienced a recent fall in the number of employees. Reasons cited for this change included a fall in demand for the product made on site, improved efficiency and market downturn, which has led to redundancies.

2.127 Therefore, over 81% of the businesses consulted had experienced a recent change in employee levels, with only a small number (3), maintaining a similar level of employees over the past five years.

Proportion of employees living locally

2.128 Although most respondents estimated that a significant proportion of employees live locally, it is clear that the majority live outside the authority (approximately 62% of the 3,024 total employees). 1,161 employees (38%) from the businesses live within the authority, many of whom live within walking or cycling distance of their workplace.

2.129 The location of the companies consulted will impact on the number of people commuting in from outside of the authority. The majority of businesses consulted are located near to the border of East Riding, including Brough, Melton, Goole, Holme-on-Spalding-Moor and Willerby. This explains why a large proportion of employees commute from nearby Hull.
Businesses which were located in Bridlington recorded a significant number of employees commuting from Scarborough.

2.130 Several businesses also listed Grimsby, Dunnington and York as locations from which a small number of employees commute.

**Ratio between Higher and Lower End Employment**

2.131 A small number of respondents felt that they could not accurately establish the ratio between higher and lower end employees. However, of those that did, the average ratio between Managerial / Skilled workers and Supporting / Basic workers was 85:107.

2.132 This fairly even split between skills levels masks great variety between different businesses. One business listed 100% of its employees as skilled, whereas another’s workforce comprised of 95% unskilled workers.

**Recruitment Issues**

2.133 69% of consulted businesses reported that they have experienced recruitment issues in the past. Although the majority of issues were related to problems recruiting high level staff - such as filling legal, IT, finance, engineering and scientific positions – there were also problems related to filling low skilled roles. One company reported issues retaining low skilled workers, particularly as a result of poor attendance.

2.134 One company reported making several attempts to fill low skilled positions using the local workforce, but received few applications, despite advertising in local shops and through the local job centre.

2.135 One company linked its recruitment issues to the undesirable location of the company. Another respondent stated that city centre locations, such as York, Leeds or Hull tend to attract the skilled workers, to the detriment of businesses in East Riding.

2.136 However, the majority of respondents felt that the highly specialised nature of the skills sought meant that recruitment would always be an issue, regardless of the location of the company.
History of the company and site

History within East Riding

2.137 The length of time that each company has been present in East Riding varies greatly, between 1 year and 80 years.

2.138 However, there were two clear clusters of companies which located in East Riding either between 1940 and 1960 and post-2000.

Reasons for locating in East Riding

2.139 A range of reasons was provided to explain why each company had decided to locate in East Riding. Most companies reported several reasons for re-locating or starting a business in East Riding. The most frequent reason, stated by 56% of respondents, was the amount of land available, which allowed for future expansion of the company. 44% of respondents also cited transport infrastructure as a draw to East Riding, including access to ports, alongside the railway and road networks.

2.140 Other reasons for relocation to East Riding included the proximity to Hull University and knowledge networks, the supply of raw materials and available grants.

Meeting current and future needs

2.141 The majority of businesses (88%) stated that their site meets the current needs of the company. However, the percentage of businesses which felt that the site also meets future needs fell to 63%.

2.142 The main reason provided to explain why the site failed to meet current or future needs was a lack of additional land for expansion.

2.143 Overall, 19% of the businesses consulted stated that they had surplus land available. One company stated that due to consolidation, excess land is becoming available, which could be added to East Riding’s future employment land supply.

Supply Chain Linkages

2.144 The majority of manufacturing companies consulted were part of a supply chain, which varied from a local scale, within the East Riding authority, to a truly global scale.
In terms of imports, the consulted businesses received raw materials and primary components from other companies within East Riding, the rest of the UK, Europe, Russia, South America, China, Germany, the Far East and the USA.

With regards to exports, the picture appears to be very similar. Products are exported to other companies within East Riding, the rest of the UK, Europe, the Middle East, Japan, South Korea and the rest of the Far East. One company exports products made in East Riding to 52 countries around the world.

One respondent reported that the destination for exports has changed. Originally, the majority of exports for this company remained within the UK, specifically within East Riding. However, the closure or relocation of several of these recipient companies has resulted in the business changing its focus towards the European market, which is seen as more stable.

The Future

Future Prospects

The majority of businesses consulted were optimistic about the future prospects for their company or sector. 14 of the 16 companies consulted felt that there would be expansion within their sector in the short – medium term, leading to anticipated growth of the company.

The remaining companies felt that although growth was not anticipated in the short term, contraction was also not predicted. Therefore, the two companies which did not anticipate growth felt that they would be able to maintain current levels of output, thus remaining stable in the future.

Of the 14 companies which anticipated future growth, 7 stated that they would require additional employees. Two of the fourteen companies felt that increased growth would not directly lead to employment growth. This was due to either a predicted improved efficiency or increased employment at other sites outside of East Riding.

Where a predicted growth in employment levels was quantified, figures ranged from 5 new employees to 100 new employees, over the next 5 years.
Investment Plans

2.152 Over two-thirds of the companies consulted (69%) stated that they have investment plans for the future. Such plans include expansion, diversification, investment in green energy and relocation to a larger site.

2.153 Three of the eleven companies with investment plans aim to use private sector funding only, either through bank loans or investment from the parent company. However, seven of the companies have considered, or are willing to consider, the possibility of public sector funding. Potential sources included the Regional Growth Fund, the City Deal, financing from the Local Economic Partnership (LEP) and Enterprise Zone funding. The LEP was cited as aiding the improvement of infrastructure (including broadband) and utilities in Market Weighton.

2.154 One respondent felt that the area would not attain public sector funding, which was linked to a belief that East Riding has a tradition of under-investment from the public sector.

Conclusions

2.155 The businesses consulted were from a range of sectors, including rural activities, engineering, food, packaging and chemicals. Few, if any, of the companies had plans to relocate out of the authority. Furthermore, the positive outlook of the majority of companies and the formation of several investment plans indicate that future job prospects in East Riding are encouraging.

2.156 However, it appears that there are some barriers to investment. One company stated that despite such plans for growth and investment, the main barrier appears to be the planning system. The reason cited for this was the time and cost associated with making a planning application.

2.157 Conversely, there are several features of East Riding which attract and retain businesses. This includes the proximity to Hull, the ease of access to road and rail infrastructure and access to ports. Furthermore, many businesses cited the availability of expansion land as the reason for moving from Hull to East Riding.
2.158 Overall, it appears that the businesses consulted are performing well or are in the process of adapting to changing markets. As a result, business contraction seems limited, both at present and in the future.
3. Commercial market assessment

3.1 As part of this ELR we have undertaken an up to date property market review, focusing on the office and industrial sectors with emphasis on the main settlements in the Local Authority and reference to the FEAs identified across the area.

3.2 This report is based on information that was made available as at September 2013 and is structured as follows:

- An economic context;
- A national commercial property market update; and
- A local market assessment of the office and industrial sectors.

Macro-Economic trends

3.3 On 23 August 2013 the Office for National Statistics (ONS) released its second estimate of UK Gross Domestic Product (GDP) for Q2 2013. GDP is one of the main indicators of economic growth: it demonstrates the activity of the country in respect of all of the services and goods produced. GDP increased by 0.7% in Q2 2013 compared with Q1 2013. All of the four main output groupings (agriculture, production, construction and services) witnessed an increase in activity between Q1 and Q2, the first time this has occurred for almost three years. This indicates that the economic recovery may now be starting to gather some momentum, following growth of 0.3% in Q1.

3.4 Improving economic growth is encouraging news and gives grounds for optimism that the long awaited upturn is at last underway and recent survey evidence, indicating healthy growth in the service, manufacturing and construction sectors supports this optimism.

3.5 Employment statistics are increasingly holding steady. The latest data from ONS shows the national employment rate for those aged from 16 to 64 to be 71.6% between May and July 2013. This represents a stable position compared to the three months before. Unemployment stands at 7.7% of the economically active population, down 0.1% from February to April 2013.
3.6 Figures for income growth are improving, albeit at a modest pace. Total pay rose by 1.1% between May and July 2013 compared with the same period a year earlier. Regular pay rose by 1.0% during the same period.

3.7 Inflationary pressures continue to trouble the Bank of England as the rate of inflation has ticked-up up in recent months, although the latest Consumer Prices Index (CPI) grew by 2.7% in the year to August 2013, down from 2.8% in July. This remains stubbornly higher than the Government’s inflation target of 2% but is much lower than the peak figure of 5.2% recorded in September 2011.

3.8 The Bank of England did forecast an increase in the CPI rate of inflation at the mid-point of 2013 and it expects the figure to remain above the target rate for much of the next two years. CPIH, the new measure of consumer price inflation which includes owner occupiers’ housing costs, grew by 2.5% in the year to August 2013, unchanged from July.

3.9 In its attempts to stimulate the economy, the Monetary Policy Committee of the Bank of England has maintained a Bank Rate of 0.5% since March 2009. In order to give further monetary stimulus to the UK economy, the Bank initiated a programme of asset purchases – or quantitative easing – to inject money directly into the economy.

3.10 The Government has also attempted to address weak economic growth to try and free up bank lending, particularly to small and medium sized firms, but also to homeowners to increased effective housing demand and so boost house building. The lack of bank lending is seen as a key stumbling block to stronger economic output growth.

3.11 The Office for Budget Responsibility’s (OBR) latest economic and fiscal outlook report (dated March 2013) shows how the negative economic growth experienced in Q4 2012 impacted on the near-term growth forecast for the UK. The loss of momentum from the negative growth, which was attributed to disrupted production in the North Sea, coupled with a weaker outlook for consumer spending, business investment and exports, has led the OBR to reduce its forecast for UK growth in 2013 to 0.6% and 1.8% in 2014. The OBR’s forecasts remain unchanged thereafter with the forecasted growth in GDP rising to 2.8% by 2017.

3.12 The International Monetary Fund (IMF) is of the view that severe austerity policies may be counter-productive for the UK economy, especially when similar policies are being pursued in the Euro area, our main export market. As a result, their latest forecast for the
UK (July 2013) is for only 0.9% economic growth this year and 1.5% next year, and even weaker growth in the Euro area, where -0.6% and 0.9% respectively is expected. This contrasts with a relatively healthy 1.7% and 2.7% in the USA.

**Commercial property – national perspective**

3.13 GVA’s Economic and Property Market Review for Q3 2013 provides an informative insight into the performance of the commercial property market from a national perspective.

**The occupier market**

3.14 Confidence is gradually improving across the key regional city centre office markets, with occupiers looking to take advantage of the incentives and lease flexibility still on offer. Development activity is starting to feed through in some locations but grade A space will continue to diminish, and this will be increasingly reflected in falling rent free periods.

3.15 Industrial demand has strengthened a little over the last quarter, mirroring the positive readings from the recent CIPS confidence surveys – the July figure for the manufacturing sector was 54.6, the highest since March 2011 and well above the 50 mark, indicating expansion.

3.16 All property rental values have barely moved over the last two years. However, Q2 saw the rate of growth tick up, with a rise of 0.2% according to the IPD Quarterly Index, from zero growth in Q1. With economic growth forecasts now being revised upwards rather than downwards, GVA has slightly increased its own forecasts for all property rental growth and now expect average rental values to rise by 1% for 2013 as a whole and by nearly 2% next year.

**The investment market**

3.17 Annual UK investment transactions increased for the fifth quarter running in Q2, reaching £36.25 billion (Property Data), very similar to the annual average since 2002 of £36.8 billion. Overseas investors were responsible for 45% of total investment, having increased from about 20% a decade ago. Interest from investors for higher yielding property outside London is increasing. The gap between poorer quality secondary investment yields and prime yields continues to widen, according to IPD data, with prime yields edging down and poor quality secondary yields edging up.
3.18 The property investment outlook is brighter as economic growth accelerates and rental growth prospects improve. Restricted supply of prime investments, due to the low level of new development over the last few years, is beginning to push prime yields down and encourage investors to widen their potential market. The high yields on prime property outside London and on better quality secondary property are looking increasingly attractive to UK and overseas investors. This trend will increase over the next few years, with improving capital growth and attractive returns forecast.

**Demand factors**

3.19 Following the deterioration in economic and property market conditions, a more risk-averse attitude has emerged in the industry, with the exception of certain property sectors which remain bullish such as the convenience retail sector. There continues to be a strong preference for quality sites in good locations and benefiting from good connectivity, particularly to the strategic road network.

3.20 Demand for employment sites is primarily a function of the occupational market and the banks' propensity to lend. Given banks' limited appetite for development lending the demand for employment sites outside of prime locations has largely evaporated.

**Supply factors**

3.21 Due to the range of demand factors explored above, there are likely to be few sites where major investment and development will be supported in Yorkshire and Humber, and East Riding more specifically. The prime industrial sites where development on a scale is considered more likely are at key motorway intersections or established mainstream locations, including the M62 / A63 and the A614 corridors. The office market continues to be driven by in-centre and out-of-centre requirements, with good strategic connectivity, quality of the built and surrounding environments, and infrastructure, including Broadband provision, being key factors.

**Speculative development**

3.22 There is going to be a continuation of limited prospect of speculative development until a greater proportion of built-space is absorbed by the market and, more importantly, until the banks are prepared to lend on sensible terms and loan to value ratios. Legislation such as Empty Property Rates also impacts negatively on speculative development as the
additional holding costs to the developer or investor increase, thus reducing the viability of development.

3.23 In reality, speculative development in the East Riding area is likely to be limited to predominantly small scale development schemes which are likely to carry less risk. Debt funding is likely to be limited to schemes in good locations which have pre-lets or pre-sales in place. There may be instances where a cash-rich developer is prepared to commit funds to a speculative development, but such an occurrence is likely to be the exception rather than the norm.

**RICS Commercial Market Survey**

3.24 The latest RICS UK Commercial Market Survey (Q2 2013) demonstrates continuing improvement on the occupancy side with increased levels of tenant demand in all of the major sectors – the first time this has been recorded in two years. The perception is that the total availability of stock is reducing, albeit marginally. Investment market sentiment also continues to improve as the number of enquiries increases. Capital value expectations have turned slightly positive which is a good signal of improved sentiment.

3.25 In terms of sectors, the office sector is stabilising as supply reduces and rental expectations harden. Industrial is performing strongly with positive readings for demand and decreasing availability.

**National office sector**

3.26 GVA’s latest “Big Nine” review (Q2 2013) of the regional office market points towards a significant amount of optimism in the regional office markets as the upturn in confidence and recently more stable economic position filters into occupiers’ business plans.

3.27 Recent employment growth, particularly in the service sectors (which require office accommodation) implies that the economic fundamentals behind demand for space will improve during 2013 and 2014, albeit at a modest pace. Leeds for instance has seen a similar level of take-up in the first half of the year to the annual take-up over the previous four years. Q2 2013 take-up was 203,000 sq.ft (18,859 sq.m) which compares favourably to the five year quarterly average of 105,000 sq.ft (9,754 sq.m).
3.28 However, in most regional locations there remains a two-tier market which makes a marked distinction between Grade A accommodation in the best locations (attracting strong covenants) and secondary or tertiary accommodation which is subject to high levels of churn, particularly in respect of the sub 5,000 sq.ft (464 sq.m) bracket.

3.29 There is no doubt that the levels of incentives and lease flexibility are in themselves creating demand but as each of the nine major cities reviewed (including Leeds) sees Grade A take-up increasing and stock decreasing there are clear signs that landlords with the better quality stock are already beginning to revise their positioning.

3.30 GVA expects average regional office rental values to be broadly flat this year, increase by 1.6% pa next year and gradually accelerate to 2.6% pa in 2017.

National industrial sector

3.31 At a national level, the industrial sector has remained resilient during 2012 and the prospects for 2013 continue to remain positive. The availability of industrial property has remained stable, but the supply of Grade A space and good quality second hand accommodation has not noticeably reduced. As a result development activity continues to be impacted by a lack of funding.

3.32 An absorption of the very best stock has led to some occupiers pursuing design and build options, which is likely to reflect the greatest proportion of new supply. Design and build represents an opportunity to construct premises which meet the specific requirements of a company and is an option well suited to businesses with very specific operations, for example high value manufacturing activities.

3.33 Speculative development is likely to be limited to small and medium sized schemes in the best locations, such as those on or close to the motorway network. The justification for speculative development will continue to be assessed with regard to the persistent problems of viability, liquidity and satisfying loan to value ratios.

3.34 Headline rents have held steady with the deterioration in market conditions reflected through incentives, for example rent free periods, which are expected to recede as demand for accommodation increases. Headline rents are unlikely to grow significantly over the next few years.
3.35 There was reduced activity from the retailers in 2012 but they remain the main demand focus as they continue to look at their delivery patterns and growth and respond to the changes in retail demand. Much of the high street is under pressure but demand is led by the food retailers, internet activity and home delivery. The value of online spending in December 2012 was 15% higher than a year previous and represented 10.6% of total sales values overall, according to the Office for National Statistics. Medium-sized warehouses are benefiting from the changes in the retail sector and are beginning to play a key role in click and collect or ‘dark store’ operations. We are seeing a greater demand for smaller distribution centres close to population centres and this might revive some older industrial estates.

3.36 The market in Yorkshire was relatively healthy during 2012 and this has continued into 2013, especially in the mid-sized market (20,000 sq.ft/1,858 sq.m to 100,000 sq.ft/9,290 sq.m). Prime areas in Yorkshire along the M1 corridor in Sheffield, Rotherham and Leeds are attracting the better levels of demand, with secondary locations away from the major routes and centres considerably weaker. The subdued occupational market and withdrawal of funding over the last three years has caused a dramatic reduction in development activity. The limited new development will see supply shortages of prime stock begin to feed through over the next couple of years reducing vacancies and causing stronger rental growth.

3.37 According to IPD, average rental values for industrial property have shown modest falls for the past three years compared to the double digit correction in 2009. We expect little movement this year and modest positive rental growth from 2014 but at rates below RPI inflation, meaning further falls in real terms.

3.38 Industrial investment transactions for 2012 totalled £3.5 billion in the UK, according to Property Data. This is a similar level to the previous three years but below the ten year average of £5.2 billion. Strong overseas interest continues to buoy overall UK investor demand. Overseas buyers of industrial property accounted for 31% of the total value of purchases during 2011 and 2012, compared with just 18% over the previous three years.
Office and Industrial Sectors – local perspective

3.39 A range of local property agents were consulted to provide a qualitative overview of the commercial property market in the East Riding of Yorkshire area, with a focus on the office and industrial sectors.

3.40 The following property agents were consulted directly to inform this report:

- PPH Commercial;
- Garness Jones;
- Scotts Property;
- NT3;
- Clark Weightman;
- Dee, Atkinson & Harrison; and
- Leonards.

3.41 All of the above agents were invited to a stakeholder workshop to discuss the emerging Employment Land Review work and gather further feedback on 16th April 2013. Other invitees to this workshop included the members of the Green Port Hull Property Group (which includes representatives from key local developers and stakeholders, including J R Rix & Sons, Keystore, Wykeland, Associated British Ports, St Modwen and Horncastle Developments), the Humber LEP, the York, North Yorkshire and East Riding LEP and adjacent Local Authorities. At the workshop the background to the update and the ELR process was provided, and the East Riding economy and future growth prospects were discussed. This sought to gain an understanding of the attendees’ views of the local market to inform this study. This was followed up by telephone interviews which each of the property agents listed above.

Market sentiment

3.42 The consensus amongst agents was that local property market conditions remain challenging but the market appears to have reached, or be close to, the bottom. The general expectation is that a recovery will be slow and a ‘new normal’ will exist whereby
property values only recover to a certain level and do not return to the levels witnessed before the recession and property market collapse.

3.43 Until recently, the market was seen as erratic and unstable. However, sentiment suggests a greater level of stability exists today and confidence in the industry is improving on the back of greater levels of activity in the market place – the number of enquiries and occupational deals are increasing steadily even if values remain a little subdued.

**Key market areas**

3.44 The role of the M62/A63 transport corridor in the East Riding was clearly identified as a critical market area, important to the economic functioning of the area.

3.45 In terms of towns / localities, Beverley is considered to be an important centre in the East Riding area – particularly given the presence of East Riding of Yorkshire Council, as is Hessle. Bridlington is seen to attract primarily indigenous demand only as there are no major employers based in the town. Melton was noted as an area of increasing prominence, favoured by occupiers that are unable to find accommodation in nearby market towns. Driffield was also noted as a location with increasing momentum in terms of occupier interest.

3.46 Throughout the discussions held with agents and industry-based stakeholders, Hull was consistently recognised to be the main commercial centre for East Yorkshire generally, and the obvious, traditional, employment location which has driven requirements in the wider area.

3.47 More generally, it was felt that the more remote parts of East Riding would be of little interest to the commercial market, with most occupiers and investors seeking premises closer to established employment areas.

**Local office sector**

3.48 According to the agents consulted, there is a limited office sector generally across the East Riding area. There are however examples of quality schemes including modern purpose built offices in established schemes such as Saxon Court, Beverley and pavilion style office buildings on businesses parks such as Priory Park West and Waterside Park in
Hessle, as well as Hesselwood Business Park in Hessle which is a mix of converted offices and purpose built accommodation.

3.49 Beyond these purpose built premises, there are a large number of office suites above ground floor retail units – a format which is prevalent in sub-regional markets. This type of office accommodation typically attracts small local businesses which require basic and affordable office accommodation in central locations but does not drive occupier demand beyond this small indigenous scale.

3.50 Of key relevance is the broad view of Hull’s office provision struggling to meet modern office requirements, save for a selection of modern Grade A schemes such as One and Two Humber Quays. A large proportion of Hull’s office accommodation is multi-let buildings of 1960s and 1970s construction with limited parking provision. These buildings tend to provide relatively inflexible floorplates and basic fit-outs. Historically the occupier and investor market has not perceived Hull to have a strong or easily recognisable office core and this has limited confidence within the area, with some demand resulting in areas of the East Riding to accommodate these requirements.

3.51 Office development in Hull, and inevitably in the wider East Yorkshire area, has traditionally been constrained due to low rental values and soft yields which present significant viability challenges. Without a commercial imperative, there is a very limited market for speculative office development and developers are unwilling to speculate on potential occupier requirements, rather requiring pre-lets before commencing development. However, a lack of occupier confidence limits the number of pre-lets. This is an issue that is faced in areas outside of the East Riding, but remains an important challenge locally.

3.52 The Hull / East Riding office market is generally accepted to be relatively independent, with few linkages to the Leeds / Sheffield markets given the geographical distance, and limited train and transport links beyond the M62 / A63 corridor. As a result, the majority of office demand, outside of that related to the port activities, is considered to be predominantly indigenous or smaller scale in nature.
Supply

3.53 According to Focus, as of 20 September 2013 there were 94 office properties available to let in the East Riding area, with a combined floorspace of approximately 314,000 sq.ft. Focus reports that rents range from less than £2.00 per sq.ft to £24.00 per sq.ft. The average rent from the data extracted is £12.50 per sq.ft.

3.54 The majority of available units are secondary accommodation, with few new build office properties available. Approximately 63.00% of the available office floorspace has been on the market for over 12 months and the combined floor area of this proportion of available space amounts to 240,660 sq.ft.

3.55 Table 3.1 below shows the breakdown of the majority of available offices, as recorded by Focus.

Table 3.1: Available office floorspace

<table>
<thead>
<tr>
<th>Town</th>
<th>No. of available office properties</th>
<th>Total floorspace available (sq ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverley</td>
<td>30</td>
<td>96,068</td>
</tr>
<tr>
<td>Bridlington</td>
<td>4</td>
<td>21,000</td>
</tr>
<tr>
<td>Goole</td>
<td>10</td>
<td>84,000</td>
</tr>
<tr>
<td>Hessle</td>
<td>31</td>
<td>85,000</td>
</tr>
</tbody>
</table>

Source: Focus

3.56 The table above provides a not unsurprising picture in that the greatest proportion of vacant office space is located in the main commercial areas, with the highest number of vacant office space being in Beverley, followed by Hessle, Goole and then Bridlington. The remaining office space identified on Focus is located in locations such as Brough and Cottingham.

Demand

3.57 Indigenous demand for office space in Beverley is considered to be relatively strong; however this demand is not matched by an equivalent supply of modern space. The historic nature of Beverley means that traditional office accommodation is inflexible to modern business needs and land around the edge of the town is perceived to be constrained. There have been a number of examples where occupiers wishing to stay in
Beverley are no longer able to do so, because of the lack of office space of adequate size or quality to meet their needs. However, demand is such that if new office space were to be provided, with larger floorplates and better on-site parking facilities, it is thought that this would be met enthusiastically by the market.

3.58 Bridlington’s existing office accommodation serves a more local employment function.

3.59 Desk-top analysis using the Focus database reveals that in the last 24 months (September 2011 to September 2013) there were approximately 47 recorded office deals within the East Riding area. Approximately 72,000 sq.ft of office space was transacted, equating to an average take-up per year of 36,000 sq.ft.

3.60 6.00% of these transactions relate to office units up to 500 sq.ft; 55.00% related to units of 500 sq.ft to 1,500 sq.ft and 38.00% of the deals to units in excess of 1,500 sq.ft (reaching an upper limit of just under 5,000 sq.ft). More than 60.00% of these recorded transactions occurred in Beverley or Hessle.

3.61 Between 1 January and 20 September 2013 there were nine recorded office transactions in the East Riding area. Five were in Hessle (for example the letting of 850 sq.ft at unit 10 Waterside Park to Advanced Care Yorkshire at £11 per sq.ft), three in Pocklington (all three deals relate to lettings at 14 Market Place although further information remains confidential) and one in South Cave. The average unit size was 1,250 sq.ft and the average rent £9.00 per sq.ft.

**Local industrial sector**

3.62 There is a significant amount of industrial stock in the East Riding area, with varying types and quality of stock. The industrial units range in type from small workshops on multi-let industrial estates such as Acorn Industrial Estate in Beverley, to big single-let industrial units such as those at Melton West Business Park. Accommodation varies from pure industrial accommodation through to hybrid units with office content and schemes which provide separate office accommodation above the industrial accommodation at first floor level. The stock varies in quality from modern Grade A units in emerging locations to secondary and tertiary units in established locations.
Supply

3.63 Focus data reveals that as of 20 September 2013 there were approximately 141 available industrial properties/plots in the East Riding area, with a combined floorspace of in excess of 9,000,000 sq.ft. It should be noted that the property and plots available for development at Melton West Business Park represent a significant proportion (approximately 30%) of the availability figure. Rents range between £1.50 per sq.ft to £7.91 per sq.ft. The average rent from the data extracted is £4.00 per sq.ft. Approximately two-thirds of the available units are secondary, with the remaining being new build or refurbished properties.

3.64 Approximately 75.00% of the available industrial floorspace has been on the market for over 12 months and the combined floor area of this proportion of available space amounts to in excess of 4,000,000 sq.ft (although 2.8 million sq.ft of this relates to land at Meltonwest).

3.65 Table 3.2 below shows the breakdown of available industrial accommodation organised by location, as recorded by Focus.

Table 3.2: Available industrial floorspace

<table>
<thead>
<tr>
<th>Town</th>
<th>No. of office available</th>
<th>Floorspace available (sq ft)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beverley</td>
<td>19</td>
<td>397,000</td>
</tr>
<tr>
<td>Bridlington</td>
<td>12</td>
<td>130,000</td>
</tr>
<tr>
<td>Driffield</td>
<td>18</td>
<td>81,000</td>
</tr>
<tr>
<td>Goole</td>
<td>48</td>
<td>5,700,000</td>
</tr>
<tr>
<td>Melton</td>
<td>N/A</td>
<td>2,800,000</td>
</tr>
</tbody>
</table>

Source: Focus

3.66 The table above demonstrates the make-up of the East Riding area in terms of the industrial sector, with the greatest emphasis currently being placed on Goole and the increasing prominence of Melton being shown – albeit in terms of land marketed to for sale or to let for industrial purposes rather than any significant quantum of built units ready for occupation. The Focus data suggests there are other smaller pockets of industrial areas such as Brough and Hornsea, but the quantum of available industrial space in these locations is much less.
Demand

3.67 In respect of industrial premises, desk-top analysis using Focus has shown that over the last 24 months (from September 2011 to September 2013) approximately 45 industrial deals were recorded in the East Riding area. The combined floorspace of these transactions amounts to approximately 939,000 sq.ft. This equates to an average annual take-up of 469,500 sq.ft.

3.68 64.00% of these deals related to units of less than 5,000 sq.ft and only nine transactions involved units of more than 10,000 sq.ft. The largest transaction (in terms of unit size) related to a 400,000 sq.ft warehouse which was let in July 2013 at Melton on confidential terms.

3.69 Between 1 January and 20 September 2013, there were 14 recorded industrial transactions in the East Riding area. Seven were in Beverley (for example the letting of 4,000 sq.ft at Beverley Business Park to an undisclosed tenant at circa £3.00 per sq.ft) and the remainder were in various locations including Goole, Driffield and Pocklington. The units ranged in size from 957 sq.ft to 400,000 sq.ft. The average rent achieved was £3.80 per sq.ft.

Wider stakeholder engagement

Associated British Ports (ABP)

3.70 As part of the stakeholder consultation for the project, GVA has liaised with Mike Sellers, Deputy Port Manager at Associated British Ports (ABP) – a key business and employer in the region with a substantial land holding spanning the East Riding and City of Hull local authority areas.

3.71 ABP, as a business in its current form, has occupied its current site since the late 1980s (when the ports were privatised) although the port itself has been operational for many years. ABP specialises in short sea shipping and its operations at Goole (and Hull) facilitate and support its business model.

3.72 ABP’s current site is deemed fit for purpose but the company’s growth ambitions require significant expansion land. ABP are committed to their existing facility – a facility which will be at the core of any future expansion.
3.73 ABP has recognised that the renewables sector represents a key growth area and Hull and Goole are identified as key locations in respect of the UK’s offshore wind capabilities. Green Port Hull and the land at Paull Road are considered crucial to the capitalisation of the opportunities presented by this sector. ABP also recognises the importance of biomass, and indeed ABP is committed to a £100 million investment on the banks of the Humber.

3.74 ABP is also looking to invest in other products/sectors, for instance the importing of paper reels, albeit the property requirements associated with this business activity falls within Hull’s Local Authority boundary (specifically Hull docks).

3.75 As part of the future growth prospects, ABP anticipates a need to invest in warehousing to support manufacturing activities in the renewables sector, for example the manufacture of towers and blades for wind turbines at the Paull site (also known as Hedon Haven) (assuming an Original Equipment Manufacturer (OEM) commits to the area). ABP also expect there to be a need for office accommodation to support these manufacturing activities.

3.76 For biomass related activities, the likely property requirements will be warehousing (for storage) and office accommodation used in support of the manufacturing activities. Broadly, these requirements are likely to relate to the B1, B2 and B8 use classes.

3.77 ABP will require a significant amount of land at Hedon Haven in order to accommodate the future expansion of their port operations. Crucially, developing the Paull site would enable ABP to link in with the existing dock operations more efficiently, with the prospect of opening up a “renewables park”.

3.78 The existence of supply chain companies is not generally considered an issue in the port industry – indeed ABP pointed out that there are a multitude of transport firms and shipping lines to procure services from. Similarly, there are existing warehouses which can be used for storage and distribution of goods.

3.79 ABP stated a preference to see direct supply chain companies located as close as possible to their port facility. Whether these companies are situated in the Hull or East Riding Local Authority boundary is not a matter of concern for ABP. For certain sectors, the proximity of supply chain companies is much less of a concern as road connections are sufficient to enable onward travel to the East Midlands and North West corridor.
However, those that are in the renewables sector are likely to require/be required to be located within close proximity to the OEM (assuming OEM(s) commit to the area).

3.80 ABP would anticipate supply chain companies to require warehousing and manufacturing facilities and office accommodation which supports manufacturing functions.

3.81 ABP is a short sea shipping operation and a large proportion of its business activities are regionally focussed, rather than nationally focussed. Therefore, ABP would prefer to have direct supply chain companies located in close proximity to the port operations.

**Commercial market by FEA**

3.82 To ensure that the conclusions drawn in this ELR exercise accord with the requirements of national planning policy requirements, they must be considered both at the strategic East Riding level and the more localised functional economic areas identified previously: Goole & Selby, Hull, York, and Yorkshire Coastal. It is important to recognise that each of these market areas have distinct drivers which must be reflected in the recommendations of this report to ensure an adequate and appropriate employment land supply.

3.83 Each FEA is considered in turn, with the key findings of the commercial analysis and individual drivers identified presented for each. These conclusions have been tested with the various local authorities whose land falls within an the FEA but outside of East Riding to ensure that the ELR is using a sound basis for progressing the analysis of employment land requirements.

**Goole & Selby FEA**

3.84 The commercial market within the Goole FEA is heavily influenced by its strategic connectivity. The LEA refers to the excellent connections of this area to national and international transport networks that have led to the successful delivery of the port complex and Capitol Park. The Port specifically provides Goole with a range of opportunities and international business activities.

3.85 The M62/A63 corridor and multi-modal links are particularly important for this FEA with most demand identified to be for large B2/B8 operators / inward investors linked to these wider drivers. Capitol Park is an important site in this regard, which may also benefit from providing land for Tier 2 / 3 suppliers for the OEM proposed at Green Port Hull.
Hull FEA

3.86 The Hull FEA is typified by a number of key drivers, all recognised to have significant influence on employment land and commercial premises demand. These include Hull City Centre itself, Beverley centre, and the eastern edge of the M62/A63 and east-west multi-modal corridor.

3.87 This area has the second largest concentration of industrial supply and is recognised to be the commercial ‘centre’ of East Riding. This FEA is the only location within East Riding that can really argue the presence of an office market on a scale above indigenous. This is reflected in part by the presence of three significant proposed developments (with planning permission) within the FEA, including: Humber Bridgehead, Willerby Hill Business Park, and Flemingate. This is the main concentration of future office supply across the East Riding, and is supported by the analysis of the office market undertaken as part of this ELR exercise.

3.88 It is also important to note that the planned Green Port Hull development at Alexandra Dock in Hull will have potentially the most significant impact on land requirements within the Hull FEA area including at the Paull site but also wider Tier 2 and Tier 3 supply chain requirements across the area. This is particularly relevant given the east-west movement through the FEA linking the proposed development with the wider market via the strategic road network.

York FEA

3.89 The commercial market and associated requirements within the York FEA are driven predominantly by rural economy growth and overspill from the traditionally constrained York market. This FEA is found through the commercial market analysis to very much be the market towns of Pocklington and Market Weighton.

3.90 The connectivity of this area is heavily linked to York and its market, with many roads forming arterial routes to the York ring road, providing very little strategic connectivity beyond this. Specifically this market area is noted to have relatively poor connections to the wider strategic road networks referenced by agents to be significant including the M62 / A63 / A614.
3.91 The bulk of the land supply across this FEA is former airfield sites, not all of which are well served by the highway network but they do provide a range of sites and premises for land hungry and land related businesses.

3.92 The requirements for this market area are considered to be largely limited to indigenous general business demand, including predominantly general industrial, small scale office, and small scale business in nature. It is unlikely that significant inward investment would be attracted to this market area over the plan period.

Yorkshire Coastal FEA

3.93 The Yorkshire Coastal FEA is typified by coastal towns and its 180 degree economy, with the exception of Driffield which has an important employment offer at Kellythorpe Industrial Estate. Carnaby Industrial Estate is also an important employment location in this FEA. In general, the FEA has poor strategic road and rail links, and its commercial market is considered to be limited to indigenous business activity. The main activity envisaged within this FEA is general business in nature, but limited even in that context.
4. Employment land supply

4.1 Analysis of the supply of employment land across East Riding has been conducted in both qualitative and quantitative terms, in line with DCLG guidance (published in 2004, but not yet replaced and widely regarded as best practice). The guidance stipulates the need for a fine grain approach to the assessment of sites, factoring in qualitative considerations, as well as deliverability and market appeal of sites.

4.2 The current employment land supply in East Riding includes the following:

- Allocated employment land supply, as per existing Local Plan allocations
- Windfall sites with extant permission for employment uses (B1 / B2 / B8)

4.3 Potential additional sites have also been considered as part of this ELR which could form potential future employment land should it be deemed to be required as a result of the demand analysis. Sites considered as part of this review include land that has been promoted through the preparation of the emerging Draft Local Plan (Draft Strategy Document and Draft Allocations Document). It is important to emphasise that all of the sites suggested for employment development by land owners or agents have been considered unless there has been a good reason to remove them from the list of potential sites – which includes a number of sites that are also being actively promoted for alternative uses (such as residential).

Site Assessment Methodology

4.4 Detailed site assessments have been undertaken for the sites included under the three categories of allocated, windfall and potential additional sites. The majority of sites that fall under these headings are sites that are in the main vacant and not currently in employment use, with a limited number that are redevelopment opportunities.

4.5 Site assessments have been undertaken with the Council’s in house site assessments prepared to inform the preparation of their Draft Allocations Document as a base. The Council assessments are those published alongside the Draft Allocations Document (and in some instances the Proposed Major Changes Document). Full site assessments have
also been prepared for the purposes of the ELR for sites which ‘fail’ Stage 1 of the Council’s Site Assessment Methodology. This is the approach agreed with the Council to ensure consistency between the ELR and the work undertaken to inform the emerging Local Plan allocations.

4.6 This approach therefore means that in some cases where the area considered as part of the draft Allocations Document, using its latest reference number, is different to the existing allocated area, different parts of the same ELMR site may have been scored separately. Where this is the case, the range of scores for the multiple sites is set out to inform this analysis.

4.7 In order to inform the preparation of site assessments, GVA has visited the majority of sites/locations. GVA’s assessment for each site includes the following information:

**Planning status:**

- Extant permission – recording details of any permissions for development on the site
- Expired permission – recording details of any known expired permissions for employment development on the site
- Current Local Plan allocation – recording the status of the site in the relevant saved Local Plan (recorded as ‘unallocated’ or ‘not allocated’ if no allocation for residential, commercial or leisure uses)
- Status in Draft Allocations Document – recording the status of the site in the published Draft Allocations Document and the subsequent Proposed Major Changes consultation document

**Potential role of the site:**

- Potential Employment Market Segment – working with the Council’s Planning and Inward Investment teams, GVA identified the potential employment market segment that the site could provide for should it be developed for employment uses. The full list of potential uses identified is included in the Table 4.1 below. GVA has also classified the sites as to their suitability for B1a, B1b, B1c, B2 or B8 uses, drawing on knowledge of the sites, the potential employment market segment identified, plus any planning permissions in place.
### Table 4.1: Potential employment market segment definitions

<table>
<thead>
<tr>
<th>Potential Employment Market Segment</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Industrial / Business Areas</td>
<td>Coherent areas of land which are, in terms of environment, road access, location, parking and operating conditions, well suited for retention in industrial use. Often older, more established areas of land and buildings. A mix of ages, qualities and site/building size.</td>
</tr>
<tr>
<td>High Quality Business Parks</td>
<td>These are likely to be sites, no less than 5ha but more often 20ha or more, already occupied by national or multi-national firms or likely to attract those occupiers. Key characteristics are quality of buildings and public realm and access to main transport networks. Likely to have significant pure office, high office content manufacturing and R &amp; D facilities. Includes ‘Strategic’ inward investment sites.</td>
</tr>
<tr>
<td>Sites for Specific Occupiers</td>
<td>Generally sites adjoining existing established employers and identified by them or the planning authority as principally or entirely intended for their use.</td>
</tr>
<tr>
<td>Established or Potential Office Locations</td>
<td>Sites and premises, predominantly in or on the edge of town and city centres, already recognised by the market as being capable of supporting pure office (or high technology R&amp;D/business uses).</td>
</tr>
<tr>
<td>Heavy / Specialist Industrial Sites</td>
<td>Generally large, poor quality sites already occupied by or close to manufacturing, and processing industries. Often concentrated around historic hubs such as ports, riverside and docks.</td>
</tr>
<tr>
<td>Specialised Freight Terminals eg aggregates, road, rail, wharves, air</td>
<td>These will be sites specifically identified for either distribution or, in the case of airports, support services. Will include single use terminals eg aggregates.</td>
</tr>
<tr>
<td>Recycling / Environmental Industries Sites</td>
<td>Certain users require significant external storage. Many of these uses eg waste recycling plants can, if in modern premises and plant, occupy sites which are otherwise suitable for modern light industry and offices. There are issues of market and resident perceptions of these users. Some sites because of their environment (eg proximity to heavy industry, sewage treatment works etc) may not be marketable for high quality employment uses.</td>
</tr>
<tr>
<td>Incubator / SME Cluster Sites</td>
<td>Generally modern purpose built, serviced units.</td>
</tr>
<tr>
<td>Research and Technology / Science Parks</td>
<td>Usually office based developments, which are strongly branded and managed in association with academic and research institutions. They range from incubator units with well developed collective services, usually in highly urban locations with good public transport access to more extensive edge/out of town locations.</td>
</tr>
<tr>
<td>Warehouse / Distribution Parks</td>
<td>Large, often edge/out of town serviced sites located at key transport interchanges.</td>
</tr>
</tbody>
</table>

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Top:

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**Source:** East Riding of Yorkshire Council

**Date:** November 2013

**Document Title:** Employment Land Review 2013

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Bottom:

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Investment Potential – working with the Council’s Planning and Inward Investment teams, GVA identified the investment potential for each site based on the scale of occupier that a site may appeal to – indigenous, sub-regional, regional, national and international. This is a balanced consideration of the size and location of the sites. This is detailed further in the Table 4.2 below. In general, the investment potential of a site has been defined by the largest scale occupier that is likely to be attracted to that site.

Table 4.2: Investment potential occupier types - definitions

<table>
<thead>
<tr>
<th>Investment Potential - Occupier Types</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indigenous</td>
<td>Likely to be occupied by businesses within the East Riding</td>
</tr>
<tr>
<td>Sub-regional</td>
<td>Likely to be occupied by businesses within the Humber sub-region</td>
</tr>
<tr>
<td>Regional</td>
<td>Likely to be occupied by businesses within Yorkshire &amp; Humber</td>
</tr>
<tr>
<td>National / International</td>
<td>Likely to be occupied by national / international businesses</td>
</tr>
</tbody>
</table>

ELR Scoring:

4.8 Each site was scored under the following headings, applying the approach detailed in Appendix 2 – this was put together as a bespoke methodology to ensure consistency with the Council’s site assessments and compliance with ELR guidance.

- Quality of existing portfolio and internal environment
- Quality of the wider environment
- Strategic access
- Market conditions / perception and demand
- Ownership and user constraints on development and redevelopment
- Site development constraints (physical)
- Site development constraints (policy)
- Accessibility
- Sequential test and brownfield / greenfield
• Social and regeneration policy
• Other policy considerations

Sites summary

4.9 In line with Draft NPPG guidance, all analysis of the employment land supply and potential additional sites has been undertaken based on the established FEAs. Table 4.3 below summarises the sites that falls into different categories of supply and different FEAs.

Table 4.3: Sites summary - existing supply and potential additional sites

<table>
<thead>
<tr>
<th>Type of development site</th>
<th>East Riding wide</th>
<th>Goole &amp; Selby</th>
<th>Hull FEA</th>
<th>York FEA</th>
<th>Yorkshire Coastal FEA</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of sites</td>
<td>Area (ha)</td>
<td>No. of sites</td>
<td>Area (ha)</td>
<td>No. of sites</td>
</tr>
<tr>
<td>Allocated sites</td>
<td>43</td>
<td>399.07</td>
<td>11</td>
<td>98.87</td>
<td>17</td>
</tr>
<tr>
<td>Windfall sites</td>
<td>13</td>
<td>45.07</td>
<td>1</td>
<td>1.12</td>
<td>9</td>
</tr>
<tr>
<td>TOTAL EXISTING SUPPLY</td>
<td>56</td>
<td>443.02</td>
<td>12</td>
<td>99.99</td>
<td>26*</td>
</tr>
<tr>
<td>Additional potential sites</td>
<td>105</td>
<td>1370.96</td>
<td>23</td>
<td>391.27</td>
<td>60</td>
</tr>
</tbody>
</table>

*PLEASE NOTE THAT ELMR 12 IS SPLIT INTO ITS COMPONENT ALLOCATED AND WINDFALL SITES AND THEREFORE FORMS TWO SITES FOR THE PURPOSES OF THIS TABLE.

4.10 Appendix 3 includes a full list of sites that are allocated or windfalls, bracketed first by their FEA, and then by their size. This list reflects the existing employment land supply in the East Riding. This schedule also provides a summary of the site assessment exercise, including the GVA site assessment score (total), the anticipated employment market segment and investment potential, and the land use class likely. It also lists the status of the site in the draft Local Plan for ease of reference. These sites are shown on the maps in Appendix 5.

4.11 These figures / the site areas detailed in Appendix 3 and Table 4.3 above are drawn from the 2013 Employment Land Monitoring Report (Dated 1st April 2013), updated to reflect the position as at October 2013 (reflecting additional / lapsed permissions).

4.12 Appendix 4 includes a full list of sites that have been considered as additional land in the East Riding which could provide for any potential shortfall in demand for land. The same site assessment findings are provided for these sites as are provided for the existing employment land supply sites. These sites are shown on the maps in Appendix 5.
Current Employment Land Supply

4.13 The current employment land supply is considered in the following paragraphs by FEA. This draws on the schedule of information contained within Appendix 3.

Goole & Selby FEA

Site size

4.14 Within the Goole & Selby FEA, the single largest site at 63.40ha (accounting for two thirds of the supply) is the remaining land at Capitol Park (Land South of Rawcliffe Road/West of industrial estate), ELMR 27, allocated under policy E2(a) & (c) in the current Boothferry Local Plan. This land area incorporates a small area of land (1.40ha) which has historically been known as ELMR 25 (Goole Depot), with the Capitol Park land accounting for 62ha.

4.15 The remaining 10 allocated sites in this FEA range from 0.32ha to 7.82ha in size. The single windfall site in this FEA is 1.12ha.

Employment market segment & investment potential

4.16 All but one of the sites is identified as a site for General Industrial / Business uses with the exception of land at Howdendyke (ELMR 32) which is identified as a Site for a Specific Occupier given its relationship to the existing employment uses / port adjacent. This to some extent doesn’t reflect the distribution based opportunities in this area given the multi-modal transport links, and the location of occupiers like Tesco’s distribution facility at Capitol Park. However, given that the sites could largely meet a broad need (such as manufacturing as well as distribution at Capitol Park), they have therefore been given this broader classification.

4.17 The larger scale sites in this FEA are identified as suitable for International / National / Regional occupiers. In particular the offer at Capitol Park, with current occupiers already in the locality including Tesco and Guardian Glass is identified as having international investment appeal. The two sites identified as having National / Regional appeal are North East of the A614 at Howden (ELMR 30), which is the remaining land at the Ozone development, and North of B1230 at Newport (ELMR 33), which is known in the market as Green Park.
4.18 The remaining sites are identified as having sub-regional or indigenous investment potential, either due to their location or smaller scale.

Planning permissions

4.19 In terms of planning permissions, four of the allocated sites have extant planning permission for B1/B2/B8 uses alongside the windfall site at Airmyn (Land To The South Of Premier Travel Inn, Rawcliffe Road, ELMR 147).

4.20 Capitol Park has outline planning permission (06/08627/STOUTE) for B1, B2 and B8, with a 100 bed hotel, maximum of 1,050sqm of floorspace for the uses in the A3 (restaurant and cafe), A4 (drinking establishments) and A5 (hot food takeaway) use classes and a maximum of 1,208sqm for use as a car showroom. The area of land identified for employment uses (ELMR 27) and therefore included in the land supply considered in this ELR is approximately 62ha in size, and this will predominantly be B2 and/or B8 uses. The site also has full planning permission pending (subject to s106, 08/01720/STPLFE) for two B8 warehouses (87,000sqm).

4.21 In 2003, the first phase of the spine road was constructed that will ultimately run through the site and provide a direct link between the M62 and the Goole Port complex. A rail freight spur has also been constructed which has the capacity to serve the whole site. Any further development on the site, including the B8 warehouses pending permission, requires the completion of the port link road through to Anderson Road. The road has planning permission and also has the benefit of ERDF funding up to £8.4 million, which needs to be spent by 2015. It is understood that the remainder of the necessary funding will be provided through the HCA.

4.22 The Capitol Park site has the potential to provide land for Tier 2 and Tier 3 suppliers to the anticipated OEM as part of the Green Port Hull and associated renewables proposals, (although it is further from Hull than other alternative sites within the East Riding).

4.23 The Ozone Business Park site (ELMR 30) has outline planning permission (02/02846/OUT) for B2 / B8 and the access road to the development plots remaining is already in place. The largest plot size available is approximately 2.5ha.

4.24 Green Park (ELMR 33) has outline planning permission (07/02183/STOUT) for B1/B2/B8 although no development has taken place as yet and there is no site infrastructure in
place. Reserved matters approval (13/00771/STREM) was granted in August 2013. The landowner is understood to be promoting a scheme for smaller occupiers.

4.25 The fourth allocated site with the benefit of planning permission is ELMR 36 at Pollington (11/01245/STOUT). This has permission for B8 uses [excluding chemicals].

4.26 The windfall site at Airmyn (ELMR 147) is located to the south of the A614 close to Glews Garage. A planning application for B1/B2/B8 was approved in 2010. This development is conditional on the implementation of a new roundabout due to be installed at the existing Airmyn Road / A614 / Glews Garage junction.

**Quality and marketing of sites**

4.27 Three of the sites in the FEA achieve a total score of over 40. Two of the sites have planning permission and include, Ozone Business Park (score of 40) and Capitol Park (score of 43). Both sites are largely greenfield development opportunities, and as stated above both have site wide infrastructure installed / due to be installed. They are both being actively marketed. The Ozone site is identified as subject to a significant physical constraint (flood risk) but the existence of the planning permission demonstrates that this can be overcome.

4.28 Glews Hollow (ELMR 26) achieves the highest score for the FEA of 46. This site is a brownfield site adjacent to the Glews Hollow industrial area in Goole that is being actively marketed. It does not have any significant constraints.

4.29 Close to achieving a high score of 40 or above is committed development site Green Park (score of 39). This is a greenfield site that is being actively marketed.

4.30 Sites scoring poorly overall with a total score of 30 or under are ELMR 32 at Howdendyke (score of 22), and ELMRs 29 and 28 at Holme on Spalding Moor (scoring 26 and 29 respectively).

4.31 ELMR 32 at would form an extension to an existing industrial site but it is also in very close proximity to residential properties and there is no evidence of commercial activity. There are also existing residential properties on the site so the deliverability of employment uses is questionable. The site is also subject to a significant flood risk constraint.
4.32 In relation to ELMR 29, this has a significant possible physical constraint in terms of access to the highway and landowner/developer interest in the site is questionable given the lack of land bid put forward in connection with the emerging allocations.

4.33 ELMR 28 is the remaining saved Local Plan allocation associated with the Holme on Spalding Moor Industrial Estate. There is no evidence of commercial activity and it scores poorly in terms of policy constraints.

4.34 The remaining sites in the FEA achieve an average score of 30 – 35. They include the windfall site at Airmyn (ELMR 147) which is located in an area of general market activity connected to the installation of the new roundabout and the nearby Court House Farm development.

4.35 One site in the FEA at Newport (ELMR 34) has not been scored as it is not considered deliverable as it is occupied by a dwelling and a paddock.

Hull FEA

Site size

4.36 Within the Hull FEA, the largest site at 79.60ha (accounting for 37% of the supply) is the land south of A1033 (ELMR 67) known as the Paull site and allocated under policy EC3 of the East Yorkshire Local Plan. This site size figure is reflective of the area covered by the adopted Local Development Order (LDO) on this site.

4.37 Taken together the land at Melton north of the railway (known as Melton West and Melton Park – ELMR 12, 14 & 16) accounts for 64.06ha, allocated under In1(r), In1(s), In1(t) and In2(c) of the Beverley Local Plan and including a further area of windfall land.

4.38 Another site of significant size is the land north and south of Boothferry Road – 17.96ha, ELMR 82, allocated under E41 and E42 of the Beverley Local Plan – this is known as the Humber Bridgehead site.

4.39 The last of the large sites in this FEA is land east of North Moor Lane, Cottingham. This site is 14.10ha in size and is known informally as the Swift site (related to the owner/occupier).

4.40 The 20 remaining sites in the FEA, 6 of which are windfall sites, range in size from 0.06ha to 5.39ha.
Employment market segment & investment potential

4.41 The Hull FEA has the broadest mix of employment sites available by market segment. The Paull site is identified as a Heavy / Specialist Industrial Site reflecting its identified use for specialist manufaturing connected to the Green Port Hull proposals (the site is intended to provide land to cater for the expansion of the Port of Hull, including the manufacture of off shore wind turbines associated with the anticipated OEM investment at the Port of Hull).

4.42 The Humber Bridgehead sites and the Willerby Hill Business Park site (known in the ELMR as De La Pole Hospital, ELMR 17) are identified as High Quality Business Park sites reflecting their existing permissions. As will be detailed further below, the Humber Bridgehead sites have permission for offices, research and development and high tech/clean manufacturing uses; and Willerby Hill Business Park has permission for B1a office space.

4.43 Development Land North Of Flemingate at Beverley (ELMR 161) has planning permission for approximately 0.3ha of B1 employment development as part of the most recent planning permission for mixed use development. This site is therefore classified as an Established or Potential Office Location.

4.44 The Swift windfall site at Cottingham (Land East of North Moor Lane) is identified as a Site for a Specific Occupier as the owner/occupier has planning permission for the reconfiguration and expansion of their complex. As part of these proposals, permission exists for the site identified as a windfall site to be used for the open storage of caravans and motorhomes.

4.45 The remaining sites in the FEA are identified as General Industrial / Business sites.

4.46 In terms of investment potential, the large scale sites or groups of sites are broadly identified as having International / National investment potential, based on their size, strategic location and planning permissions. Sites with this scale of investment potential are the Paull site, the land north of the railway at Melton and Humber Bridgehead.

4.47 The remaining land at Priory Park West (1.41ha, ELMR 9) is identified as having National investment potential based on its position on the M62/A63 corridor. The High Quality Business Park land at Willerby Hill Business Park is identified as having National / Regional investment potential.
4.48 Sites with Regional investment potential are located in Hessle (Hessle Dock Site, ELMR 153; the Former Harborlite Factory, ELMR 156) and Anlaby (Land East Of, WM Morrisons, 48 Springfield Way, ELMR 131), as well as the B1 element of the mixed use Flemingate development in Beverley.

4.49 The remaining sites within the FEA are identified as having Sub-regional or Indigenous investment potential either by virtue of their outlying location or their size (for example ELMR 70 and ELMR 68 in Hornsea, and ELMR 76 in Withernsea which are seen as indigenous locations due to their remoteness from strategic routes / key markets, and they are relatively small in size).

Planning permissions

4.50 A total of 15 of the 26 sites within the Hull FEA have the benefit of planning permission (taking ELMR 12 as two sites), with a further two having expired permissions that lapsed post the ELMR 2012 being published.

4.51 The allocated Paull site is covered by a Local Development Order (LDO) which effectively gives it the benefit of outline planning permission (12/04951/LDOC) for certain types of development associated with port related renewable and low carbon industries, and it also has Enterprise Zone status. The development of the site is also supported by the National Policy Statement for Ports which requires Local Authorities to give significant weight to the needs identified by Port Authorities; and the site has also secured RGF funding for site infrastructure (road corridor and power).

4.52 The majority of the land at Melton is in two ownerships – Wykeland and St Modwen. The development opportunity therefore is broadly referred to in its component parts – Melton West (Wykeland) and Melton Park (St Modwen) – and both opportunities benefit from outline planning permission (11/02990/STOUTE for Melton West and 11/00613/STPLF for Melton Park). The permission on Melton Park brings in additional land over and above the original allocation and it is therefore partially classed as windfall. Detailed permission also exists on Melton West for the development of a new facility for Humberside Police (13/01780/STPLF & 13/02324/STPLF) which is due to start on site in November 2013.

4.53 The Melton West and Melton Park sites benefit from a new £22.5 million grade separated junction which was publicly funded and was completed in 2006, along with a dual carriageway within the site. The two sites are also recognised in the market as potential
sites for Tier 2 and Tier 3 suppliers to the anticipated OEM as part of the Green Port Hull and associated renewables proposals.

4.54 The allocated Humber Bridgehead site benefits from outline planning permission (04/07074/STOUTE) on both parcels on land and development has commenced on the first phase of development to the north (in October 2012). Public funding was secured for enabling infrastructure. By the time the site has been fully developed, approximately 612,000 sq.ft. of business space will be available for offices, research and development and high tech/clean manufacturing uses. The intention is that the business park will provide B1 uses only alongside supporting A3 uses. The business park was officially opened on 12 July 2013.

4.55 Willerby Hill Business Park (ELMR 17) has the benefit of planning permission for B1a development (07/00937/STPLF, 08/00880/STPLF & 09/01309/STPLF). Two phases of the business park are largely complete, with three further phases proposed (drainage works for these have been constructed).

4.56 Also an allocated site, ELMR 8, Land South of the Hull / Kings Cross Railway Line, Elloughton cum Brough, has recently received planning permission for development known as Brough South (11/04104/STOUTE). This is a residential led scheme and includes 1.07ha of B1 / B2 - employment land, possibly to provide for start-ups.

4.57 In addition to the allocated sites, there are a number of windfall sites in the FEA. The Swift site at Cottingham, benefits from planning permission for the open storage of caravans and motorhomes (07/04944/STPLFE), as detailed earlier.

4.58 Another windfall site, the Hessle Dock site (ELMR 153), has the benefit of planning permission (06/03528/STOUTE) for mixed use development including offices, light industrial and trade warehouse units (alongside residential, retail, restaurant, health club and children’s nursery). The Former Harbortite Factory site in Hessle, also has the benefit of a mixed use planning permission (11/042728/STOUT) for B1 uses alongside residential dwellings.

4.59 ELMR 294 at South Cave (Storage depot, Stonepit road) has planning permission (11/04989/STOUT & 12/03597/STREM) for B1, B2 & B8 uses. Similarly, also at South Cave, Land South of 3 Newfield Lane, ELMR 307, has planning permission (11/03974/STPLF) for B1, B2 & B8.
4.60 ELMR 377, the Brethrens Meeting Room, North Moor Lane, Cottingham, has planning permission (12/00313/PLF) for the change of use of a former Gospel Hall to B1. Whilst this land is included as part of the supply recorded in the ELMR as 1.18ha for the full site area, the land available for employment uses is actually only 0.06ha as the application is for change of use only with a condition on the planning approval preventing any activities taking place outside of the building to safeguard residential amenity.

4.61 In Anlaby, land East Of, WM Morrisons, 48 Springfield Way, ELMR 131, permission exists (06/03759/STOUT & 07/00776/STPLF & 12/05049/STPLF) for employment uses, the latest of which reflects the most up to date intentions of the land owner. On this basis, 1.13ha has been taken forward as part of the available land supply informing this report.

4.62 The last windfall site is ELMR 161, Development Land North Of Flemingate, Beverley, has mixed use planning permission references 12/01031/STPLFE and 07/03326/STOUTE. As described above, 0.3ha of B1 employment development is included in the most recent planning permission.

4.63 Previous permissions that have now lapsed were in place on allocated sites at Hedon (South Hull Road, ELMR 66) and Melton (Land East of Melton Fields, ELMR 16).

Quality and marketing of sites

4.64 The assessment identifies 17 of the sites within the FEA (taking ELMR 12 as two sites) that score over 35 in total – nearly two thirds of the sites are therefore achieving a relatively high score. A total of 12 of these sites score 40 or over.

4.65 The highest scoring stand alone site is Development Land North Of Flemingate in Beverley (ELMR 161) (score of 46). This site has been subject to extensive marketing and has no significant physical or policy constraints, it is in a highly accessible location, is brownfield, and development will assist in regenerating the area.

4.66 Also scoring highly are the Melton West Business Park area (ELMR 14) (score of 44 - 45), the Humber Bridgehead sites (ELMR 82) (score of 43 - 44), and the remaining land at Priory Park West (ELMR 9) (score of 44). All of these sites are being actively marketed and are strategically located on the M62 / A63 corridor. Melton West and the Humber Bridgehead sites benefit from planning permission. The sites are not subject to any significant constraints.
4.67 Also scoring highly is the Paull site (score of 43) which benefits from the recent LDO. Landowner Associated British Ports (ABP) has submitted detailed evidence to justify their port related expansion, including details of investment enquiries they have received connected to renewable energy requirements. Development of the site is understood to being currently considered by a Tier 1 supplier to the potential OEM investor at Green Port Hull.

4.68 The proposals for the Paull site support the aims of the Humber LEP and could generate significant economic benefits.

4.69 A number of physical site constraints must be overcome before the Paull site can be fully developed. Requirements include ecological mitigation, flood risk mitigation, SuDS, visual impact and heritage impact mitigation, site remediation, improved highways infrastructure and a link road to Alexandra Dock (with the possibility of a rail link alongside).

4.70 Other high scoring sites include Willerby Hill Business Park (ELMR 17) (score of 43) and Springfield Way, Anlaby (ELMR 131) (score of 42). Both sites are in accessible locations and benefit from planning permission. Willerby Hill Business Park is not subject to any significant constraints and at Springfield Way, the existence of the multiple planning permissions on the site demonstrates that the physical constraint of the site lying within the Springhead SPZ1 Inner Protection Zone for groundwater is not considered to be problematic. Springfield Way is also being actively marketed. At Willerby Hill there is evidence of market activity in relation to the business park more generally.

4.71 The two mixed use development sites in Hessle (Hessle Dock and the Former Haborlite Factory) both achieve a score of 41. Both are located on the M62 / A63 corridor and have the benefit of planning permission. They are brownfield sites requiring clearance but are not subject to any significant constraints.

4.72 East of Brickyard Lane (Melton Park) (ELMR 12) scores 40 – 47 and Land East of Melton Fields (ELMR 16) scores 40. ELMR 16 previously had planning permission for mixed use development including 0.21ha of B1 development, which has recently lapsed. ELMR 12 has the benefit of outline planning permission for employment development and includes land covered by two separate site assessments (one for MELT23 and one for MELT26). The higher scoring land, which is the highest scoring in the FEA is the MELT26 land.
4.73 Both ELMR 12 and ELMR 16 are in the ownership of St Modwen who is seeking to bring forward residential led development across the sites (excluding the MELT26 element of ELMR 12, which is part of the reason for its higher score). Permission has been refused by the Council and at the time of writing this ELR, St Modwen is pursuing an appeal against the refusal. These plans are the reason that the MELT23 element of ELMR 12 and ELMR 16 score lower than ELMR 14 (Melton West), along with the fact that development of ELMR 12 will result in the loss of good quality agricultural land (which is, however, deemed acceptable as demonstrated by the existing allocation and planning permission).

4.74 Scoring just below 40 is North of Annie Reed Road, Beverley (ELMR 1), with a score of 39. This is the remaining land at Capital Park Industrial Estate, located off Grovehill Road roundabout which is an established general industrial area. The site does not have any significant constraints.

4.75 Sites scoring poorly with 30 or under include North Ellifoot Lane, Burstwick (ELMR 60) (score of 30), East of Hull Road, Aldbrough (ELMR 58) (score of 28), West of Cliffe Road, Hornsea (ELMR 68) (score of 27), and Land South of 3 Newfield Lane, South Cave (ELMR 307) (score of 25).

4.76 These sites are generally remote from main settlements / other employment uses and/or adjacent to residential uses. They all have poor strategic accessibility (ELMR 307 at South Cave is located in proximity to the A63 but no direct access is available). ELMR 60 at Burstwick is in two land parcels - development of western part of the site would conflict with residential properties located adjacent to the site, development of eastern part of the site would generally be compatible with neighboring uses.

4.77 Two of the sites in the FEA were not scored. ELMR 377, the Brethrens Meeting Room, North Moor Lane, Cottingham was not scored due to the very small amount of land available. West Station Road, Thorngumbald (ELMR 75) was also not scored due to the small site size (0.24ha) as well as the general consideration that it will not come forward for employment development in the future. Both sites fall below the guidance threshold of 0.25ha.
York FEA

Site size

4.78 Within the York FEA, three of the allocated sites (ELMR 55, ELMR 56, ELMR 57) are located within or adjacent to Pocklington Airfield total 39.12ha. The largest site (ELMR 56) to the west of the airfield accounts for 27.88ha of this supply.

4.79 5.82ha is located across 3 sites at Full Sutton Airfield. Two of the sites are allocated (ELMR 46 and ELMR 47), and the remaining 0.37ha site (ELMR 315) is a windfall site.

4.80 7.03ha is found across three sites in Market Weighton located in and around York Road (two existing allocations - ELMR50 and ELMR 51, and a further windfall site).

4.81 The final of the ten sites in this FEA is a windfall site located in Pocklington, opposite the airfield sites at Allerthorpe Business Park, Hull Road (ELMR 172).

Employment market segment & investment potential

4.82 All of the sites in the York FEA are identified as General Industrial / Business sites. This is reflective of them being located in and around former airfield sites or general industrial estates which are meeting general market rather than specialist needs.

4.83 In terms of investment potential, the sites in Pocklington and Market Weighton are identified as having Sub-regional investment potential reflecting the fact they are in proximity to the two main towns within the FEA and that they have good strategic access in terms of proximity to the A1079 arterial route into York.

4.84 Full Sutton is identified as a location with Indigenous investment potential as it is relatively remote from settlements and it does not have direct access onto a strategic route into York.

Planning permissions

4.85 Two sites in Market Weighton have the benefit of planning permission for employment development. ELMR 51, an existing allocation at York Road, has permission for B1 / B2 / B8 development (10/04315/STREM). The access road has been constructed on site but otherwise development has not progressed at the time of writing. The other site in Market Weighton is a windfall site and does not yet have an ELMR reference, but it is also located
on York Road. The permission (13/01658/STPLF) is for employment development in connection with the existing Britcom International Ltd. operations on York Road (the site is not, however, identified as a Site for Specific Occupier in terms of employment market segment above, as it is considered that the site could meet a wider need if required).

4.86 At Pocklington, windfall site ELMR 172, Allerthorpe Business Park, has permission (09/04080/OUT & 10/03380/PLF) for B1 / B2 / B8. Some of the site has been developed under the permission but the remainder is to be completed.

4.87 The other permission in this FEA, again a windfall site is ELMR 315, which has the benefit of permission (11/05492/PLF) for B1 / B2 / B8 use (although the application specifies B2 floorspace only).

4.88 ELMR 57 at Pocklington Airfield previously had permission for mixed use development, which has since lapsed. Part of the site that was previously intended for non-employment use has a recent permission for that element of the development, but the remaining land is available for employment development.

Quality and marketing of sites

4.89 The scores for the sites in this FEA have a relatively small range, with the highest score of 41 and the lowest score of 33. The highest scoring sites are not as high scoring as the highest in the Goole & Selby and Hull FEAs, reflective of the level of market activity and demand in the area, as well as the nature of available sites (largely former airfield land). The lowest scoring sites are not as low as those in other FEAs, reflective of the general suitability of the supply for employment uses.

4.90 The highest scoring site with a score of 41 is ELMR 51 at Market Weighton. The site has the benefit of planning permission for the construction of an industrial estate and it would form an extension to the Market Weighton industrial area. The draft allocations consultation response identifies that the site is being actively marketed. It is not subject to significant physical constraints.

4.91 The next highest scoring sites are at Pocklington Airfield (ELMR 55, ELMR 56, and ELMR 57) and Market Weighton (ELMR 50) at Becklands Park off York Road. These sites score between 35 and 38, reflective of the lack of significant physical constraints, and the general market activity on the industrial estate at Pocklington. Part of ELMR 56 includes
land that is identified as the best and most versatile agricultural land, but the existing allocation demonstrates that this has not been considered significant in the past.

4.92 The lower scoring sites (scoring between 33 and 34) are at Full Sutton and the Britcom site at Market Weighton, although these scores are not low compared to the wider East Riding as a whole. At Full Sutton, the relative remoteness of the location contributes to the lower scores, although there is evidence of market activity at the industrial estate. The Britcom site requires limited site clearance and there is no evidence of market activity (although that is to be expected when the permission has been secured by the existing occupier for their expansion).

Yorkshire Coastal FEA

Site size

4.93 Of the 75.40ha of land in this FEA, over 80% is located on allocated land at Carnaby Industrial Estate, another former airfield site (ELMR 41). The second largest site within the FEA is the allocated ELMR 59, North of Catwick Lane at Brandesburton at 7.02ha. The remaining 6 sites within the FEA, again all allocated, are 1.75ha or under in size.

4.94 There are no windfall sites found in this FEA.

Employment market segment & investment potential

4.95 All but one of the sites in the Yorkshire Coastal FEA are identified as General Industrial / Business Sites, reflective of the location of the majority in relation to general industrial estates / former airfields. One site is identified as a Site for a Specific Occupier – this is Beverley Road, Hutton Cranswick (ELMR 49). This site is identified in the ELMR as expansion land for Frontier Agriculture.

4.96 In terms of investment potential, the land at Carnaby is identified as having Sub-regional investment potential given its role in the FEA and its importance locally to providing employment land in the vicinity of Bridlington. Land at Skerne Road, Driffield (ELMR 44) and Kellythorpe Industrial Estate, Driffield (ELMR 43) is also identified as having Sub-regional investment potential, again reflecting the role of these industrial locations in the FEA and their location in the town of Driffield.
4.97 The sites in Brandesburton (ELMR 59), East of Bridlington Road, Catfoss (ELMR 62), and New Road, Nafferton (ELMR 54) are located away from the main settlements of the FEA and therefore are classed as having Indigenous investment potential. The Catfoss and Brandesburton sites are adjacent to / in close proximity to existing industrial areas.

4.98 ELMR 40, Pinfold Lane, Bridlington is also identified as having Indigenous investment potential. This is reflective of the site’s close proximity to residential properties, and the general proposals for residential redevelopment of the industrial estate in the emerging Draft Allocations Document.

Planning permissions

4.99 One site within the FEA has the benefit of planning permission for employment development. This is at Kellythorpe Industrial Estate, Driffield (ELMR 43) (11/02057/STPLF). This is for B8 development including the extension of an existing warehouse and a new warehouse, covering part of the allocated land. This part of the site is therefore likely to be used by a site specific occupier but given the fact that the allocation includes two parcels of land, it’s employment market segment above is for General Industrial / Business uses.

Quality and marketing of sites

4.100 Three sites in the FEA are high scoring – Carnaby Industrial Estate, and the two sites at Driffield.

4.101 As the scoring for the sites was undertaken based on their split into potential sites for the purposes of the emerging Local Plan, this does belie a range of scores across the Carnaby Industrial Estate sites, which in fact range from 38 – 43. Some of the land at Carnaby is infill land, whilst some is expansion land. The scores are high reflective of the lack of physical constraints and its location in close proximity to the A614 and A165. There is evidence of commercial activity in the locality, but limited major development and a recent factory closure show levels of demand may be low. In the future, development land with Moor Road frontage is likely to be considered the most attractive to the market. A case has also been made that development on the estate could potentially make use of the rail network (though very significant investment would be required to facilitate this). Some of the sites at Carnaby are in public ownership and some are being actively promoted by the landowner. Land at the periphery is greenfield and development would result in the loss of significant loss of best and most versatile agricultural land.
4.102 Skerne Road, Driffield (score of 42) is high scoring, being located within an established employment area and not being subject to any significant physical constraints.

4.103 Kellythorpe at Driffield (ELMR43) [score of 40 - 41] has the benefit of planning permission as set out above, and is easily accessible from A614 with no significant physical constraints.

4.104 One site in the the FEA scores 30 or under. This is Pinfold Lane, Bridlington [ELMR 40] (score of 28). The lack of suitability of Pinfold Lane for employment uses is alluded to above, given its proximity to residential dwellings. It is also has poor strategic access.

4.105 Also low scoring but with just above 30 is New Road, Nafferton [ELMR 54] (score of 31). This site is close to residential properties and removed from other employment uses, with no evidence of commercial activity, but it does not have any significant physical constraints and has good access onto the A614.

**Sites discounted from the supply**

4.106 8 sites have been discounted from the supply as listed in the ELMR2012 – 7 windfall and one allocation. 6 of the windfall sites have been developed out / work has started on site. The permission on one windfall site has lapsed (Bishop Wilton, ELMR 167). The allocated site has been removed from the supply as it is in active use for caravan storage and does not constitute available land for employment development.

**Potential New Sites**

4.107 As stated earlier, Appendix 4 includes a full list of sites that have been considered as additional land in the East Riding which could provide for any shortfall in demand for land.

4.108 These sites are considered on a broad basis below, by FEA. The focus of consideration for these sites is where the site achieves a high score and/or where the market considers there to be an opportunity as these sites would likely form the start of any search for new land for allocation.
Goole & Selby FEA

Site size

4.109 Within the Goole & Selby FEA, 23 potential sites have been considered, covering 391.27ha of land. The largest site at 126ha is GOO26 at Goole which forms a potential expansion site for Capitol Park along the motorway frontage. 8 other sites are over 10ha in size, with the remainder being between 0.16ha and 9.95ha in size.

Employment market segment & investment potential

4.110 If required for employment uses, the vast majority of sites would be General Business / Industrial sites. One site is identified as a Specialist Freight Terminal site - GOO23. This site is adjacent to the Gleys Hollow industrial area and has been actively marketed. The site has good strategic access as there is an opportunity to use nearby alternative modes of transport – rail and waterway.

4.111 One site is identified as a Site for a Specific Occupier – this is HOW7 which is adjacent to an existing garage and is in use as car sales/storage area.

4.112 In terms of investment potential, GOO26 which is adjacent to Capitol Park is identified as having International / National investment potential, based on the classification of Capitol Park. Sites between 9.05ha and 34.78ha in Howden are identified as having National / Regional as a comparison has been drawn with the Ozone site. Sites in Newport have been identified as having Regional investment potential as they are in relative proximity to the larger Green Park site which was identified as having National / Regional investment potential.

4.113 The remaining sites have been identified as having Sub-regional / Indigenous investment potential. It is worth noting that at Airmyn, a scheme that has recently been permitted on the site known as Local Plan potential site AIR11 (not in the land supply as development has commenced) known as Court House Farm which has created market interest in employment development in this location.

4.114 The Court House Farm Phase1 site was purchased by a local private sector consortium (S&D Imports Worldwide). S&D Imports Worldwide has prepared a two phase development plan for the Court House Farm site. The first phase involves the redevelopment of the area into storage and distribution facilities with ancillary offices. This
will allow two existing local businesses currently based in the centre of Goole to relocate. AIR8 (13.71ha) is the site identified by S&D Imports as the Court House Farm Phase 2 site. In general terms, these proposals are seen in the market as an opportunity to provide space to support the development of smaller business units as a complementary offer to Capitol Park at Goole, whose developers are supportive.

**High scoring sites**

4.115 Of the potential additional sites in this FEA, one site scores 38 or over. This is GOO23 at Goole, scoring 43. GOO23 is adjacent to the Glews Hollow industrial area and has been actively marketed. The site has good strategic access as there is an opportunity to use nearby alternative modes of transport – rail and waterway. The site does not have any significant physical constraints.

**Hull FEA**

**Site size**

4.116 Within the Hull FEA, 60 potential sites have been considered, covering 816.17ha of land. The largest site at 119.80ha is HAV2 at Hedon Haven which forms a potential second site for Port related industry alongside the Paull site considered earlier (the site area quoted excludes a part of the site identified for ecological mitigation but includes the remaining land available for development and site infrastructure). WOOD25 (94.36ha) is another large site, put forward for consideration to the Council as part of the emerging Local Plan.

4.117 20 sites are put forward that are between 10ha and 40ha in size, with 38 sites smaller than this, the smallest being 0.31ha at Woodmansey.

4.118 217.50ha of land at Melton has been put forward, although a lot of this is located at a distance from the existing employment development at Melton West and Melton Park, with large areas to the south of the railway (which is more constrained in terms of access). 201.58ha has been put forward at Woodmansey and Dunswell, to the south of Beverley.

**Employment market segment & investment potential**

4.119 The majority of the sites are identified as having the potential to be General Industrial / Business sites. 5 sites are identified as possible High Quality Business Park sites. This includes land on the southern fringe of Beverley (BEV12 and BEV13). It also includes land to the north west of Beverley at Molescroft (BEV22); as well as HES2 at Hessle, which lies in
proximity to the Humber Bridgehead sites and would provide opportunity for further similar
development. AWK20 in proximity to Willerby Hill Business Park is also identified as a High
Quality Business Park site.

4.120 The HAV2 site at Hedon Haven is identified as a site for Heavy / Specialist Industrial uses.
This provides further land to maximise the opportunity associated with Green Port Hull, as per the Paull site considered earlier.

4.121 MELT20, adjacent to the railway to the south at Melton is identified as a site for a Specialised
Freight Terminal, given its location and the use being promoted by the landowners.

4.122 BEV4 to the south of Beverley is identified as an Established or Potential Office Location.
This site is in close proximity to the commercial development at Morrisons.

4.123 AWK41 at Willerby is identified as a Recycling / Environmental Industries Site. This is
adjacent to a chalk pit.

4.124 In terms of investment potential, those with International / National potential are located
in proximity to three key employment locations – Humber Bridgehead (HES1, HES2, HES3,
HES4), Paull at Hedon Haven and BP Chemicals at Salt End (HAV2, SEND3, SEND4, SEND5),
and land north of the railway at Melton (MELT19, MELT23 (part) and MELT24).

4.125 Land identified as having National / Regional potential is located at Melton to the south of
the railway (MELT6, MELT7, MELT8, MELT9, MELT11, MELT12), along with a large scale site to
the north of the A63 (MELT22).

4.126 Land with Regional or Regional / Sub-regional potential is located at Willerby (AWK20), in
proximity to the existing Willerby Hill Business Park, as well as the potential High Quality
Business Park sites in Beverley described above.

4.127 Land with Sub-regional or Indigenous Investment potential is located in more peripheral
areas of this FEA. This includes large areas of open countryside at Woodmansey and
Dunswell, land to the north of Hessle, land at Cottingham, Elloughton cum Brough, Anlaby
and Bilton.

**High scoring sites**

4.128 Sites scoring over 38 or over in this FEA include sites largely in proximity to established or
emerging employment areas.
4.129 HAV2 adjacent to the Paul site scores highly (score of 40) reflecting its potential role in connection with the Port, supported by the National Policy Statement for Ports. The landowner ABP has submitted detailed evidence to justify their support for the allocation of HAV2 for port related expansion alongside the Paul site, including details of investment enquiries they have received connected to renewable energy requirements. As per the Paul site, the proposals support the aims of the Humber LEP and could generate significant economic benefits, and this is reflected in the scoring. A large amount of work has also been / is being done in relation to this site to identify physical constraints and how they can be overcome (although the LDO does not extend to cover this second site currently).

4.130 MELT23 (part) is also a high scoring site (score of 40), although it must be noted that this score is based on the full MELT23 area which includes the allocated and windfall elements. As an unallocated area with no permission, this part of MELT23 (4.5ha) would in fact score lower, but on the basis that the site would only ever come forward as part of a comprehensive scheme with the remaining MELT23 land, then it is considered that applying the high score is justified.

4.131 BEV19 at Beverley scores 38. The site is located off Grovehill Road roundabout, an established general industrial area albeit there are also residential properties in the vicinity. BEV19 is close to the A1174, is brownfield and is in Council ownership.

4.132 Below 38, there are a number of other relatively well performing sites. HES2 and HES3 score highly (37 and 36 respectively), largely due to their proximity to the Humber Bridgehead sites. MELT20 and AWK20 also score 36. MELT20 is the site identified as a Specialised Freight Terminal site at Melton, and AWK20 is the site south of Willerby Hill Business Park (this site is being actively marketed but scores poorly in terms of policy constraints).

York FEA

Site size

4.133 4 potential additional sites have been considered in the York FEA, totalling 12.05ha. The largest of these is 5.78ha (FSUT3 (part)) and the smallest is 0.5ha (MW17).
Employment market segment & investment potential

4.134 All of the sites within this FEA are identified as General Industrial / Business sites. As discussed in relation to the existing employment land supply above, this is reflective of the general nature of the land supply in this FEA.

4.135 Again, as per the existing employment land supply, sites are identified as having Sub-regional or Indigenous investment potential. Market Weighton and Pocklington are identified as Sub-regional investment locations and Full Sutton and Wilberfoss as Indigenous locations.

High scoring sites

4.136 The 4 sites in this FEA achieve low-average scores therefore there are no high performing potential additional sites in this FEA.

Yorkshire Coastal FEA

Site size

4.137 The 18 potential sites in this FEA total 151.47ha. 4 sites are larger than 10ha, the largest of which is 34.2ha (CRA38 at Hutton Cranswick); DRF18 (27.88ha) at Driffield, and CATInd6 (15.64ha) and CATInd1 (14.29ha) at Catfoss Industrial Estate are the other three.

4.138 The remaining 14 sites range from 0.44ha (CATInd3) to 8.42ha (CAR5).

Employment market segment & investment potential

4.139 All of the sites within this FEA are identified as General Industrial / Business sites. As discussed in relation to the existing employment land supply above, this is reflective of the general nature of the land supply in this FEA.

4.140 Again, as per the existing employment land supply, sites are identified as having Sub-regional or Indigenous investment potential. Driffield and Carnaby are identified as Sub-regional investment locations and Catfoss Industrial Estate and Hutton Cranswick are identified as Indigenous locations. BRID2 in Bridlington is also identified as an Indigenous investment site – the site is to the south west of Bridlington and is adjacent to Bessingby Industrial Estate however the allotments currently on site would be lost should the site be developed and the landscape is highly sensitive to development.
**High scoring sites**

4.141 DRF17 at Driffield scores 39. This site is located adjacent to the Kellythorpe Industrial Estate. The estate is easily accessible from the A614, is majority brownfield and has no significant physical constraints.

4.142 CAR5 at Carnaby scores just under 38 with a score of 37. This site scores highly due to its proximity to the existing industrial estate. The site is in public ownership and does not have any significant physical constraints.
5. **Projecting the demand for employment land**

**Historic take-up**

5.1 The historic take-up of land is used as the first scenario to assess potential future requirements for employment land.

5.2 Average annual take-up between 2000 and 2013 was reported in the ELMR 2013 to be 18.56 ha per annum, broken down by area as summarised in Table 5.1 below.

*Table 5.1: Annual average take-up rates (Ha) by area*

<table>
<thead>
<tr>
<th>Functional Economic Area (FEA)</th>
<th>Annual take-up 2000 - 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>9.23</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>4.8</td>
</tr>
<tr>
<td>York FEA</td>
<td>1.67</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>2.56</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18.56</strong></td>
</tr>
</tbody>
</table>

Source: East Riding of Yorkshire Council, 2013

5.3 If this annual average was projected forward for the 16 year period between 2013 and 2029 this would create a requirement for just under 297 ha of employment land within the East Riding. Table 5.2 below breaks this down by area.

*Table 5.2: Projected annual average take-up rates (Ha) by area*

<table>
<thead>
<tr>
<th>Functional Economic Area (FEA)</th>
<th>Total land to 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>147.68</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>76.8</td>
</tr>
<tr>
<td>York FEA</td>
<td>26.72</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>40.96</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>296.96</strong></td>
</tr>
</tbody>
</table>

Source: East Riding of Yorkshire Council, 2013
5.4 Whilst it is noted within the data provided by the Council that there have been significant concentrations of take-up over the period considered, these have been fairly consistently evidenced over the period in question. This includes the following incidences of take-up over the period 2000 - 2013:

- 19.05 ha at IN1(t) at Melton Park and Melton West, Melton
- 8.5 ha at JZ Flowers (Windfall site at Newport / North Cave M62 J39)
- 9.18 ha at Ozone Business Park
- 44.89 ha at Capitol Park / M62 Trading Estate, Goole
- 7.79 ha at Glews Hollow, Goole
- 11.11 ha at Carnaby Industrial Estate, Carnaby
- 8.66 ha at Kelleythorpe Industrial Estate, Driffield
- 10.04 ha at Hutton Cranswick Industrial Estate

5.5 This evidence, coupled with the market commentary provided in Section 3, and the identified flexibility within the land supply across the East Riding support the projection of strong take-up rates in the future.

### Commercial and Industrial Floorspace Statistics

5.6 More detailed historic trend analysis can be carried out through the use of Valuations Office Agency (VOA) Commercial and Industrial Floorspace Statistics\(^1\), which breaks change in floorspace down by the nature of activity not available within the land take-up figures. This data obtained from the VOA, as illustrated in Chart 5.1 below, shows total amount of office and industrial floorspace (occupied and unoccupied) in the East Riding for each year between 2000 and 2012.

5.7 These statistics provide a second set of scenarios for calculating employment land requirements in East Riding over the plan period based on historic change locally.

\(^1\) Available through the Valuation Office Agency (VOA)
5.8 It is apparent from the data that the amount of commercial and industrial floorspace across East Riding increased over the period 2000 to 2012, at a generally steady pace. This includes increases during and following the recession, albeit in both cases the increases flatten somewhat from 2010.

*Chart 5.1: Change in commercial and industrial floorspace in East Riding, 2000 – 2012*

Source: Valuation Office Agency, 2013

5.9 The detail of trends in office and industrial floorspace are shown in Table 5.3 below.

*Table 5.3: East Riding C&I Floorspace Change 2000-2012*

<table>
<thead>
<tr>
<th></th>
<th>Commercial Office Floorspace (sq. m)</th>
<th>Average Change Per annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>166,000</td>
<td>207,000</td>
</tr>
<tr>
<td>Industrial</td>
<td>1,819,000</td>
<td>2,425,000</td>
</tr>
</tbody>
</table>

Source: Valuations Office Agency, 2013
The VOA figures show that:

- East Riding has seen a steady increase in the amount of commercial office floorspace over the period from 2000 – 2012, with a rise of 41,000 sq m of commercial office floorspace across the period, an increase of 25%; and

- The amount of industrial floorspace has also grown, by 606,000 sq m, a rise of 33%. The amount of industrial floorspace has declined in most of the UK.

As with the historic take up rates, these trends can be projected forward to provide a picture of the amount of office and industrial floorspace that may be required in the future. The average change in these floorspace figures over the twelve years from 2000-2012 have been projected forward to provide estimates on the quantity of commercial and industrial floorspace at the end of 2029.

The changes in floorspace are summarised in Table 5.4 below.

**Table 5.4: Projected Floorspace Change 2012 – 2029**

<table>
<thead>
<tr>
<th></th>
<th>Commercial Office Floorspace (sq. m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012</td>
</tr>
<tr>
<td>Office</td>
<td>207,000</td>
</tr>
<tr>
<td>Industrial</td>
<td>2,425,000</td>
</tr>
</tbody>
</table>

Source: Valuations Office Agency, GVA Analysis, 2013

These floorspace scenarios suggest:

- That if recent trends continue, East Riding will continue to increase its portfolio of commercial office floorspace, with a further increase of 58,089sq. m between 2012 and 2029; and

- That industrial floorspace will also continue to increase, with a further 858,500 sq. m of industrial floorspace developed, taking East Riding to almost 3.3million sq. m of industrial floorspace.
5.14 Historic floorspace trends are clear; and clearly show that over the last few years East Riding has grown its commercial office and industrial floorspace, and this may continue in the future.

5.15 Floorspace change data is not available to a level below Local Authority. However in order to satisfy the requirements of NPPG, and to allow analysis at FEA level, the land requirements associated with this model have been disaggregated to FEA using the proportions evidenced within land take-up over the last 13 years. This equates to the following breakdown in Table 5.5 below (NB: Figures do not total due to roundings).

Table 5.5: Disaggregated commercial floorspace requirements

<table>
<thead>
<tr>
<th></th>
<th>2012 - 2029 Office Floorspace requirements</th>
<th>2012 - 2029 Industrial Floorspace requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>29,360</td>
<td>423,952</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>15,268</td>
<td>225,674</td>
</tr>
<tr>
<td>York FEA</td>
<td>5,312</td>
<td>78,516</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>8,143</td>
<td>120,359</td>
</tr>
<tr>
<td>Total</td>
<td>58,089</td>
<td>858,500</td>
</tr>
</tbody>
</table>

Background to economic projections and scenarios

5.16 Before the employment land requirements across East Riding for the plan period can be established, alternative scenarios setting out the potential nature and scale of economic growth forecast must be considered.

5.17 This section sets out the methodology underpinning the preparation of the employment demand forecasting component of the ELR and the translation of employment projections into floorspace and land requirements. It provides a clear audit trail of the methods, assumptions and stages of work undertaken.

5.18 The consideration of a range of methodologies to establishing land requirements is in line with the guidance as set out in the ELR Guidance Note (2004) produced by the then Office of the Deputy Prime Minister, the NPPF and the NPPG. This analysis also uses information gathered through the previous ELR documents prepared for East Riding by GVA and in-house by the Council.
5.19 The previous ELR documents considered the following scenarios of demand:

- Historic land take-up rates: which takes historical rates of employment land take-up from 2000 onwards and projects these forward over the plan period;
- VOA commercial and industrial floorspace statistics: which takes past change in commercial floorspace as monitored by the VOA and projects the same trend forward over the plan period;
- Econometric forecasts sourced from Cambridge Econometrics (Local Econometric Forecasting Model, LEFM)(2006);
- Econometric forecasts sourced from Experian (Regional Econometric Model, REM)(2009, 2010 and 2011) with localised employment land density assumptions; and

5.20 In addition to the historic land take-up and VOA commercial and industrial floorspace scenarios already considered in this report, consideration has been given to the following econometric models as part of this 2013 ELR:

- 2012 based ‘Baseline’ Regional Econometric Model (REM) (Experian based); and
- 2012 based ‘Transformational Projects’ REM (Experian based).

5.21 A further analysis has been undertaken to take into account the potential job implications (estimated, direct and supply chain) of any future OEM investment at Green Port Hull. The OEM has announced Green Port Hull as their preferred location to manufacture offshore wind turbines, and while at the time of writing this is not a confirmed investment it is at an advanced stage.

**Approach to employment forecasts**

5.22 The methodology for the development of employment land forecasts is set out in the following steps:
• Source employment projections;
• Formulate appropriate alternative scenarios;
• Match sector groupings to land use categories;
• Identify worker density assumptions for converting employment to floorspace and calculate floorspace requirements; and
• Convert floorspace requirements to land requirements.

**Step 1: Source employment projections**

5.23 The 2012 iteration of the REM model has been obtained from the RIU for consideration within the ELR. The data runs from 1997 to 2031, projecting employment change broken down into 38 sectors. It should be noted that the ELR period considered is to 2029, in line with the plan period.

5.24 The REM model has been re-based for the purposes of the this ELR using the latest Business Register and Employment Survey (BRES) (formerly the Annual Business Inquiry, ABI). The BRES is recognised to be the most robust indication of employment by sector at a detailed level of breakdown, with data available to 4-digit SIC code. For the purposes of this analysis, the East Riding economy has been considered at a 2-digit SIC code level. The latest BRES available is dated from 2011, and this is therefore taken as the base year within the ELR analysis.

5.25 The percentage change in employment to 2029 forecast by 38 sectors within the REM model has been applied to the 2011 BRES base figures to give forecast change in current employment levels over the plan period. The REM and the BRES sectors have been aggregated to allow direct comparison, as summarised in the Table 5.6.
**Table 5.6: REM and BRES sector alignment**

<table>
<thead>
<tr>
<th>2 Digit SIC code sector definition</th>
<th>REM sector definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>01, 02, 03</td>
<td>Agriculture, Forestry, Fishing</td>
</tr>
<tr>
<td>05, 06, 07, 08, 09</td>
<td>Extraction (oil, gas), Mining</td>
</tr>
<tr>
<td>10, 11, 12</td>
<td>Food, drink and tobacco</td>
</tr>
<tr>
<td>13, 14, 15</td>
<td>Textiles and clothing</td>
</tr>
<tr>
<td>16, 17</td>
<td>Wood and paper / Wood products</td>
</tr>
<tr>
<td>18</td>
<td>Printing, Publishing</td>
</tr>
<tr>
<td>19</td>
<td>Fuel refining</td>
</tr>
<tr>
<td>20, 21</td>
<td>Chemicals / Pharmaceuticals</td>
</tr>
<tr>
<td>22, 23</td>
<td>Rubber, Plastics, Non-Metallic products</td>
</tr>
<tr>
<td>24, 25</td>
<td>Metals / Metal products</td>
</tr>
<tr>
<td>26, 27, 28</td>
<td>Computer, Electronic, Optical, Machinery</td>
</tr>
<tr>
<td>29, 30</td>
<td>Transport equipment</td>
</tr>
<tr>
<td>31, 32, 33</td>
<td>Other manufacturing</td>
</tr>
<tr>
<td>35, 36, 37, 38, 39</td>
<td>Utilities / Gas, electricity, water</td>
</tr>
<tr>
<td>41, 42, 43</td>
<td>Construction and associated activities</td>
</tr>
<tr>
<td>45, 46</td>
<td>Wholesale</td>
</tr>
<tr>
<td>47</td>
<td>Retail</td>
</tr>
<tr>
<td>49, 50, 51, 52, 53, 61</td>
<td>Land transport, storage, comms, air / water transport</td>
</tr>
<tr>
<td>55, 56</td>
<td>Hotels / accommodation and catering / food</td>
</tr>
<tr>
<td>58, 59, 60, 62, 63, 68, 69, 70, 71, 72, 73</td>
<td>Business services (incl computing, info services, real estate, prof services)</td>
</tr>
<tr>
<td>64, 65, 66</td>
<td>Banking and insurance (incl finance, insurance, pensions)</td>
</tr>
<tr>
<td>74, 75, 77, 78, 79, 80, 81, 82</td>
<td>Other financial and business services</td>
</tr>
<tr>
<td>84</td>
<td>Public admin and defence</td>
</tr>
<tr>
<td>85</td>
<td>Education</td>
</tr>
<tr>
<td>86, 87</td>
<td>Health</td>
</tr>
<tr>
<td>88 - 99</td>
<td>Other services / recreation / resi care and social work</td>
</tr>
</tbody>
</table>

Source: Experian and GVA analysis, 2013
Stage 2: Formulate appropriate alternative scenarios

5.26 This sub-section outlines the methodology used to formulate the alternative scenarios for economic growth within East Riding.

Labour demand scenario

5.27 As noted previously the latest iteration of the REM employment projects form the baseline projections for the ELR. The calculations use the projected employment growth rates produced for East Riding by the REM model and applies these to historic employment data sourced from the Business Register and Employment Survey (BRES) for each sector in the area.

5.28 The base year taken for this analysis is 2011 as this is the most recent year at the time of writing for which historic BRES data is available. Each scenario is therefore based on the same historic BRES employment data, disaggregated between 88 sectors (based on 2-digit 2007 SIC data) and includes projections from 2011 to 2029.

Additional labour demand scenario

5.29 In addition to the baseline REM employment projections, a further scenario has been run within the analysis taking into account high probability projects identified within East Riding with direct employment generation potential as a ‘project-on’ scenario. As within the baseline labour demand scenario, the base year within the analysis is taken as 2011.

5.30 This scenario assumes high probability projects as being additional to the baseline employment forecasts. The projects included within the additional labour demand scenario include (in line with those included in the LEP Skills Study) (gross jobs in brackets):

- Bridgehead sites: 4000 jobs;
- Brough EZ sites: 1170 jobs (additional to loss of 850 jobs due to the downsizing of BAE at the site);
- Paull: 1000 jobs (it should be noted that the scenario underestimates the jobs envisaged at Paull as set out within this Local Development Order which increases this figure to 1,800 jobs, but which was not available to be factored in to the scenario analysis);
Bridlington AAP: 2650 jobs;
Capitol Park Goole: 2500 jobs;
Melton: 2000 jobs;
Newport: 300 jobs; and
Ozone Goole: 280 jobs.

5.31 The job implications of each project identified has been integrated into the REM projections using a sector breakdown, provided by East Riding Council to the REIU before the undertaking of this ELR.

Taking the growth of the renewable and low carbon energy sectors into account

5.32 The additional labour demand scenario does not fully take into account the significant potential that the renewable and low carbon energy sectors present for the East Riding, and the Humber region more generally, over the next plan period. The Humber Renewable Energy Super Cluster Enterprise Zone bid identifies that developments on the Enterprise Zone sites across the Humber have the potential to create up to 12,500 direct jobs, with the scale of the proposed developments resulting in the area becoming an internationally important hub for the offshore wind energy sector.

5.33 At Alexandra Dock, at the Port of Hull, planning permission has been granted for the Green Port Hull Development; this proposes the development of a new integrated manufacturing hub for offshore wind turbines for a major Original Equipment Manufacturer (OEM). This will be complemented by associated development at the other Enterprise Zone sites in the area (including the Paull and Brough sites) for their Tier 1 and Tier 2 supply chain. This is expected to result in the full manufacture of offshore wind turbines on the north bank of the Humber (i.e. the full manufacture as opposed to the assembly of parts manufactured elsewhere).

5.34 A prospective OEM investor has publicly announced that Green Port Hull is their preferred location for basing their offshore wind turbine manufacturing activities, with final confirmation of this announcement anticipated by early 2014, and the factory is expected to be operational by 2016.

5.35 This prospective OEM investor is now actively identifying its Tier 1 suppliers and their requirements. When the final investment decisions are publically confirmed from the OEM
and their major Tier 1 suppliers, it is expected that a wave of enquiries will be generated from Tier 2, 3 and 4 suppliers, which are likely to stimulate demand for employment land within the area.

5.36 There are therefore two key considerations for the ELR, firstly, the additional job potential that would result from an OEM locating at Green Port Hull, and the certainty around these proposals and the extent to which they can be planned for over the plan period at the time of writing. Each are considered below in turn.

5.37 Job estimations have been provided to GVA by East Riding of Yorkshire Council (sourced from Hull City Council), which were developed in 2011. These suggest the following potential jobs to result from the OEM investment, including both direct and indirect jobs creation:

- 700 direct jobs, including 400 within manufacturing and assembly activities, and 300 within logistics and warehousing activities; and
- 5,750 indirect jobs, including across professional services, manufacture and assembly, vessel crews and installation / providing transportation to wind farms and crew transfer, operations and maintenance / wind turbine technicians, and facilities management.

5.38 These job figures are not disaggregated between Hull and East Riding, although it is known that the direct jobs will be delivered at Green Port Hull with a significant number of indirect (supply chain) opportunities for East Riding. The implications of these potential supply chain opportunities are considered in terms of their land requirements relative to the previously presented models.

5.39 It is known through consideration of the Green Port Hull Investment Prospectus (Draft) that there are specific locations likely to contribute to part of the supply chain associated with Green Port Hull. Specifically the prospectus identifies a number of sites where associated development is anticipated alongside that at Green Port Hull. This includes the identification of a number of projects / development sites within East Riding: Staithes Road, Paull Phase 1 & 2 (Hedon Haven), Brough (Enterprise Zone), Melton Business Park, Melton West Business Park, and Capitol Park (Goole). It can therefore be assumed that future requirements on these sites may include those generated by the renewables sector linked to the proposed development at Green Port Hull.
5.40 This understanding of potential supply chain sites supports the job figures included in the additional labour demand scenario in this ELR for the Brough Enterprise Zone (1,170 additional jobs), Paull (1,000 jobs - which are associated with Phase 1 and underestimates the number of those permitted by the Local Development Order (LDO) on the site), Capitol Park Goole (2,500 jobs), and Melton (2,000 jobs).

Hedon Haven

5.41 It is worth noting the specific potential of the land at Hedon Haven in the context of the above. This includes the sites HAV1 and HAV2 as identified and considered in the supply analysis within this ELR, also referred to as Paull Phase 1 (LDO area) and Paull Phase 2. These sites have specifically been identified by ABP as being required to meet need within the plan.

5.42 ABP specifically recognise the importance of major strategic investment and expansion of the existing operational port estate to the continued future success of the Port of Hull, and its wider economic contribution. The potential role of Paull in this context is linked both to the major investment proposals at the Port of Hull including Green Port Hull and Hull Riverside Bulk Terminal. ABP also identify that they continue to receive major investment enquiries in relation to potential future renewable / low carbon energy related development at the Port of Hull.

5.43 Having established the need for additional capacity, ABP considered a range of potential locations, but have concluded that the Paull site is considered the most sustainable opportunity for expansion of the existing operational port estate. Without this site, it is possible that the benefits of future expansion of port activity will be lost, with specific reference to future renewables / low carbon energy related development.

5.44 This is recognised within the ELR as being a specific employment land requirement which sits outside of the various models to identify land requirements over the plan period. This is linked specifically to the capacity (hectares) at the site, and is therefore considered separately from the more general employment land requirements, but remains an important conclusion of the ELR exercise. This approach is in line with the position stated within the National Policy Statement for Ports, which suggests that a positive forward planning approach to port development should be led by the commercial perspectives of operators to ensure sufficient capacity to contribute to strategic infrastructure and economic growth.
Summary of employment projections

5.45 The two alternative labour demand scenarios considered within the analysis broken down by REM sector, comparing 2011 base data with forecast employment in 2029 are presented in Table 5.7.
Table 5.7: Employment in East Riding – 2011, 2029 comparison of scenarios

<table>
<thead>
<tr>
<th>Industry</th>
<th>2011 BRES</th>
<th>Baseline REM – 2029</th>
<th>Project REM - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing</td>
<td>84</td>
<td>81</td>
<td>85</td>
</tr>
<tr>
<td>Extraction (oil, gas), Mining</td>
<td>543</td>
<td>429</td>
<td>430</td>
</tr>
<tr>
<td>Food, drink and tobacco</td>
<td>2494</td>
<td>2311</td>
<td>2330</td>
</tr>
<tr>
<td>Textiles and clothing</td>
<td>110</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Wood and paper / Wood products</td>
<td>673</td>
<td>355</td>
<td>362</td>
</tr>
<tr>
<td>Printing, Publishing</td>
<td>325</td>
<td>232</td>
<td>239</td>
</tr>
<tr>
<td>Fuel refining</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Chemicals / Pharmaceuticals</td>
<td>1562</td>
<td>119</td>
<td>122</td>
</tr>
<tr>
<td>Rubber, Plastics, Non-Metallic products</td>
<td>1841</td>
<td>1695</td>
<td>2103</td>
</tr>
<tr>
<td>Metals / Metal products</td>
<td>1219</td>
<td>887</td>
<td>2775</td>
</tr>
<tr>
<td>Computer, Electronic, Optical, Machinery</td>
<td>1024</td>
<td>3</td>
<td>1330</td>
</tr>
<tr>
<td>Transport equipment</td>
<td>3275</td>
<td>2974</td>
<td>2978</td>
</tr>
<tr>
<td>Other manufacturing</td>
<td>1467</td>
<td>1040</td>
<td>1327</td>
</tr>
<tr>
<td>Utilities / Gas, electricity, water</td>
<td>842</td>
<td>881</td>
<td>887</td>
</tr>
<tr>
<td>Construction and associated activities</td>
<td>5552</td>
<td>6122</td>
<td>6178</td>
</tr>
<tr>
<td>Wholesale</td>
<td>6651</td>
<td>7324</td>
<td>7452</td>
</tr>
<tr>
<td>Retail</td>
<td>12238</td>
<td>13340</td>
<td>13432</td>
</tr>
<tr>
<td>Land transport, storage, comms, air / water transport</td>
<td>6981</td>
<td>7553</td>
<td>8518</td>
</tr>
<tr>
<td>Hotels / accommodation and catering / food</td>
<td>7785</td>
<td>8846</td>
<td>8967</td>
</tr>
<tr>
<td>Other services / recreation / resi care and social work</td>
<td>6828</td>
<td>8678</td>
<td>8783</td>
</tr>
<tr>
<td>Business services (incl computing, info services, real estate, prof services)</td>
<td>7440</td>
<td>9087</td>
<td>10389</td>
</tr>
<tr>
<td>Banking and insurance (incl finance, insurance, pensions)</td>
<td>1229</td>
<td>1229</td>
<td>1256</td>
</tr>
<tr>
<td>Other financial and business services</td>
<td>5653</td>
<td>5599</td>
<td>5756</td>
</tr>
<tr>
<td>Public admin and defence</td>
<td>10608</td>
<td>9143</td>
<td>9153</td>
</tr>
<tr>
<td>Education</td>
<td>11260</td>
<td>13434</td>
<td>13467</td>
</tr>
<tr>
<td>Health</td>
<td>12670</td>
<td>15085</td>
<td>15109</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>110354</strong></td>
<td><strong>116448</strong></td>
<td><strong>123968</strong></td>
</tr>
</tbody>
</table>

Source: ONS, REM, GVA analysis 2013

5.46 Both of the scenarios project an expansion of total jobs over the plan period, although to differing extents, with the baseline model suggesting a growth of just over 6,000 jobs and the project-on model suggesting a growth of over 13,600 jobs.

5.47 The baseline model suggests contraction across all of the manufacturing sub-sectors over the plan period, whilst notably the project-on scenario has a more optimistic outlook associated with a number of sub-sectors including rubber, plastics, non-metallic products,
metals / metal products, and computer, electronic, optical and machinery manufacturing.

5.48 All three models show contraction within the Public administration and defence sector, with growth projected in the Education, Health, and Retail sectors. All also show growth in the distribution related Land transport, storage, communications, air/water transport sector.

5.49 With regards growth in the business and professional services sectors, projected change within the baseline REM model suggests modest growth, driven by Business services, with a stable position / contraction within Banking and insurance and Other financial and business services. The outlook is far more positive within the project-on scenario, with a projection of growth across all of the BPFS sectors, although again driven by a strong outlook in relation to Business services in the first instance.

**Step 3: Employment and land categorisation**

**Matching sectors to land use categories**

5.50 Each of the sectors considered within the analysis must be allocated or divided between the standard land use categories. This process of allocation is necessary to reflect the fact that not all sectors have B Use Class land and property implications, and for those that do include some B Use Class employment they may not be 100% B Use Class.

5.51 The 2009 East Riding ELR included a calculation of B Use Class employment assumed by sector. These have been updated, based on experience / professional judgement and analysis of the BRES. The assumptions applied in this ELR analysis are summarised in Table 5.8.
### Table 5.8: Land use employment assumptions

<table>
<thead>
<tr>
<th>Sector</th>
<th>Business Use Classification</th>
<th>Proportion of employment sector occupying each Use Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing</td>
<td>Non B</td>
<td>0% 0% 0%</td>
</tr>
<tr>
<td>Extraction (oil, gas), Mining</td>
<td>Non B</td>
<td>0% 0% 0%</td>
</tr>
<tr>
<td>Food, drink and tobacco</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Textiles and clothing</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Wood and paper / Wood products</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Printing, Publishing</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Fuel refining</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Chemicals / Pharmaceuticals</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Rubber, Plastics, Non-Metallic products</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Metals / Metal products</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Computer, Electronic, Optical, Machinery</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Transport equipment</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Other manufacturing</td>
<td>Primarily B2</td>
<td>0% 100% 0%</td>
</tr>
<tr>
<td>Utilities / Gas, electricity, water</td>
<td>Non B</td>
<td>0% 0% 0%</td>
</tr>
<tr>
<td>Construction and associated activities</td>
<td>Self-employment - limited B2/B8 storage</td>
<td>0% 30% 5%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Primarily B8</td>
<td>0% 15% 60%</td>
</tr>
<tr>
<td>Retail</td>
<td>Non B</td>
<td>0% 0% 0%</td>
</tr>
<tr>
<td>Land transport, storage, comms, air / water transport</td>
<td>Primarily B8</td>
<td>0% 0% 65%</td>
</tr>
<tr>
<td>Hotels / accommodation and catering / food</td>
<td>Non B</td>
<td>0% 0% 0%</td>
</tr>
<tr>
<td>Other services / recreation / resi care and social work</td>
<td>Primarily Non B</td>
<td>35% 0% 0%</td>
</tr>
<tr>
<td>Business services (incl computing, info services, real estate, prof services)</td>
<td>Primarily B1, Some A uses</td>
<td>65% 0% 0%</td>
</tr>
<tr>
<td>Banking and insurance (incl finance, insurance, pensions)</td>
<td>Primarily B1, Some A uses</td>
<td>65% 0% 0%</td>
</tr>
<tr>
<td>Other financial and business services</td>
<td>Primarily B1, Some A uses</td>
<td>65% 0% 0%</td>
</tr>
<tr>
<td>Public admin and defence</td>
<td>Non B</td>
<td>0% 0% 0%</td>
</tr>
<tr>
<td>Education</td>
<td>Non B</td>
<td>0% 0% 0%</td>
</tr>
</tbody>
</table>

Source: GVA, 2013
5.52 Table 5.9 below summarises the headline implications of projected change in employment by B use class under each of the two scenarios considered.

**Table 5.9: Projected change in employment to 2029 by B Use Class**

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total B Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>1683</td>
<td>-4100</td>
<td>804</td>
<td>-1613</td>
</tr>
<tr>
<td>Project On</td>
<td>2686</td>
<td>47</td>
<td>1538</td>
<td>4270</td>
</tr>
</tbody>
</table>

Source: ONS, REM, GVA analysis 2013

5.53 It is clear from this analysis that the three scenarios have different implications in terms of B Use Class employment across East Riding. Specifically, within the REM baseline model there is a projected contraction in B Use Class employment, totalling over 1,600 jobs with very significant contraction within the B1c / B2 general industrial and manufacturing activities. This is contrasted in the project-on REM scenario, which project growth in B Use Class employment of over 4,200 FTE jobs over the period to 2029, including growth across all B class activities.

**Step 4: Employment densities and floorspace requirements**

5.54 Employment densities are a key link between employment change and land use, and need to be applied in the model to convert the employment forecasts to floorspace requirements.

5.55 The 2009 ELR update presented the employment densities identified by English Partnerships in their 2001 guidance, and rightly suggested that these were out of date for the purposes of the analysis. Rather, it included the calculation of more appropriate and up-to-date figures based on VOA data for East Riding specifically.

5.56 Since the finalisation of the 2009 study there have been updated employment density figures released by the Homes and Communities Agency (HCA), dated from 2010. In addition a study was undertaken by Roger Tym and Partners on behalf of Yorkshire Forward (2010) to establish appropriate assumptions to be applied when planning for employment land in Yorkshire and the Humber, derived specifically from indepth regional analysis. As a result the calculations undertaken within this ELR applies the most up-to-date assumptions taken from the Roger Tyms / Yorkshire Forward analysis.
- B1a: 16 sqm per FTE (General office assumption)
- B1c, B2: 67 sqm per FTE
- B8: 67 sqm per FTE

5.57 It is recognised that there are factors impacting on future employment densities which may move towards lower overall densities or less reliance upon traditional forms of employment floorspace to meet economic needs. This study has not made adjustments for such changes because we believe it is better to use consistent and well understood regional estimates for long term forecasting whilst recognising that these should be monitored over the plan period.

5.58 These employment densities have been applied to each sector and land use category using the model developed and presented previously. The resulting estimates of floorspace requirements for 2029 are summarised in Table 5.10.

Table 5.10: Floorspace implications of alternative demand scenarios (Sqm)

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>26924</td>
<td>-274732</td>
<td>53885</td>
<td>-193922</td>
</tr>
<tr>
<td>Project On</td>
<td>42975</td>
<td>3125</td>
<td>103020</td>
<td>149120</td>
</tr>
</tbody>
</table>

Source: ONS, REM, GVA analysis 2013

Step 5: Forecasting land requirements

5.59 This sub-section details how we have converted the estimates of floorspace required in Table 5.8 previously into estimates of land.

Plot ratios

5.60 The amount of floorspace that is built per net hectare is an important factor to consider when calculating employment land requirements. We have used experience from undertaking ELRs and referred to the guidance to ascertain the average amount of floorspace being built per hectare. This enables floorspace requirements (sqm) to be converted into estimates of employment land (ha).

5.61 The study undertaken by Roger Tym and Partners on behalf of Yorkshire Forward (2010) to establish appropriate assumptions to be applied when planning for employment land derived specifically from regional analysis included consideration of appropriate plot
ratios. As a result the calculations undertaken within this ELR applies the most up-to-date assumptions taken from the / Roger Tyms / Yorkshire Futures analysis, which states plot ratios of 35% should be applied across all B use classes.

### Allowance for churn and losses of employment land

5.62 Employment driven floorspace demand is likely to be a significant driver of the demand for additional floorspace in a local economy. However, it is also true that an element of demand will arise from companies moving, either due to obselescence of their existing property, the desire for a lower or higher cost location, or simply for strategic reasons.

5.63 Furthermore, the regeneration process will give rise to business relocations which creates further demand for employment land.

5.64 This form of demand is called ‘churn’ and it represents a general level of turnover in property requirements. Choice and churn can have a significant effect on the amount of employment land and floorspace that is required in order to meet the predicted demand.

5.65 For the purposes of this ELR data on vacancy within the commercial stock, and land lost to non-employment uses are used as proxy data to inform consideration of any allowance for choice and churn to be applied within the demand analysis.

5.66 Data on vacant property estimates is available from the VOA for the period 1998 to 2005, therefore representing pre-recession levels of choice within the market. This period correlates with approximately half of the period of take-up that this ELR has considered. Table 5.11 below sets out the level of vacancy recorded by this dataset.

#### Table 5.11: Vacant property estimates, 1998 – 2005 (%)

<table>
<thead>
<tr>
<th></th>
<th>98-99</th>
<th>99-00</th>
<th>00-01</th>
<th>01-02</th>
<th>02-03</th>
<th>03-04</th>
<th>04-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Riding</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Yorkshire and Humber</td>
<td>7</td>
<td>7</td>
<td>6</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>England</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>8</td>
<td>9</td>
<td>9</td>
</tr>
</tbody>
</table>

SOURCE: VOA, EXPERIMENTAL STATISTICS

5.67 It is apparent from this data that the estimated levels of vacancy within commercial stock across East Riding was below that demonstrated across Yorkshire and Humber and England in the period leading up to the recession, never going above an estimated level of 6%. This suggests a fairly tight market locally and limited speculative development,
although take up over this period is noted to be fairly strong, with rates between 2001 and 2008 standing at 22.7ha as cited in the 2009 ELR report.

5.68 Current data on available floorspace is noted in the commercial market analysis, including the identification of some 26,577sqm office floorspace and 846,161sqm industrial floorspace currently being marketed across the East Riding. Whilst detailed analysis of the nature or quality of this supply has not been undertaken, and noting that in some instances the floorspace marketed may not yet be developed, a comparison of these figures with the VOA data on total commercial floorspace suggests that vacancy levels have increased more recently. The figure from this calculation suggests a rate closer to 13% for office stock and 35% for industrial stock. This suggests there is some capacity within existing floorspace above that experienced across the period 1998 to 2005, albeit as noted this does not allow for poor quality stock within this available supply which may be unlikely to meet future requirements.

5.69 It is too simplistic to assume that this level of vacancy will provide sufficient churn to accommodate growth needs over the whole plan period. It is therefore concluded that a further allowance be applied, of 6%, in line with the pre-recession vacancy rates recorded.

5.70 Land can also be lost from employment use for alternative uses through the granting of planning permission. It should be noted in this context that the only sites netted out of the supply analysis are those where planning permission has been granted for non-employment use. Sites where the Council are aware of a potential interest by the landowners to bring the site forward for non-employment uses have not been discounted so as to not pre-empt or pre-determine the planning application and decision making process.

5.71 The most significant source of losses of employment land are likely to have occurred when sites or premises in employment use have been converted for use for an alternative purposes. However, such losses have not been comprehensively monitored by the Council. Therefore data on losses of employment land has been obtained from East Riding of Yorkshire Council, with 33.28 ha identified between 2000 and 2013, which averages at 2.48 ha per year. Whilst it should be assumed that all sites allocated for employment use through the new Local Plan should have a reasonable prospect of being used for that purpose (in accordance with the NPPF), this provides the best available proxy for
estimating the potential extent of losses of existing sites or premises that may be expected. Projecting this over the plan period would assume a further requirement for 39.73 ha of land to take into account potential losses, although this cannot be aggregated by type.

5.72 Losses of employment land supported through the Local Plan must also be taken into account when identifying employment allocations.

Allowance for choice

5.73 The Roger Tym and Partners report for Yorkshire Forward advocates the identification of a 5-year supply of employment land (including allowance for losses) to ensure sufficient choice within the employment land portfolio. The implications of this approach for this ELR is considered within the following chapter.

5.74 In line with the previous analysis, the three scenarios project different land requirements over the plan period. The REM baseline scenario suggests an overall net reduction in land requirements before the allowance for losses is applied, although this masks the need to identify over 8ha of land for office development, and just over 16ha for warehousing development, albeit alongside a contraction in headline terms within general industrial requirements.

5.75 The land requirements associated with the project-on scenario are more positive, showing additional requirements across all sectors with a total requirement for 88 hectares to 2029. This is illustrated in Table 5.12 below.

Table 5.12: Land implications of alternative demand scenarios (Ha)

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total with churn</th>
<th>Total with churn and losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>8.2</td>
<td>-78.5</td>
<td>16.3</td>
<td>-54*</td>
<td>-14.3</td>
</tr>
<tr>
<td>Project On</td>
<td>13.0</td>
<td>3.9</td>
<td>31.2</td>
<td>48.1</td>
<td>87.8</td>
</tr>
</tbody>
</table>

* NB: Churn allowance has not been applied to the negative B1c/B2 requirement.
Benchmarking the Models

5.76 The scenarios presented have been considered further in terms of their appropriateness / confidence levels in the following paragraphs, against a set of benchmarking exercises. On the basis of this analysis conclusions can be drawn regarding the likely scale and nature of economic change likely to take place across East Riding over the plan period.

Economic context

5.77 Analysis of the BRES from 2008 allows understanding of the recent changing fortunes of sectors within the East Riding economy, based on employment levels. At headline level the BRES records a relatively stable economy using 2008 and 2011 data, with a 0.3% contraction equating to a loss of 337 jobs, however this does mask growth to highs in 2009/10 before decline to 2011. This stability is not recorded consistently at sector level; sectors that experienced growth over this four year time frame include those listed below:

- Extraction (oil, gas), mining: +286 (111.3%)
- Manufacture of Food, drink and tobacco: +815 (48.5%)
- Manufacture of Textiles and clothing: +5 (4.8%)
- Manufacture of Chemicals / pharmaceuticals: +72 (4.8%)
- Manufacture of Rubber, plastics, non-metallic products: +245 (15.4%)
- Manufacture of Computer, electronic, optical, machinery: +129 (14.4%)
- Other manufacturing: +765 (109%)
- Utilities / gas, electricity, water: +229 (37.4%)
- Retail: +1,487 (13.8%)
- Land transport, storage, communications, air/water transport: +2,194 (45.8%)
- Other services / recreation / residential care / social work: +68 (1%)
- Business services (including computing, information services, real estate, professional services): +43 (0.6%)
- Other financial and business services: +15 (0.3%)
- Public administration and defence: +2,471 (30.4%)
• Health: +1,708 (15.6%)

5.78 What is particularly interesting within this analysis of change over time is the growth in manufacturing sub-sectors, which brings into question the trends forecast within the baseline figures presented previously, which includes forecast contraction across all of the manufacturing sub-sectors with the exception of fuel refining which it holds at 0.

5.79 Further analysis of the 2011 BRES data has been undertaken, comparing the structure of employment within the East Riding economy with that of Yorkshire and Humber and England and Wales. Comparing concentrations of employment by sector locally to those regionally and nationally allows conclusions to be drawn as to where there are potential competitive advantages within the East Riding economy.

5.80 This is referred to as Location Quotient analysis. With LQs, a value above 1 suggests a concentration, of 1 suggests direct alignment, and less than 1 an under-representation.

5.81 The following sectors are identified to be above 1 LQs within East Riding compared to the wider economies, i.e. sectors where there could be a local competitive advantage:

• Extraction (oil, gas), mining (compared to both regional and national figures)
• Manufacture of food, drink and tobacco (compared to both regional and national figures)
• Manufacture of wood and paper, wood products (compared to both regional and national figures)
• Manufacture of chemicals / pharmaceuticals (compared to both regional and national figures)
• Manufacture of rubber, plastics, non-metallic products (compared to both regional and national figures)
• Manufacture of transport equipment (compared to both regional and national figures)
• Other manufacturing (compared to national figures, marginally below regional)
• Construction and associated activities (compared to both regional and national figures)
• Wholesale (compared to national figures, marginally below regional)
- Retail (compared to both regional and national figures)
- Land transport, storage, communications, air / water transport (compared to national figures, marginally below regional)
- Hotels / accommodation and catering / food (compared to both regional and national figures)
- Public administration and defence (compared to both regional and national figures)
- Education (compared to both regional and national figures)
- Health (compared to both regional and national figures)

5.82 Drawing this analysis together, there are a number of sub-sectors where there is both a potential local competitive advantage and there is evidence of resilience and growth in recent years (since 2008), including: extraction (oil, gas) / mining, manufacture of food, drink and tobacco, Manufacture of chemicals / pharmaceuticals, manufacture of rubber, plastics and non-metallic products, Other manufacturing, retail, land transport, storage and communications, air / water transport, public administration and defence, and health.

5.83 This emphasises again questions around the pessimistic outlook relating specifically to manufacturing sub-sectors within the baseline scenario presented previously, and to a lesser extent the project-on scenario.

Commercial market drivers

5.84 It is important to consider the potential nature and extent of economic change across East Riding within each of the models presented in the context of the commercial market.

5.85 A number of key considerations are relevant in relation to the commercial market analysis undertaken as part of this ELR exercise, including those concerned with the drivers of the industrial, distribution and office markets respectively. These drivers, or attributes, underpin occupier decision making processes and are therefore strongly aligned to inward investment performance.

5.86 It is generally accepted that the requirements driving inward investment decisions include those listed in the bullet points below:
• Labour pool: including proximity and access to a labour pool of scale and mobility, benefitting from a range of skills, diversity and competitive cost;
• Accessibility: ease of access by road, rail, bus, airport, port, etc;
• Amenity and infrastructure: including supporting services and landscape and visual to already be in place or be of sufficient quality;
• Competitors / clustering: nearby presence of existing clusters of relevant activities and/or anchor tenant and/or supply chains;
• Credibility of scheme / development and/or deliverability of the site: sites and schemes considered to be realistically and reliability deliverable;
• Environmental and sustainability credentials: including environmental benefits of buildings / premises available, in addition to public transport provision and connectivity;
• Grants / financial incentives: the availability of grants and financial incentives within a specific location; and
• Cost: including direct property costs, and cost per desk occupied.

5.87 The current Economic Development Strategy (and its previous iterations) have been focused on delivering these requirements, specifically removing access constraints to major sites along the M62/A63 corridor.

5.88 The engagement with agents undertaken as part of this exercise has highlighted the consensus view of the market reaching, or being close to, bottom locally with recovery anticipated (albeit slowly) within transactional activity. The sentiment noted reflects a greater level of stability across all sectors in East Riding, with greater levels of activity noted including enquiries and deals going through. This is further evidenced in the transactions across both the industrial and office sectors over the last 24 months recorded by Focus.

5.89 The consultation undertaken provided a broadly consistent view of the locations which represent the main commercial areas in the region. Beverley was recognised as East Riding’s main commercial centre. Bridlington is seen to attract primarily local demand with both Melton and Driffield noted to be areas of increasing prominence.

5.90 The relationship with Hull is critical, with blurred lines in commercial terms between the East Riding and City of Hull market areas. Hull is consistently viewed as the main centre in East
Yorkshire, with the local dynamics heavily influenced by a ‘Hull centric’ pull. Traditional industries, including manufacturing and logistics, are perceived to be continuing in importance within the local economy.

5.91 Across both the industrial and office sectors this geography of West Hull, Beverley and Melton, and connections to the M62, M18 and A63 corridors is noted to be evident. On the basis of the engagement with the local agents, these drivers are considered to be ‘fixes’ – i.e. they are likely to maintain for the foreseeable future.

5.92 This sentiment is further identified through the business consultation undertaken as part of the ELR exercise. Specific key conclusions drawn include:

- Recent growth in employment levels over the past five years identified by the majority of businesses included within the consultation;
- A clearly evidenced Hull / East Riding labour market, albeit the majority of businesses consulted are noted to be located near to the border of East Riding;
- The ‘pull’ of availability of employment land as part of the inward investment decision making process, identified by 50% of the companies including the attractiveness of having land to expand in the future;
- Just under half of companies surveyed suggested that their current site may not meet their future needs, including specific citing of lack of additional land for expansion;
- The majority of businesses consulted were optimistic about future growth prospects, including for 50% of those businesses who anticipate growth also anticipating growing employment levels; and
- Two-thirds of the companies consulted stated that they have investment plans for the future including expansion, diversification, investment in green energy, and relocation to a larger site.

5.93 On the basis of this evidence the generally pessimistic forecast within the baseline model is brought into question, particularly around the forecast contraction within manufacturing sub-sectors. It is notable in the context of the conclusions drawn out above that the majority of businesses consulted as part of the exercise are manufacturing companies.
Alignment with strategy and aspiration

5.94 The East Riding of Yorkshire Council is a member of both the Humber LEP and the York, North Yorkshire and East Riding LEP. The strategies put in place by each of these LEPs is being informed by the existing East Riding Economic Development Strategy, which in turn will be directly influenced by the LEPs strategic priorities.

5.95 The sector focus identified by each of the LEPs provides important context for the forecast analysis within this ELR exercise. Key sectors identified include renewable energy, ports and logistics, and chemicals for the Humber LEP, and food manufacturing, agri-tech and biorenewables for the YNYER LEP. For all, the importance of the development of local supply chains is noted to be a strategic priority. The renewable energy ‘sector’ cuts across a number of sectors including renewables, fuel refining, chemicals, distribution, and waste management.

5.96 The focus placed on these sectors locally further brings into question the extent to which it is appropriate to assume contraction within key manufacturing sub-sectors over the plan period, particularly where East Riding has a noted competitive advantage. This pessimistic outlook does not align with the strategic priorities of either LEP, nor the potential supply chain linkages associated with the significant expected growth in the ports, associated with the growth in the renewable and low carbon energy sectors and the key Enterprise Zone sites which include Paull and Brough in the East Riding.

5.97 The project-on scenario is recognised to have a stronger alignment with strategy as it directly reflects the transformational projects identified across East Riding being promoted by both the LEPs.
Pipeline employment levels

5.98 The final benchmarking exercise undertaken relates to the potential employment floorspace associated with the extant planning permissions in place across the East Riding at the current time. Although floorspace permitted does not provide direct correlation with floorspace that will be delivered, it does provide some indication of market activity. The permitted schemes are not broken down in this analysis by whether they are located on existing employment allocations, and nor would it be expected that they will all be delivered.

5.99 Importantly over 100,000sqm of B1c / B2 floorspace is permitted across East Riding, supporting the assumption that general industrial and manufacturing activity continues to be important in the local area. Similarly over 300,000sqm is permitted for B8 uses specifically. A more modest 40,000sqm is permitted for B1a/b uses specifically. All three figures support a level of appetite within the local market to progress delivery of employment development, although it is recognised that 100% of this pipeline development may not be brought forward.

Project-on reality

5.100 It should further be noted that on the basis of the analysis undertaken it is clear that the land requirements associated with the project-on econometric forecasting model underestimates the actual site requirements that are known at the time of writing. This relates to a number of the projects, for which extant planning permission relating to the job numbers cited in the model significantly exceed the land requirements generated by the model. This point specifically relates to land take associated with planning permissions / LDOs at Bridgehead, Capitol Park, Melton and Paull.
Implications of benchmarking

5.101 The analysis undertaken suggests that the baseline REM is over-pessimistic, particularly in relation to some of the manufacturing sub-sectors which have seen growth locally, and where there are concentrations of activity currently. As a result it is recommended that in light of this the analysis 'hold' employment levels in some sectors, thereby reducing the negative pull on the employment figures within this analysis. This relates specifically to the following sectors:

- Extraction (oil, gas), mining (no employment land implications as not B Use Class)
- Food, drink and tobacco
- Chemicals
- Rubber, plastics, non-metallic products
- Transport equipment
- Other manufacturing

5.102 This approach effectively 'safeguards' jobs in these sectors; the analysis does not assume growth to avoid being over-optimistic within the conclusions of the report, although changes in these, and other, sectors should be monitored over the plan period to understand where growth is indeed taking place and adjusting requirements accordingly.

5.103 The tables below (Tables 5.13, 5.14, & 5.15) summarise the implications of this approach on floorspace and land requirements across the East Riding.

Table 5.13: Adjusted scenario employment levels by B Use Class

<table>
<thead>
<tr>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total B Class</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>1683</td>
<td>-1269</td>
<td>804</td>
</tr>
<tr>
<td>Project On</td>
<td>2686</td>
<td>2878</td>
<td>1538</td>
</tr>
</tbody>
</table>

Source: ONS, REM, GVA analysis 2013
Table 5.14: Adjusted scenario floorspace requirements to 2029 (sqm)

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>26924</td>
<td>-85055</td>
<td>53885</td>
<td>-4246</td>
</tr>
<tr>
<td>Project On</td>
<td>42975</td>
<td>192801</td>
<td>103020</td>
<td>338796</td>
</tr>
</tbody>
</table>

Source: ONS, REM, GVA analysis 2013

Table 5.15: Adjusted scenario land requirements to 2029 (Ha)

<table>
<thead>
<tr>
<th></th>
<th>B1a/b</th>
<th>B1c/B2</th>
<th>B8</th>
<th>Total with churn</th>
<th>Total with churn and losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>REM baseline</td>
<td>8.2</td>
<td>-24.3</td>
<td>16.3</td>
<td>0.2*</td>
<td>39.9</td>
</tr>
<tr>
<td>Project On</td>
<td>13</td>
<td>58.6</td>
<td>31.2</td>
<td>102.8</td>
<td>142.6</td>
</tr>
</tbody>
</table>

Source: ONS, REM, GVA analysis 2013

* NB: Churn allowance has not been applied to the negative B1c/B2 requirement.

5.104 The resulting land implications of the adjusted scenarios suggests a requirement of between 40 and 143 hectares of employment land to 2029, although as noted previously the lower end range of that scenario masks the positive land requirements within the office and warehousing sectors totalling over 20 hectares. It also masks activity within manufacturing sub-sectors captured within the B1c/B2 sector including contraction still forecast (and therefore negative land values masking positive requirements in some sub-sectors) including within Textiles and clothing, Wood and paper / Paper products, and Printing, publishing.

5.105 Econometric forecasting data is not available to a level below Local Authority. However in order to satisfy the requirements of NPPG, and to allow analysis at FEA level, the land requirements associated with this model have been disaggregated to FEA using the proportions evidenced within land take-up over the last 13 years. This equates to the following breakdown (NB: Figures do not total due to roundings).

5.106 It is important to note that this disaggregation is presented as indicative, and must also be viewed alongside the commentary set out previously relating to the functional economic areas, including current commercial market perspectives and major drivers (both current and anticipated). These figures are therefore not presented as absolute figures to be adhered to in forward planning terms, but as a starting point for understanding the relative balance between supply and demand over the plan period.
5.107 This specifically relates to the need to consider the impact of major drivers including the OEM investment at Green Port Hull and the impact that this could have on employment land requirements in the future, with a significant proportion of this anticipated within the Hull FEA. On this basis it is suggested that the requirements under the high end project on scenario presented skew B1c/B2 and B8 requirements to the Goole & Selby FEA whilst it is assumed on the basis of the analysis undertaken that a significant level of demand will be experienced within the Hull FEA.

5.108 This conclusion also mirrors that of the commercial market analysis, which recognises this FEA as being the ‘commercial centre’ of East Riding, with strong relationships to Hull, future OEM investment at Green Port Hull, and the importance of the east-west corridor / M62/A63 corridor on employment land requirements.

5.109 The following two tables (Table 5.16 and 5.17) show the indicative disaggregation of the REM baseline and REM project-on scenarios.

Table 5.16: Disaggregated econometric forecasting requirements (REM baseline)

<table>
<thead>
<tr>
<th>FEA</th>
<th>B1a/b Land Requirements</th>
<th>B1c/B2 Land requirements</th>
<th>B8 Land requirements</th>
<th>Total with churn and losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>4.14</td>
<td>-12.28</td>
<td>8.24</td>
<td>0.10</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>2.16</td>
<td>-6.39</td>
<td>4.28</td>
<td>0.05</td>
</tr>
<tr>
<td>York FEA</td>
<td>0.75</td>
<td>-2.22</td>
<td>1.49</td>
<td>0.02</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>1.15</td>
<td>-3.41</td>
<td>2.29</td>
<td>0.03</td>
</tr>
<tr>
<td>Total</td>
<td>8.20</td>
<td>-24.30</td>
<td>16.30</td>
<td>0.20</td>
</tr>
</tbody>
</table>
**Table 5.17: Disaggregated econometric forecasting requirements (Project on)**

<table>
<thead>
<tr>
<th></th>
<th>B1a/b Land Requirements</th>
<th>B1c/B2 Land requirements</th>
<th>B8 Land requirements</th>
<th>Total with churn</th>
<th>Total with churn and losses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>6.57</td>
<td>29.62</td>
<td>15.77</td>
<td>51.96</td>
<td>72.08</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>3.42</td>
<td>15.40</td>
<td>8.20</td>
<td>27.02</td>
<td>37.49</td>
</tr>
<tr>
<td>York FEA</td>
<td>1.19</td>
<td>5.36</td>
<td>2.85</td>
<td>9.40</td>
<td>13.04</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>1.82</td>
<td>8.22</td>
<td>4.37</td>
<td>14.41</td>
<td>19.99</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>13.00</strong></td>
<td><strong>58.60</strong></td>
<td><strong>31.20</strong></td>
<td><strong>102.80</strong></td>
<td><strong>142.60</strong></td>
</tr>
</tbody>
</table>
6. Balancing supply and demand / recommendations

Establishing an appropriate level of demand

6.1 The previous section has set out a range of scenarios for projecting employment land requirements over the plan period. These are summarised in Table 6.1 below.

Table 6.1: Summary of employment land scenarios

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Land Requirements to 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>Historic land take-up</td>
<td>Requirement of 297ha, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Commercial floorspace change</td>
<td>Requirement of 261ha, broken down to 17ha of office and 245ha of industrial floorspace, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Baseline REM</td>
<td>A total land requirement showing contraction to 2029 of 54ha, although this figure masks positive requirements of 8ha for B1a/b, and 16ha B8 uses, increasing to <strong>total requirement (contraction) of just -14.3ha</strong> when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Project On Scenario</td>
<td>Just over 48ha land requirement, broken down to 13ha for B1a/b, 4ha B1c/B2 and 31ha B8 uses, increasing to <strong>total requirement of just under 88ha</strong> when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Adjusted Baseline REM</td>
<td>Requirement for just 0.2ha, with positive requirement for B1a/b (8ha) and B8 (16ha) uses, increasing to <strong>total requirement of just under 40ha</strong> when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
<tr>
<td>Adjusted Project On Scenario</td>
<td>Just under 103ha land requirement, broken down to 13ha for B1a/b, 57ha B1c/B2 and 31ha B8 uses, increasing to <strong>total requirement of 143ha</strong> when allowance for losses is taken into account, excluding additional land required at Hedon Haven</td>
</tr>
</tbody>
</table>
6.2 The scenarios present an interesting range of potential land requirements to 2029, with the labour demand models generally assuming lower requirements than historic trends. This is importantly reflective of the recent perspectives on future economic growth potential across the UK at a national level. Interestingly though the historic-based figures do reflect actual on-the-ground locally specific trends. It should be noted that there has been a degree of consistency in take-up rates evidenced through the employment land evidence base prepared over the last 6 years. Particularly interesting for East Riding is this continuation of activity during and post-recession within these historic-based datasets. This level of continuity in activity cannot simply be discounted within the ELR exercise, and infact underpins the recommendations going forward.

6.3 On the basis of the analysis undertaken it would be too simplistic to discount either the historic or the labour demand based scenarios in this context. Rather it is more appropriate to recognise the need to plan for employment requirements that could reach long term trend levels, whilst recognising the structure of the economy that is projected for East Riding taking into account national and regional trends (embedded in the REM model).

6.4 Consideration has also been given to the analysis within the previous ELR exercises, specifically focused on the labour demand scenarios. In all three of the previous studies the land requirement associated with the labour demand models considered was identified to be relatively conservative. This is particularly true compared to the land take-up / floorspace change evidenced alongside the forecasts in each case. Over the three studies it is though apparent that the labour demand models were showing an increasing economic outlook (in employment terms) shifting from negative to positive total land requirements between the three studies, with a growing significance of B8 requirements, and a reducing contraction of B1b/B2 requirements. The models also show a contraction in B1 requirements, but we believe this is heavily linked to the timing of the data relative to the recession and the shifting outlook in particular for professional services in this context.

6.5 The consistency in the strength of activity over the period considered as demonstrated by the historic take-up rates is a key consideration. This is evidenced during and post-recession, and is supported by a level of confidence in key market areas in the commercial market assessment undertaken. We benefit in this ELR exercise from 12 years historical timeframe of take-up and floorspace change data to consider within the analysis – increasing confidence in this dataset for the purposes of forward planning. Economic cycles vary but there is a general acceptance that
they operate between 6 and 12 years. This suggests that the 12 year take up trends cover a whole economic cycle.

6.6 The forecasting analysis and development levels identified over the last 10 – 15 years suggest that there is a need to plan for between 143 and 297 hectares of employment land across East Riding, around 17 hectares of this total for B1a development and the remainder for industrial and warehousing, recognising that the econometric forecasting analysis suggests that B2 development could be the dominant of the two, and that the 18 hectares for office development is a minimum figure.

6.7 This is particularly relevant when the key projects and existing commitments are considered, which include for example 20ha to deliver the 4,000 jobs envisaged at Humber Bridgehead. As such these key projects and existing commitments are seen to be required to deliver the ‘project on’ scenario of growth, with the 17ha required as additional to these sites. On this basis the sites identified for the key projects are given specific consideration within the recommendations made.

6.8 Whilst land requirements are presented as a range, it is not appropriate to assume that the Council should plan simply for the mid-point between these two figures. Continued recognition must be given to the strength of take-up activity demonstrated, with a need for monitoring in the coming years to determine whether this trend continues over the plan period. It should also be noted that the Council, in line with the NPPF, should seek to plan positively for economic growth which on the basis of an analysis undertaken within this ELR, is anticipated to continue. In forward planning terms, the authority must recognise that to facilitate this, there is a need for good employment sites.

6.9 The analysis has considered the disaggregation of the land requirements identified by FEA, in line with current guidance. It is noted that all of the models considered, with the exception of historical land take up analysis, cannot be easily disaggregated due to the nature of data inputs used. This specifically relates to the econometric forecasting and floorspace calculations, both of which are only available to a Local Authority level.

6.10 It is however recognised that the employment land take-up data recorded by East Riding of Yorkshire Council can be provided at FEA level, and so can be used as a proxy to disaggregate the requirements resulting from the models. This has been presented for each model in the previous section of this report.
6.11 For the purposes of the identified range of employment land requirements over the plan period recommended by this analysis, the following breakdown (Tables 6.2 & 6.3) is identified, using past take-up rates as a proxy (figures do not total due to rounding). These figures exclude the land required specifically at Hedon Haven.

**Table 6.2: Indicative land requirements for plan period by FEA (Low end of range)**

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office (Ha)</td>
<td>18.0</td>
<td>9.11</td>
<td>4.74</td>
<td>1.65</td>
<td>2.53</td>
</tr>
<tr>
<td>Industrial (Ha)</td>
<td>124.72</td>
<td>63.02</td>
<td>32.78</td>
<td>11.41</td>
<td>17.48</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>142.73</strong></td>
<td><strong>72.1</strong></td>
<td><strong>37.5</strong></td>
<td><strong>13.1</strong></td>
<td><strong>20.0</strong></td>
</tr>
</tbody>
</table>

**Table 6.3: Indicative land requirements for plan period by FEA (High end of range)**

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office (Ha)</td>
<td>16.6</td>
<td>8.38</td>
<td>4.37</td>
<td>1.52</td>
<td>2.32</td>
</tr>
<tr>
<td>Industrial (Ha)</td>
<td>245.3</td>
<td>123.88</td>
<td>64.51</td>
<td>22.42</td>
<td>34.34</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>261.9</strong></td>
<td><strong>132.26</strong></td>
<td><strong>68.88</strong></td>
<td><strong>23.94</strong></td>
<td><strong>36.66</strong></td>
</tr>
</tbody>
</table>

6.12 It is recognised that there are limitations associated with disaggregating the land requirement by FEA based on past take up but this is the only data available to enable a judgement to be made.

6.13 It is important to note that this disaggregation is presented as indicative, and must also be viewed alongside the commentary set out previously relating to the FEAs, including current commercial market perspectives and major drivers (both current and anticipated). These figures are therefore not presented as absolute figures to be adhered to in forward planning terms, but as a starting point for understanding the relative balance between supply and demand over the plan period.

6.14 This specifically relates to the need to consider the impact of major drivers including the OEM investment at Green Port Hull and the impact that this could have on employment land requirements in the future, with a significant proportion of this anticipated within the Hull FEA. On this basis it is suggested that the requirements under the high end project on scenario presented skewed B1c/B2 and B8 requirements to the Goole & Selby FEA whilst it is assumed on the basis of the analysis undertaken that a significant level of demand will be experienced within the Hull FEA.
6.15 This conclusion also mirrors that of the commercial market analysis, which recognises this FEA as being the ‘commercial centre’ of East Riding, with strong relationships to Hull, future OEM investment at Green Port Hull, and the importance of the east-west corridor / M62/A63 corridor on employment land requirements.

Factoring in take-up rates

6.16 It is noted that the models presented have different base dates / starting points, and for the purposes of the ELR analysis must be brought into line by the netting off of land developed over the period from the start date of the analysis to 2013 (as the base date of this study). For the econometric forecasting based models this includes take-up rates for the period 2011 to 2013, and for the historic change in commercial floorspace model this includes take-up for the period 2012 to 2013.

6.17 Table 6.4 below illustrates the breakdown of these take-up rates by FEA over the period outlined. It should be noted that due to changes made within the land monitoring database within East Riding of Yorkshire Council over this timeframe the figures for the period 2000 to 2012 are not broken down annually. The take-up rates for the period 2011 to 2012 have therefore been worked out manually by officers within the Council and should be treated as ‘best estimate figures in this context.

Table 6.4: 2011 – 2013 take-up rates by FEA

<table>
<thead>
<tr>
<th>Functional Economic Areas</th>
<th>Employment take up 2011-12 (ha)</th>
<th>Employment take up 2012-13 (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goole &amp; Selby FEA</td>
<td>0</td>
<td>7.30</td>
</tr>
<tr>
<td>Hull FEA</td>
<td>2.64</td>
<td>1.45</td>
</tr>
<tr>
<td>York FEA</td>
<td>0.38</td>
<td>1.82</td>
</tr>
<tr>
<td>Yorkshire Coastal FEA</td>
<td>1.61</td>
<td>0.14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3.63</strong></td>
<td><strong>10.71</strong></td>
</tr>
</tbody>
</table>

6.18 The take-up rates are not available disaggregated by B Use Class, but rather have been disaggregated on the basis of the models as summarised in the tables below.
Table 6.5: Land requirements by type (Commercial and industrial floorspace model)

<table>
<thead>
<tr>
<th></th>
<th>Absolute (ha)</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office requirement</td>
<td>16.6</td>
<td>6%</td>
</tr>
<tr>
<td>Industrial requirement</td>
<td>245.3</td>
<td>94%</td>
</tr>
<tr>
<td>Total requirement</td>
<td>261.9</td>
<td>100%</td>
</tr>
</tbody>
</table>

6.19 When these figures are applied to the take-up rates for the period 2012-13 the figures in Table 6.6 below are identified to be netted off total requirements over the period to 2029.

Table 6.6: Disaggregated take-up rates by type (Commercial and industrial floorspace model)

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office take up</td>
<td>0.64</td>
<td>0.44</td>
<td>0.09</td>
<td>0.11</td>
<td>0.01</td>
</tr>
<tr>
<td>Industrial take up</td>
<td>10.07</td>
<td>6.86</td>
<td>1.36</td>
<td>1.71</td>
<td>0.13</td>
</tr>
<tr>
<td>Total take up</td>
<td>10.71</td>
<td>7.30</td>
<td>1.45</td>
<td>1.82</td>
<td>0.14</td>
</tr>
</tbody>
</table>

6.20 This results in the following land requirements (Table 6.7) under the high end of the range of scenarios presented.

Table 6.7: Land requirements 2013-2029 (Commercial and industrial floorspace model)

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office requirements</td>
<td>15.96</td>
<td>7.94</td>
<td>4.28</td>
<td>1.41</td>
<td>2.31</td>
</tr>
<tr>
<td>Industrial requirements</td>
<td>235.23</td>
<td>117.02</td>
<td>63.15</td>
<td>20.71</td>
<td>34.21</td>
</tr>
<tr>
<td>Total</td>
<td>251.19</td>
<td>124.96</td>
<td>67.43</td>
<td>22.12</td>
<td>36.52</td>
</tr>
</tbody>
</table>

6.21 A similar analysis is undertaken for the low end of the range summarised in the following tables.
Table 6.8: Land requirements by type (Adjusted project-on model)

<table>
<thead>
<tr>
<th></th>
<th>Absolute (ha)</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office requirement</td>
<td>18</td>
<td>12.6%</td>
</tr>
<tr>
<td>Industrial requirement</td>
<td>124.72</td>
<td>87.4%</td>
</tr>
<tr>
<td>Total requirement</td>
<td>142.73</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

6.22 When these figures are applied to the take-up rates for the period 2011-13 the figures in Table 6.9 are identified to be netted off total requirements over the period to 2029.

Table 6.9: Disaggregated take-up rates by type (Adjusted project-on model)

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>1.93</td>
<td>0.92</td>
<td>0.52</td>
<td>0.28</td>
<td>0.22</td>
</tr>
<tr>
<td>Industrial</td>
<td>12.53</td>
<td>6.38</td>
<td>3.57</td>
<td>1.92</td>
<td>1.53</td>
</tr>
<tr>
<td>Total</td>
<td>14.47</td>
<td>7.30</td>
<td>4.09</td>
<td>2.20</td>
<td>1.75</td>
</tr>
</tbody>
</table>

6.23 This results in the following land requirements (Table 6.10) under the low end of the range of scenarios presented.

Table 6.10: Land requirements 2013-2029 (Adjusted project-on model)

<table>
<thead>
<tr>
<th></th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>16.07</td>
<td>8.19</td>
<td>4.22</td>
<td>1.37</td>
<td>2.31</td>
</tr>
<tr>
<td>Industrial</td>
<td>112.19</td>
<td>56.64</td>
<td>29.21</td>
<td>9.49</td>
<td>15.95</td>
</tr>
<tr>
<td>Total</td>
<td>128.26</td>
<td>64.80</td>
<td>33.41</td>
<td>10.90</td>
<td>18.25</td>
</tr>
</tbody>
</table>

Existing employment land supply

6.24 Table 6.11 below summarises the allocated and windfall employment land supply position. The uses assumed have been informed by a combination of reviewing planning permissions for the sites where they exist and applying general assumptions about uses that may be acceptable or preferred by the market.
Table 6.11: Summary of existing employment land supply (allocations and windfalls) by type

<table>
<thead>
<tr>
<th>Classification of land (B Use Class)</th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>York FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total B1a / B1b only</td>
<td>4.43</td>
<td>0</td>
<td>4.43</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total B1c and B2</td>
<td>7.71</td>
<td>6.8</td>
<td>0</td>
<td>0</td>
<td>0.91</td>
</tr>
<tr>
<td>Total B8 only</td>
<td>5.64</td>
<td>5.64</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Mixed</td>
<td>425.24</td>
<td>87.55</td>
<td>208.74</td>
<td>54.46</td>
<td>74.49</td>
</tr>
<tr>
<td>Total</td>
<td>443.02</td>
<td>99.99</td>
<td>213.17</td>
<td>54.46</td>
<td>75.40</td>
</tr>
</tbody>
</table>

There is over 443 hectares land supply identified across allocated and windfall employment sites. The great majority of the supply, in hectarage is identified to be ‘mixed’, i.e. not identified for a specific employment use. Land supply in sites which have been identified for specific employment uses is very minimal, just under 18 ha, and just 3% of the total.

A further filter needs to be applied to this supply, removing those sites which relate to the identified projects across East Riding. This relates specifically to the existing land supply at Hedon Haven, totalling 79.6ha.

Netting this site off the supply results in the identification of 363 hectares of employment land, with no change to the specific B1a/b, B1c/B2, and B8 supply but a reduction in mixed land supply. This is detailed in Table 6.12 below.

Table 6.12: Summary of existing employment land supply, removing Hedon Haven, by type

<table>
<thead>
<tr>
<th>Classification of land (B Use Class)</th>
<th>Total (ha)</th>
<th>Goole &amp; Selby FEA (ha)</th>
<th>Hull FEA (ha)</th>
<th>Yorks FEA (ha)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total B1a / B1b only</td>
<td>4.43</td>
<td>0</td>
<td>4.43</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total B1c and B2</td>
<td>7.71</td>
<td>6.8</td>
<td>0</td>
<td>0</td>
<td>0.91</td>
</tr>
<tr>
<td>Total B8 only</td>
<td>5.64</td>
<td>5.64</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Mixed</td>
<td>345.64</td>
<td>87.55</td>
<td>129.14</td>
<td>54.46</td>
<td>74.49</td>
</tr>
<tr>
<td>Total</td>
<td>363.42</td>
<td>99.99</td>
<td>133.57</td>
<td>54.46</td>
<td>75.40</td>
</tr>
</tbody>
</table>
6.28 This supply picture includes all employment proposals with extant planning permission on allocated and windfall sites. Whilst some ELR exercises apply an assumption as to the proportion of these developments that are likely to come forward – recognising that 100% of them may not be brought forward as currently planned – however, the rates of development evidenced across East Riding in recent years, and the potential arbitrary nature of any such assumption supports the inclusion of this extant supply as part of the available land supply.

6.29 The question of how much of this supply with permission for employment development is brought forward is identified to be an area for potential monitoring over the plan period, to inform any update to this ELR evidence base.

6.30 This assumption also supports an allowance within the demand analysis to allow for choice within the market, as if these schemes are not brought forward but alternative development is sought, it could be land lost from the employment land supply available across East Riding over the plan period.

6.31 As set out in Section 4, in terms of the quality of the existing land supply for meeting future employment land needs, the site supply has been scored against a series of indicators - it is appropriate to consider the highest and poorest quality sites in this context.

6.32 Appendix 6 displays the existing supply by highlighting the highest and poorest performing employment sites across the FEAs. Sites scoring 40 and above are identified as the best performing sites, and those scoring 30 and below the poorest performing sites. These scores are replicated in Table 6.13 below.
### Table 6.13: Scores for existing employment land supply (low and high scores only)

<table>
<thead>
<tr>
<th>ELMR Site ID</th>
<th>Settlement Name</th>
<th>Address</th>
<th>Land supply at October 2013</th>
<th>Total Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOOLE &amp; SELBY FEA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Goole</td>
<td>Glew Hollow</td>
<td>1.91</td>
<td>46</td>
</tr>
<tr>
<td>27</td>
<td>Goole</td>
<td>Land South of Rawcliffe Road/West of industrial estate</td>
<td>63.40</td>
<td>43</td>
</tr>
<tr>
<td>30</td>
<td>Howden</td>
<td>North East of the A614</td>
<td>7.82</td>
<td>40</td>
</tr>
<tr>
<td>28</td>
<td>Holme on Spalding Moor</td>
<td>South of Skiff Lane</td>
<td>6.80</td>
<td>29</td>
</tr>
<tr>
<td>29</td>
<td>Holme on Spalding Moor</td>
<td>North of Station Road</td>
<td>2.30</td>
<td>26</td>
</tr>
<tr>
<td>32</td>
<td>Howdendyke</td>
<td>South of Ferry Road</td>
<td>0.68</td>
<td>22</td>
</tr>
<tr>
<td>HULL FEA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Melton</td>
<td>East of Brickyard Lane (Melton Park)</td>
<td>40.26</td>
<td>40 - 47</td>
</tr>
<tr>
<td>161</td>
<td>Beverley</td>
<td>Development Land North Of Flemington</td>
<td>0.30</td>
<td>46</td>
</tr>
<tr>
<td>14</td>
<td>Melton</td>
<td>Land between Gibson Lane and Lowfield Lane (Melton West)</td>
<td>22.31</td>
<td>44 - 45</td>
</tr>
<tr>
<td>82</td>
<td>Hessle</td>
<td>Land north and south of Boothferry Road</td>
<td>17.96</td>
<td>43 - 44</td>
</tr>
<tr>
<td>9</td>
<td>Hessle</td>
<td>Priory Park</td>
<td>1.41</td>
<td>44</td>
</tr>
<tr>
<td>67</td>
<td>Hedon Haven</td>
<td>South of A1033</td>
<td>79.60</td>
<td>43</td>
</tr>
<tr>
<td>17</td>
<td>Cottingham</td>
<td>De La Pole Hospital</td>
<td>4.13</td>
<td>43</td>
</tr>
<tr>
<td>131</td>
<td>Anlaby</td>
<td>Land East Of, WM Morrisons, 48 Springfield Way</td>
<td>1.13</td>
<td>42</td>
</tr>
<tr>
<td>153</td>
<td>Hessle</td>
<td>Hessle Dock Site, Livingstone Road</td>
<td>3.34</td>
<td>41</td>
</tr>
<tr>
<td>156</td>
<td>Hessle</td>
<td>Former Harborlite Factory, Livingstone Road</td>
<td>1.54</td>
<td>41</td>
</tr>
<tr>
<td>16</td>
<td>Melton</td>
<td>Land East of Melton Fields</td>
<td>1.49</td>
<td>40</td>
</tr>
<tr>
<td>60</td>
<td>Burstwick</td>
<td>North Ellifoot Lane</td>
<td>4.33</td>
<td>30</td>
</tr>
<tr>
<td>58</td>
<td>Aldbrough</td>
<td>East of Hull Road</td>
<td>0.79</td>
<td>28</td>
</tr>
<tr>
<td>68</td>
<td>Hornsea</td>
<td>West of Cliffe Road</td>
<td>0.75</td>
<td>27</td>
</tr>
<tr>
<td>307</td>
<td>South Cave</td>
<td>Land South of 3 Newfield Lane</td>
<td>0.81</td>
<td>25</td>
</tr>
<tr>
<td>YORK FEA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>51</td>
<td>Market</td>
<td>Weighton</td>
<td>4.97</td>
<td>41</td>
</tr>
<tr>
<td>YORKSHIRE COASTAL FEA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Potential employment land supply

6.33 As set out in Section 4 above, there is a large amount of land that has been promoted for employment development through the process of Local Plan preparation, totalling 1,370.96ha across 105 sites. Appendix 7 presents this potential future supply by score.

6.34 As set out in Section 4 above, the focus for considering these sites has been on the higher scoring sites and/or where the market considers there to be an opportunity, as these sites would likely form the start of any search for new land for allocation within the FEA if it is deemed to be required.

6.35 The highest scoring sites in the FEAs are drawn out in Table 6.14 below. In the context of the potential additional sites, where certain points in the scoring are unobtainable (existing allocation / permissions etc.), the highest scoring sites are considered to be 38 or over.

Table 6.14: Scores for potential additional employment land supply (high scores only)

<table>
<thead>
<tr>
<th>SETTLEMENT</th>
<th>Draft Allocations ref</th>
<th>Developable Site Area (ha)</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOOLE &amp; SELBY FEA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOOLE</td>
<td>GOO23</td>
<td>6.04</td>
<td>43</td>
</tr>
<tr>
<td>HULL FEA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HEDON HAVEN &amp; SALT END</td>
<td>HAV2</td>
<td>119.80</td>
<td>40</td>
</tr>
<tr>
<td>MELTON</td>
<td>MELT23 (part)</td>
<td>4.50</td>
<td>40</td>
</tr>
<tr>
<td>BEVERLEY</td>
<td>BEV19</td>
<td>5.14</td>
<td>38</td>
</tr>
<tr>
<td>YORK FEA</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>YORKSHIRE COASTAL FEA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DRIFFIELD</td>
<td>DRF17</td>
<td>7.41</td>
<td>39</td>
</tr>
</tbody>
</table>
Comparing supply and demand

6.36 The demand analysis considers a range of models to calculate how much employment land to plan for over the plan period. This includes past employment land take-up, floorspace change, and a number of econometric forecasts. The analysis recognises, in line with guidance, that no one model is the right model to apply within ELR exercises, but rather that the findings present a range of figures to consider.

6.37 It is apparent from this ELR exercise, as in previous ELR exercises for East Riding, that the econometric forecasting calculation is a very cautious outlook for employment land requirements. This includes the forecasts, which are developed on the basis of national and regional trends, underestimating the local manufacturing (within key sub-sectors) potential within East Riding and the Humber linked in part to the estuary / port. This is particularly evident when the econometric models are compared to land take up and floorspace change considered within each exercise. Conversely the take-up figures have been relatively consistent.

6.38 It is also true however that planning for future employment land requirements based solely on past rates of take-up does not necessarily reflect the future economic climate. This is particularly true considering the recent recession, subsequent period of slow recovery (which is ongoing), and ongoing global and national economic challenges directly affecting development rates.

6.39 As a result we can consider something of a range of requirements using both past market evidence and econometric forecasting. Within the range of forecasts we can also take more confidence in the demand levels suggested by the adjusted scenario, and that which takes into account the planned investment at the OEM (the project-on / adjusted project-on scenario).

6.40 Comparing this demand analysis with the supply (less the land available at Hedon Haven) allows the following headline conclusions to be drawn (to be read alongside qualitative analysis of drivers across each market area set out in later text):

- Headline demand for between 128 and 252 hectares of employment land compared to a supply of 363 hectares which is generally available for development;
- Demand for 16-17 hectares of B1a/b employment land compared to a specific supply of less than 5 hectares;
- Demand for between 112 and 236 hectares of B1c/B2 or B8 employment land compared to a specific supply of under 14 hectares, with the commercial analysis suggesting that B2/B8 requirements are likely to drive this requirement; and
- Over 346 hectares of ‘mixed’ employment land supply.

### Strategic or key employment sites

#### Defining a Strategic Employment Site

6.41 There is no one agreed definition of a strategic employment site within national, regional, sub-regional or local policy. There are also very few examples of where the method of determining whether a site is ‘strategic’ and what makes a site ‘strategic’ has been considered specifically as part of any Inspectors Reports.

6.42 A report produced by Ove Arup & Partners Ltd in May 2009 Strategic Employment Sites on behalf of the East of England Development Agency (EEDA) considers the approach taken across Regional Spatial Strategies (RSS) and Regional Economic Strategies (RES) (ref pages 5 – 14). The Arup report considers the various definitions of strategic sites, all of which were accepted and adopted as part of regional planning policy.

6.43 The report identifies six key themes, each with a number of individual criteria to frame the definition of strategic employment sites:

- Provision of future capacity;
- Meet regional objectives (NB: this is with specific reference to regionally strategic sites);
- Scope, scale and influence;
- Vision and focus;
- Economic drivers; and
- Transport and planning policy compliance.

6.44 In the following text the definition of ‘strategic’ is considered in the context of the East Riding and sub-regional economy and policy landscape, and in the context of the recommendations made within the EEDA report referenced previously.
Joint Structure Plan policy

6.45 Policy EC2 of the JSP is concerned with the east-west multi-modal freight transport corridor, as part of the wider Trans-European Network (TEN) which for the relevance of the Hull and East Riding area is identified to include the ports of Hull and Goole, M62/A63 road link, east-west rail line, existing and potential rail freight terminals, the Humber Estuary, the Aire and Calder Navigation, the River Aire and the River Ouse.

6.46 The policy promotes the function of this corridor as a multi-modal freight transport corridor, and as a focus for businesses that need these links, to the benefit of the economy of the JSP area and the wider region.

6.47 The JSP identifies two strategic sites within Policy EC1, one of which is within the East Riding (Humber Bridgehead), and one of which is within Hull. Five further strategic sites are identified within Policy EC2, all of which were also included within the Humberside Structure Plan as strategic employment sites. Three of the sites fall in East Riding and two in Hull. The sites are as follows:

- Port of Hull (Hull);
- Junction 36, Goole (East Riding);
- Hedon Haven/Paull (East Riding);
- Melton (East Riding); and
- Priory Sidings, Hull (Hull, with a small area in East Riding).

6.48 The strategic significance of the locations was re-assessed against the JSP development strategy and the relevant sub-area priorities. The JSP still considered them to be of strategic importance in that they:

- Provide direct access to the multi-modal transport links of the east-west corridor, providing access to national and international markets;
- Are close to the main centres of population / workforce, other businesses, suppliers, and more comprehensive public transport service; and
- Have potential to make a significant contribution to the JSP area’s regeneration needs.
East Riding economic development priorities

6.49 The Council’s Economic Development Strategy 2012 – 2016 (EDS) identifies three central themes that distinguish the East Riding economy, one of which is the importance of place and a quality offer for businesses and visitors. A key aim of the strategic framework is as follows:

*Quality Locations – to emphasise the most distinctive spatial areas and assets with potential for sustainable growth, whilst building the resilience of other areas*

6.50 A strategic priority that emerges under this heading is to ‘develop sites & premises in strategic locations’.

6.51 The EDS identifies the multi-modal corridor between Hedon Haven and to the west of the Port of Hull as a prime focus for economic development activity and inward investment. A number of sites along the corridor are identified as benefitting from high quality access; local, national and international markets; and location close to main population and workforce centres and other businesses and suppliers. The EDS states that there has been a clear consolidation of storage / distribution activities on these sites in the last ten years, mainly due to the excellent transport links. These sites span the Goole & Selby and Hull FEAs which link up along the transport corridor, and are as follows (moving west to east):

- Capitol Park, Goole (Junction 36);
- Ozone, Howden;
- Newport (Junction 38);
- Melton;
- Humber Bridgehead sites, Hessle;
- Green Port Hull (located in the City of Hull Council area); and
- Paull, Saltend.

6.52 The EDS recognises that the east-west multi modal corridor and the string of strategic sites which run its length are a major element of the Humber LEP aspiration of ‘realising the true potential of the Humber’. Sizable recent investments identified by the strategy are: Tesco at Goole Capitol Park, Wren Kitchens at Howdendyke, and Heron Frozen Food and Allam Marine on Melton Park.
6.53 The EDS states that the development of these strategic sites has been private sector-led, and the on-going role of the public sector is to recognise the importance of these sites to the area and help to unblock projects which will add value to the local economy but have stalled due to the current economic conditions.

6.54 The EDS concludes that over the last ten years there has been a clear consolidation of manufacturing, storage, and/or distribution activity on these sites mainly due to the excellent transport links which they enjoy. A key action in the EDS is therefore as follows:

“To continue to support development of all strategic sites on the east-west multi modal corridor to provide space and services required to promote economic growth”.

6.55 The Local Economic Assessment (2011) (LEA) also identifies these sites as “key” sites, along the M62/A63 corridor. It states that since the East Riding’s inception in 1996 there has been a long-term objective to remove the development constraints associated with these sites.

6.56 The LEA states that with a range of high quality employment sites still available along the corridor, Hull and the East Riding are well placed to attract further large scale foreign direct investments and major projects from key growth sectors.

6.57 The LEA also recognises that the M62/A63 corridor forms part of the multi modal North European Trade Axis (NETA). The M62/A63 corridor is recognised as a natural gateway to and for goods, raw materials and support services vital to the UK’s manufacturing and energy requirements. The LEA goes on to conclude that the proximity to Hull and Goole Ports and the wider multi-modal assets of the Humber area give these employment sites a strategic advantage.

Identifying strategic sites in the East Riding

6.58 Drawing on the above, it is important to providing recommendations within this Employment Land Review that criteria for defining key or strategic sites in the East Riding are put together. The criteria identified are therefore as follows:

- In line with economic development priorities / providing inward investment opportunities
- Excellent strategic or multi-modal transport connections
- Flexible scale (large plot sizes / land availability)
6.59 Where a site is considered strategic in the context of employment land provision for the East Riding when considered against these criteria, this is highlighted in relation to each FEA below.

**Recommendations by FEA**

**Goole & Selby FEA**

### Demand

6.60 The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:

- Office land – around 8ha
- Industrial land – between 56ha and 117ha
- Total land – between 65ha and 125ha

6.61 Section 3 above identifies the following drivers of the FEA:

- Influenced by strategic connectivity and multi-modal transport connections (with the advantage of the Port location)
- Demand from large B2/B8 operators, with Capitol Park being a key site

### Existing supply

6.62 The supply work indicates that the existing employment land provision through existing allocations and permissions is as per Table 6.15 below:
Table 6.15: Summary of existing employment land supply in the Goole & Selby FEA

<table>
<thead>
<tr>
<th>Classification of land (B Use Class)</th>
<th>Goole &amp; Selby FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total B1 a / B1b only</td>
<td>0</td>
</tr>
<tr>
<td>Total B1c and B2</td>
<td>6.8</td>
</tr>
<tr>
<td>Total B8 only</td>
<td>5.64</td>
</tr>
<tr>
<td>Total Mixed</td>
<td>87.55</td>
</tr>
<tr>
<td>Total</td>
<td>99.99</td>
</tr>
</tbody>
</table>

6.63 Section 4 above identifies the following in terms of the breakdown of this supply:

- The single largest site at 63.40ha (accounting for two thirds of the supply) is the remaining land at Capitol Park ELMR 27 (incorporating a small area of land (1.40ha) which has historically been known as ELMR 25).
- The remaining 10 allocated sites in this FEA range from 0.32ha to 7.82ha in size. The single windfall site in this FEA is 1.12ha.

**Balancing supply and demand / site specific recommendations**

6.64 Based on these figures, there appears to be a shortfall in employment land provision.

6.65 The best sites from the existing supply based on the scoring are: Capitol Park and surrounding land (63.40ha), Ozone (7.82ha) and Glews Hollow (1.91ha). The land provided by these sites is for general industrial / business purposes and totals 73.13ha. Capitol Park is also recognised as a potential Tier 2 / 3 supply chain site for the OEM at Green Port Hull (which will be land hungry). It is recommended that these sites are protected for employment purposes going forward.

6.66 The remainder of the existing supply and potential new sites should both be considered for allocation in addition to the above sites to cater for the remaining demand.

6.67 Reviewing the potential additional supply, the highest scoring site is GOO23 (6.04ha) in Goole which is identified as a Specialised Freight Terminal site and should be considered for allocation.

6.68 Given the demand identified in this FEA, the next best sites in the existing supply and potential additional supply will need to be considered for allocation on top of those mentioned above.
6.69 Based on the low scores achieved, specific deallocation from the existing supply should be considered for the following:

- South of Skiff Lane (6.80ha) at Holme of Spalding Moor (ELMR 28)
- North of Station Road (2.30ha) at Holme on Spalding Moor (ELMR 29)
- South of Ferry Road (0.68ha) at Howdendyke (ELMR 32) Hull FEA

6.70 Other existing allocated sites in the FEA may also be suitable for deallocation where they are not identified as low scoring and these sites should be considered as such through the Local Plan process.

Strategic sites

6.71 Of the above sites, one of the sites in the FEA meets the criteria set out in paragraph 6.58 above. This is the 62ha of employment land at Capitol Park at Goole. It meets the criteria for the reasons set out below.

- The site has received recent inward investment in the form of Tesco and Guardian Glass and it has recognised as important within the Council’s EDS and LEA.
- It has excellent strategic transport connections as a result of being located on the M62/A63 corridor and it has multi-modal capacity due to rail freight and port links to the site.
- The site is large at 62ha and can offer large plot sizes to occupiers.
- The site is jointly owned by the HCA and Sterling Capitol and is therefore a public sector priority. It also has ERDF funding to assist in delivering the port link road which is required for future development to take place, and it is understood that the HCA will provide the additional required monies.
- The site has the benefit of planning permission and is being actively marketed.

6.72 Other sites within the FEA that are not recommended as strategic or key sites going forward but that are identified as important in one or more documents mentioned above are:

- Ozone, Howden – this site doesn’t have direct access onto the M62/A63 corridor, and the largest plot size available is 2.5ha. It is however an important site with the benefit of site infrastructure and existing planning permission. (It is also not identified as a strategic site in the JSP).
• Green Park, Newport – this site does not have any site infrastructure in place or public support to deliver this. The site has planning permission and it is understood that the landowner is understood to be promoting a scheme for smaller occupiers. (It is also not identified as a strategic site in the JSP).

Hull FEA

Demand

6.73 The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:

- Office land – around 4/5ha
- Industrial land – between 29ha and 64ha
- Total land – between 33ha and 68ha

6.74 Section 3 above identifies the following drivers of the FEA:

- Links to Hull City Centre
- The role of Beverley centre
- M62/A63 corridor and multi-modal corridor
- Only FEA with an office market above indigenous in scale and the main concentration of office supply in the East Riding
- Role of Green Port Hull proposals and the demand for sites for Tier 1, 2 and 3 suppliers, and the importance of the east-west connectivity of the FEA

Existing supply

6.75 The supply work indicates that the existing employment land provision through existing allocations and permissions (excluding Hedon Haven) is as per Table 6.16 below:
Table 6.16: Summary of existing employment land supply in the Hull FEA

<table>
<thead>
<tr>
<th>Classification of land (B Use Class)</th>
<th>Hull FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total B1 a / B1b only</td>
<td>4.43</td>
</tr>
<tr>
<td>Total B1 c and B2</td>
<td>0</td>
</tr>
<tr>
<td>Total B8 only</td>
<td>0</td>
</tr>
<tr>
<td>Total Mixed</td>
<td>129.14</td>
</tr>
<tr>
<td>Total</td>
<td>133.57</td>
</tr>
</tbody>
</table>

6.76 Section 4 above identifies the following in terms of the breakdown of this supply:

- The largest site at 79.60ha (accounting for 37% of the supply) is the land south of A1033 (ELMR 67) known as the Paull site (this site size figure is reflective of the area covered by the adopted Local Development Order (LDO) on this site).
- Taken together the land at Melton north of the railway (known as Melton West and Melton Park – ELMR 12, 14 & 16) accounts for 64.06ha including a further area of windfall land.
- Another site of significant size is the land north and south of Boothferry Road – 17.96ha, ELMR 82, the Humber Bridgehead site.
- The last of the large sites in this FEA is land east of North Moor Lane, Cottingham. This site is 14.10ha in size and is known informally as the Swift site (related to the owner/occupier).
- The 20 remaining sites in the FEA, 6 of which are windfall sites, range in size from 0.06ha to 5.39ha.

Balancing supply and demand / site specific recommendations

6.77 Based on these figures, there appears to be an overprovision of employment land in this FEA. However, there must be consideration that the take up split in previous years does not reflect the vast potential associated with the renewables industry and the Green Port Hull proposal, the main impact of which will be felt in this FEA, and the fact that take up across the Goole & Selby and Hull FEAs is likely to become more balanced as a result. It is vital that this significant growth potential is not constrained by the availability of suitable land.

6.78 The best sites from the existing supply (excluding Paull at Hedon Haven) based on the scoring are: Flemingate (0.30ha), Melton West (22.31ha), Humber Bridgehead (17.96ha), Priory Park West (1.41ha), Willerby Hill Business Park (4.13ha), Springfield Way
Anlaby (1.13ha), Hessle Dock Site (3.34ha), Former Harborlite Factory (1.54ha), Melton Park (40.26ha) and the Sandpiper site at Melton (land East of Melton Fields) (1.49ha). These sites provide land for both general industrial/business and more specialised-specific uses. The total provision from these sites, all of which are committed development sites with the exception of Priory Park and the Sandpiper site, totals 93.87ha.

Given the potential land hungry supply chain requirements for Tier 2 & 3 suppliers associated with Green Port Hull, and the importance of ensuring that the significant economic growth potential associated with the renewable and low carbon energy sectors is not constrained by the availability of suitable land, it is recommended that all of these sites should be retained. Melton will be a critical part of this supply given the potential large plot sizes available.

Reviewing the potential additional supply, should it be considered to be required over and above retaining the above supply, the best sites that should be considered for employment development are:

- The element of MELT23 (4.5ha) at Melton that is not in the existing supply, which is identified as a General Business/Industrial site adjacent to permitted development land at Melton Park (scores highly in the assessment exercise as it is assessed as part of the neighbouring land which benefits from the planning permission but this is deemed applicable because the site would only come forward as part of a wider scheme on MELT23).
- BEV19 (5.14ha) at Grovehill Road in Beverley, which is identified as a General Industrial/Business site.

Based on the low scores achieved, specific deallocations from the existing supply should be considered for:

- North of Ellifoot Lane (4.33ha), Burstwick (ELMR 60)
- East of Hull Road (0.79ha), Aldbrough (ELMR 58)
- West of Cliffe Road (0.75ha), Hornsea (ELMR 68)

ELMR 307 at South Cave achieved a low score, and while it has the benefit of planning permission (is a windfall site) it is not recommended that this site is allocated going forward.
6.83 As per Goole & Selby, other existing allocated sites in the FEA may also be suitable for deallocation where they are not identified as low scoring and these sites should be considered as such through the Local Plan process.

**Hedon Haven**

6.84 The land requirement at Hedon Haven was removed from the total land requirement figures, as set out in Tables 6.11 and 6.12. This is because of the specialist nature of the land requirement (for Tier 1 suppliers to the OEM) and the weight given to the National Policy Statement for Ports which requires Local Authorities to give significant weight to the needs identified by Port Authorities.

6.85 Land to the east of Paull Road at Hedon Haven is an existing allocation (ELMR 67) with the benefit of an LDO (79.6ha), which effectively gives it the benefit of outline planning permission for certain types of development associated with port related renewable and low carbon industries, and it also has Enterprise Zone status.

6.86 Land to the west of Paull Road – potential additional site HAV2 - also has a potential role in connection with the port. The landowner ABP has submitted detailed evidence to justify their support for the future allocation of this land for port related expansion alongside the existing Paull site (ELMR 67, and known as potential site HAV1 in the Draft Local Plan), including details of investment enquiries they have received connected to renewable energy requirements. As per the existing Paull site, the proposals at HAV2 support the aims of the Humber LEP and could generate significant economic benefits. A significant evidence base has been prepared to inform development on this site. HAV2 is 119.8ha - (the site area quoted excludes a part of the site identified for ecological mitigation but includes the remaining land available for development and site infrastructure).

6.87 Both sites are high scoring and it is recommended that both sites are carried forward for allocation whilst identifying the land as being needed to meet a specialist need that lies outside of the general land requirements of the FEA.

**Strategic sites**

6.88 Of the sites considered within this FEA, three of the sites in the FEA meet the criteria set out in paragraph 6.58 above. These are the employment land at Humber Bridgehead, Melton (Melton West and Melton Park), and the Hedon Haven sites. How they meet the criteria is set out below.
Humber Bridgehead

- The site is recognised as important within the Council’s EDS and LEA and has a high quality business park offer that is not matched within the East Riding area.
- It has excellent strategic transport connections as a result of being located on the M62/A63 corridor where the A63, A15 and A164 meet and with immediate access to the Humber Bridge.
- The site is large at 17.96ha and can offer large plot sizes to occupiers.
- The site has benefitted from public funding which was secured for enabling infrastructure (ERDF). The EDS also sets out a programme for bringing forward the East Riding Genesis and Opportunity (ERGO) Centre at Bridgehead (ERDF and ERYC Capital Programme), showing a commitment to the development of the site.
- The site has the benefit of planning permission and is being actively marketed. The business park was officially opened in July 2013.

Melton (Melton West and Melton Park)

- The site has received recent inward investment (from outside of the East Riding) in the form of Heron Foods, Paragon, Allam Marine, Kohler Mira, House of Townend, and Needlers, and it is recognised as important within the Council’s EDS and LEA.
- It has excellent strategic transport connections as a result of being located on the M62/A63 corridor together with a grade separated junction/dual carriageway which was installed in 2006, and it has the potential for future rail freight links.
- The site is large at 67.07ha (ELMR12, ELMR14 and MELT23 (part) from the potential supply) and can offer large plot sizes to occupiers.
- The site benefits from the £22.5 million public investment in the grade separated junction which was completed in 2006. It also benefits from Assisted Area status being located within the South Hunsley Ward.
- The site has the benefit of planning permission and is being actively marketed.

Hedon Haven (existing Paull site allocation and HAV2)

- The sites are recognised as important within the Council’s EDS and LEA and have a specialist offer connected to the renewables industry. ABP has provided evidence of investment enquiries they have received connected to renewable energy requirements.
• It is strategically located next to the Port at Alexandra Dock and proximity to the estuary is key to the specialist land requirement. The proposals include a link road to Alexandra Dock (with the possibility of a rail link alongside).

• Together the sites total 199.4ha offering the large plot sizes required by Tier 1 suppliers to the OEM for the manufacture of wind turbines.

• Taken together, the one or both sites benefit from Enterprise Zone status and Assisted Area status (being located in the South West Holderness ward), and RGF funding has been secured for site infrastructure (road corridor and power). The future allocation of the sites is also supported by the National Policy Statement for Ports.

• The existing allocated Paull site has the benefit of an LDO (which effectively provides it with outline planning permission) and the sites are being promoted in the market as part of the Green Port Hull proposals.

6.89 Another site within the FEA that is not recommended as strategic or key sites going forward but that is identified as important in one of the documents mentioned above is Priory Park West. The JSP identifies 26ha of land remaining at Priory Park East (within the boundary of Hull) and 6ha of land remaining at Priory Park West (with East Riding) within their Priory Sidings allocation. This site is however now partly developed and only 1.41ha is left available at Priory Park West. For East Riding, due to the remaining land being relatively small, and the fact that it doesn’t meet the majority of the criteria in paragraph 6.58 above, it is not considered strategic.

York FEA

Demand

6.90 The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:

• Office land – around 1/2ha
• Industrial land – between 9ha and 21ha
• Total land – between 10ha and 23ha

6.91 Section 3 above identifies the following drivers of the FEA:

• Market / requirements driven by rural economy growth and overspill from the traditionally constrained York market
• Market focused on Pocklington and Market Weighton
Main connectivity is to York, relatively poor connections to the wider strategic road networks including the M62 / A63 / A614

Bulk of the land supply across this FEA is former airfield sites, not all of which are well served by the highway network but they do provide a range of sites and premises for land hungry and land related businesses

Requirements largely limited to indigenous general business demand, including predominantly general industrial, small scale office, and small scale business in nature

Unlikely that significant inward investment would be attracted to this market area

Existing supply

The supply work indicates that the existing employment land provision through existing allocations and permissions is as per Table 6.17 below:

Table 6.17: Summary of existing employment land supply in the York FEA

<table>
<thead>
<tr>
<th>Classification of land (B Use Class)</th>
<th>York FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total B1 a / B1b only</td>
<td>0</td>
</tr>
<tr>
<td>Total B1 c and B2</td>
<td>0</td>
</tr>
<tr>
<td>Total B8 only</td>
<td>0</td>
</tr>
<tr>
<td>Total Mixed</td>
<td>54.46</td>
</tr>
<tr>
<td>Total</td>
<td>54.46</td>
</tr>
</tbody>
</table>

Section 4 above identifies the following in terms of the breakdown of this supply:

- Three of the allocated sites (ELMR 55, ELMR 56, ELMR 57) are located within or adjacent to Pocklington Airfield total 39.12ha. The largest site (ELMR 56) to the west of the airfield accounts for 27.88ha of this supply.
- 5.82ha is located across 3 sites at Full Sutton Airfield. Two of the sites are allocated (ELMR 46 and ELMR 47), and the remaining 0.37ha site (ELMR 315) is a windfall site.
- 7.03ha is found across three sites in Market Weighton located in and around York Road (two existing allocations - ELMR50 and ELMR 51, and a further windfall site).
- The final of the ten sites in this FEA is a windfall site located in Pocklington, opposite the airfield sites at Allerthorpe Business Park, Hull Road (ELMR 172).
Balancing supply and demand / site specific recommendations

6.94 There appears to be an oversupply of land within this FEA based on the existing supply.

6.95 The best site from the existing supply based on the scoring is York Road, Market Weighton (4.97ha) catering for general industrial / business uses. It is recommended that this site is protected for employment purposes going forward. Sites which did not score over 40 so are not highlighted in Table 6.13 above but which are the next highest scoring sites within the FEA with a score of 38 are two sites at Pocklington Airfield totalling 11.24ha (ELMR 57 and ELMR 55), and a further 0.26ha site at York Road, Market Weighton (ELMR 50). Consideration should also be given to retaining these sites for employment purposes dependent upon potential additional sites within the FEA.

6.96 Reviewing the potential additional supply, none of the sites considered were particularly high scoring and therefore it is not specifically recommended that any are identified for employment purposes.

6.97 No specific recommendations for deallocation from the existing supply are made in this report as no sites are particularly low scoring, although some existing allocated sites in the FEA may still be identified for deallocation through the Local Plan process.

6.98 Given that with the best sites from the existing supply identified above will not alone meet the higher demand requirement, it will be down to the Local Plan preparation process to identify any further allocations from the remaining sites available within the existing and potential additional supply. With a score of 35 - 37, the best site to make up the shortfall is likely to be best placed to address this need is the 27.88ha at Pocklington Airfield (ELMR 56) if required

Strategic sites

6.99 Of the sites considered within this FEA, none are considered strategic when considered against the criteria in paragraph 6.58.

Yorkshire Coastal FEA

Demand

6.100 The indicative land requirement for the FEA through the demand work, as set out in Tables 6.7 (high end of range) and 6.10 (low end of range) is as follows:
Office land – around 2/3ha
Industrial land – between 15ha and 35ha
Total land – between 18ha and 37ha

6.101 Section 3 above identifies the following drivers of the FEA:

- Typified by coastal towns and its 180 degree economy
- Driffield and Carnaby have an important employment offer at existing industrial estates
- In general, the FEA has poor strategic road and rail links
- Commercial market is considered to be limited to indigenous general business activity.

Existing supply

6.102 The supply work indicates that the existing employment land provision through existing allocations and permissions is as per Table 6.18 below:

Table 6.18: Summary of existing employment land supply in the Yorkshire Coastal FEA

<table>
<thead>
<tr>
<th>Classification of land (B Use Class)</th>
<th>Yorkshire Coastal FEA (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total B1 a / B1b only</td>
<td>0</td>
</tr>
<tr>
<td>Total B1 c and B2</td>
<td>0.91</td>
</tr>
<tr>
<td>Total B8 only</td>
<td>0</td>
</tr>
<tr>
<td>Total Mixed</td>
<td>74.49</td>
</tr>
<tr>
<td>Total</td>
<td>75.40</td>
</tr>
</tbody>
</table>

6.103 Section 4 above identifies the following in terms of the breakdown of this supply:

- Of the 75.40ha of land in in this FEA, over 80% is located on allocated land at Carnaby Industrial Estate, another former airfield site (ELMR 41).
- The second largest site within the FEA is the allocated ELMR 59, North of Catwick Lane at Brandesburton at 7.02ha. The remaining 6 sites within the FEA, again all allocated, are 1.75ha or under in size.
- There are no windfall sites found in this FEA.
Balancing supply and demand / site specific recommendations

6.104 There appears to be an oversupply of land within this FEA based on the existing supply.

6.105 The best sites from the existing supply based on the scoring are Carnaby Industrial Estate (60.83ha), Skerne Road, Driffield (1.73ha) and Kellythorpe, Driffield (1.72ha). The land is for general industrial / business purposes and totals 64.28ha.

6.106 Taken on their own, these sites would more than meet existing demand, and clearly not all of the land at Carnaby needs to be taken forward (the 60.83ha at Carnaby would provide nearly 150% of the land requirement identified for the FEA on its own), but it is still prudent to consider whether further sites from the potential additional sites should also be considered as part of the future supply.

6.107 Reviewing the potential additional sites that could be employment land in the future, one site is high scoring – DRF17 at Kellythorpe Industrial Estate in Driffield (7.41ha). Given the amount of land at Carnaby Industrial Estate (some of which falls below the high score threshold of 40 when considered in its component parts), DRF17 may be a suitable site to carry forward to ensure a balance in the locations of supply within the FEA.

6.108 Based on the low scores achieved, specific deallocations from the existing supply should be considered for:

- Pinfold Lane (0.91ha) at Bridlington (ELMR 40)

6.109 As per the other FEAs, other existing allocated sites in the FEA may also be suitable for deallocation where they are not identified as low scoring and these sites should be considered as such through the Local Plan process.

Strategic sites

6.110 Of the sites considered within this FEA, none are considered strategic when considered against the criteria in paragraph 6.58.
Monitoring

6.111 Guidance recognises the need to ensure appropriate monitoring to ensure that evidence base is kept up to date over the course of the plan period. It is relatively standard practice to consider updating ELR evidence every 5 years. In this context it is important that key monitoring is undertaken to assist the preparation of future evidence, and to test the ongoing appropriateness of this ELR document. Key monitoring areas include:

- Employment land take up, which should be recorded where possible by date, type (B use class), location (by FEA, and by allocation);
- Employment land take up on sites outside of allocated supply (windfall sites), which should be recorded where possible by date, type (B use class), location (by FEA);
- Delivery of extant employment planning permissions;
- Losses of employment land, which should be recorded where possible by date, location (FEA);
- Delivery of commercial floorspace, which should be recorded where possible through monitoring of planning applications including date, type (B use class), location (FEA);
- Annual changes in employment and business base, which can be obtained through the Business Register and Employment Survey (Nomis), broken down by sector (to 2 digit SIC code), and by Local Authority and more localised level (ward / Super Output Area) if available); and
- Annual iterations of the Regional Econometric Model (REM) from the Regional Intelligence Unit.
Appendix 1: Functional Economic Area map
Appendix 2: Site assessment scoring approach
Appendix 3: Existing employment land supply
Appendix 4: Potential additional sites
Appendix 5: Maps of sites
Appendix 6: Existing employment land supply by score
Appendix 7: Potential additional sites by score