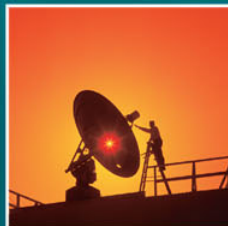


Ryedale District Council

Employment Land Review Update

Final Report

June 2010



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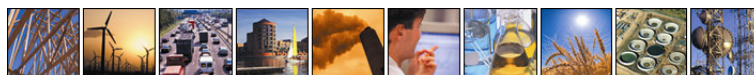
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Report for

Jill Thompson, Planning Policy
Ryedale District Council
Ryedale House
Malton
North Yorkshire
YO12 7HH

Main Contributors

Jon Beeson
Joanna Berlyn
Alistair Donohew
Louise Tait

Ryedale District Council

Employment Land Review Update

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Entec UK Limited

Issued by

pp 
Alistair Donohew

Approved by


Jon Beeson

Entec UK Limited

Regus Business Centre
Princes Exchange
Princes Square
Leeds LS1 4BY
England
Tel: +44 (0) 113 280 6382
Fax: +44 (0) 113 280 5973

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Executive Summary

Background

Ryedale District Council commissioned Entec UK in January 2009 to prepare an update to the Employment Land Review (ELR) carried out previously by Knight Frank in April 2006. This work is required as some time has passed since the original study during which the adopted Regional Spatial Strategy (RSS) for Yorkshire and Humber has been published and economic conditions have also changed significantly. Furthermore the previous ELR was carried out to inform the Core Strategy produced by Ryedale District Council in 2006, which was found to be unsound following independent examination. This 'update' will provide a robust evidence base for the employment related aspects of the Local Development Framework and importantly the key documents now being prepared by Ryedale District Council, namely the Core Strategy and the Facilitating Development Development Plan Document (DPD). Specifically, this update develops the previous employment land review (ELR) by:

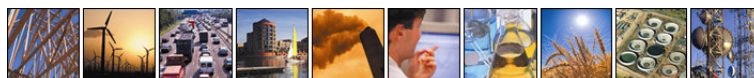
- Taking into account additional sites that have come forward through the LDF process;
- Reviewing the criteria for site assessment to allow for emerging policy to be incorporated, particularly those contained in the adopted Regional Spatial Strategy (RSS) and the emerging Local Development Framework (LDF) strategies, and;
- Providing increased flexibility for the Council to develop policy in light of the increased number of sites and by taking on board the changed economic situation.

Approach

The methodology used in this study follows best practice and the advice within the ODPM (now CLG) good practice guidance in undertaking employment land reviews. It is based on a number of sources of information including publicly available data, a survey of sites, and discussions with stakeholders. In order to arrive at a complete picture as to a realistic level of employment land supply, the projection of the future level of demand for employment land and the quantity and quality of supply of such land have been brought together. In conclusion, this study highlights potential policy approaches that may be taken for the future provision of employment land to engender the sustainable economic development of Ryedale into the future.

Context

Ryedale has experienced a relatively lower employment growth rate than the national economy. However there has been some significant growth in construction and the service sectors together with a decline in some of its key sectors, notably agriculture, which is still proportionally a large sector compared with the national average. and manufacturing, although neither of these sectors has declined as fast in Ryedale as in the national economy. Ryedale shows evidence of strong growing local clusters of businesses, particularly within a number of higher tech



and wider manufacturing related activities, construction and to a lesser degree research and development. There is likely to be a need for employment land allocations to help Ryedale diversify given the predominance of some lower wage sectors, as well as to continue to support key small and growing sectors, for example some of its engineering base.

In terms of the national property market, 2008 had seen a rapid decline in take-up, rents, yields and values, mainly over the latter part of the year. It is not expected that figures will show this situation being much improved throughout 2009; however, investment from those exploiting more favourable exchange rates has affected some City locations elsewhere in the region. In the Yorkshire and Humber area prime rents are currently maintaining their value but fringe locations are already seeing a drop in rental values; this is expected to continue. This drop in rent in large commercial areas could create additional competition for existing employment stock and land within the Ryedale District. Consultation with local agents and stakeholders highlighted demand for storage and light industry in the locality particularly around key centres of Malton/Norton and other market towns, which was a strong message in the previous ELR and an historic demand for freehold premises (nationally, due to a lack of available finance, there has been an increasing demand for freehold premises, although there no evidence available to this study to indicate that this was true of Ryedale). All agents and stakeholders referred to an undersupply of premises and sites in Ryedale District. The general consensus from the consultations was that most demand comes from businesses either already located within the District or within the North Yorkshire area.

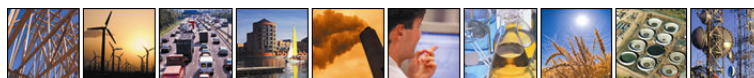
Assessment

This review of demand has indicated that broadly the level and nature of potential future demand identified in the previous ELR (2006) remains relevant considering potential demand from anticipated housing growth and to take into account the possibility that market demand returns to a level seen before the financial crises. In addition, the market assessment undertaken in this study included the opinions of local property agents and confirmed that there is demand for all three types of employment land (B1, B2 and B8) although they were less certain as to the extent of this demand, at this time. The demand assessment has been developed on the basis of a number of different methodologies that were translated initially into different use classes and then into land demand through the plan period. This forecast has then been adjusted in order to include a margin for choice and reflect uncertainty within the forecast methodology.

In order to provide a comprehensive update to the previous ELR it was necessary to revisit the sites across Ryedale to confirm the current status of sites and their suitability.

Towards a portfolio

A review of existing **employment areas** across Ryedale followed by an assessment of the **quality of potential supply** (121 sites, both existing and those having come through the call for sites) in relation to their suitability for use classes to present shortlists of sites that may be considered as a **portfolio of sites** for allocation as part of the Local Development Framework process. It is suggested that the Council identifies land supply on a rolling basis,



aiming to provide immediately available sites for five years ahead and identify land in broader terms for a further 10-15 years, so that at any one time there should be sufficient planned supply to allow for choice, variety and competition.



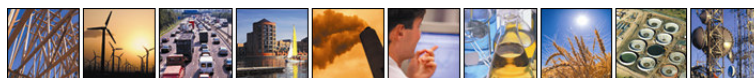
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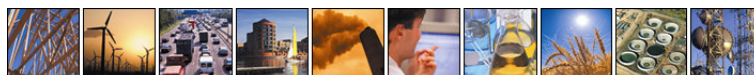
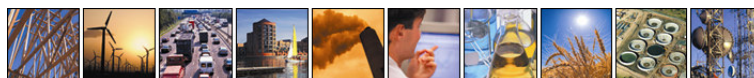


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1. Introduction

1.1 Background

Ryedale District Council, in preparing their Local Development Framework (LDF) and the underlying evidence base produced an Employment Land Review (ELR) in April 2006. In January 2009, Entec UK Ltd were commissioned to undertake an update to the previous ELR of the District which will primarily inform the development of its Core Strategy but will also feed into other development plan documents. Specifically, this update develops the previous employment land review (ELR) by:

- Taking into account additional sites that have come forward through the LDF process;
- Reviewing the criteria for site assessment to allow for emerging policy to be incorporated, particularly those contained in the adopted Regional Spatial Strategy (RSS) and informing the Local Development Framework (LDF), and;
- Providing increased flexibility for the Council to develop policy in light of the increased number of sites and by taking on board the changed economic situation.

This study updates specific elements of the previous ELR study. It does not seek to repeat certain elements of the previous ELR which remain valid and should therefore be read in conjunction with the 2006 Knight Frank study.

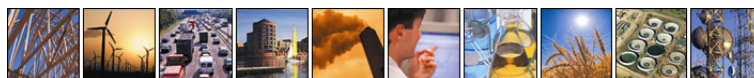
1.2 Study objectives

The initial ELR undertaken by Knight Frank on behalf of Ryedale District Council was published in April 2006. The Regional Spatial Strategy (RSS) for Yorkshire and the Humber has since been adopted in May 2008 and sets out growth targets to 2026; our study forms a review and update to the previous ELR within the context of the RSS. The major aims of this review were therefore to:

- Update and extend the future requirements to 2026 to match the RSS plan period;
- Update and identify a portfolio of sites needed to ensure a realistic level of employment land supply within Ryedale District, including; and
- Taking into account further potential employment sites put forward to the Council for consideration through the LDF process since the previous ELR in 2006.

Underlying these basic requirements was the need to:

- Understand the different sectors within the District that create demand for employment land;
- Quantify the existing level of employment land;

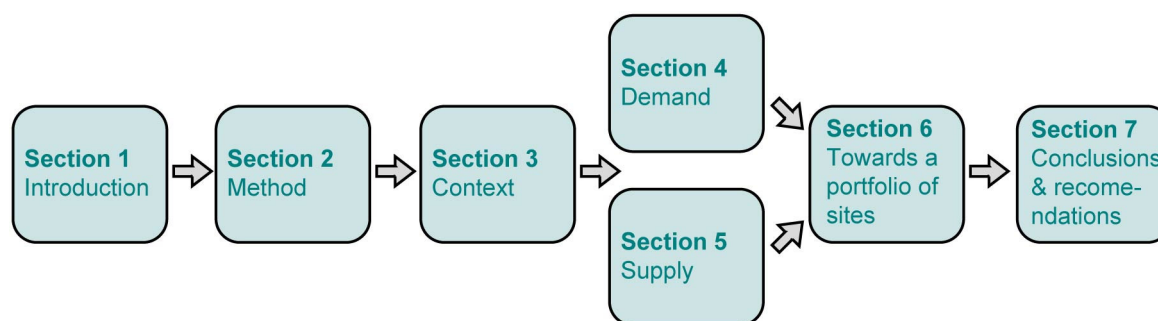


- Identify future requirements for employment land;
- Devise criteria to enable assessment of the suitability of existing employment land supply for the needs of current and future occupiers;
- Appraise the quality of existing supply and therefore identify sites that should or should not be retained for employment generating uses;
- Identify whether there are any gaps between future demand and supply of employment land and make recommendations for existing as well as potential new employment locations; and
- Present the review with specific reference to the previous ELR (2006) for Ryedale and include updated policy advice for the future provision of employment land, where appropriate.

1.3 Report structure

To address these objectives this report has been structured as follows:

Figure 1.1 Report structure



Source: Entec UK Ltd

- Section 2 provides an overview of the methodology used for the study;
- Section 3 outlines the economic and policy context of Ryedale District within which any decisions about employment land will need to be undertaken. A general overview of the property market is also included with information from some stakeholder consultations;
- Section 4 discusses the projected demand for employment land in Ryedale District;
- Section 5 considers the existing quantity and quality of employment land across the District;
- Section 6 draws the supply and demand assessment together, examines constraints and opportunities for employment land across Ryedale District and puts forward some suggested actions; and
- Section 7 outlines conclusions and recommendations for employment land and Council policy.



In each relevant section of the report the findings and recommendations of the previous ELR for Ryedale (2006) are considered and updated as appropriate. Section 8 provides details of the references used in the study.



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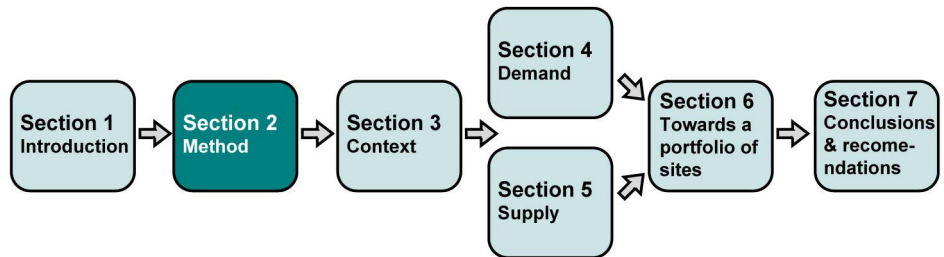
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2. Methodology

The following chapter outlines the approach used in this study in line with the 2004 ODPM (now CLG)

guidance on undertaking employment land reviews



2.1 Introduction

This study is intended to update the previous ELR (2006) and it has been necessary to repeat some of the same methodological steps to ensure that the update is comprehensive and on the basis of recently available evidence. The ODPM (now CLG) guidance for ELRs (2004) describes three stages to prepare an employment land review:

Figure 2.1 Stages and steps to undertake an employment land review

STAGE 1 TAKING STOCK OF THE EXISTING SITUATION

- Step 1 Devise brief for Stage 1
- Step 2 Collate data on land stock and revealed demand
- Step 3 Devise and apply site appraisal criteria
- Step 4 Undertake preliminary site appraisal
- Step 5 Confirming brief for Stages 2 and 3



STAGE 2 CREATING A PICTURE OF FUTURE SUPPLY

- Step 6 Understand market areas and segments
- Step 7 Select and apply suitable forecast model/demand analysis
- Step 8 Quantify employment land supply
- Step 9 Translate employment forecasts to land requirements
- Step 10 Scenario testing



STAGE 3 REVIEW EXISTING AND IDENTIFY A 'NEW' PORTFOLIO OF SITES

- Step 11 Devise qualitative site appraisal criteria
- Step 12 Confirm existing sites to be retained or released and define gaps in portfolio
- Step 13 Identify additional sites to be brought forward
- Step 14 Complete and present the employment land review

Source: ODPM (now CLG), 2004



This study has primarily examined existing and potential employment sites using criteria amended to take note of changed and emerging policy. Whilst the basic elements of the site assessment criteria are broadly similar to the approach taken within the previous ELR, the detailed criteria and their application has changed. This study also examines the future demand for employment land in light of the increased data available regarding employment within the pertinent sectors, in conjunction with data regarding floorspace within Ryedale District.

The approach applied in this review has been based on these stages and their respective steps. The following sub-sections provide an overview of some of the key methodological elements and indicate which of the ELR guidance steps they relate to.

2.2 Identification and collection of information

A range of activities were undertaken to identify and collect the appropriate data for the study:

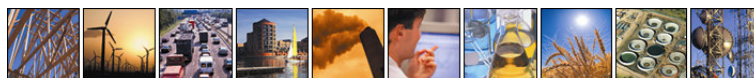
- A desk top review of relevant reports and background information in order to obtain an insight into the key local conditions and issues. This included the previous ELR (2006), available forecasts and socio-economic statistics to help characterise the local economy, market areas (**ELR Guidance Step 6**) and inform the development of employment demand forecasts (**ELR Guidance Steps 7, 8, 9 and 10**). Documents used or referred to in this study are found in a Reference section at the end of the report (Section 9);
- The Council provided a comprehensive list of existing (existing stock - **ELR Guidance Step 2**) and potential new sites for consideration in the study. These were either existing employment sites, remaining employment allocations identified in the Ryedale Local Plan, or sites submitted to the Council for consideration for employment use through the LDF process;
- Consultations with local council officers, local agents and other stakeholders to review the employment land within the District, to understand views on employment needs and priorities, as well as thoughts on the nature of future demand for employment land and premises by sector (**ELR Guidance Step 6**); and
- A visual field survey of the key employment areas and proposed sites identified and agreed by the Council (**ELR Guidance Step 13**).

2.3 Market assessment

We have undertaken an assessment of the current and likely future commercial property market within the District (**ELR Guidance Step 6**). This has been produced via an assessment of available literature (referenced in section 8), but mostly from discussions held with property agents operating in the local area.

These discussions were undertaken in the form of semi-structured interviews with questions falling into three main groups;

- The nature of demand;



- The extent and nature of supply (including land values, expected yields, etc.); and
- The strengths and weaknesses of Ryedale as a location.

2.4 Employment demand

In order to identify whether there will be an issue surrounding the quantity of supply of employment land in the District over the coming years, it is necessary to have an idea of the probable likely future demand for land. In order to assess this potential future demand, we have projected forward employment growth (or decline) in the local economy that has been seen in the past. In the interests of producing robust estimates, we have used two distinct methodologies which then provide a range of job growth estimates from which we then use the most probable projection.

These estimates of jobs growth are then translated into floorspace and subsequently into land take, details of which are in section 4 (**ELR Guidance Steps 7, 8, 9 and 10**). The preferred forecast (based upon employment and floorspace trends) is compared with the demand forecast produced in the previous ELR (2006).

2.5 Analysis of opportunities and constraints

Having gained information about the quantity and quality of employment land available in the District and a picture of the future requirements as to the quantity of employment land needed to 2026, we are in a position to analyse the degree to which there is a gap between future demand for and supply of land.

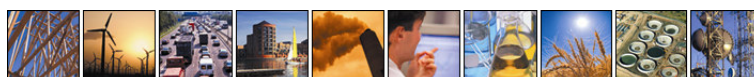
The site surveys allow the identification of developable land and the multi-criteria analysis allows the quality of the sites to be taken into account. The result is the quantity of land that is available for employment development and consequently the identification of any gaps in provision both in quantity and quality.

2.6 Site review

Each of the employment and proposal sites included in the previous ELR (2006) as well as identified by the Council was visited by Entec and details were gathered regarding land uses, condition and age of buildings, as well as potential development constraints and opportunities. Details were recorded for each employment site on a specifically developed site survey pro forma. This review contributed to understanding the nature of the supply of employment land in the District.

2.6.1 Site multi-criteria appraisals

A Multi-Criteria Appraisal (MCA) was undertaken of all identified employment land sites (existing employment sites, allocations and potential sites collected through the LDF process). MCA enables a range of qualitative attributes to be reviewed in a quantitative analytical framework; this allows for the objective comparison between



sites over a number of different attributes. Qualitative site characteristics are individually assessed relative to ideal qualities and then organised into categories. The criteria may then be ranked (in order of importance or significance) and weighted (in relation to overall significance). A number of scoring systems can be used, however for this appraisal a simple numbered significance ranking has been used. The assessment lead to classifying each site into one of the following categories:

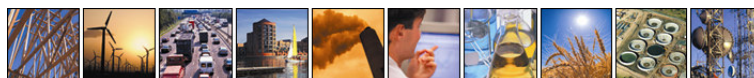
- **Class I:** These sites typically contain vibrant and established businesses, have predominately good quality modern buildings and are reasonably well connected to the existing transport infrastructure. As a result it is recommended that they are retained for employment use and that any change of use is strongly contested.
- **Class II:** These sites have a mix of building and access quality and in some cases are located close to sensitive receptors. In many cases there is a need for additional investment in the sites and as a result it is recommended that while the majority of the sites should be retained for employment uses it may be appropriate for a portion of the site to be released for other uses to help enable site improvement works.
- **Class III:** These sites were found to be older, in a poor state of repair, less well connected to transport infrastructure, or largely surrounded by sensitive receptors. The sensitivity of the surrounding area may indicate that they are better suited as rural employment sites. As a result of some of their characteristics, they are likely to be less expensive alternatives to class I and class II locations and may be important to smaller and emerging businesses. It may be appropriate for a change of use to be allowed for these sites.

The criteria and assessment presented within this study have been developed by our study team to create the assessment framework (**ELR Guidance Step 3**) and is consistent with previous approaches in the District. The main differences between these criteria and the previous ELR revolve around policy aims at present and their incorporation into the assessment criteria.

Assessment criteria

A range of assessment criteria have been identified from our discussions with key stakeholders, previous experience undertaking employment land and development assessments, and the information collected during the employment land survey work. These categories are broadly similar to those employed in the previous assessment. In total 26 assessment criteria were identified. For ease of understanding and assessment these criteria have been grouped according to the following categories:

- Group 1 – Strategic Issues
- Group 2 – Physical Arrangements, Local Access and Site Quality
- Group 3 – Market Conditions
- Group 4 – Strategic Transport Access and Supporting Infrastructure
- Group 5 – Buffer Areas and Sensitive Receptors
- Group 6 – Policy Considerations



The following criteria and assessment questions are listed under:

Group 1 – Strategic Issues:

- Proportion of vacant / derelict sites – What proportion of the overall site is currently derelict? Sites with more than 50% dereliction or vacancies could have been land ‘banked’ while a developer/owner is waiting for a change of land use or the site just may not be appropriate for employment uses any more due to significant operational constraints.
- Reallocation of the site usage – Are key government agencies and authorities already proposing the redevelopment of the site or its release for non-employment based uses?

Group 2 – Physical Arrangements, Local Access and Site Quality:

- Overall site area and floorspace – Is the overall site area of a viable size? Taking on board the requirement of future revenues to exceed the costs of bringing development forward is a site of a size that would allow viability?
- Quality of buildings – What is the general age and quality of the buildings? Are they well maintained? Is there a mix of ages or were all the buildings developed at around the same time?
- Quality of public realm – What is the general quality of the public realm? Is it well maintained or significantly run down? Are there any obvious significant environmental issues, such as flooding or fly-tipping?
- Provision of infrastructure (drainage, lighting and security) – Have there been recent investments in the improvement in the drainage, lighting and security within the overall site area?
- Quality of parking and internal circulation – Do the sites within the overall area provide on site parking or is all the parking on roads? Does parking affect internal circulation of traffic?
- Operation of potentially contaminative uses – Are there a significant number of business operating within the overall site that include potentially contaminative uses which could make re-development, re-use or future potential attractiveness relatively less likely/more expensive?

Group 3 – Market Conditions:

- Strength of local demand – Is there strong demand for the location experienced by market agents?
- Recent market activity – Has there been any new development or other market activity in the last one or two years?
- Viability of development without intervention – Is some significant public sector investment (such as bringing infrastructure to different plots) required in order to make development on the site viable?



Group 4 – Strategic Transport Access and Supporting Infrastructure:

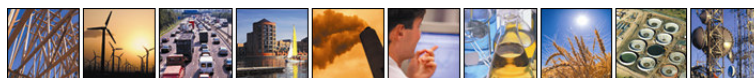
- Connections to highway network – Does the location have good connections to the main road network (i.e.; A64, A170, etc)? Do vehicles need to use residential streets to access the site? Does the site have multiple connections to the main road network or does it have a single connection? If so, does this create a transport bottleneck or congestion?
- General public transport accessibility – What is the general public transport accessibility of the site?
- Distance to local railway stations – How far is the entrance of the location to the nearest local railway station?
- Distance to local shops and services – How far is the entrance of the site to the nearest local shopping area/services?

Group 5 – Buffer Areas and Sensitive Receptors:

- Distance to residential receptors – How far is the site to the nearest residential receptors? Are there any buffers to these receptors?
- Distance to natural receptors – How far is the site to the nearest nature reserve or park? Are there any buffers to these receptors?
- Distance to landscape and conservation designations – Is the site on or adjacent to any special conservation designations such as special landscape areas, Howardian Hills AONBs or the York green belt?
- Flood risk – Is the site on or adjacent to an area indicated as susceptible to flood risk?
- Distance to water receptors – How far is the site to the nearest stream or river? Are there any buffers to these receptors? Is the site in proximity to a groundwater source protection zone?
- Interaction / conflicts between site and surrounding uses – What impact does the site make upon its surrounding uses? How significant are these impacts? Does the site buffer these sensitive uses from other more significant potential pollution sources?

Group 6 – Policy Considerations:

- Linkages with existing regeneration policies, programmes and projects – Are there any local regeneration activities that have a strategic fit with potential site redevelopment? Do these activities have regenerative outcomes that may influence the development of the site for non-employment uses? Does the site have potential to assist in achieving key economic development targets?
- Current local employment issues and deprivation levels – Is there significant employment deprivation within the area? Are there other employment opportunities if the site was to be redeveloped for non employment uses?
- Sequential location – Is the site located in an out of town location or in the town centre?



Applying the MCA to each site, the assessment criteria were scored on a five point scale, as per Table 2.1:

Table 2.1 Qualitative Impact Levels

Qualitative Assessment Level	Assessment Description (for retained employment uses at the site)
1	Strongly negative
2	Negative
3	Neutral
4	Positive
5	Strongly positive

Source: Entec UK Ltd

Criteria assessment weighting

Each assessment criteria group has been weighted to reflect different levels of importance. These weightings have been assigned on the basis of Entec’s experience and discussions with the Council. The weightings are based on various issues and assumptions outlined below:

Group 1 – Strategic Issues

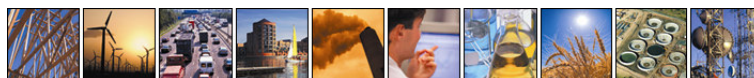
The proportion of the overall site that is vacant or derelict and whether or not the site would need allocations / is subject to regeneration initiatives is important for the future envisaged role of a site. These are not ultimately likely to be insurmountable obstacles (‘show-stoppers’), but a lack of development opportunities would likely push re-development into the long-term. Consequently, these issues are given the third level of weight.

Group 2 – Physical Arrangements, Local Access and Site Quality

The physical arrangements, local access and site quality issues are very important for the retention of existing employment; substantial investment may be required to bring a site back to a viable state. In addition, sites with a poor physical quality, despite being unsuitable for modern aspirational businesses, can provide an important service to companies requiring cheaper accommodation. As a result, while this criteria group are not ‘show stoppers’ they are weighted to reflect their second most importance.

Group 3 – Market Conditions

In order to enable the District to maintain and enhance its role as a key place for economic activity within the sub-region, it is imperative that there are as few constraints on the supply side as possible. The attractiveness of a site to the property market (both in terms of developers and occupiers) is important. A market assessment as to the



attractiveness of the site (and surrounding location) is a good measure of this and therefore the most highly weighted criteria.

Group 4 – Strategic Transport Access and Supporting Infrastructure

The connection of business within an area to the community (and therefore employees) and the businesses' ability to transport goods and supplies are vital, particularly for those dependant on the shipment of goods and supplies, given the impact on their factors of production. Under the right situation, this criteria group also have the potential to be 'show stoppers' for the long term retention of a site for employment purposes. These criteria have been accorded second level weighting. Note that some established rural employment locations may perform less well in relation to this group.

Group 5 – Buffer Areas and Sensitive Receptors

The majority of the criteria in this group relate to natural environmental factors and reflect the potential for conflicts between development, use and the wider environment. Given the changing nature of the economy and employment however direct detrimental impacts upon these are less likely than in the past. Ideally, 'non-compatible' uses would not be co-located, essentially to protect the amenity of neighbouring land uses (primarily residential, although for example heavy traffic movements are also likely to be detrimental to office occupation). Buffer areas and sensitive receptors have been assessed to warrant the fourth level of weighting. Note that some established rural employment locations may perform less well in relation to this group.

Group 6 – Policy Considerations

The third level of weighting has been applied to policy considerations. This is because the retention or development of the existing employment land is only one factor to consider in a much larger range of developments and activities that will affect these issues.

Summary of Weighted Assessment by Criteria Groups;

Based on the above information the weightings developed for the criteria groups are shown in Table 2.2, below. These relative weightings have been chosen to provide a maximum weighted score of 130 for any location.

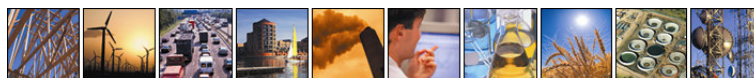


Table 2.2 Weighted Assessment of Criteria Groups

Criteria	Weighting
Group 1 – Strategic Issues	10
Group 2 – Physical Arrangements, Local Access and Site Quality	20
Group 3 – Market Conditions	35
Group 4 – Strategic Transport Access and Supporting Infrastructure	20
Group 5 – Buffer Areas and Sensitive Receptors	5
Group 6 – Policy Considerations	10
Total	100

Source: Entec UK Ltd

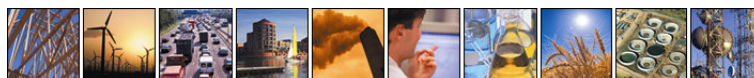
The Multi-Criteria Analysis provides figures which indicate the relative importance of each site under the assessment criteria. These values will allow for site comparisons and will be a helpful quantitative tool for decision making. Details of the site appraisals undertaken are set out in Section 5 (**ELR Guidance Steps 4, 11 and 12**). A key part of this ELR has been to review the allocations included in the previous ELR.

2.7 Conclusion

This study is intended to update the previous ELR (2006) and it has been necessary to repeat some of the same methodological steps to ensure that the update is comprehensive and on the basis of recently available evidence.

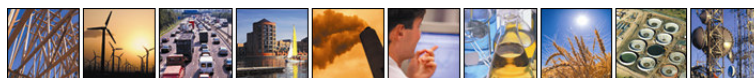
The methodology used in this study follows best practice and the advice within the ODPM (now CLG) good practice guidance in undertaking employment land reviews. It is based on a number of sources of information including the previous ELR, publicly available data, survey of sites, and discussions with stakeholders.

In order to arrive at a complete picture as to a realistic level of employment land supply, the projection of the future level of demand for employment land and the quantity and quality of supply of such land have been brought together. In conclusion, this study highlights potential policy approaches that may be taken to the future provision of employment land to ensure the sustainable economic development of the District into the future.



Entec

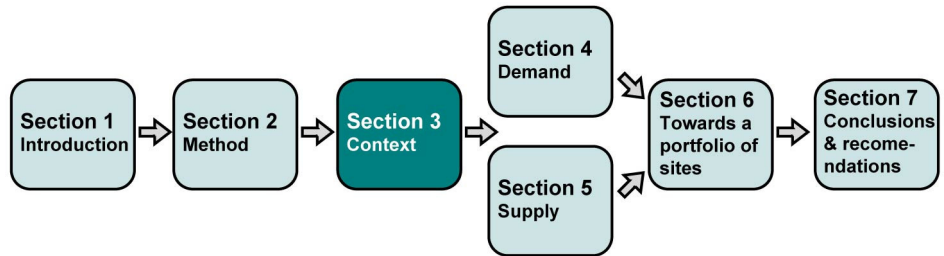
Creating the environment for business



3. Ryedale District

The following section describes how Ryedale sits in relation to its regional and sub-

regional context. This includes a review of the prevailing socio-economic conditions as well as a review of the property market, and planning policy contexts.



3.1 Economic and employment context

3.1.1 Introduction

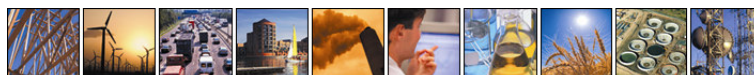
This section provides a brief analysis of Ryedale's local economy, with a view to identifying growth of different industrial sectors and concentration (as opposed, for example, to looking at skills and unemployment levels). This is useful in identifying those sectors which may have associated property requirements in the future.

3.1.2 The baseline

Ryedale, situated in the north of England in the Yorkshire and Humber region, has two fairly distinct areas; southern Ryedale is influenced by its proximity to York whilst the more rural and remote northern Ryedale is characterised by its high environmental quality and character. Ryedale has a rich landscape with the North York Moors National Park to the north, the Howardian Hills AONB to the west, the Yorkshire Wolds to the South and the Vale of Pickering in the centre and east of the district. The landscape of Ryedale is of international and national importance and represent a major part of the Region's identity (Adopted RSS 2008). The key market towns and service centres in Ryedale include Helmsley, Kirkbymoorside and Pickering.

Employment growth¹ in Ryedale from 1998 to 2007 has lagged behind regional and national employment growth. Overall employment in Ryedale grew by 7% from 1998 to 2007 compared to 9% in both Yorkshire and the

¹ This is workplace based employment as recorded in the Annual Business Inquiry. This is an employer based survey of the number of employees and jobs are recorded at the location of an employee's workplace.

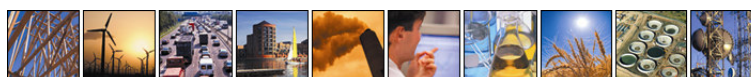


Humber and Great Britain. Table 3.1 below summarises key employment trends in the district compared to the national picture. The relatively more rural nature of the district is reflected in the relative importance of agriculture in the local economy. Manufacturing is also an important sector. Both of these sectors have, however, been in decline in recent years, a trend mirrored at the national level. The key growth sectors in Ryedale over the time period have been construction; banking, finance and insurance; and 'other services'. The 'other services' sector includes such activities as recreational and sporting activities, personal services (hairdressing, physical wellbeing etc), funeral services and sewage and refuse disposal. The local growth in these 3 growth sectors has outstripped national growth rates. The growth in the other services sector no doubt reflects the strength of the tourism sector which is strongly influenced by the sub-area's outstanding natural cultural assets and heritage and historical centres. Employment in the distribution, hotels and restaurant sector was the largest sector in employment terms in 2007 in Ryedale.

The summarised data below shows a decline of 11% in employment in the transport and communication sector. However the original ABI data picked up significant growth in this sector, more specifically in the 'transport via railways' sector (SIC 6010). This sector had no recorded jobs in Ryedale in 2004 which increased to 4,500 in 2005. Consultation with Ryedale District Council confirms that there is no evidence 'on the ground' for the scale of this increase such as the establishment of a major employment site in the local area. The data was verified with ABI/ONS who clarified that the growth was due to a large company restructure moving to Ryedale. (The accompanying ABI company data reveals an increase from 0 to 1 company in Ryedale in this sector). It is possible therefore that the company restructure may have resulted in these jobs being recorded in Ryedale. In the face of a lack of physical evidence in the district to substantiate employment growth of almost a fifth of the total workforce in 2005, this recorded employment has been considered to be a reporting anomaly and has not been included for the purposes of this study.

Table 3.1 Employment by Sector in Ryedale and Great Britain

Industry	Employment 2007		Proportion of total employment 2007		Employment growth 1998 - 2007	
	Ryedale	Great Britain	Ryedale	Great Britain	Ryedale	Great Britain
Agriculture and fishing (SIC A,B)	1,300	248,000	6%	1%	-13%	-11%
Energy and water (SIC C,E)	100	173,000	0.4%	1%	-10%	-16%
Manufacturing (SIC D)	4,500	2,820,000	20%	11%	-10%	-30%
Construction (SIC F)	1,400	1,291,000	6%	5%	72%	17%
Distribution, hotels and restaurants (SIC G,H)	5,100	6,200,000	24%	23%	-3%	5%
Transport and communications (SIC I)	800	1,558,000	3%	6%	-11%	10%
Banking, finance and insurance, etc (SIC J,K)	2,400	5,758,000	11%	22%	55%	27%



Industry	Employment 2007		Proportion of total employment 2007		Employment growth 1998 - 2007	
	Local	National	Local	National	Local	National
Public administration, education & health (SIC L,M,N)	4,200	7,163,000	20%	27%	10%	25%
Other services (SIC O,P,Q)	2,000	1,387,000	9%	5%	36%	22%
Total	22,000	26,600,000	100%	100%	7%	9%

Source: Annual Business Enquiry, ONS

Note: Figures may not sum due to rounding

Location quotients are a useful way of further illustrating relative sector strengths of concentrations in terms of employment in a local economy. The location quotient compares the concentration of local employment in a sector with the proportionate employment in the same sector nationally. A location quotient greater than 1 in a sector indicates that relatively more people are employed in that sector locally than nationally. The two sectors with the highest local concentrations (thereby implying local industry clusters of businesses), agriculture and manufacturing, are also those which have witnessed the greatest decline in overall employment (see Table 3.1 above).

Table 3.2 Employment Concentration by Sector

Industry	Location Quotient 1998	Location Quotient 2007
Agriculture and fishing (SIC A,B)	6.46	6.45
Energy and water (SIC C,E)	0.50	0.54
Manufacturing (SIC D)	1.46	1.92
Construction (SIC F)	0.88	1.33
Distribution, hotels and restaurants (SIC G,H)	1.07	1.01
Transport and communications (SIC I)	0.71	0.59
Banking, finance and insurance, etc (SIC J,K)	0.41	0.51
Public administration, education & health (SIC L,M,N)	0.81	0.73
Other services (SIC O,P,Q)	1.53	1.75

Source: Entec UK Ltd, Original data from ABI

Note: Figures may not sum due to rounding

The figure below presents graphically the information outlined above. It compares employment growth, concentration and proportionate employment (represented by the size of the circles). Agriculture, despite being a low growth sector still stands out as an important sector in terms of concentration compared to the national economy. Manufacturing, public administration and distribution and hotels are the three biggest sectors in terms of employment in 2007, although all three also exhibit low or negative growth trends.

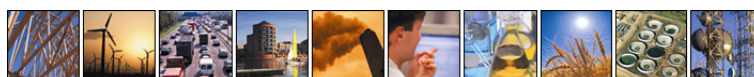
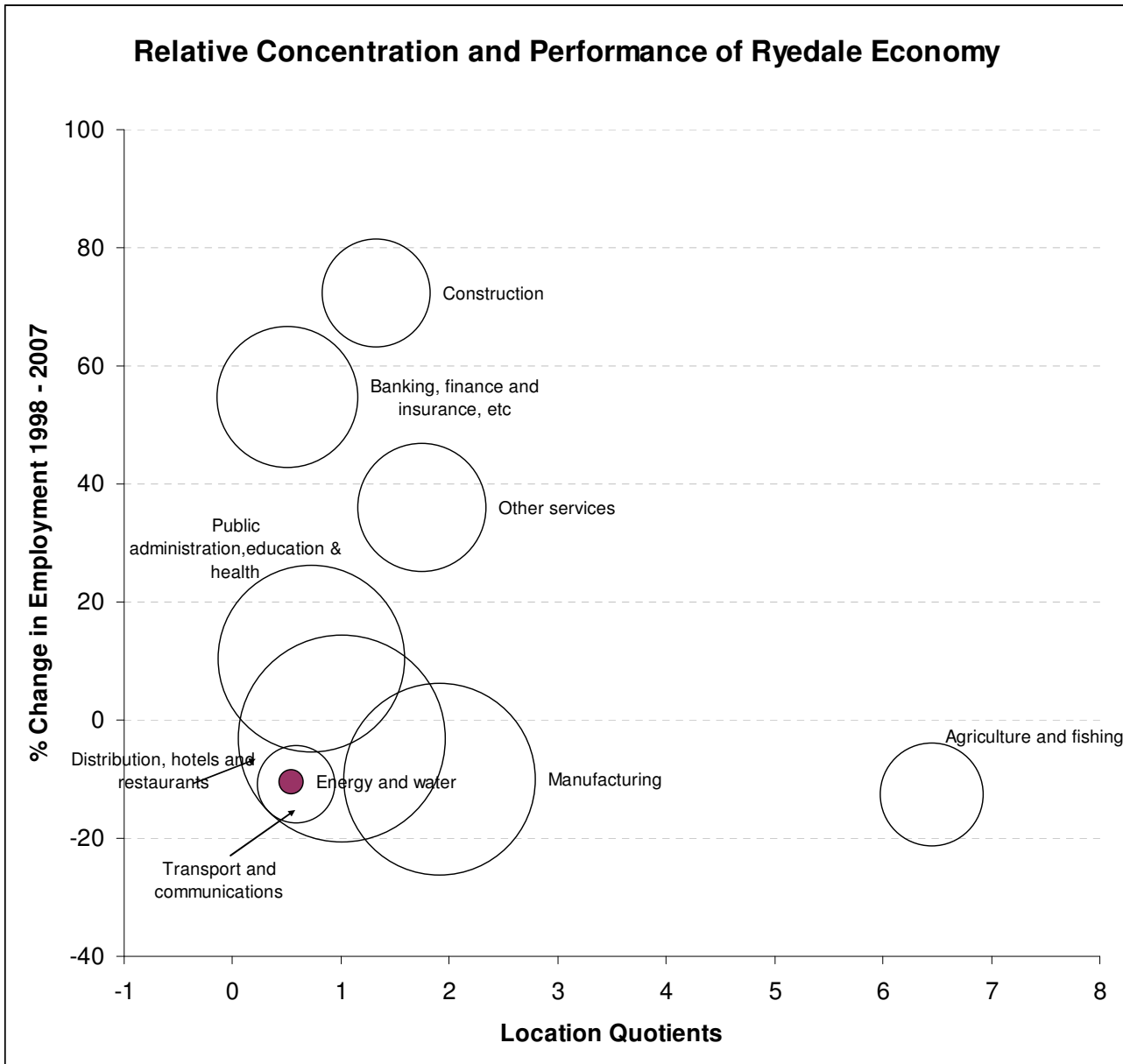
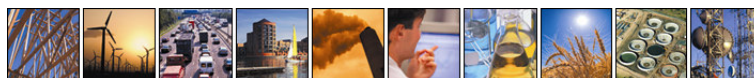


Figure 3.1 Relative Employment Indicators by Sector Compared to Great Britain



Source: Entec UK Ltd



This information enables the measurement of the degree of relative diversity in the local economy over time. The table below shows the Index of Regional Specialisation (IRS)² calculated for 1998, 2002 and 2007. The IRS indicates the degree of specialisation relative to the national economy. The closer the measure is to zero the more diverse the economy. Ryedale district's economy initially showed a trend of increased diversification, however more recently in 2007 the economy is again displaying a relatively greater degree of specialisation. This may be attributable to the significant growth in particular sectors, namely construction and 'other services'.

Table 3.3 Economic Diversity in Ryedale (1998 to 2007)

Year	Index of Regional Specialisation
1998	0.311
2002	0.277
2007	0.311

Note: Figures may not sum due to rounding
Source: Entec UK Ltd

Table 3.4 below analyses relative growth and concentration at a more disaggregated sectoral level (2 digit SIC). Shaded cells with plus signs indicate where a sector has seen relatively greater growth (or slower decline) relative to the growth (or decline) seen in the same sector nationally. Columns A and B shows those sectors that exhibit evidence of clustering, where these are supported with evidence of local employment growth and which is in excess of national employment growth (columns C and D), these may have property needs in the future and should be encouraged in policy terms.

Key:

+	Represents relatively greater concentration locally or where local economy has seen faster growth (or slower decline) compared to national economy.
-	Represents relatively less concentration locally or where local economy has seen slower growth (or faster decline) compared to national economy.

² The Index of Regional Specialisation is the sum of the positive differences between the local and national components of location quotient calculations.

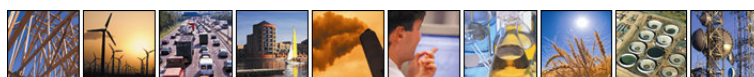
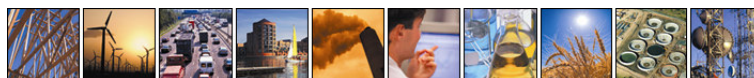


Table 3.4 Relative Growth and Concentration of Sectors in Ryedale

Industry	A. Proportion of people employed in sector relative to GB (2007)	B. Proportion of companies registered relative to GB (2007)	C. Growth in local employment (1998–2007)	D. Growth in employment relative to GB (1998 – 2007)
Agriculture, forestry and extractive				
01 : Agriculture, hunting and related service activities	+	+	-	+
02 : Forestry, logging and related service activities	+	+	-	-
05 : Fishing, operation of fish hatcheries and fish farms; service activities incidental to fishing	+	-	-	+
10 : Mining of coal and lignite; extraction of peat	-	-	-	+
11 : Extraction of crude petroleum and natural gas	+	+	-	+
12 : Mining of uranium and thorium ores	-	-	-	-
13 : Mining of metal ores	-	-	-	+
14 : Other mining and quarry	+	+	-	-
Manufacturing				
15 : Manufacturing of food and beverages	+	+	-	+
16 : Manufacture of tobacco products		-	-	+
17 : Manufacture of textiles	-	-	-	-
18 : Manufacture of wearing apparel; dressing and dyeing of fur	-	-	-	-
19 : Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	+	+	+	+
20 : Manufacture of wood and products of wood and cork	+	+	-	+
21 : Manufacture of pulp, paper and paper products	-	-	-	+
22 : Publishing, printing and reproduction of recorded media	-	-	+	+
23 : Manufacture of coke, refined petroleum products and nuclear fuel	-	-	-	+
24 : Manufacture of chemicals and chemical products	-	-	-	+
25 : Manufacture of rubber and plastic products	+	-	-	+
26 : Manufacture of other non-metallic mineral products	-	+	+	+
27 : Manufacture basic metals	+	+	-	+
28 : Manufacture of fabricated metal products, except machinery and equipment	+	+	+	+
29 : Manufacture of machinery and equipment not elsewhere classified	-	+	-	+



Industry	A. Proportion of people employed in sector relative to GB (2007)	B. Proportion of companies registered relative to GB (2007)	C. Growth in local employment (1998–2007)	D. Growth in employment relative to GB (1998 – 2007)
30 : Manufacture of office machinery and computers	-	-	-	+
31 : Manufacture of electrical machinery and apparatus not elsewhere classified	-	-	+	+
32 : Manufacture of radio, television and communication equipment and apparatus	-	+	-	+
33 : Manufacture of medical, precision and optical instruments, watches and clocks	-	-	-	-
34 : Manufacture of motor vehicles, trailers and semi-trailers	-	-	-	-
35 : Manufacture of transport equipment	+	-	-	-
36 : Manufacture of furniture; manufacturing not elsewhere classified	+	+	+	+
37 : Recycling	-	-	+	-
Electricity, Gas and Water				
40 : Electricity, gas, steam and hot water supply	-	+	+	+
41 : Collection, purification and distribution of water	-	-	-	-
Construction				
45 : Construction	+	+	+	+
Wholesale and retail trade				
50 : Sale, maintenance and repair of motor vehicles and motorcycles; retail sale of automotive fuel	+	+	-	-
51 : Wholesale trade and commission trade, except of motor vehicles and motorcycles	-	+	-	+
52 : Retail trade, except of motor vehicles and motorcycles; repair of personal and household goods	-	-	-	-
Hotels and restaurants				
55 : Hotels and restaurants	+	+	-	-
Transport and communication				
60 : Land transport; transport via pipelines	-	+	-	-
61 : Water transport	-	-	-	+
62 : Air transport	-	-	-	-
63 : Supporting and auxiliary transport activities; activities of travel agencies	-	-	+	-
64 : Post and telecommunications	-	-	+	+



Industry	A. Proportion of people employed in sector relative to GB (2007)	B. Proportion of companies registered relative to GB (2007)	C. Growth in local employment (1998–2007)	D. Growth in employment relative to GB (1998 – 2007)
Banking, finance and insurance				
65 : Financial intermediation, except insurance and pension funding	-	-	-	-
66 : Insurance and pension funding, except compulsory social security	-	-	-	+
67 : Activities auxiliary to financial intermediation	-	-	+	+
70 : Real estate activities	-	-	+	+
71 : Renting of machinery and equipment and personal and household goods	-	+	+	+
72 : Computer and related activities	-	-	+	+
73 : Research and development	+	+	+	+
74 : Other business activities	-	-	+	+
Public administration and defence				
75 : Public administration and defence; compulsory social security	-	-	-	-
Health and education				
80 : Education	+	+	+	-
85 : Health and social work	-	-	+	+
Other				
90 : Sewage and refuse disposal, sanitation and similar activities	-	+	+	+
91 : Activities of membership organisations not elsewhere classified	-	-	+	+
92 : Recreational, cultural and sporting activities	+	+	+	+
93 : Other service activities	-	-	-	-

Source: Entec UK Ltd, original data from ABI

Source: Entec UK Ltd

The above provides an overview of the broad trends present within the Ryedale's local economy and provides an indication of those sectors that are within, or are part of, a cluster. This information provides some information as to the potential future property needs in terms of the sectors that are most likely to have requirements because of growth and/or, potentially, an intrinsic desire to be located within the vicinity.



3.2 Policy context

The provision and development of employment land within Ryedale District operates within the context of national, regional and local policies. The main policy areas are planning policy and economic development policy. These are outlined below.

3.2.1 National planning policy

PPS1 – Delivering Sustainable Development

PPS1: Sustainable Development sets out the main principles for all development, of which one of its four main aims is the ‘maintenance of high and stable levels of economic growth and employment’ as well as providing a positive planning framework for sustainable economic growth to support efficient, competitive and innovative business, commercial and industrial sectors. With regards to economic development, national planning policies within PPS1 include that planning authorities should:

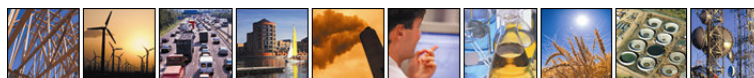
- Recognise that economic development can deliver environmental and social benefits;
- Recognise the wider benefits of economic development, from the sub-regional level up;
- Ensure suitable locations for employment uses are available so that the economy can prosper;
- Recognise the dynamic nature of local economies and be sensitive to changes and the implications for development and growth;
- Ensure the provision of sufficient, good quality, new homes in suitable locations;
- Ensure that infrastructure and services are provided to support economic development and housing.

More spatial sustainability issues are also addressed in this PPS and it is stipulated that development which attracts a large number of people, especially retail, leisure and office developments, should be developed in existing centres to promote their vitality and viability, social inclusion and more sustainable patterns of development.

Planning and Climate Change – Supplement to PPS1

PPS1 supplement Planning and Climate change sets out certain criteria which the local authority should take into account when selecting land for development:

- The extent to which existing or planning opportunities for decentralised and renewable or low-carbon energy could contribute to the energy supply of development;
- Whether this is, or has the potential for, a realistic choice of access by means other than the private car and for opportunities to service the site through sustainable transport;



- The capacity of existing and potential infrastructure (including for water supply, sewage and sewerage, waste management and community infrastructure such as schools and hospitals) to service the site or area in ways consistent with cutting carbon dioxide emissions and successfully adapting to likely changes in local climate;
- The ability to build and sustain socially cohesive communities with appropriate community infrastructure, having regard to the full range of local impacts that could arise as a result of likely changes to climate;
- The effect of development on biodiversity and its capacity to adapt to likely changes in climate;
- The contribution to be made from existing and new opportunities for open space and green infrastructure to urban cooling, sustainable drainage systems, and conserving and enhancing biodiversity, and;
- Known physical and environmental constraints on the development on land such as sea level rises, flood risk and stability, and take a precautionary approach to increases in risk that could arise as a result of likely changes to the climate.

PPS4 – Planning for Sustainable Economic Growth

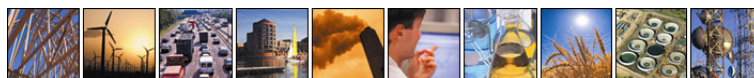
PPS4 sets out planning policies for economic development. Economic development is taken to include development within the B use classes, public and community uses and main town centre uses (including offices) as well as any use that provides employment opportunities, generates wealth or produces or generates an economic output or product. The policies within the PPS apply equally to rural areas as they do urban areas.

The PPS states that the Government's overriding objective is sustainable economic growth with underlying objectives being to build prosperous communities, reduce the gap in economic growth rates between regions, deliver more sustainable patterns of development, promote the vitality and viability of town centres and raise quality of life.

At the local level, the PPS states that the evidence base should be informed by regional assessments, assess the detailed need for land or floorspace for economic development, assess the existing and future supply of land available for economic development (ensuring that existing site allocations for economic development are reassessed against the policies within the PPS).

Local planning authorities (LPAs) should ensure that the development plan *inter alia*:

- Sets out a clear economic vision and strategy.
- Supports existing business sectors (taking account of whether they are expanding or contracting).
- Positively plan for the location, promotion and expansion of clusters or networks of knowledge driven or high technology industries.
- Seek to make the most efficient and effective use of land (prioritising previously developed land).
- Identify, protect and promote key distribution networks.



- Where necessary to safeguard land from other uses, identifies a range of sites to facilitate a broad range of economic development, including mixed use.

PPS12 – Local Spatial Planning

This planning policy statement sets out the Government's policies on the preparation of Local Development Documents (LDDs) which will form the LDF. The PPS states the advantages of the new planning system, including flexibility and the ability to be better able to meet changes that may occur within an area over time. The requirements to undertake Sustainability Appraisals is re-stated whereby the appraisal of the social, environmental and economic effects of plan strategies and policies is undertaken in order to be able to make decisions that accord with the aim of sustainable development.

PPG13 - Transport

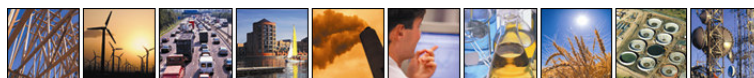
In relation to employment development the guidance states that local authorities should actively manage the pattern of urban growth to make the fullest use of public transport and focus major generators of travel demand in city, town and district centres and near to major public transport interchanges. More specifically PPG13 states that preferable areas and sites for B1 uses (Business) should be highly accessible by public transport, walking and cycling. PPG13 also encourages the movement of freight by rail and water and states that sites and routes, both existing and potential, critical in developing infrastructure for the movement of freight, should be protected.

Therefore planning policies should aim to:

- Provide a strategic balance between housing and employment to minimise the need for long distance commuting;
- Focus large employment areas in city, town and district centres, and near to major public transport interchanges; and
- Encourage a mix of land-uses.

PPS25: Development and Flood Risk

Flooding is becoming an increasingly important factor in terms of spatial development; PPS25: Development and Flood Risk highlights that Regional Planning Bodies and Local Planning Authorities should apply the Sequential Test, taking into account different vulnerability classes of uses, when allocating land in their Local Development Documents. If following the application of the Sequential Test and it is not possible or desirable for a development to be located in a zone with a lower probability of flooding, the Exception Test can be applied in some cases. The Exception Test makes provision for sites that can be balanced against wider sustainability considerations and is designed to ensure that the flood risk posed to such sites is controlled and mitigated to an acceptable level.



3.2.2 Regional Policy

The Yorkshire and Humber Plan Regional Spatial Strategy to 2026

The Regional Spatial Strategy (RSS) for the Yorkshire and Humber was adopted in May 2008 and sets out a spatial planning strategy for the region. It aims to guide development over the next 15 to 20 years; it influences and is influenced by the economy, housing, transport, the built and natural environment and more. It seeks to help the Region become more competitive, meet its housing needs and address its environmental and transport pressures in ways that are sustainable.

Local Development Documents prepared under the Planning and Compulsory Purchase Act must be in general conformity with the plan; it forms part of the statutory 'development plan' for each district and must now be taken into account in determining planning applications. The RSS provides the strategic level context and policy for LDFs particularly in relation to employment provision.

Policies of relevance to employment development include:

Policy YH5: Principal Towns

Malton is classed as a Principal Town with the RSS; Principal Towns should be the main focus for housing, employment, shopping, leisure, education, health and cultural activities and facilities. Plans, strategies, investment decisions and programmes should ensure that they provide the main focus for employment development in rural areas.

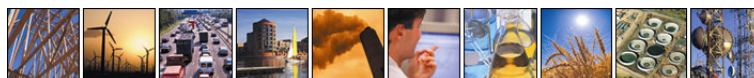
Policy YH6: Local service centres and rural and coastal areas

Helmsley, Kirkbymoorside and Pickering are all classed as Local Service Centres and the policy aim is for the protection and enhancement of these vibrant places and their communities by providing excellent environmental, economic and social resource. Plans, strategies, investment decisions and programmes should achieve high standards of design, support innovative means of accessing and delivering services, support economic diversification and retain and improve local services.

Policy YH7: Location of Development

Local planning authorities should allocate sites by giving:

1. First priority to the re-use of previously developed land and buildings and the more effective use of existing developed areas within the relevant city or town;
2. Second priority to other suitable infill opportunities within the relevant city or town; and
3. Third priority to extensions to the relevant city or town.



In identifying sites for development, local planning authorities should adopt a transport-orientated approach to ensure that development:

1. Makes the best use of existing transport infrastructure and capacity;
2. Takes into account capacity constraints and deliverable improvements, particularly in relation to junctions on the strategic road network;
3. Complies with the public transport accessibility criteria set out in Tables 16.8 and 16.9 and maximises accessibility by walking and cycling; and
4. Maximises the use of rail and water for uses generating large freight movements.

The RSS splits the region into seven sub-areas, of which Ryedale District falls within the York City Region, and the remoter rural area.

Policy Y1: York Sub Area Policy (relevant sections)

Plans, strategies, investment decisions and programmes for the York sub area should:

A ROLES AND FUNCTIONS OF PLACES

1. Develop the role of York as a Sub Regional City and support the roles of Selby and Malton as Principal Towns;

B ECONOMY

2. Spread the benefits of York's economic success to other parts of the sub area and ensure that all members of the community have access to employment opportunities;
3. Deliver economic growth at Selby and Malton in line with their roles as Principal Towns.

Policy RR1: Remoter Rural Sub Area Policy (relevant sections)

B ECONOMIC DEVELOPMENT

2. Encourage creative, diverse and low impact enterprises which provide employment opportunities and contribute to meeting local needs.

Section 11 of the RSS refers to the economy of the region, in particular policies E1, E3, E4 and E5 are relevant to employment provision in Ryedale.

Policy E1 creating a successful and competitive regional economy includes the job growth potential with table 11.1 setting out potential annual job growth from 2006 and table 11.2 splits this by different land uses.

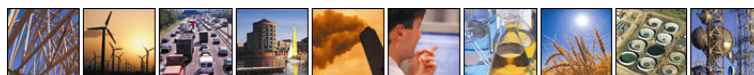


TABLE 11.1 POTENTIAL ANNUAL JOB GROWTH FROM 2006 (Full Time Equivalents)

	Total Jobs in 2006	Potential Annual Job Growth
Ryedale	24,860	140

TABLE 11.2 POTENTIAL ANNUAL JOB GROWTH FROM 2006 BY DIFFERENT LAND USES (full time equivalents)

	Main Town Centre Uses		Main Employment Land Uses		Public Services		Other uses
	Offices B1a	Retails & Leisure	Industry B1b/c B2	Storage/Dist'n B8	Health & Education	Other	
Ryedale	20	20	20	10	20	-10	70

Policy E3 Land and Premises for Economic Development states that plans, strategies, investment decisions and programmes should make use of appropriately located previously developed land and current allocations and should ensure availability of sufficient land and premises in sustainable locations to meet the needs of a modern economy, taking into account:

1. The need for additional floorspace for office, retail and leisure uses as indicated by the potential job growth in Table 11.2 and the considerable scope for this to be accommodated mainly in or adjacent to city and town centres;
2. The ongoing restructuring and modernisation of the manufacturing sector and the guidance on land for industrial uses set out in Table 11.3; and
3. The need for land and extended premises to support the development of public services, health, sport, leisure, tourism, cultural industries and education as key employment generators and the contribution of mixed use development to employment supply.

The policy states that local employment land reviews to inform LDFs should take account of the potential job growth set out and that land in use or allocated for economic development should be reviewed during the preparation of the LDFs. The availability and sustainability of employment sites should be monitored on a 3-year rolling basis to ensure that it continues to meet current and future needs. A portfolio of the best sites, representing at least a five-year supply should be identified and protected.

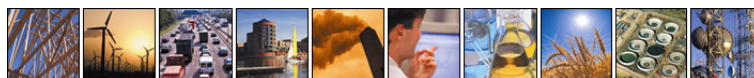


Table 11.3 details guidance on land for industrial and storage /distribution uses based on the potential job growth (figures in hectares).

	Potential net change in land in industrial & storage/distribution uses 2006 – 2021	Employment land allocated in 2006	Implications for the provision of land for industrial and storage /distribution uses
Ryedale	10	10	No significant mismatch in terms of quantity of current allocations and potential future requirement. All districts will require employment land portfolios based upon small-medium, high quality, specialist sites in accordance with the Core Approach

Policy E4 Regional Priority Sectors and Clusters states that key sectors including financial and business services should be supported. Plans, strategies, investment decisions and programmes should:

1. Address the need for premises adjacent or close to key regional assets including higher education and university facilities;
2. Provide sufficient quantity, quality and choice of a range of sites, including incubator units, expansion space and larger facilities for priority clusters;
3. Recognise that support for cluster development encompass a wide range of topics including property needs, infrastructure, access to quality labour pools and supply chain/trading links.

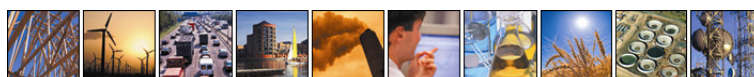
Policy E5 Safeguarding Employment Land states that LDFs should define criteria or areas where it is considered necessary to offer special protection to designated employment sites. This should be applied where:

1. It is necessary to safeguard employment land on the basis of the demonstrable level of competing demand from other land uses; and
2. The employment land so identified is necessary to support Policies YH4, YH5 and YH6 [which refer to regional cities, sub regional cities, principal towns and local service centres].

A review of employment land has been carried out in accordance with policies E1-E4 or the sites are part of an area subject to an agreed masterplan.

Policy E7: Rural Economy refers to diversifying and strengthening the rural economy by facilitating the development of rural industries, businesses and enterprises in a way that:

1. Promotes complementary roles for Principal Towns and Local Service Centres;
2. Allows for essential development of agriculture or forestry purposes in the countryside;



3. Encourages the use of information technology and telecommunications;
4. Supports rural diversification schemes which bring economic, social and environmental benefit;
5. Gives priority to the re-use of existing buildings;
6. Supports and protects an attractive and high quality rural environment, and;
7. Ensures appropriate scales and types of development and levels of traffic generation.

It should also be noted that an Integrated Regional Strategy (IRS) is to be prepared which will amalgamate the Regional Spatial Strategy and the Regional Economic Strategy. The IRS will likely be more specific as to the location of jobs growth over future planning periods. Allied to this will be the need for local authorities (predominantly county authorities in two tier authority areas) to produce local economic assessments (LEAs) which will come into force in April 2010. These are anticipated to impact upon the policy development process in forming LDFs.

3.2.3 Local Plan

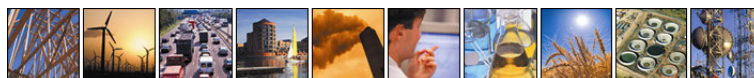
Ryedale Local Plan March 2002

The Ryedale local plan was adopted in March 2002. Under the provisions of the Planning and Compulsory Purchase Act 2004 this system is being replaced by Local Development Frameworks (LDFs) which consist of a series of Development Plan Documents (DPDs). Ryedale Council are currently in the process of producing their LDF, until this is adopted a number of 'saved' policies within the Local Plan remain the statutory document.

Chapter 6 of the Local Plan refers to Industrial and Business Development. It states that 'it should be recognised that an increasing range of commercial and light industrial activities can be successfully located in rural areas'. Para 6.1.6 highlights the dual problems Ryedale's economy has faced due to the lack of availability of serviced industrial land and premises, together with a decline in agricultural employment.

Policies of relevance to employment development include:

- EMP2, EMP3, EMP4 and EMP5 refer to specific site allocations across the district for industrial and business development.
- EMP6 and EMP7 refer to the expansion of existing businesses and major employers and state they will be permitted where they don't have any adverse amenity or environmental/character issues.
- EMP8 and EMP9 refer to the safeguarding of existing industrial and business areas and provides a list of allocations on the proposals maps and a list of sites with current industrial/business use planning permission.



- EMP10 refers to small scale industrial/business developments within settlements and states that these will be permitted within the Development Limits of settlements defined on the Proposals Maps where there are no amenity/visual impacts and there will be no adverse impact on highway safety.
- EMP11 refers to industrial/business development in the countryside and states that development will only be permitted outside of the Development Limits subject to a number of criteria.

EMP12a refers to the provision of warehousing, storage and distribution uses and states that provision will not be made for their development except where it can be demonstrated that such development needs to be located in Ryedale for operational reasons.

3.3 Economic development policy

3.3.1 Regional policy

Regional Economic Strategy

The Regional Economic Strategy (RES) for Yorkshire and Humber (2006-2015) provides a 10 year blueprint to improve the economy of the region relative to other regions. The economic vision is ‘to be a great place to live, work and do business that fully benefits from a prosperous and sustainable economy’ and six objectives have been identified that reflect the aims of business, people and environment:

1. More business – because higher levels of enterprise are so important;
2. Competitive businesses – making indigenous businesses more productive because they innovate and invest;
3. Skilled people – with talents that employers value and which offer due reward;
4. To connect people to good jobs – because levels of employment make a big difference to people and the economy, and we need more people in jobs in deprived areas;
5. Enhanced transport infrastructure and the environment – a strong economy needs good sustainable transport connections and to make the best of the environment and infrastructure, and;
6. Stronger cities, towns and rural communities – to ensure they are attractive places to live, work and invest.

For each of the objectives listed above, the RES sets out ways in which the region will achieve these. Those relevant to employment land are:

- Encourage more people to start a business;
- Increase, retain and embed business investment in the region;



- Foster Innovation to develop new markets and products, including good links between business and higher education institutions;
- Grow business and employment in knowledge based regional clusters;
- Boost key sectors of regional significance;
- Ensure government commitment to the region's long term transport priorities;
- Deliver initial transport schemes of economic priority;
- Protect, enhance and utilise the environmental and natural resources;
- Boost the role of city regions as economic drivers, and;
- Deliver integrated renaissance programmes in major cities and towns.

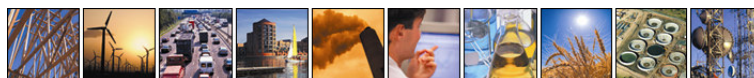
The RES highlights that for rural renaissance and development within and beyond the market towns, it is important to address the issues facing the rural economy, including the need to diversify and attract entrepreneurs whilst retaining viable land management businesses. The strategy highlights the differing trends in rural areas, with those areas that are close to urban areas having an influx of relatively affluent commuters and retired people there are pressures on affordable housing. Whereas more remote, peripheral areas are more reliant on agriculture and tourism and can be relatively isolated. However, employment and income levels are generally higher in rural areas, but there are several significant pockets of deprivation.

The strategy states that rural areas outside city regions will not be ignored and the economies of these areas shall be developed through working with the key partners and plans. Helmsley, Kirkbymoorside, Pickering, Malton and Norton are all mentioned as being within the rural renaissance programme.

The RES refers to the further promotion of York as a Science City through attracting science based enterprises and the expansion of the science city/university base at Heslington. Given the proximity of the Ryedale district to this area and the existing links with the Central Science Labs based in Ryedale, the promotion of this economy sector could have an impact on Ryedale as well as York. The recent RES update³ details that Science City York has grown significantly in the York area and 2,772 jobs have been created in science and technology jobs in York.

As noted above, the RES will eventually be replaced by the IRS.

³ The Regional Economic Strategy for Yorkshire & Humber Progress Update 2007



Northern Way Growth Strategy

The Northern Way Growth Strategy was published in 2004 and the business plan in 2005. The Strategy is based on four key principles: to identify pan-northern investments which will add value; to build up the North's strengths; to complement the three Regional Economic Strategies, and; to define actions at the most appropriate scale.

For Yorkshire and the Humber, the Northern Way provides a framework for collaboration between the Northern regions which adds value; makes the case for more investment in the North, and acts as an important input into the RES and its actions.

Renaissance Market Towns/ Rural Capitals

The Renaissance Market Towns (RMT) programme was launched by Yorkshire Forward in 2002. The programme helps to ensure that the region's 'rural capitals' remain places where people can easily live, work, visit and invest. Yorkshire Forward is now based on a geographic programme rather than being project based. Helmsley, Kirkbymoorside and Pickering have been supported under this programme and a number of projects have been identified. These are now transition towns in light of the move to Rural Capitals; from 1 April 2009 the Rural Capitals programme has replaced the RMT programme and within which Malton/Norton is now the only town within Ryedale that has been identified as a 'Rural Capital'. However, the earlier RMT work on Helmsley, Kirkbymoorside and Pickering will feed into the production of the Ryedale Local Development Framework.

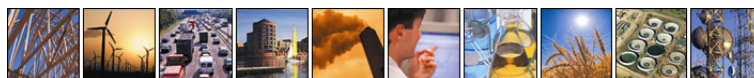
Sub-Regional Investment Plan

Sub-Regional Investment Plans (SRIP) were launched by Yorkshire Forward in 2003 as a mechanism to join up funding and strategy at a sub-regional level around a set of agreed priorities. The plans provide the vehicle by which the Regional Economic Strategy (RES) will be implemented within York and North Yorkshire. Investment plans were also prepared for the other sub-regions in Yorkshire & Humber. The Sub-Regional Investment Plan was reviewed during 2007/2008. The substantial elements for the review were in place by July 2007. A Strategic Economic Assessment was firstly prepared which identified the objectives that were relevant for the region. These were defined spatially and different geographic strategies are indicated in Figure 3.2, below. Appendix 3 of the SRIP sets out the Investment Plan Outcomes, Programmes and Programme Elements. Those that are directly relevant to Ryedale include:

York and Science Priority Grouping

Outcome: A readily available portfolio of sites and premises with an institutional infrastructure that secures economic growth and makes the area the best place to locate science investment in the UK.

Proposed Programme: Invest in Strategic sites for business growth and Science investment. Specialist premises for Science City York. To include Malton Technology Park, Selby Innovation centre and Heslington East embedded premises.

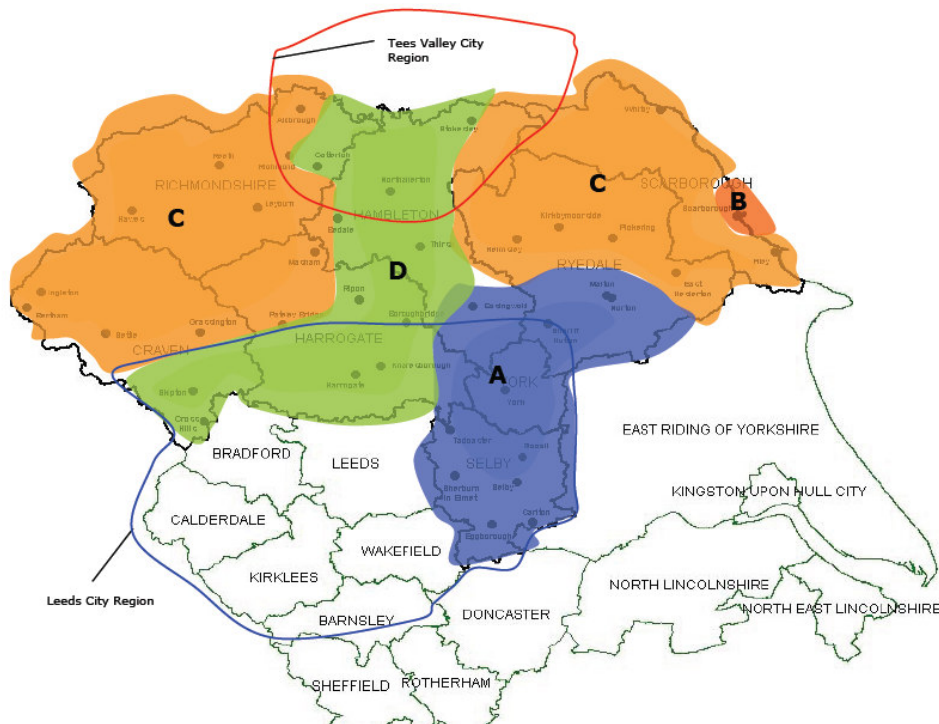


Rural, Outdoor Adventure and the Landscape Priority Grouping

Outcome: To have a supply of high quality specialist businesses premises available across rural communities in order to attract higher value added businesses and help to build a sustainable rural economy.

Proposed Programme: Identify a programme to develop major specialist sites and premises within the key rural (upland) market towns of Settle, Pickering, and Whitby.

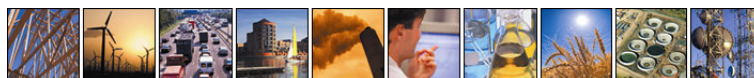
Figure 3.2 Four Spatial Areas Linked with Transformational Themes



Source: The York and North Yorkshire Achieve Investment Plan Review 2007 (Working Draft 04 July 2007)

Notes: Spatial objectives:

- A Developing the opportunities for significant new investment, economic and employment growth in York and its hinterland
- B Significantly raising the economic performance in Scarborough town
- C Addressing the problems of rurality through building a sustainable economy
- D Sustaining buoyant economies integral to the City Regions of Leeds and the Tees Valley (the short hand title for this being Harrogate and the Lowlands)



3.4 Property market context

3.4.1 Overview of wider property market context

Offices

In 2008 there was significantly reduced demand for office space in the UK as a whole with take-up rates reduced by 30% on 2007 rates; however, this is still only just below the long-term national average. City rents have been reported to have fallen by 16.2% on 2007 values to £54.50 per sq ft⁴. Due to the economic downturn lower demand coupled with rising supply will continue to see rents reduce and incentives become more general. However, some market researchers have anticipated that due to the current pause in construction, once the economic situation turns around there could be an undersupply of office space for the recovering market resulting in more competition and an increase in rents.

There is no recent data available specifically relating to Ryedale District or the Yorkshire and Humber region in relation to the office market; however there are various reports relating to the office market in Leeds. In Leeds take-up of office space was down 27% on the 2007 rates⁵, however, this was better than the average national decline of 30% on 2007 rates. It is reported that at present 9.5% of the city's stock remains vacant and whilst prime city centre rent values have levelled at £26 per sq ft in the fringe locations, rental values dropped from £20 per sq ft to £18.50, and in some cases by as much as 40% and a further softening of rents is expected⁵.

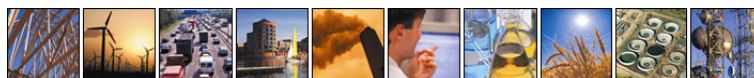
It is anticipated that in the immediate future there will be a likely oversupply of grade A office space in Leeds which will create opportunities for relocation and should help to maintain long term demand.

The effects of the office market in Leeds could have an impact on the Ryedale district; if rents are cheaper and incentives more attractive in the larger cities it may result in existing businesses within Ryedale taking the opportunity to relocate to the larger city office areas; or, cheaper rents in high quality offices in a city location could rival Ryedale's office supply in terms of attracting new businesses to the Ryedale District.

However, market towns offer attractors that are often not present in city locations such as quality of life, availability of countryside recreational opportunities and parking availability and therefore businesses that do not require a city location may prefer Ryedale given the general quality of environment and access to countryside / schools, etc.

⁴ Data from City Offices 2008 Quarter 4, King Sturge 2009

⁵ Market View: Leeds Offices 2008, CB Richard Ellis, 2009



Industrial⁶

There has been a continual upward trend of available industrial floor space in Great Britain since mid 2005; however the 6 months between June and December 2008 saw the steepest rise in recent times at 5.4%. Within these 6 months the availability of new industrial floor space increased by 19% partially due to the market slow down and partially due to new completions failing to secure occupiers; 56.3 % of this increase was within the Yorkshire and Humber region with new floor space accounting of 24.4% of the region's supply. Yorkshire and Humber have been recorded as being in the top three regions for speculative floor space construction at 14.4% with only the North West and Greater London undertaking more speculative construction.

The industrial market in Yorkshire and the Humber produced a negative total return of -20.3% from 2008, capital values declined by 25.1% and rental values fell by 1.4%. King Sturge anticipate that occupier demand will decrease in the short term and the amount of available supply is likely to increase further. They also anticipate a fall of about 7% in rents in 2009.

In terms of larger units (>10,000 sq ft) take up for Great Britain was down by 24% on 2007 levels and 34.5% of this take-up was speculatively developed units and the remainder was build-to-suit properties; Yorkshire and Humber accounted for the second largest share on take-up levels at 17.2%. Nationally, retailers accounted for 45.7% of the take-up, third party logistics providers took a 29.7% share and manufacturing accounted for 10.7%.

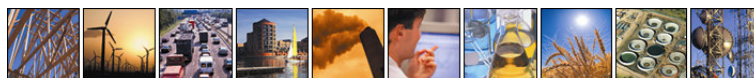
Lambert Smith Hampton (LSH) have commented that the industrial and distribution markets have fared relatively better than the office or retail markets in 2008; however, due a lack of available finance there is increasing demand for leasehold rather than freehold. LSH make reference to Yorkshire and Humber being at risk of experiencing an oversupply in large distribution units and an undersupply in smaller, flexible units due to the region having experienced rapid growth in the distribution market over the past few years.

Investment activity

Investment activity in 2008 totalled £2.4 billion, which is a 65% reduction on 2007 and the lowest since 1998⁴. However, as sterling weakens there has been some heightened investment from abroad although this tends to be on large flag-ship developments in large cities.

The funding market deteriorated during 2008 and as problems with securing property loans are growing lending is likely to be at a much smaller scale (sub £5m)⁴. However, CB Richard Ellis suggest that 'contraction of the lending

⁶ Information from Industrial & Distribution Floorspace Today, King Sturge March 2009 and National Industrial and Distribution Report 2009, Lambert Smith Hampton 2009



base for property investment will bring more assets to the market...which is likely to bring more investors who have been waiting for the right time and right price to arrive to come into the market⁷.

3.4.2 Local property market context

Consultation with property agents

The previous ELR included consultations with a wide range of organisations and are summarised in section 3.6. A number of commercial property agents were contacted (see appendix) as to their views on the nature of demand and character of supply of employment sites in the Ryedale District as an update to the previous ELR.

It should be noted that these views are varied as they represent a collection of views from different agents, and as most agents contacted represent potentially competing locations in the Ryedale District are potentially open to bias. This can also occur due to geographical or sectoral areas of operation. A questionnaire was sent with structured topics which considered the nature of demand and supply, the character of Ryedale District as a business location and views on specific sites. Discussion topics included are described in Box 1:

Box 1 Discussion topics – consultations with Agents	
Nature of demand in general area	<ul style="list-style-type: none"> Uses / sizes (floorspace and site area) demanded Demand for start-up space or follow-on space Source of demand (indigenous businesses or inward investment) Key features of sites demanded (for example: good access, good parking, labour supply, modern premises, etc.) Terms sought (for example: freehold or leasehold) Location demanded
Nature of supply in general area	<ul style="list-style-type: none"> Land available in the district by use Over or under supply of sites / premises by use Values achieved for (i) floorspace and (ii) land by use Comparison of values with other area(s) Future supply and values Age / quality of available stock Access to communications infrastructure (broadband, etc.) Terms that are available (long-term leases, etc.)
Ryedale District as an employment location	<ul style="list-style-type: none"> Relative costs in Ryedale District compared to surroundings Ryedale's Strengths/Weaknesses/Opportunities/Threats

⁷ UK Property Viewpoint CB Richard Ellis, March 2009



Specific comments regarding locations in Ryedale

General locations within Ryedale District were scored against the following:

- Strength of demand/enquiries
- Level of recent market activity
- Market perception of suitability of location for employment uses

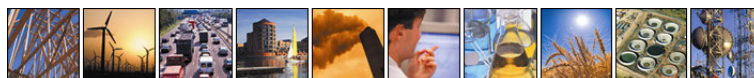
Source: Entec UK

General views on demand

- Local Agents gave a varied response as to what uses were most in demand in the district. **Storage and light industry were reported to be the most demanded** and receive the most enquiries by two agents and B1 office use was reported to receive the most enquires from the other agent.
- There is a variation in the size of premises being demanded, ranging from 200 sq. ft. to 20,000 sq. ft. (19 – 1,900 sq. metres) and plot sizes from 0.25 acres to 2 acres (0.1 to 0.8 ha). However, two agents reported that the **most enquiries were for smaller units between 1,000 – 2,000 sq. ft.**
- Two agents reported that there was demand for start up space; however one agent stated that such enquiries had ‘dried up’ over the last 6-12 months.
- Demand was **reported to arise more from indigenous companies** from two agents, but one agent reported enquires from both indigenous companies and companies wishing to move in to Ryedale district.
- Cost was considered by two of the agents to be the major factor of sites and premises within the District along with minimum maintenance. Location and parking was reported to be the major factor by the other agent.
- In terms of the sort of leases / terms being sought by companies, both freehold and leasehold were required. It was felt that many companies prefer to buy, and larger more established firms generated the most freehold enquiries. One agent reported that dependent on the lease rent reviews were conducted every three years.
- In terms of location, the agent response was varied. **Malton was reported by all agents as being in most demand**, Pickering and Kirkbymoorside were stated to be the next in demand by one agent followed by Helmsley. Niche units like Welburn, Thornton-le-dale were also mentioned as being in high demand by two of the agents.

General views on supply

- All agents considered there to be an undersupply of suitable sites and premises in the Ryedale District. One agent referred to this being ‘mainly B1 and B8 units’. All agents did not think this situation had changed over the last 5 years.
- Of the stock that is available one agent considered this to be ‘generally good’ whereas another agent considered this to be ‘poor to fair’. Two agents considered that the access to markets and communications



infrastructure to be reasonable and good; but one agent pointed out that broadband connection in Malton and Pickering is poor.

- In terms of land available in the district for employment use, one agent estimated 12 acres to be immediately available with planning consent and another agent responded with 'not enough'.
- Values were considered to be around £4.50 - £7 per sq. ft. leasehold and offices achieving £100 per sq. ft freehold. In terms of land values these varied from £100,000 - £275,000 per acre; however, it was clear that the current market may impact these values.
- Floor space and land values achieved in the District were not thought to be that dissimilar to York by two of the agents; however, one of these agents did report that it was a quieter period and that once the demand upturned this could change. One agent stated that York values were higher.

Views on Ryedale District

The agents did not generally feel that development costs were significantly different in Ryedale District than in surrounding districts.

We asked the agents for their views as to the strengths and weaknesses of the District in terms of commercial development potential rather than wider economic issues.

Strengths

- A good location for any business;
- Attractive location and working environment;
- Good local education;
- Good range of housing at competitive prices;
- Relatively close to York, West Yorkshire and the coast; and
- Peripatetic workforce.

Weaknesses

- Transport links (via the crowded single carriage A64 are severely hampered – Dual carriageway from York to the coast is badly needed);
- Perceived resistance to change; and
- Estate relationship with tenants/local business.



Opportunities

- The LDF to encourage new development of all types and investment throughout the region;
- Major development sites at Woolgrowers, Norton; York Road Industrial Estate, Malton; and Edenhouse Road; and
- Apparent RDA willingness to drive district forward (need to get help and investment from those involved in private commercial sector).

Threats

- Continued lack of willingness to deal with the opportunities listed above;
- Transport links remaining as they are; and
- Insufficient vision in future planning.

Views on specific sites

Agents were asked to comment on the market demand and perception of specific areas within the District. Comments, as provided, are listed in Table 3.6 below:

Table 3.5 Agents comments on market demand and perception

Location	Comments
South East Helmsley (including Land off Riccal Drive, Sawmill Lane Industrial Estate)	'Niche Market for one-off uses' 'Small starter sheds and 2,000-5,000 sq. ft.sheds for growing firms'
Kirkbymoorside Central Industrial area (including sites off Ings Lane)	'Excellent development for this small town' 'Would be better as mixed use redevelopment'
Kirkbymoorside Industrial Estate	'Should be developed as main area for town and that stretch of A170'
Pickering West (including Westgate Carr Industrial Estate)	'Not ideally located'
Pickering East (Including Thornton Road Industrial Estate and nearby land to south and west)	'All uses required in this area'
Pickering general (including the coal depot site off Vivis Lane, and the Whitby Road nurseries site)	'Could offer good mixed redevelopment opportunity to include starter units'
Rural areas East of Malton (including Rillington, West Knapton, West Heslerton, Sherburn)	No Comment
Rural areas South East of Malton (including Weaverthorpe, Helperthorpe, East Lutton)	No comment



Location	Comments
East Norton (including Norton Grove Industrial Estate, land adj A64/Scarborough Road)	'New development programmed. Speculative build should be encouraged with grants etc.'
Central and West Norton (including old woolgrowers site, Interchange site)	'New development programmed. Speculative build should be encouraged with grants etc. Very Good location'
South West Malton (including York Road Industrial Estate and adjoining land)	'Expansion should be pushed forward'
North Malton (including Showfield Lane Industrial Estate and adjoining land)	'Expansion and improvement of existing estate should be encouraged'
Central Malton	'Malton Estate presence discourages investment' 'Market place/cattle market/redevelopment to provide residential, retail and employment good idea in principle but cannot see how it can be implemented'
Rural Areas to South West of Malton/ Norton (south of A64) (Including Sand Hutton, Buttercrambe, Harton, Barton le willows)	No comment
Rural Areas to South West of Malton/Norton (north of A64) (including Welburn, Whitwell – on-the-hill, Castle Howard)	'Some schemes available but level of activity very slow and indifferent'
Sheriff Hutton Industrial Estate	'Performed well until recent financial crisis. Should continue as mixed employment site'
Rural Areas to West of Malton (including Swinton Grange, Amotherby, Hovingham, Gilling East)	'There is stock available but take up slow/indifferent'

Source: Entec UK Ltd

3.5 Views of other stakeholders

A number of other stakeholders were identified with the Council and were contacted (see Table 3.7) to review their views on the nature of demand and character of supply of employment sites in the Ryedale District:

Table 3.6 Details of consultation with other Stakeholders

Company	Contact name	Consultation Response
Slingsby Aviation (Local business)	Stuart Brown	7th May 2009
Ryedale District council, Business Liaison Officer	Trevor Holmes	30 th April 2009
York-England.com	Christine Hogan	12th May 2009

Source: Entec UK



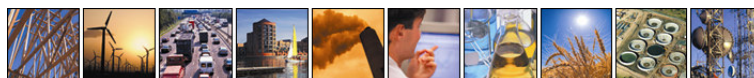
A questionnaire was sent with structured discussion topics which considered the nature of demand and supply, the character of Ryedale District as a business location and views on specific sites. Discussion topics included are described in Box 2:

Box 2 Discussion topics – consultations with other stakeholders	
Nature of demand in general area	<ul style="list-style-type: none"> • Uses / sizes (floorspace and site area) demanded • Demand for start-up space or follow-on space • Source of demand (indigenous businesses or inward investment) • Key features of sites demanded (for example: good access, good parking, labour supply, modern premises, etc.) • Location demanded • Policies and strategies affecting demand
Nature of supply in general area	<ul style="list-style-type: none"> • Age / Quality of stock • Over or under supply of sites / premises by use • Future supply and values • Access to communications infrastructure (broadband, etc.) • Policies and strategies affecting supply
Ryedale District as an employment location	<ul style="list-style-type: none"> • Ryedale's Strengths/Weaknesses/Opportunities/Threats

Source: Entec UK

General views / perceptions regarding demand

- Local stakeholders described the demand for employment land to be reasonable over the last few years, but that economic events are now having an effect on local businesses and are anticipated to continue to have an impact on all areas of the district.
- The stakeholders referred to demand for all employment use classes; however office space was reported to be in demand from one stakeholder and another considered there to be demand from high tech companies for more space.
- Most demand was considered to come **from indigenous businesses or businesses from within North Yorkshire**. One stakeholder commented that a large proportion of demand is from business within York.
- It was considered there is **significant demand for start up units in the area**; until recently the Council starter units were fully let. However, the economic downturn is starting to have an impact on demand.
- Cost, good access and freehold premises were all factors that were reported to matter most to businesses within Ryedale.
- Malton, Pickering and Kirkbymoorside were said to be the locations that were most in demand.



- Planning and land allocation policies were described as having an impact on demand for employment land, and one stakeholder commented that the current supply should be maintained before providing new employment areas. Members of Chambers of commerce was also mentioned as having an impact on demand due to York and Leeds merging and acquiring more funding for development.
- In relation to demand which is not currently catered for within Ryedale, one stakeholder made reference to two major employers which are looking to relocate and due to a loss of allocated employment land there may not be large enough sites within the district to accommodate the businesses.

General views / perceptions regarding supply

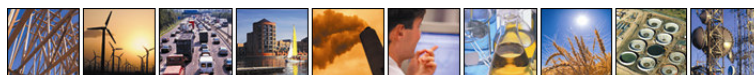
- Local stakeholders had a varied response to the quality of stock available in Ryedale. One referred to the stock being of variable quality, with the larger units being more basic but the newer units on the industrial estates being of reasonable quality. Another stakeholder referred to the stock being generally of low quality and not matching the requirements.
- Access to business markets and communications were said to be reasonable from one stakeholder with broadband available almost everywhere and in all industrial areas and the congestion being limited to main routes at peak holiday periods. However, one stakeholder mentioned there was a lack of support mechanisms for specialist units.
- Most stakeholders considered there to be an under supply (in terms of premises) in the district, reference was specifically made to freehold land/premises and supply of land/premises for manufacturing. It was also stated that it was unrealistic to expect offices to relocate to new developments in the urban area.
- It is anticipated that the trend of under supply will continue for the district unless the economic downturn has a significant impact on demand. There are also concerns that the current employment land supply is being eroded by housing development in some locations and that current infrastructure could limit the amount of suitable supply.

Views on Ryedale District

We asked the local stakeholders for their views as to the strengths and weaknesses of the District (remembering that this is in terms of commercial development rather than wider economic issues).

Strengths

- Quality of life;
- Countryside;
- Close proximity to York and Coast;
- Rail links , in Malton in particular;
- Land and Human resources; and



- Skill base available.

Weaknesses

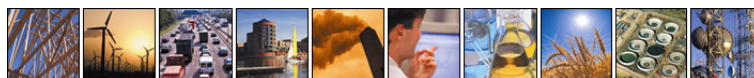
- Limited opportunities for industrial development due to lack of suitable brown field sites within towns and other locations;
- Agricultural nature of the District restricts edge of town and other development due to planning restrictions and also gives rise to infrastructure supply issues;
- Lack of strategic vision – need to consider the primary needs and requirements and undertake consultation;
- Rural nature could be an issue for businesses;
- Access to services (business support services) in more rural parts; and
- Perception as a business location outside of Ryedale/N Yorkshire.

Opportunities

- Scope for allocating more land;
- UK tourism;
- To promote the key businesses that operate across the area;
- NYNET;
- Change in demand for workspace – people can be more flexible in terms of where they need to locate; quality of life becomes a larger consideration; and
- Retention of young people in the area.

Threats

- Loose young people and thereby stability for the future;
- Other areas may have greater availability of industrial land (e.g. Scarborough);
- Being left behind as a business location if don't promote the area; and
- Communication – need to make sure the district is competitive in terms of IT infrastructure.



3.6 Context from the previous ELR (2006)

The previous ELR set out a number of key findings relating to the economy and a property market analysis (see the box below). The consultation carried out as part of this update reaffirms many of the findings from the ELR carried out in 2006.

Box 3 Key findings from previous Ryedale ELR (Knight Frank, 2006)

Economic (2006)

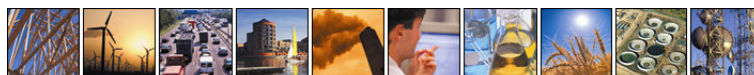
- 'The economy of Ryedale falls into two fairly distinct geographical areas and this has been recognised in the Regional Spatial Strategy (RSS). Southern Ryedale includes the largest urban area of Malton/Norton and is strongly influenced by its proximity to York. Northern Ryedale is more remote and rural and influenced by its upland character and environmental quality. Local services are provided in the market towns of Helmsley, Kirkbymoorside and Pickering.
- Due to the rural nature of the district, industry has traditionally focused on agriculture and manufacturing however the food and drink industry, engineering and tourism are now also major employers. Although agriculture and manufacturing are still an important part of the Ryedale economy, both of these sectors are, overall, in decline, both nationally and locally.
- The majority of jobs in Ryedale district are provided by small local firms employing less than 25 staff.
- Ryedale has the highest self-employment rate and the highest rate of home working of any district in North Yorkshire.'

Property market analysis (2006)

- 'There is a shortage of readily available land and premises in all sectors.
- Demand is mainly for owner occupation i.e. freehold land and premises.
- The physical evidence and research indicates that historically industrial demand has been significantly higher than that for office space.
- The majority of industrial and office demand for the District is focused on Malton.
- Demand for workshop and industrial space can vary from 500 sq ft to in excess of 10,000 sq ft although the majority is between 1,000 and 5,000 sq ft, with the most popular sized units being 2,000 sq ft.
- Demand for office facilities tends to be for small suites up to 2,000 sq ft but generally less than 500 sq ft.
- Much demand is by indigenous local business expansions or start-ups and there is limited evidence of new inward investment, although this may be linked to a relative lack of available sites.
- Business location is often determined by the residence of the company founder and not by property market criteria.
- Demand is often "supply led" and occupiers need to see the product available before they express an interest. This means that demand is often "hidden" which naturally discourages speculative development.
- There is a demand for, and a lack of supply of, expansion units and land for when small businesses have outgrown original units or sites. Growing companies could therefore be lost from the area.
- Accessibility, especially to a main road, for customers, employees and suppliers is a major factor influencing demand for property.
- There is a shortage of managed workspace across the whole of Ryedale.
- Employment land faces competition from high land values for residential development.
- Windfall sites, particularly rural conversions are an important factor in the supply side of the market.'

Source: Knight Frank (2006)

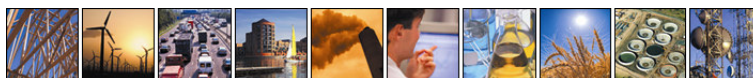
The market and economic context provided in the previous ELR remains relevant at this time with the exception of the recent decline in demand for premises.



3.7 Conclusion

Ryedale has experienced relatively slower employment growth rate than the national economy. However there has been some significant growth in construction and the service sectors with a decline in some of its key sectors, notably agriculture (which is still proportionally a large sector compared with the national average) and manufacturing although neither of these sectors has declined as fast in Ryedale as in the national economy. Ryedale shows evidence of strong growing local clusters of businesses, particularly within a number of higher tech and wider manufacturing related activities, construction and to a lesser degree research and development. There is likely a need for employment land allocations to help Ryedale diversify (given the predominance of some lower wage sectors), as well as to continue to support key small and growing sectors (for example some of its engineering base).

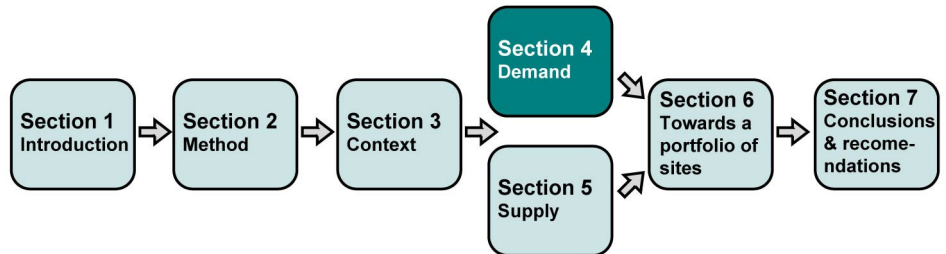
In terms of the national property market, 2008 had seen a rapid decline in take-up, rents, yields and values, mainly over the latter part of the year. It is not expected that figures will show this situation being much improved throughout 2009; however, investment from those exploiting more favourable exchange rates has affected some City locations. In the Yorkshire and Humber area prime rents are currently maintaining their value but fringe locations are already seeing a drop in rental values; this is expected to continue. This drop in rent in large commercial areas could create additional competition for existing employment stock and land within the Ryedale District. Consultation with local agents and stakeholders highlighted demand for storage and light industry in the locality particularly around the key centres of Malton/Norton and other market towns, which was a strong message in the previous ELR. It also identified an historic demand for freehold premises (if national patterns were to be followed, there may be a growth in demand for leasehold). All agents and stakeholders referred an undersupply of premises and sites in the Ryedale District. The general consensus from the consultations was that most demand comes from businesses either already located within the District or within the North Yorkshire area.



4. Future Demand for Employment Land

This section shall examine the potential future levels of employment land that could be expected in

the future (to 2026) in Ryedale District. Being for employment land, it is growth in the B use classes that is assessed.



4.1 Introduction

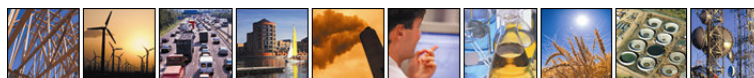
The current financial crisis has resulted in a change in the direction of economic growth in the UK (from positive to negative growth). In order to update the demand assessment produced in the previous ELR (2006) the study has examined evidence from more recent sources to consider the potential effect of the financial crisis. However, this study takes a long-term view given that it is projecting employment land demand through to 2026.

A key part of the evidence includes an updated estimate of future employment land requirements in Ryedale district and in this study a variety of demand based projections have been used to compare with the previous ELR. These methods, each with their own limitations, can be used in combination to provide a guide for future requirements. The recommended policy decision is also being informed by other evidence from, for example the commercial market appraisal. Note that the forecast here is to 2026 planning horizon rather than 2021 which was used in the previous ELR and the RSS.

4.2 Approach

Our approach in this chapter has been to present the results of three different methods of estimating employment land requirements and to compare it with the estimate developed in the previous ELR. Section 4.3 presents the approach used in the RSS, Section 4.4 estimates future employment land requirements based on historic employment trends in the District and Section 4.5 presents the employment land forecasts based on historic trends in the stock of floorspace in the District from VOA rateable value statistics. Section 4.6 provides an overview on the most appropriate forecast and compares this with the previous ELR.

The methodology to develop a forecast of employment land demand includes a number of steps taking a particular base forecast and translating it into a demand for different types of land use.



4.3 RSS based employment demand forecast

Employment land requirements were estimated for Ryedale based on employment forecasts in the Adopted RSS (2008) for Yorkshire and the Humber. These forecasts were derived from the Regional Econometric Model which is provided and run by Yorkshire Futures, the Yorkshire and Humberside observatory. They are based on original modelling undertaken by Experian Business Strategies (a commercial economic and business statistics and forecasting company). As with many models, the model produced for the Yorkshire and Humber region is based upon the forecasting model of the national economy and then uses relationships between certain variables in the region to produce regional (and constituent sub-regions and district) forecasts.

The model was run with various assumptions in order to produce different scenarios. This study uses estimates produced under Option D. This approach adopted a wider approach to forecasting potential employment in the region by including reference to 250 regeneration and development projects across the region. Projects without significant planning permission were not considered. Option D therefore; ‘provides a view of un-restrained growth within the region based on the assumption that the economy will perform well and all development will occur as planned’⁸.

The original modelling of employment estimates forecast only to 2016 as this is how far the baseline econometric data extended. These were revised to extend to 2021 by projecting the average trajectory between 2006 and 2016 on a pro-rata basis. The employment land estimates include the following assumptions:

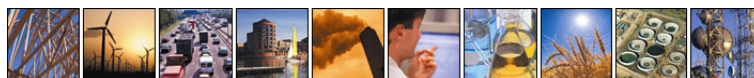
- Employment densities of 19m² for B1(a), 34m² for B1(b/c), B2 and 50m² for B8;
- Plot ratio of 40%; and
- Current vacancy rates of 2.75% and future of 5%.

Table 4.1 RSS Based Net Change in Employment Land Requirements for Ryedale (hectares)

Use class	2006 – 2016	2006 - 2021
Offices B1(a)	10.4	15.6
Manufacturing/Industry B1 (b/c)/B2	1.5	2.3
Storage/distribution B8	5.9	8.8

Source: Update of the Job Growth and Employment Land Figures in the draft Regional Spatial Strategy for Yorkshire and the Humber, 2007, Arup

⁸ Update of the Job Growth and Employment Land Figures in the draft Regional Spatial Strategy for Yorkshire and the Humber, 2007, Arup.



4.4 Employment demand forecast using historic employment trends

4.4.1 Employment demand forecasts for Ryedale

Methodology for estimating employment demand

Employment demand has been based on previous employment trends which have been extrapolated forward (although adjusted for national growth rates). This implies future employment is determined by historical employment trends. It is important to note that the reliability of using historic data decreases the further in time that projections are undertaken and as such should be considered as a guide. The limitations of using historic data include the fact that such projections will not take into account new and emerging sectors, planned policy or regeneration initiatives, or recent specific local or wider circumstances (e.g. the financial crisis).

Employment growth has been estimated using shift share analysis. This entails firstly extrapolating historical national employment growth trends and projecting them into the future. This is augmented by means of taking into account the performance of a sector in the local economy. This method therefore applies a 'shift term' to local employment which accounts for the effects of both the national trends in the sector and estimates how local employment may change (relative to the national change).

Converting employment forecasts into planning use classes

Employment data was based on 2 digit SIC data from the Annual Business Inquiry. This has been translated into B use classes in accordance with the methodology employed in the RSS:

- B1(a) office space has been derived from growth in the business services sector and banking, finance and insurance;
- B1(b/c), B2 Manufacturing and industrial uses have been derived from growth in the manufacturing sector as well as some construction and distribution jobs; and
- B8 Storage and distribution uses constitute jobs from the transport and communication sector as well as distribution.

The table below (aggregated from the 2 digit SIC level) shows the degree to which employment within the industrial sectors is translated into employment within the B use classes in order to translate future employment within these to future land requirements:

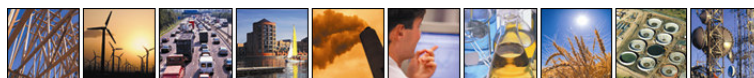


Table 4.2 Translating employment into B use classes (proportion of employment in sector translated to a use class)

Column Heading	B1 (a)	B1(b/c) and B2	B8
Agriculture, etc.	-	-	-
Manufacturing	-	100%	-
Electricity, Gas and Water	-	-	-
Construction	-	25.91%	-
Distribution	-	10.68%	66.35%
Retail	-	-	-
Hotels and Restaurants	-	-	-
Transport and communications	-	-	100%
Banking, Finance and Insurance	100%	-	-
Business Services	100%	-	-
Public admin. and defence	-	-	-
Health and Education	-	-	-
Other	-	6.23%	-

Source: Adopted RSS (2008)

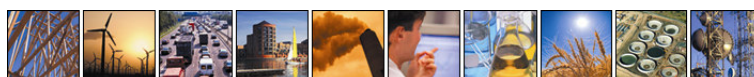
Estimated Future Employment Demand

By use of this method, historic trends extrapolated forward suggest that the District will experience the greatest relative increase in business services activities. This is strongly influenced by the historically high growth in this sector and does not reflect revisions in light of the current economic climate. Key sectors requiring B8 space (distribution and transport and communication) are forecast to decline over the time period. Significant employment growth from sectors that will not require B1, B2 or B8 employment land (e.g. sectors such as education, recreation and sporting activities and construction) is also projected. Projections of employment growth relevant to employment land projections (i.e. within the B use classes), using allocation of sectors described above, is shown below:

Table 4.3 Forecast net change in employment in Ryedale (jobs)

Planning Use Class	2006 - 2011	2006 - 2016	2006 - 2021	2006 - 2026
Offices B1(a)	436	1,532	2,979	4,877
Manufacturing/Industry B1 (b/c),B2	- 557	-899	-798	- 684
Storage/distribution B8	-158	-320	- 490	-647

Source: Entec UK Ltd, original data from Annual Business Inquiry. Note: Figures may not sum due to rounding



B1c and B2 employment shows some positive growth (i.e. the overall rate of decline is slowed) between the years 2016-2021 and 2021-2026 due to positive employment growth within the construction sector.

4.4.2 Translating employment growth into land requirements

A number of assumptions in the methodology must be employed in the preparation of forecasts for future employment land requirements. This section provides a description of the assumptions that are used here.

Employment densities

In order to translate changes in the number of jobs into land requirements it is necessary to estimate the floorspace requirements of jobs which is done with the use of average employment densities. This refers to the average floorspace per employee in a building. The employment densities used in this study are the same as those that were used in the Adopted RSS (2008):

- **B1 (a)** Office: 19m² per employee;
- **B1 (b/c), B2** Manufacturing: 34m² per employee; and
- **B8** Warehousing: 50m² per employee.

Plot ratio

The plot ratio refers to the proportion of the total site that the building occupies or the ratio between gross total internal floorspace and the total site area. The rest of the site is typically used for ancillary land uses including parking, landscaping etc. The approach used here assumes that development for all the uses occupy a 40% plot ratio for manufacturing and warehousing land use (a site with a 40% plot ratio if developed on a 1 hectare plot, employment uses would occupy 4,000 square metres) but that B1(a) uses would likely be over 2 storeys and assumes a plot ratio of 40% for office land use. As there would be no benefit to actively deallocating sites from manufacturing or distribution uses (see later), where employment projections are negative, these are treated as requiring zero land requirement.

Based on the above assumptions the resultant land requirements for each use type are shown in the table below:

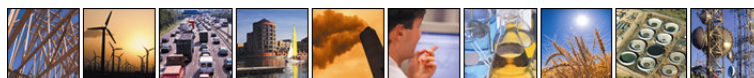


Table 4.4 Net change in employment land requirements to 2026 (hectares)

Planning Use Class	2006 - 2011	2006 - 2016	2006 - 2021	2006 - 2026
Offices B1(a)	1.04	3.64	7.07	11.58
Manufacturing/Industry B1 (b/c),B2	0	0	0	0
Storage/distribution B8	0	0	0	0

Source: Entec UK Ltd. Note: Figures may not sum due to rounding.

Margin and uncertainty

It is important that some degree of flexibility is incorporated into projections of likely future land requirements (and so allocations) to take into account churn in the local property market, changing needs of potential occupiers over time and to allow for some degree of competition in the local land market. They are also necessary to recognise the degree of uncertainty implicit in forecasts of any kind. The extent of uncertainty increases the further into the future these projections are taken. It is therefore necessary that some degree of flexibility is accommodated in the demand projections

An undersupply of land could be a serious problem for a local economy as this could hamper business growth, investment (via artificially higher prices for premises) and the creation of new businesses. A large oversupply of land, whilst perhaps not as detrimental as an undersupply, can also create problems in that land may be allocated (and lie dormant) that could otherwise be put to another beneficial use as well as potentially hinder the development of premises (especially for office development as this tends to be undertaken on a speculative basis and it is possible that a large oversupply of land could lower values below those needed to make development viable – although this depends on the level of demand in a particular area).

A margin of two years has been added to the land requirements. This is the equivalent of the average development timescale. This two year margin is shown in table 4.6 below. In addition there will always be a degree of vacancy within a local property market. This is true even of a property market facing reasonable to high levels of demand in which some degree of vacancy is required so if prices are not to become unsustainably high and curtail economic growth). Actual vacancy rates over any one time period are likely to be variable but an ideal vacancy rate of 5% has been used here. These values (consistent with the RSS) are applied to gross external land take. The results are shown in the table below. The margin is inclusive of the vacancy rate.

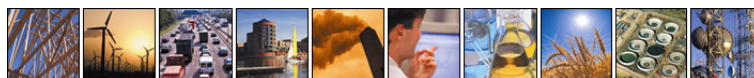


Table 4.5 5% Vacancy allowance (hectares)

Planning Use Class	2006-2011	2006-2016	2006-2021	2006-2026
Offices B1(a)	1.09	3.83	7.45	12.19
Manufacturing/Industry B1 (b/c),B2	0	0	0	0
Storage/distribution B8	0	0	0	0

Source: Entec UK Ltd. Notes: Figures may not sum due to rounding

Table 4.6 Margin (hectares)

Planning Use Class	2006 - 2011	2006 - 2016	2006 - 2021	2006 - 2026
Offices B1(a)	0.44	1.54	2.99	4.88
Manufacturing/Industry B1 (b/c),B2	0	0	0	0
Storage/distribution B8	0	0	0	0

Source: Entec UK Ltd. Notes: Figures may nor sum due to rounding.

Results of employment land forecasts

The final estimated net change in employment land requirements are presented in the table below. We note that as many existing manufacturing businesses within the District remain strong it is not realistic to de-allocate employment land for these purposes, thus where there is a decrease in the land requirements this has been presented as zero or no net change in land requirements.

Table 4.5 Net change in employment land requirements (hectares)

Planning Use Class	2006 - 2011	2006 - 2016	2006 - 2021	2006 - 2026
Offices B1(a)	1.53	9.19	10.43	17.07
Manufacturing/Industry B1 (b/c),B2	0	0	0	0
Storage/distribution B8	0	0	0	0

Source: Entec UK Ltd. Notes: Figures may not sum due to rounding.



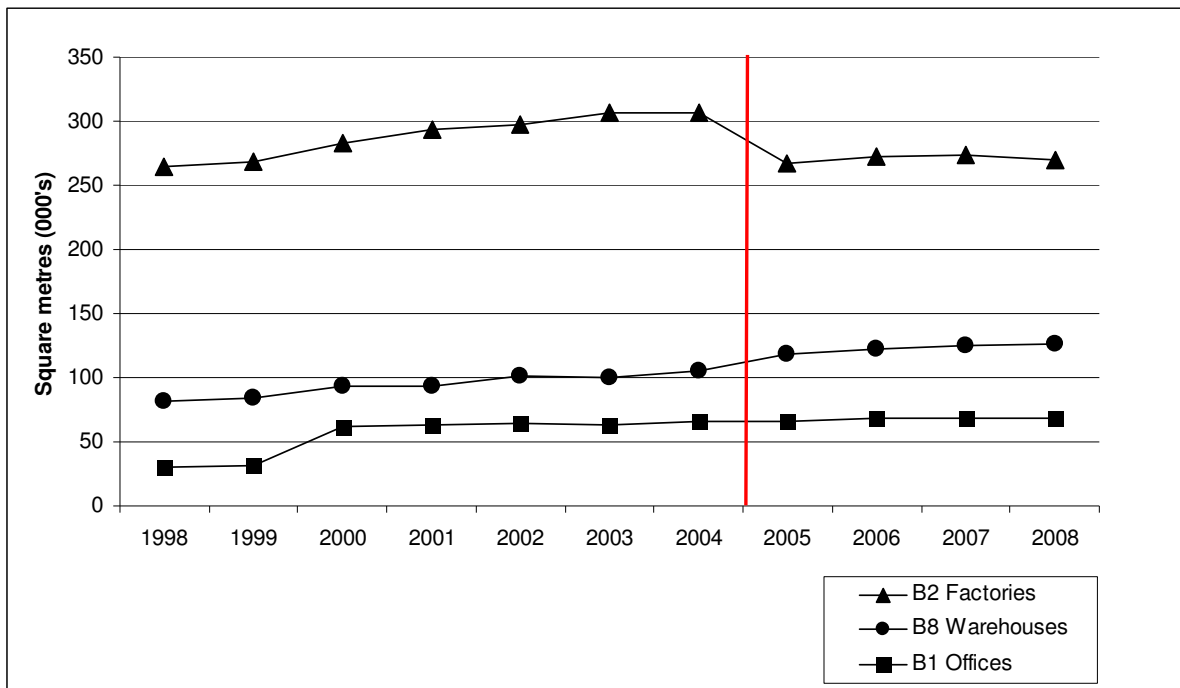
4.5 ODPM Commercial and Industrial Floorspace and Rateable Value Statistics

This section examines the total change in stock and past take-up of employment land within Ryedale based on information from the ODPM Commercial and Industrial Floorspace and Rateable Value statistics (ONS). These statistics provide an annual record of the total stock of commercial and industrial floorspace.

4.5.1 Analysis of rate of change of total stock

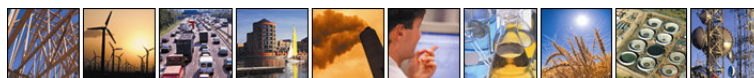
The figure below shows the trends in take up of floorspace in Ryedale district from 1998 to 2008 as recorded by the Valuation Office Agency. The red line in the figure below denotes a revaluation undertaken in 2005 (this exercise resulted in a reclassification of some types of premises) which is important in the consideration of the comparability of the data

Figure 4.1 Total Floorspace in Ryedale by Type, 1998 to 2008 ('000 sq m)



Source: Commercial and Industrial Floorspace Statistics, ONS

The per cent change in total stock is depicted in the table below. This shows the total change in stock over the whole period of data from 1998 to 2008 compared to the change before the revaluation in 2005 and the change after 2005.



The rate of change of total stock is different between the two periods either side of the revaluation in 2005 with generally higher growth in stock for all use classes in Ryedale in the period from 1998 to 2004. This is most pronounced in the office sector at both a regional and district level: The stock of office space increased by 2,000m² between 2005 and 2008 in Ryedale (+3 per cent change in total stock) compared with a much higher rate of 120 per cent (36,000m²) from 1998 to 2004. This trend of a declining rate of change in total stock is also seen in the B2 manufacturing sector. The steadiest increase over all periods has been seen in the B8 warehousing and storage sector.

Table 4.6 Per Cent Change in Stock of Floorspace (Gross Internal '000m²)

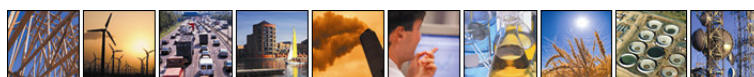
Period	Ryedale						Yorkshire and the Humber					
	1998 – 2004		2005 – 2008		1998 – 2008		1998 – 2004		2005 – 2008		1998 – 2008	
	Change	%	Change	%	Change	%	Change	%	Change	%	Change	%
B1 Offices	36	120%	2	3%	38	127%	1,429	24%	636	9%	1,923	32%
B2 Factories	42	16%	3	1%	6	2%	- 4	-0.01%	- 1,248	- 4%	- 891	- 3%
B8 Warehouses	23	28%	7	6%	44	54%	2,006	13%	1,329	8%	2,979	20%

Note: Figures may not sum due to rounding
Source: Commercial and Industrial Floorspace Statistics, ONS

4.5.2 Future demand estimates

Projections of future change in stock were generated using the different rates of change illustrated above. Typically, a trend based forecast that takes account of a longer time range is likely to be more representative of the underlying processes whereas a shorter timescale may well not have enough information to provide useful results. However the re-evaluation in 2005 represents a potential break in the data that affects the potential validity of a projection based on data from 1998 to 2008. Therefore, projections for this period as well as for data post 2005 are presented but equally are less reliable as they are only based on three years of data⁹.

⁹ It should be noted that the data were checked for the presence of a structural break in the time series between 1998 – 2004 and 2005 by way of comparing the difference between 2004 and 2005 to the standard deviation of the data over the period 1998 – 2004. There was no difference in the case of office floorspace (although it will be noted that there is a large jump between 1999 and 2000). In the case of factory floorspace however the difference was more than twice the standard deviation and in the case of warehousing floorspace, the difference was 1.6 time the standard deviation. Such relatively large jumps in the times series over the years 1998-2004 and 2005 is evidence that there are indeed structural breaks.



The floorspace projections were translated into employment land projections by applying the same assumptions regarding plot ratios and margins as outlined in section 2.4.2 above (vacancy rates were not required as the data takes account of vacant space). The table below summarises the net change in land take requirements for Ryedale based on previously recorded changes in the stock of employment land from 1998 to 2008 and 2005 to 2008 data:

Table 4.7 Projected Net Change in Land Requirements (Hectares)

	2008 - 2011	2008 - 2016	2008 - 2021	2008 - 2026
Based on rate of change in total stock 1998 to 2008				
B1 Offices	3.9	9.8	18.6	31.8
B2 Factories	0.8	1.5	2.3	3.1
B8 Warehouses	7.2	16.1	27.2	40.8
Based on rate of change in total stock 2005 to 2008				
B1 Offices	0.4	0.9	1.4	1.9
B2 Factories	1.3	2.6	3.9	5.2
B8 Warehouses	3.1	6.5	10.2	14.32

Source: Entec UK Ltd, original data based on ODPM Commercial and Industrial Floorspace Statistics. Notes: Figures may not sum due to rounding.

4.6 Demand requirements in the previous ELR (2006)

The previous ELR presented a forecast of employment demand until 2021 based on a synthesis of demand set out in the RSS with a property market analysis, see Box 4:

Box 4 Projected employment land demand from previous Ryedale ELR (Knight Frank, 2006)

'The economic forecasting and the property market analysis ...' were combined '...to produce a SYNTHESIS APPROACH that indicates a projected demand for employment land of hectares 2.8 ha (7 acres) per annum. This provides the following profile:

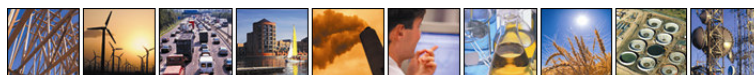
- 8.4 Hectares (21 acres) of employment land from 2005 to 2008
- 22.4 Hectares (55 acres) of employment land from 2008 to 2016
- 14 Hectares (35 acres) of employment land from 2016 to 2021

A TOTAL OF 44.8 HECTARES OF EMPLOYMENT LAND (111 ACRES) TO 2021'

This was based on the understanding that:

- A review of available supply and consultations undertaken as part of the study that 'clearly indicates a shortage of land across all sectors but in particular land dedicated for B1 office development and land for general employment use in the B1 industrial and B2 categories.'
- 'Analysis of previous take up rates would indicate demand of up to 4 hectares (10 acres) per annum (subject to the clarifications made within the main body of the report).'
- 'The Regional Employment Land Study (Scenario C) would indicate take up rates of 1.62 hectares (4 acres) per annum.'

Source: Knight Frank (2006)



The market and economic context (i.e. the generalities of the commercial property market and the broad economic trends) provided in the previous ELR remains relevant at this time with the exception of the recent decline in demand for premises.

4.7 Comparison of forecasts and a preferred approach

This section provides an overview of the results of the various employment demand projections and makes a recommendation as to the preferred demand projection to consider in this update to the previous ELR. The following table sets out the demand forecasts:

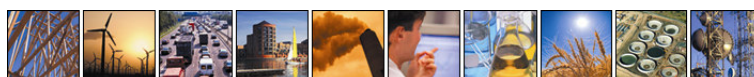
Table 4.8 Comparison of Employment Land Projections to 2021 and 2026 (Hectares)

Forecasting method	B1 Offices		B2 Factories		B8 Warehouses		Total for B use classes	
	2021	2026	2021	2026	2021	2026	2021	2026
Forecasts produced in this study								
Method 1: RSS methodology	15.6	Not estimated	2.3	Not estimated	8.8	Not estimated	26.7	Not estimated
Method 2: Historic employment trend	10.43	17.07	0	0	0	0	10.43	17.07
Method 3A: Rateable value statistics (Based on rate of change in total stock 1998 to 2008)	18.61	31.8	2.3	3.1	27.2	40.8	48.11	75.7
Method 3B: Rateable value statistics (Based on rate of change in total stock 2005 to 2008)	1.4	1.9	3.9	5.2	10.2	14.3	15.5	21.4
Forecast produced in the previous ELR								
Previous method: Synthesis of RSS economic forecast and the property market analysis	Not estimated	Not estimated	Not estimated	Not estimated	Not estimated	Not estimated	44.8	Not estimated

Note: Figures may not sum due to rounding
Source: Entec UK Ltd

There is significant (in absolute terms) variation in the range of total change in land demand forecast between the different approaches developed in this study with a range of between 17.07ha to 75.7ha until 2026. These differences are simply due to the different methods.

Employment projections are likely to be the most robust method in terms of assessing the amount of land required for offices (B1a uses). The situation is different for industrial land however. This is because the relationship between employees and floorspace requirements are not as robust for the industrial sectors as it is for the office-based sectors. In office-based sectors, the main factor of production is employees, however in the case of industrial sectors, plant is also a major contributory factor. Therefore, despite a fall in overall employment, there may still be



a need for floorspace to accommodate capital expenditure to invest in plant in the manufacturing and distributional uses.

Because of this, should employment land requirements be based upon this updated information, the employment projection-based figure should be used for office land whereas the floorspace-based projections should be used for the industrial land. Furthermore, because of the evidence of a structural break in the time series, the amount of land projected as being required for the industrial uses should be based upon the 2005 – 2008 growth rate (despite the small time period). Up to 2026 this would equate to a need for 17.07 ha of office employment land, 5.2 ha of manufacturing (B1b/c and B2) land and 14.3 ha of distributional (B8) use land – a total requirement of 36.57 ha.

Impact of financial crisis

At this time, the effects of the current financial crisis are not observed in the baseline data that underlie the different forecasts (mainly due to a lag between the impacts and observable effects) and where some recent data is available may not have been of sufficient scale to have had a significant overall impact on the analysis. The forecasts developed in this study are expected to provide an indication of the change in the underlying structural position. This means that the effects of significant shocks as well as periods of uncharacteristically strong growth or recession are broadly accounted for by using rates that are applied on average across a longer economic cycle. The HM Treasury regularly estimates the economy's trend growth rate to inform policy and other government decisions (particularly relating to future estimates of public expenditure)¹⁰. The current estimate of both employment and productivity growth results in an annual trend growth rate of 2½ per cent (public finance projections will continue to be based on a trend growth assumption of 2¼ per cent per year to ensure that fiscal policy settings remain sustainable even if growth turns out to be lower than expected providing a buffer against unexpected adverse developments).

Future policy challenges

The estimates set out in Table 4.8 take no account of potential future policy aspirations or the possibility that there is return to a level of market demand observed before the financial crisis. Ryedale will need to accommodate demand for further housing growth and new residents may affect the demand for employment within the District. At this time the number of additional planned new homes is being investigated as part of the development of the core strategy and therefore jobs is uncertain. As a guide (it is understood that a figure of 3,000 is considered in the LDF), this study illustrates the potential impact on employment demand for different quantities of housing together with assumptions about future employment activity rates and the proportion of people working within the district:

¹⁰ http://www.hm-treasury.gov.uk/trend_growth_prospects_implications.htm

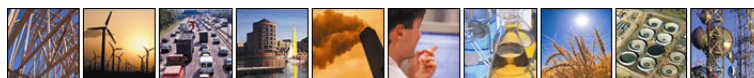


Table 4.9 Potential New Labour Supply Resulting from Different Levels of Dwelling Provision

Number of additional homes (Homes)	New resident population ¹ (People)	Working age population ² (People)	Economically active population ³ (People)	Proportion or new residents that work within Ryedale ⁴ (People)
500	1,186	685	559	140
1,000	2,372	1,371	1,117	279
1,500	3,557	2,056	1,676	419
2,000	4,743	2,742	2,234	559
2,500	5,929	3,427	2,793	698
3,000	7,115	4,112	3,351	838
3,500	8,300	4,798	3,910	978
4,000	9,486	5,483	4,469	1,117
4,500	10,672	6,168	5,027	1,257
5,000	11,858	6,854	5,586	1,396

Notes:

1. Number of households multiplied by average size of household (2001 Census: total Ryedale population / households = 2.37)

2. Working age population of Ryedale, 2007, ONS mid-year population estimates, 58%

3. Economically active population, 2008, ONS annual population survey, 82%

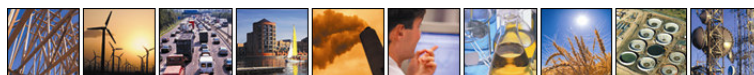
4. Proportion of economically active population that work outside of the District (excluding those that work from or at home), estimated to be 25%

Note: figures may not sum due to rounding

The number of additional homes selected above has been chosen for illustrative purposes. The table sets out the assumptions used to estimate the number of new employees. It should be noted that these may change over the plan period and are based on available data on average household, activity rate, etc. and include an estimated proportion of residents that may work in the District. Note that only a smaller proportion of the jobs created will relate to the B use classes.

Evaluation of forecast within previous ELR (2006)

The demand forecast set in the previous ELR suggested an additional demand of approximately 45ha of land to 2021. The other available forecasts produced in this study as well as the less than optimistic short term market view of demand leads to the opinion that the previous forecast projects forward demand at a level which could now be considered ambitious. However, due to the potential need to accommodate employment demanded from new housing and that the plan period for the LDF is long-term (to 2026), it is considered to be a reasonable level of demand to carry forward to the 2026 plan period. This level of future demand can be viewed as an overestimate but may represent a cautious approach as this will ensure that provision is made to take account of the possibility that market demand returns to those seen before the financial crisis of 2008/09.



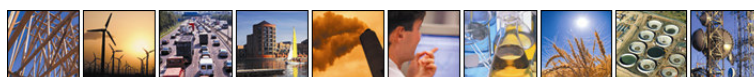
Review of the type of likely future demand

The market assessment undertaken in this study included the opinions of local property agents and confirmed that there is demand for all three types of employment land (B1, B2 and B8) although they were less certain as to the extent of this demand. In the forecasts prepared as part of this assessment, the greatest component of future demand is generally forecast to come from sectors that may occupy B1 use class premises (offices). The close proximity of Ryedale to the City of York means that there are economic links which Ryedale can build upon. York's role as a Sub-Regional City and Science City York policy mean that there is likely to be demand over the period to 2026 for B1 space, particularly in Malton and Norton as the Principal Town for the district. This is however influenced by very strong historic growth in these sectors. It should be noted that the City of York is adjacent to Ryedale and will likely be the main location for the future development of larger B1 (particularly B1a and B1b) uses given York's strong policy role as a Sub-Regional City and Science City York policy. There will also likely be some demand within Malton (as a Principal Town) to maintain and further develop economic links in line with the sub-regional economic policy objectives (*see* Section 3.3.1). Despite projected negative growth across the manufacturing sector, this sector remains strong within Ryedale (comprises around 50% of existing stock of premises) and the market assessment highlighted a need to accommodate the changing nature of type of premises required by manufacturing businesses (particularly smaller managed workshop spaces for indigenous businesses and start-ups – moving to more B1c land uses) to reflect the changing nature of the sector as well as a need to provide such space for local settlements.

4.8 Conclusion

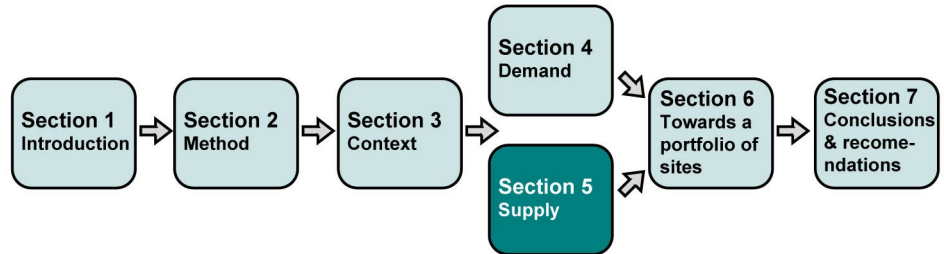
Using different methods of forecasting land demand can produce different conclusions due to the methods used and the different data underlying them. The relationship between employment and the need for office space is fairly robust, however this is not the case with manufacturing or distributional uses – the need for productivity improvements and changing technology can mean that new space is needed despite declining numbers of employees. For this reason, taking all the evidence in the round and using both employment projections and projections of floorspace, this study shows a relatively high projected requirement for office based land and some positive requirement for B2 and B8 land amounting to some 37 ha.

This indicates that, broadly, the level and nature of potential future demand identified in the previous ELR (2006) remains relevant considering potential demand from anticipated housing growth and to take into account the possibility that market demand returns to a level seen before the financial crises. In addition, the market assessment undertaken in this study included the opinions of local property agents and confirmed that there is demand for all three types of employment land (B1, B2 and B8) although they were less certain as to the extent of this demand at this time. However, this study projects demand to 2026 and therefore has to consider potential market conditions in the long-term. The demand assessment has been developed on the basis of a number of different methodologies that were translated initially into different use classes and then into land demand through the plan period. This forecast has then been adjusted in order to include a margin for choice and reflect uncertainty within the forecast methodology.



5. Review of Potential Supply of Employment Land

A key component of this study has been a review of employment land sites within the District in order to



check and update the previous ELR. This section reviews the findings of the previous ELR then considers the quantity and quality of existing and potentially available employment sites and premises across the District.

5.1 Introduction

As this is an update of the previous ELR, this section initially sets out the findings and recommendations of the previous ELR. In order to provide a comprehensive update it was necessary to revisit the sites across Ryedale to confirm the current status of sites and their suitability.

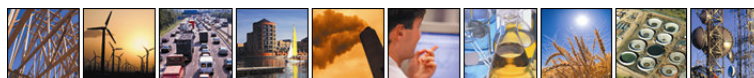
5.2 Portfolio identified in previous ELR

The previous ELR (2006) included:

- A review of the fitness for purpose of existing and allocated employment site locations;
- Sites recommended for de-allocation;
- A review of proposed new employment sites to meet requirements identified in the demand assessment; and
- A recommended portfolio of sites in terms of preferred options for short, medium and long-term development.

5.2.1 Preliminary site appraisal (Previous ELR, 2006)

The preliminary site appraisal of existing sites and premises undertaken as part of Stage 1 used a balanced set of site appraisal criteria which importantly recommended sites that were seen to be less sustainable and unlikely to meet future market requirements for release for the development of other uses. Sites in Stage 1 were graded into 'best' sites to be retained in the portfolio, those requiring further assessment, and those to be released. The report



recommended a number of sites which were currently in employment use and others that could be used for future use (subject to planning). The study then classified sites for release into a number of categories which sought to provide a framework for the formal de-allocation process that would ‘take place through the plan making process’. Broadly these were:

- Sites to be retained;
- Sites to be deallocated; and
- Sites not to be specifically safeguarded.

The summary of the assessment of the sites at stage 1 is illustrated in the following table and shows how sites were classified in relation to the different categories:

Table 5.1 Recommendations of Stage 1, previous ELR (2006)

Site	Town / locality	Area (ha)
Existing allocated sites to be released: 'recommend that the following existing sites, which are allocated for employment use but which have not come forward for development, should be released'		
Expansion land Kirkby Mills Industrial Estate	Kirkbymoorside	0.7
Land east of Westfield Way	Norton	1.3
Expansion land to Thornton Road	Pickering	0.25
Total		2.25
Existing allocated expansion sites to be released: 'recommend that the following land, which is allocated for the 'expansion of existing employers', could be released but be subject to an "Expansion of Existing Businesses Policy"... should such applications be submitted.'		
Land East Of BATA	Amotherby	0.35
Land South of Westlers	Amotherby	2.3
Land west of Micrometalsmiths, Kirkbymoorside Industrial Estate	Kirkbymoorside	2.7
Land South of McKechnies, Westgate Car Road Industrial Estate	Pickering	2.6
Total		7.95
Existing employment sites and premises to be released but protected by criteria based employment protection policy: 'recommend that the following 'existing employment' allocation sites and premises could be released from their current allocation but protected by a criteria-based "Employment Protection Policy". (* = sites with consent granted but not implemented at the time)		
BATA	Amotherby	1.64
Westlers	Amotherby	3.76
Yorkshire Parcels	Barton Hill	0.82
Fold Court	Buttercrambe	0.2
Park Farm Courtyard	Easthorpe	0.3



Site	Town / locality	Area (ha)
Gatehouse Farm*	Castle Howard	0.42
Manor Farm*	Great Habton	0.51
Grange Farm*	Harton	0.42
Sawmill Lane Industrial Estate	Helmsley	6.05
Westfield Works	Helperthorpe	0.57
Wath Court	Hovingham	0.62
Kirkbymoorside Industrial Area, Ings Lane	Kirkbymoorside	3.55
Kirkby Mills Industrial Estate	Kirkbymoorside	3.77
Slingsby Aviation, Ings Lane	Kirkbymoorside	3.95
Pauls Malt	Knapton	3.01
Showfield Lane Industrial Estate	Malton	10.2
York Road Industrial Estate	Malton	14
Manor Farm, Town Street	Malton	1.03
The Maltings	Malton	0.35
Norton Grove Industrial Estate	Norton	16.7
Dewhirst Site, Welham Road	Norton	0.67
Bright Steels, Wood Street	Norton	0.68
Maltkilns Industrial Estate	Norton	0.2
Thornton Road Industrial Estate	Pickering	10.4
Westgate Carr Road Industrial Estate	Pickering	5.39
Slaters, Malton Road	Pickering	2.78
Outgang Lane	Pickering	0.2
Central Science Lab	Sand Hutton	33
Wards	Sherburn	17.4
Sheriff Hutton Industrial Estate	Sheriff Hutton	2.35
Sheriff Hutton Industrial Estate	Sheriff Hutton	3.96
McKechnie Plastics	Stamford Bridge	3.24
Swinton Grange	Swinton	2.88
Vellco Tyre Control, Ropery Lane	Weaverthorpe	1.53
Greets Farm	Welburn	0.81
Whitwell Grange	Whitwell Hill	0.56
Total		157.92

Existing employment allocations to be retained: 'recommend that the following existing undeveloped employment allocations should remain as "Employment Allocations"



Site	Town / locality	Area (ha)
Land to the south of Storey Close	Helmsley	1.35
Land east of Hugden Way	Norton	2.3
Total		3.65

Source: Knight Frank (2006)

5.2.2 Proposed new sites and proposed portfolio of employment sites (Previous ELR, 2006)

As part of stage 3 of the previous ELR (2006) a site search was undertaken to identify any sites that may help address particular gaps in the provision of sites. Sites identified were then assessed under the same assessment process as stage 1. The final outcome of stage 3 was to identify a potential portfolio of sites to meet local and strategic planning obligations as well as potential future needs.

The previous work identified:

- ‘a shortage of land across all sectors but in particular land dedicated for B1a office development and land for general employment use in the B1c light industrial and B2 categories’;
- a need to identify new employment locations in order to meet the demand projected in the study (up to 4ha per annum);
- An opportunity to address limited B1 space in an out of town ‘in the right location to meet the needs of the growing service sector’. The study identified sufficient case to develop a B1 office park that would be supply led / speculative development to encourage interest from developers potentially for sites along the A64 as well as a potential high quality technology business park. A technology park it was felt could help support some of the existing advanced engineering firms within Ryedale as well as link with Science City York; and
- Need to consider the importance of mixed-use sites and their ability to contribute towards future supply of employment land.

The study assessed proposed new employment sites and classified sites into a number of categories:

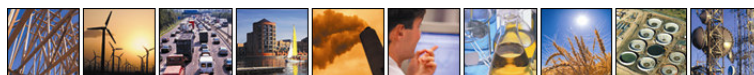
- Proposed new employment allocations; and
- Proposed new sites with no allocations;

The summary of the assessment of the sites at stage 3 is illustrated in the following table and shows how proposed new sites were classified in relation to the different categories:



Table 5.2 Summary of Assessment in Stage 3, Previous ELR (2006)

Site	Town / locality	Area (ha)	Policy recommendation
Proposed new employment allocations			
Expansion land to West of Kirkby Mills Industrial Estate	Kirkbymoorside	0.7	Consider allocation for employment uses in longer term to replace site proposed for de-allocation. May need Ryedale District Council intervention/public funding, and will need to overcome flood risk issues.
Land immediately west of York Road Industrial Estate - Phase 1 (Gordon Barker)	Malton	6.81	Allocation of site for employment uses subject to the approval of a design brief by the District Council. B1/B2 and other appropriate high quality uses (such as car showroom) on the frontage and other prominent areas.
Land West of York Road Industrial Estate - Phase 2 (Fitzwilliam Estates)	Malton	3.32	Allocation of site for employment uses subject to the approval of a design brief by the District Council. B1/B2 uses and other appropriate high quality uses (such as car showroom) on the frontage and other prominent areas.
Interchange Site, Norton Road <i>Site area shows estimated employment land element only</i>	Malton	1.2	Part of a comprehensive mixed-use redevelopment to include B1 use subject to the approval of a master plan by the District Council.
Land adjacent to Eden Camp - Phase 1	Malton	8	Allocation for B1 and appropriate B2 uses with the possibility of providing for Theme B of the SRIP. May include cluster development for high technology/advanced engineering. Subject to the approval of a detailed design brief or master plan by the District Council.
Land adjacent to Eden Camp - Phase 2	Malton	3.78	Allocation of site for long-term expansion of phase 1 development.
Corner of East Mount & Old Malton Gate Site area shows estimated employment land element only	Malton	0.9	Redevelopment of this site could include an element of B1 office use. Will be subject to a development brief approved by the District Council. Any scheme would require the replacement of the existing sports facilities on a suitable alternative site.
Land South west of Norton Grove Industrial Estate Site area shows estimated employment land element only	Norton	4	Allocation for the expansion of Norton Grove Industrial Estate to provide for B1/B2/B8 uses. Will depend upon the provision of new highway infrastructure.
Woolgrowers Site, Park Road Site area shows estimated employment land element only	Norton	2	Redevelopment including B1 office space and incubator units, subject to funding for highway infrastructure. Approval of an overall scheme will be required by the District Council.
Beckhouse Farm	Norton	3.75	Allocation for B1, B2 and B8 uses. Subject to improved access onto the A64 and approval of a design brief by the District Council.
Land South of Thornton Road Industrial Estate - Phase 1	Pickering	2.9	Allocation of site for B1, B2 & B8 uses subject to the approval of a design brief by the District Council. Site owned by Second Site Property (Transco) therefore parts of the site may be contaminated. Public sector funding may possibly be required but this is unclear at the moment.
Land South of Thornton Road Industrial Estate - Phase 2	Pickering	4	Allocation of site for B1, B2 & B8 uses subject to the approval of a design brief by the District Council. Site owned by Second Site Property (Transco) therefore parts of the site may be contaminated. Public sector funding may possibly be required but this is unclear at the moment.
The Coal Depot site, Junction of Vivis Lane and Hungate Site area shows estimated employment land element only	Pickering	0.4	Redevelopment including B1 uses; subject to the approval of a master plan by the District Council and overcoming flood risk issues.
Total		42.43	



Site	Town / locality	Area (ha)	Policy recommendation
Proposed new sites with no allocations			
Land south of BATA	Amotherby	0.44	Expansion policy for existing businesses within development limits
Bentleys Garage	Amotherby	0.45	Expansion policy for existing businesses within development limits
Power Petrol Station site, New Road	Kirkbymoorside	0.32	New Business development within development limits
Land north west of Showfield Lane Industrial Estate	Malton	5.4	Criteria evaluation does not support allocation.
Travis Perkins site, Yorkersgate	Malton	0.16	Criteria evaluation does not support allocation.
Highfield Road	Malton	1.6	Criteria Evaluation does not support allocation.
South of Norton Grove industrial Estate	Norton	1.68	Criteria evaluation does not support allocation.
ATS Site off Commercial Street	Norton	0.8	Criteria evaluation does not support allocation. Residential use likely.
Land east of Outgang Lane	Pickering	0.5	Criteria evaluation does not support allocation.
Wards	Sherburn	10.11	Expansion policy for existing businesses outside settlement limits
Swinton Grange	Swinton	6	Rural diversification policy on future development.
Total		27.46	

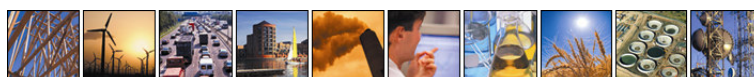
Source: Knight Frank (2006)

In its final section the previous ELR (2006) presented a recommended portfolio of allocated employment sites, for 'industrial / business development (B1, B2 and B8 uses)' in terms of preferred options for short, medium and long-term development. The previous ELR (2006) did not allocate all existing employment sites and recommended that these were protected in such a way as to encourage their expansion and their improvement.

5.3 Employment land (sites and premises) in Ryedale District

As this is an update of the previous ELR (2006) it was important to review the current status of sites and to determine if any circumstances have changed that might lead to a re-classification of existing (or proposed¹¹) employment sites due to policy and to take into account new employment sites submitted to the Council for consideration through the LDF process since the last study. It was important to undertake a survey of all sites so that comparisons could be made between sites and the findings of the previous ELR. The sites were assessed using a similar approach to that applied in the previous ELR (2006) which aimed to provide a balanced view on the suitability of sites considering market to sustainability criteria.

¹¹ Proposed sites, in terms of suggestions for allocations made in the previous ELR and new proposals included in this review, are further considered in Section 6.



5.3.1 Extent of survey undertaken in update to ELR

A total of 112 employment sites were reviewed during the survey work. The sites are a combination of current employment sites, those allocated for employment uses, 19 new sites put forward during the 'call for sites' as part of the LDF process, and identified major regeneration sites. All of the sites were identified and agreed through consultation with officers from the Council who provided details of the address, location maps and a previous employment site review study (Ryedale District Council Employment Land Review, April 2006). These new sites were analysed together with the original sites considered through the 2006 ELR to form a comprehensive database of employment sites in Ryedale. Appendix B contains larger scale maps of each of the sites considered in this study.

5.3.2 Information gathered about sites in Ryedale in the survey

The survey gathered a significant amount of information about the sites to inform the review. This included:

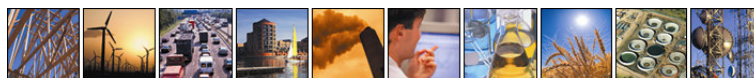
- Estimated proportion of different land uses on sites surveyed;
- Estimated number of business units and areas of sites;
- Information regarding the quantity of developable, derelict and vacant land; and
- Information on the quality and issues associated with different sites.

This information is presented for information in Appendix B.

5.3.3 Review of existing employment land

As a conclusion to this section we consider whether the quality or quantity of existing sites identified within the previous ELR has changed significantly. This is the stock of existing sites identified in Table 5.1. (including allocated sites and existing premises) These sites have been assessed, using a similar approach to the previous ELR, in order to distribute the sites into the following categories:

- **Class I:** These sites typically contain vibrant and established businesses, have predominately good quality modern buildings and are reasonably well connected to the existing transport systems. As a result it is recommended that they are retained for employment use and that any change of use is strongly contested
- **Class II:** These sites have a mix of building and access quality and in some cases are located close to sensitive receptors. In many cases there is a need for additional investment in the sites and as a result it is recommended that while the majority of the sites should be retained for employment uses it may be appropriate for a portion of the site to be released for other uses to help finance these site improvement works

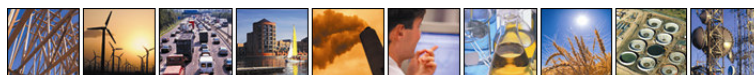


- **Class III:** These sites were found to be older, in a poor state of repair, less well connected to transport infrastructure, or largely surrounded by sensitive receptors. The sensitivity of surrounding area may indicate that they are better suited as rural employment sites. As a result of some of their characteristics, they are likely to be less expensive alternatives to class I and class II locations and may be important to smaller and emerging businesses, particularly in the light manufacturing sectors. It may be appropriate for a change of use to be allowed for these sites should they become unoccupied.

PLEASE NOTE: the above represents a list summary of the classes of sites that were categorised in the previous ELR (2006), **in order to rank their potential suitability as employment sites and does not imply a specific status in policy or approach.** A detailed description of the methodology is provided in section 2 and describes the assessment criteria, levels and weighting. The following table set out the findings of the assessment and review of these sites:

Table 5.3 Review of Sites, with Current Employment Use, Identified within the previous ELR

Site	Town / locality	Area (ha)	Category / observation
BATA	Amotherby	1.64	Class II
Westlers	Amotherby	3.76	Class II
Yorkshire Parcels	Barton Hill	0.82	Class II
Fold Court	Buttercrambe	0.2	Class III – scores low due to rural location, good quality space otherwise
Park Farm Courtyard	Easthorpe	0.3	Class III – scores low due to rural location, good quality space otherwise
Gatehouse Farm ¹	Castle Howard	0.42	Class III – B1 permission expired, poor access, remote and in AONB Historic Park and Garden. No specific employment use on site at this time
Manor Farm ²	Great Habton	0.51	Class II – currently residential, remote and poor access. No specific employment use on site at this time. Work has now halted at this site.
Grange Farm ³	Harton	0.42	Class III - No employment use on site at this time
Sawmill Lane Industrial Estate	Helmsley	6.05	Class II
Westfield Works	Helperthorpe	0.57	Class III – However, likely to be important employment use in remote rural areas
Wath Court	Hovingham	0.62	Class II
Kirkbymoorside Industrial Area, Ings Lane	Kirkbymoorside	3.55	Class II - The buildings are of fairly poor quality and whilst they provide adequate immediate employment land supply they are equally well located for redevelopment to alternative uses such as residential, retail, office or leisure.
Kirkby Mills Industrial Estate	Kirkbymoorside	3.77	Class II



Site	Town / locality	Area (ha)	Category / observation
Slingsby Aviation, Ings Lane	Kirkbymoorside	3.95	Class II - This is an existing single use B2 site allocated for employment. The site is remote and accessed by a narrow road which requires HGVs to travel in close proximity to residential properties. Past conversations with the occupier of the site indicated that the business may look to relocate in the future as they are reaching capacity at the current site; however it is currently the case that they want to stay and expand/improve their site. Due to the remote location of this site and relatively poor access it is questionable whether this site should remain as an allocated employment site; however with the company now staying. This site would now be covered by the expansion policy.
Pauls Malt	Knapton	3.01	Class III - Although remote the site has good access from the A64 via the B1258.
Showfield Lane Industrial Estate	Malton	10.2	Class II - Whilst the site is adjacent to the A64, to access the site vehicles must travel through local roads within Malton.
York Road Industrial Estate	Malton	14	Class I
Manor Farm, Town Street	Malton	1.03	Class II - The site is in the early construction phases for B1 office use which is being partially advertised for an occupier.
The Maltings	Malton	0.35	Class I - The site is developed as a B1 office development but had some vacant floorspace at the time of surveying. The site is allocated as within a conservation area. Access is limited to vehicles other than cars given its location within the centre of the town and limited parking. Given its central location B1 office is an appropriate use for the site.
Norton Grove Industrial Estate	Norton	16.7	Class II
Dewhirst Site, Welham Road	Norton	0.67	Class II - The site is a disused B2 manufacturing site which is liable to flooding. The site is located centrally within Norton and therefore access is good for pedestrians. Access by large vehicles would require travel through the centre of Malton/Norton and therefore B1 development, residential or small scale retail may be more suitable on the site.
Bright Steels, Wood Street	Norton	0.68	Class II
Malkilns Industrial Estate	Norton	0.2	Class II
Thornton Road Industrial Estate	Pickering	10.4	Class I
Westgate Carr Road Industrial Estate	Pickering	5.39	Class II
Slaters, Malton Road	Pickering	2.78	Class II
Outgang Lane	Pickering	0.2	Class II
Central Science Lab	Sand Hutton	33	Class II (mainly due to rural location)



Site	Town / locality	Area (ha)	Category / observation
Wards	Sherburn	17.4	Class II - The site is located within a village just off the A64. Whilst this it is not ideal for HGVs to be travelling through the village it is recognised there is a need for some employment uses in rural locations.
Sheriff Hutton Industrial Estate	Sheriff Hutton	2.35	Class II
Sheriff Hutton Industrial Estate	Sheriff Hutton	3.96	Class II
McKechnie Plastics	Stamford Bridge	3.24	Class II
Swinton Grange	Swinton	2.88	Class III - The site is an existing B1 use site and is within an Area of Outstanding Natural Beauty. The offices are a large converted residential property set within large grounds. Policy designations are likely to restrict any significant future development. The site is fairly remote and unsuitable for HGV access.
Vellco Tyre Control, Ropery Lane	Weaverthorpe	1.53	Class III - The site is an existing B2 use allocated for employment in the Local Plan. The site is located in a remote area and the current occupiers do appear to access the site with HGVs. The existing business appears to be thriving.
Greets Farm	Welburn	0.81	Class II
Whitwell Grange	Whitwell Hill	0.56	Class II
Land East of Westfield Way ⁴	Norton	1.3	Class II

Notes:

¹ The extant planning permission at the time of the previous review has since expired

² This site was considered within the previous ELR as an existing site, however there is no employment use on the site or extant planning permission

³ This site had consent granted but not implemented at the time of the previous ELR

⁴ This site was recommended for de-allocation in the previous ELR; however, has since been granted planning permission.

Conclusion of review of quality of sites

Due to Slingsby Aviation now intending to stay at their current site, the sites appear to be fit for purpose.

Of those sites that performed less well (Class III sites) it is suggested that they are isolated rural sites and are likely to help meet important demand for local smaller rural employment space.

Sites previously recommended for de-allocation

The previous ELR (2006) recommended three allocated sites be released. One of these has since been granted planning permission and is therefore considered as an existing site (included within table 5.4 above). The other two sites, Expansion Land Kirkby Mills Industrial Estate and Expansion Land to Thornton Road, have been classified



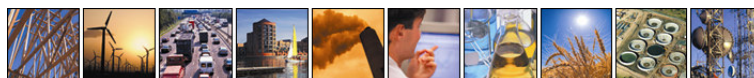
as Class II sites through our assessment. However, these sites have not been put forward through the latest ‘Call for Sites’ and therefore it could be questioned as to whether these sites are likely to be brought forward for development. Our review therefore concurs with the previous ELR recommendations that these two sites be released from their employment allocation.

It was also recommended in the previous ELR (2006) that four sites that are allocated for the ‘expansion of existing employers’ be released but subject to an ‘Expansion of Existing Businesses Policy’. Since this ELR (2006) the council has undertaken a call for sites within which ‘Land South of Westlers’ and ‘Land West of Micrometalsmiths, Kirkbymoorside Industrial Estate’ have been put forward for residential use and ‘Land East of BATA’ and ‘Land South of McKechnies’ were not put forward. It is therefore considered unlikely that these sites would be developed as employment uses and therefore should be de-allocated within the plan. An Expansion of Existing Businesses Policy, whilst providing security to the occupiers should they wish to expand, is also restrictive of future development; if the site is acceptable for employment use the occupier is irrelevant. This review recommends that instead of specifically allocating these sites for expansion, a generic policy referring to expansion of existing businesses, similar to policy EMP6 of the Local Plan would be more beneficial.

The previous ELR (2006) also recommended that sites that are in existing employment use (allocated and non-allocated sites) are recommended for release but protected by a criteria-based ‘employment protection policy’. This review concurs with the recommendation to release those sites that are allocated, developed and in employment use. However, the protection policy needs to ensure it applies a criteria-based protection policy on all sites in existing employment use when considering applications to change the use class to those outside B use classes.

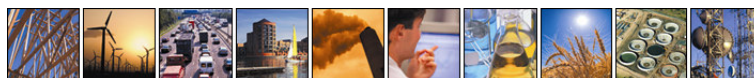
5.4 Conclusion

In order to provide a comprehensive update to the previous ELR it was necessary to revisit the sites across Ryedale to confirm the current status of sites and their suitability. The sites were assessed using a similar approach to that applied in the previous ELR and found, with the exception of one or two sites that had changed status, that they were fit for purpose.



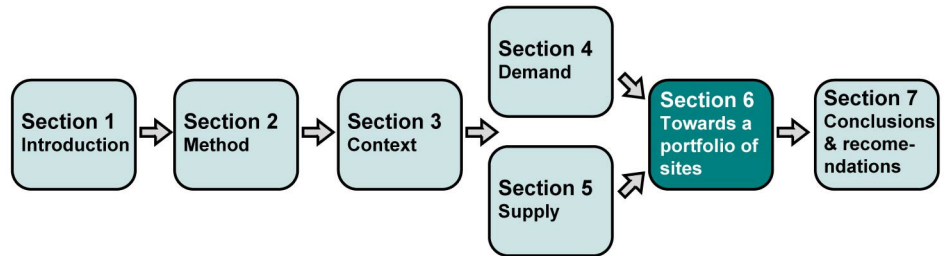
Entec

Creating the environment for business



6. Review of the portfolio of employment sites

This section reviews the evidence set within the previous demand and supply sections and updates



the assessment made in the previous ELR with the consideration of new sites put forward to meet future demand.

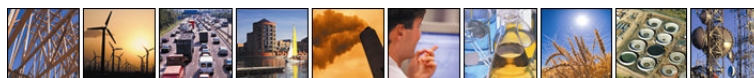
6.1 Review of supply and demand: gap analysis

6.1.1 Potential demand

In Section 4.7 this review has indicated that broadly the level and nature of potential future demand identified in the previous ELR (2006) remains relevant. In addition, the market assessment undertaken in this study included the opinions of local property agents and confirmed that there is demand for all three types of employment land (B1, B2 and B8) although they were less certain as to the extent of this demand, at this time. Some assumptions / considerations:

B1 uses

- In all the forecasts prepared as part of this assessment, the greatest component of future demand is forecast to come from sectors comprising B1 use classes. This is however influenced by very strong historic growth in sectors that typically demand B1(c) premises;
- It is expected existing town centre locations would remain a focus for any growth in business and financial services as they remain more sustainable locations for office uses
- Higher spec office developments may demand higher quality environments with a full range of accessible services. Ryedale has the City of York located adjacent to its western boundary and links with the York economy will mean that it is likely that there will be some demand for office space in Malton.
- Small scale rural employment sites, although constrained, are likely to have some potential to accommodate some growth (evidenced by a number of small good quality locations being developed in the District), particularly of B1 uses perhaps in some business service areas, environmental as well as the creative and cultural sectors. This would provide for office-based employment in rural areas, therefore



engendering economic development in rural areas and meeting a need, despite not being within town centre locations.

B2 uses

- Despite forecast negative growth in employment across the manufacturing sector the sector remains locally important within the District and comprises around 50% of existing stock of premises. The market assessment highlighted a need to accommodate the changing nature of type of premises required by manufacturing businesses (particularly smaller managed workshop spaces for indigenous businesses and start-ups) to reflect the changing nature of the sector as well as a need to provide such space for local settlements. Consultations specifically highlighted a need for larger accessible sites within the district to accommodate potential demand arising from the number of large advanced technology companies within the district
- Major manufacturing will need to be located close to primary transport routes (the A64, A170 and A169) and on the edge of major towns in recognised locations. No significant sized sites were identified that could be developed as strategic regionally important manufacturing sites
- Traditional B2 high tech uses around the district are a unique feature of Ryedale's economy and should be supported
- New high tech uses, that do not require proximity to existing clusters, may have similar requirements to the high spec. office developments: higher quality environments with a good range of accessible services. There are a number of locations that may meet this demand but new allocations, may provide important opportunities to meet this demand. This update is also of the same opinion as the previous ELR that the case for a technology/B1 office park development is clearly supply-led/speculative development and would certainly be stronger in an economic upturn

B8 uses

- Simply put, B8 uses need to be located on sites close to the primary transport routes (the A64, A170 and A169) and on the edge of towns in recognised locations. Ryedale is not sufficiently strategically significant in logistical terms to warrant allocation of any strategic sites however some more local to sub-regional demand is likely and will need to be catered for in the face of competition for these sites from other employment use types

6.1.2 Sites available to meet demand

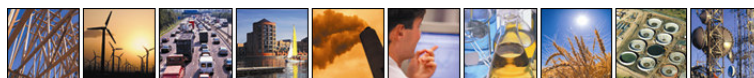
The previous ELR (2006) assessed allocated sites as well as new sites put forward through the LDF process at that time that might be suitable to meet the future requirements and allocations (described in section 5.2.2 of this report). These sites, as well as other new sites that have been identified as part of this review, are assessed in this Section to check their appropriateness at this time. The net quantity of land likely to be available for offices, industry and warehousing will be considered as well as whether there is a need for more land to be identified (or alternatively if some land in employment use may be released for other uses).



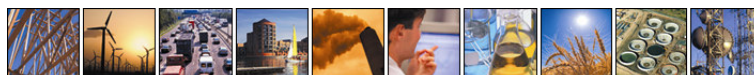
Table 6.1 sets out the findings of our review (by site survey and qualitative assessment – for a detailed methodology see Section 2) of the sites allocated for future supply in the previous ELR (2006). The table indicates the potential use of the sites, given previous view as well as the quality assessment and market view:

Table 6.1 Supply – Qualitative Assessment of Sites Proposed for Allocation within the previous ELR (2006) and their suitability for Employment Uses (B1, B2 and B8)

Location – supply	Location	Area (ha)	Assessment Category (in this update)	B1 [†]	B2 [†]	B8 [†]	Observations
Land to the south of Storey Close	Helmsley	1.35	Class II	**	**	**	The site is a greenfield site on the edge of Helmsley and allocated employment land in the Local Plan. Access to this site would need to be gained from site Sawmill Industrial Estate or from the development of adjacent greenfield land. The site is adjacent to existing B1/B2/B8 uses and could provide additional land for the expansion of the industrial estate
Land east of Hugden Way	Norton	2.3	Class I		**	**	This site is partially developed and partially greenfield land and is allocated as employment use in the Local Plan. The transport infrastructure is already in place for the development of the site. This site would be most suitable for B2/B8 uses as part of the Norton Grove Industrial Estate.
Expansion land to West of Kirkby Mills Industrial Estate	Kirkbymoorside	0.7	Class II	**	**	**	The site is greenfield land unallocated in the Local Plan. The site is located within Flood Zone 3 but according to the environment Agency's website benefits from flood defences. The site could be suitable to provide extension land for the existing adjacent industrial estate however this could impact on levels of traffic accessing the site.
Land immediately west of York Road Industrial Estate - Phase 1 (Gordon Barker)	Malton	6.81	Class I	**	**	*	The site is a greenfield site unallocated in the Local Plan. The site is located adjacent to an existing industrial estate in close proximity to the junction with the A64. The site has the potential to enable expansion of the York Road Industrial estate; however, any increase in traffic from an extension of the industrial park could lead to an increase in traffic flows causing significant congestion through Malton. Allocation of this site may need to be reliant on highway improvements.
Land West of York Road Industrial Estate - Phase 2 (Fitzwilliam Estates)	Malton	3.32	Class I	**	**	*	The site is a greenfield site unallocated in the Local Plan. It is located close to the existing industrial estate and is in close proximity to the junction with the A64. Development/allocation of this site needs to be considered in conjunction with Phase 1.



Location – supply	Location	Area (ha)	Assessment Category (in this update)	B1 [†]	B2 [†]	B8 [†]	Observations
Interchange Site, Norton Road Site area shows estimated employment land element only	Malton	1.2	Class II	**			The site is currently occupied by several users. It is allocated as being liable to flooding. The buildings are of poor quality and the location within the centre of the town makes access to the sites for uses requiring frequent HGV movements difficult. Given its location in the town centre but within Flood Zone 3 employment led uses would be most appropriate.
Land adjacent to Eden Camp - Phase 1	Malton	8	Class I	**	**	**	The site is greenfield land unallocated in the Local Plan. It is located adjacent to the junction of the A64/A169 on the periphery of Malton and has good access. The site may be suitable for employment use; however given the size of the site it is not recommended this is left to piecemeal development due the amount of infrastructure requirements. The site could be suitable for a business looking for a large single use employment site to relocate to, or an edge of town location for a more general business park offering a range of uses, for example hotels, offices etc.
Land adjacent to Eden Camp - Phase 2	Malton	3.78	Class I	**	**	**	
Corner of East Mount & Old Malton Gate Site area shows estimated employment land element only	Malton	0.9	Class II	**			The site is currently a sports club and is allocated as playing field. It has good access for pedestrians and cars. Access by larger vehicles is not likely to be appropriate. Policy constraints would limit the development of the site without the relocation of the sports club; however it is considered that the site could be appropriate for B1 office use or residential.
Land South west of Norton Grove Industrial Estate Site area shows estimated employment land element only	Norton	4	Class II	*	**	**	This site is greenfield land adjacent to Norton Grove Industrial estate and is unallocated in the Local Plan. This area of land could be suitable for expansion of the existing industrial estate.
Woolgrowers Site, Park Road Site area shows estimated employment land element only	Norton	2	Class II	**	*		Half of this site had a previous B2 manufacturing use, but the site has since been cleared. The majority of the site falls within an area liable to flooding and a small bowling green within the site is allocated as playing field. The access routes to the site are narrow residential streets and probably unsuitable for HGV access. The site is in close proximity to Norton and Malton town centre and is on the opposite side of the railway line from Malton station; however, this station only has one platform and no route over or under the tracks. Given the proximity to the town centre this site would be suitable for many uses; however it is understood that suitable highway access would need to be established to enable comprehensive redevelopment of the site.



Location – supply	Location	Area (ha)	Assessment Category (in this update)	B1†	B2†	B8†	Observations
Beckhouse Farm	Norton	3.75	Class II	*	*	**	This site is currently a farm and is allocated liable to flooding in the Local Plan. The site is occupied with large agricultural sheds of fairly poor quality and situated off the A64, over a mile out of Norton. The site has direct access to the A64.
Land South of Thornton Road Industrial Estate - Phase 1	Pickering	2.9	Class I	**	**	**	The site is greenfield land located to the south of Thornton Road Industrial Estate. This land would be suitable for the expansion of the Industrial Estate. However, access arrangements would need to be considered as it is uncertain whether there would be a route through to this land from the current Industrial Estate. Current access to the field is from Outgang Lane, which is unlikely to be viable as a proposition for access to employment use on this site.
Land South of Thornton Road Industrial Estate - Phase 2	Pickering	4	Class I	**	**	**	The site is greenfield land located to the south of Thornton Road Industrial Estate. This land would be suitable for the expansion of the Industrial Estate with phase 1.
The Coal Depot site, Junction of Vivis Lane and Hungate Site area shows estimated employment land element only	Pickering	0.4	Class II	**			This site is located within the centre of Pickering and is allocated as being liable to flooding. The site has been cleared and is ready for redevelopment. Given its central location it is not highly suitable for HGVs and significant vehicle movements, but would be suitable for B1 office development.
Total		45.4					

Amount of land required in Ryedale, with margin, up to 2026, identified in Section 4.4. Note approximate indication of potential distribution of uses.	45 ha	~50 %	~20 %	~30 %
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Notes: † = Suitability of use type based on previous ELR and this site assessment: * = moderately well suited to use, ** = well suited to use
Source: Entec UK

Note that the previous ELR (2006) identified sites to meet the forecast demand of 45ha. It is understood that the figures relating to supply above are based on estimates of the potential land areas (from site survey) and do not take account of the potential likelihood that owners are able or wish to bring them forward. It also does not take into account:

- Details of any committed sites

