

Matter 2 – Housing and Employment Needs (Policy S2)

Issue 1 – Housing Needs – Policy S2

Methodology for Assessing Housing Needs and the Demographic Starting Point

To determine the minimum number of new homes required, paragraph 60 of the Framework states that strategic policies should be informed by a local housing need assessment, conducted using the standard method in the PPG – unless exceptional circumstances justify an alternative approach.

- Q1. In response to the *Inspectors' Initial Questions*, the Council stated that when calculated using the standard method there would be a need for 196 dwellings per year. Is this figure correct, and what would the minimum number of new dwellings be over the plan period?**

Council's response

Yes, the figure is correct. The minimum number of homes for the plan period would be 4,116 for 2014 to 2035. The figure of 196 remains correct and as calculated on Page 5 of the response to Initial Questions. The figure of 196 is taken to apply from 2020 onwards and would therefore lead to a need for (196 x15) 2,940 dwellings in the remainder of the plan period (to 2035). Given that as of 2020 there had been 2,714 net completions (2014-20, see Figure 2.5 of March 2020 Housing Assessment Update (SD21)) this would lead to a minimum number of new dwellings of 5,654 for the whole 2014-35 period (2,940+2,714).

The PPG advises that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method. Circumstances where this may be appropriate include situations where there are growth strategies for an area, where strategic infrastructure improvements are proposed or where an authority is taking on unmet housing needs from elsewhere.

The PPG¹³ also advises that there may be situations “...where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method.”

The Hambleton *Housing and Economic Development Needs Assessment* ('HEDNA')¹⁴ was completed in June 2018, shortly before the revised Framework was published in July 2018. The HEDNA uses the 2014-based household projections as the starting point for considering housing need. Table 8 identifies a demographic need for 153 dwellings per annum over the plan period.

- Q2. How does this compare with the 2018-based household projections?**

Council's response

If the 2018-based projections are used instead of the 2014-based version to consider the Standard Method, then the housing need estimates would be as shown in the table below.

Standard Method Housing Need Calculations using 2018-based household projections			
	Principal projection	Alternative internal migration	10-year migration trends
Households 2020	40,851	40,832	40,729
Households 2030	42,777	42,571	41,975
Change in households	1,926	1,739	1,246
Per annum change	193	174	125
Affordability ratio (2019)	8.96	8.96	8.96
Uplift to household growth	31%	31%	31%
Total need (per annum)	252	228	163

The 2018-based projections include three main variants which differ on the basis of the population projection data being used. The main projections can be described as:

- Principal projection
- an alternative internal migration variant
- a 10-year migration variant

In the principal projection, data about internal (domestic) migration uses data for the past 2-years and data about international migration from the past 5-years. The use of 2-years data for internal migration has been driven by ONS changing their methodology for recording internal moves, with this data being available from 2016 only.

The alternative internal migration variant uses data about migration from the last 5-years (2013-18), as well as also using 5-years of data for international migration. This variant is closest to replicating the methodology used in the 2016-based Subnational Population Predications (SNPP) although it does mean for internal migration that data used is collected on a slightly different basis.

The 10-year migration variant (as the name implies) uses data about trends in migration over the past decade (2008-18). This time period is used for both internal and international migration.

As the table shows, the figures range from a need for 163 dwellings per annum using 10-year migration trends, up to 252 dwellings per annum with the principal projection. In terms of which of these is the most reliable it is considered that focus should be on the alternative internal migration variant. This has been chosen as it is considered that the principal SNPP has too short a data period when looking at internal migration whilst the 10-year alternative is not thought likely to reflect recent changes seen in Hambleton (such as an uplift in housing completions). The alternative internal migration projection is also based on a very similar methodology to past SNPP releases.

Focussing on this projection shows a need for 228 dwellings per annum moving forward from 2020 (3,420 for the 2020-35 period) and added to past completions would give a total need of 6,134 dwellings over the 2014-35 period.

Q3. Paragraph 4.62 of the HEDNA states that “there is a strong basis for taking into account the latest demographic information”. The PPG¹⁵ also advises that where using an alternative approach to the standard method, this needs to adequately reflect current and future demographic trends. Taking into account the answer to Question 2 above, does the starting point in the HEDNA adequately reflect current and future demographic trends?

Council’s response

The latest data at the time of drafting the HEDNA was the 2014-based population and household projections, although consideration was given to more up-to-date population data, available up to 2016. The Starting Point in the HEDNA can be found in Table 8 on page 30 and shows a need for 153 dwellings per annum, including a vacancy allowance of 4.7% (this figure is for the 2014-35 period). As of October 2020, there are now population and household projections to mid-2018 and mid-year population estimates up to 2019. The HEDNA does not therefore reflect the most recent trends and projections (and nor could it). The text below discusses the ‘Starting Point’ in the context of data published since the HEDNA

The table below shows what the Start Point would be if using the 2018-based projections and this shows higher need for all the main variants. Focussing on the alternative internal migration scenario, the start point would be for 209 dwellings per annum – still notably lower than the (economic-based) conclusion of the HEDNA (for 315 dpa) and so does not impact on the assessed need.

It should also be noted that Table 8 of the HEDNA also included alternative demographic scenarios that derived housing need estimates of up to 225 dwellings per annum, this is not inconsistent with the highest of the figures coming from the 2018-based projections (albeit calculated on a different basis in terms of migration time periods).

Start Point Housing Need – comparing 2014-based (as in HEDNA) with 2018-based projections					
	Households 2014	Households 2035	Change in households	Per annum	Dwellings (per annum)
2014-based	38,935	41,999	3,063	146	153
18-b principal	38,992	43,533	4,541	216	226
18-b alt. int. mig.	38,992	43,186	4,194	200	209
18-b 10-year trend	38,992	42,380	3,388	161	169

Q4. Using the latest information available, what is the demographic-led need for housing in Hambleton? In answering this question, it would assist the examination if the Council could produce a similar table to Table 8 in the HEDNA (page 30).

Council’s response

Para 4.64 of the HEDNA concluded that the demographic based need could be presented as a range and could be as high as 235 dwellings per annum. This was essentially based on the highest outputs from Table 8 with a modest adjustment to take account of suppressed household formation (typically the uplift was around 6%). On the basis of the analysis above (and including a 6% uplift

for suppressed formation) would suggest a demographic need of up to 240 dwellings per annum (226×1.06) which is virtually identical to the upper end in the HEDNA. If we focus on the preferred alternative internal migration projection then the need would be estimated to be around 222 dwellings per annum (209×1.06).

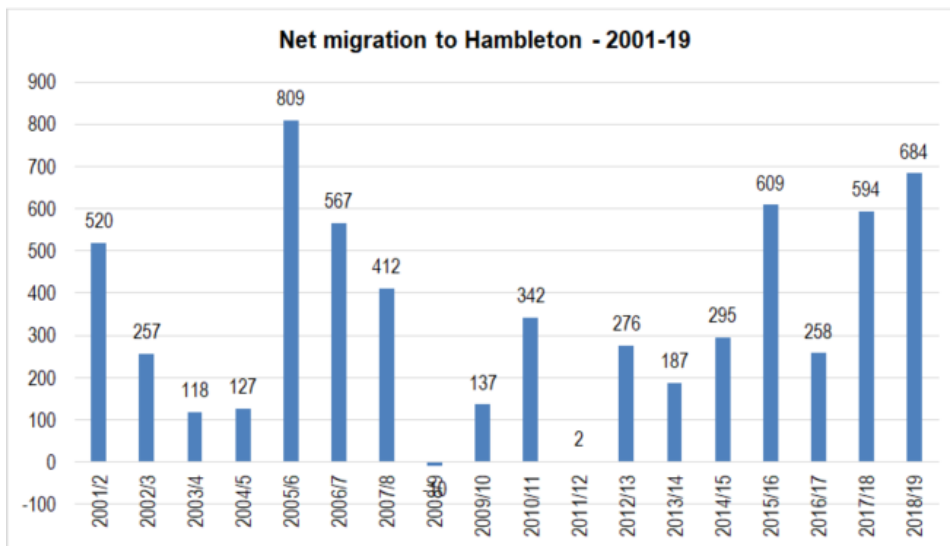
It should be noted that the table (above) in answer to Q3 is the equivalent to Table 8 of the HEDNA (covering a range of demographic based scenarios).

Adjustments to the Demographic Starting Point

Q5. In calculating the demographic-led need for housing, the HEDNA considers alternative scenarios using 10 and 15-year migration data. What is the justification for this approach? Are 10 and 15-year trends more likely to be representative of what will happen over the plan period?

Council’s response

The HEDNA looked at alternative migration time periods as there was some concern that the short-term (5-year) trends in the SNPP at that time might include atypical levels of migration. Looking at longer migration periods is fairly common in assessments of this nature. For the 2014-based SNPP, migration trends would have largely been drawn from the 2009-14 period and it can be seen that this was a period that included some years with fairly low net migration (see figure below). It would therefore be arguable that using these short-term trends might show a suppressed level of migration, population growth and housing need.



It is not clear whether longer-term trends

are more likely to be representative of what will happen over the plan period as this will depend on many factors, including housing delivery (which may stimulate additional migration) but also economic factors, such as if people move to (or from) an area for work.

The data above also shows that net migration in recent years has been relatively strong – particularly in comparison with the 2008-14 period and this may in part be due to increased housing provision in the recent past. On that basis it may

now be less relevant to consider these longer-term trends as they themselves may not reflect what might happen.

Overall, the migration data and the trend period studied should be considered as helping to provide a reasonable range of what might happen – this will include consideration of both short- and long-term trends. The latest (2018-based) population and household projections are interesting in that they now show a lower need from long-term projections, whereas the HEDNA showed the opposite pattern. The data and projections can clearly change over time and so it is important to study the data and test a range of suitable scenarios, none can however be considered as definitive.

Q6. What is the justification for considering alternative rates of household formation for the 25-34 age group? What impact does this have on the demographic-led need for housing in Hambleton?

Council's response

Data from Hambleton (as nationally) – see Figure 2 (page 27) of the HEDNA – suggests that the formation of households from the 25-34 population has been declining over time and that this is likely to be (at least in part) due to the suppression of formation from this group (e.g. due to difficulties getting mortgage finance). At a national (and likely local) level this has led to an increase in sharing households (HMOs) and also people living with parents/relatives for longer. The method used in the HEDNA therefore seeks to test the level of provision likely to be needed to return the formation levels of this group back to historic figures; it is assumed in 2001 that the market was more 'normal' for this group with fewer constraints than there are currently. Such an approach is fairly standard for assessments of this nature and for Hambleton increases the assessed level of need by around 5%-7% depending on the scenario being studied.

Future Jobs

Q7. What is the justification for making adjustments to the demographic projections to account for potential future job growth? What would be the consequences of not planning for future increases in jobs?

Council's response

As set out in response to the *Inspectors' Initial Questions*, the additional 78 jobs per year (above the baseline forecast by Cambridge Econometrics) are as a result of adjustments to the baseline forecasts based on discussions with North Yorkshire County Council, Economic Development Officers, other local stakeholders and to account for local and regional policies. In particular, the York and North Yorkshire Local Enterprise Partnership ('LEP') seeks to grow employment in agri-tech, engineering, construction, the visitor economy and the bio-economy sectors. The baseline forecasts showed a considerable divergence from the recent past in Hambleton which is driven by its local sector strengths.

The demographic projections reflect the fact that if the economy performs as expected in terms of the additional 78 jobs per year, then a higher number of

working age persons will need to be provided either through growth in Hambleton or other nearby areas where workers commute in from. Paragraphs 5.68 – 5.88 in the HEDNA set out how the higher employment requirement determines a demographic and housing adjustment to ensure sufficient workforce.

If the Local Plan does not plan for future increases in jobs then typically one of two scenarios occurs, neither of which are considered desirable. Either business seeks to grow but cannot recruit staff and fail to achieve the level of potential growth – which may lead to them relocating to other areas with greater labour supply. Alternatively, job requirements are filled by those in areas outside of Hambleton (particularly if other areas experience weaker economic development or job growth) which leads to a higher rate of in-commuting.

In response to the *Inspectors' Initial Questions*, the Council states that the additional 78 jobs per year (above the baseline forecast by Cambridge Econometrics) were as a result of adjustments to the forecasts based on discussions with North Yorkshire County Council, Economic Development Officers, other local stakeholders and to account for local and regional policies. In particular, the York and North Yorkshire Local Enterprise Partnership ('LEP') seeks to grow employment in agri-tech, engineering, construction, the visitor economy and the bio-economy sectors.

- Q8. What specific programmes or policy interventions can the Council point to which justifies the expected increase in employment in these sectors across the plan period? Can the Council point to any evidence which suggests that additional jobs have been created, over and above baseline forecasts, since the HEDNA was produced as a result of such policies or projects?**

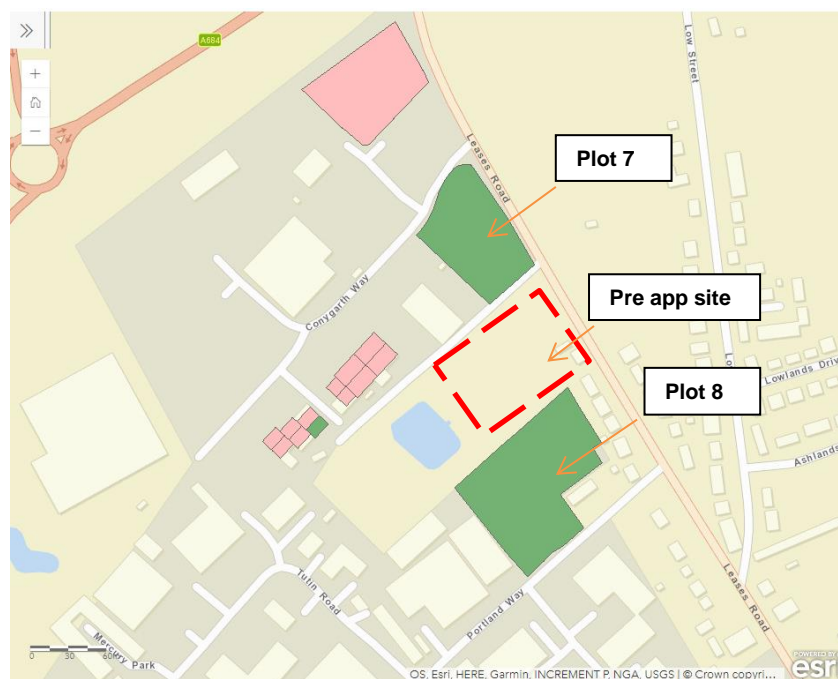
Council's response

Analysis of past employment growth in Hambleton in the HEDNA (Core Doc Ref SD08) demonstrated that the economy has continued, including the recent past, to perform well and considerably above the baseline forecasts provided by Oxford Economics and Cambridge Econometrics. Detailed examination of the potential growth sectors was undertaken and key local stakeholders contributed to the analysis of the future performance of the economy.

Leeming Bar Industrial Estate:

According to the Business and Economy department for the Council, the Council own 35 industrial units and all of these are occupied, the Council also have a waiting lists if a unit becomes vacant. In terms of food units 11 out of our 12 food units are occupied. At the business centres, the levels of occupation are as good as they have ever been. In terms of the land enquiries, the Council have a 2 acre plot of land at Leeming Bar Industrial Estate (plot 8 as shown on the map) to sell by informal tender towards the end of October due to the level of interest for this site. Land to the north in green plot 7 has already been sold, and the site in between the two sites has been sold with pre application advice given to develop the site. Enquires for land have been buoyant in particular in the Leeming area and the Council are aware of businesses that require land for future growth.

Below is a map of Leeming Bar Industrial Estate



Having consulted the Councils Business and Economy Department in relation to the MIQs they have provided additional comments which support the Council's employment position. In terms of the Northallerton Treadmills (former prison site) one of the business includes the development of the digital hub. Two of the buildings, the former main cell block and female wing, will house Centre for Digital Innovation (C4DI) Northallerton. Occupying a total of 7,000 sqft of space, C4DI Northallerton will have a key focus on agri-tech the use of technology in agriculture, horticulture and food processing. To help these sectors to develop and grow and build an ecosystem of tech companies with supply chain. It is thought that this will bring a cluster of digital businesses together which will work with local industry to help improve productivity. A steering group has been established and is already working with local firms on innovations for the industry. The Treadmills project is being strongly supported by the York & North Yorkshire Local Enterprise Partnership, which has secured £1.8m from the Government's Local Growth Fund for the redevelopment and fit-out of the buildings that will be occupied by C4DI and other office users.

Infrastructure improvements have been made at a number of key employment locations.

At Dalton Industrial Estate a recently completed road and bridge improvement scheme has enabled existing companies on the estate to expand and create capacity to attract new businesses to this location. Local firms have directly reported the expected benefits of the enhancement.

Investment has been delivered at Leeming Bar with the bypass transport improvement provided a link from A684 north of Bedale to the A684 east of Leeming Bar and linked in the recently upgraded A1(M). The Bedale, Aiskew and Leeming Bar relief road was completed in 2017. Detailed work has been undertaken with local businesses and development parties to confirm interest in the expansion of the Leeming Bar manufacturing cluster.

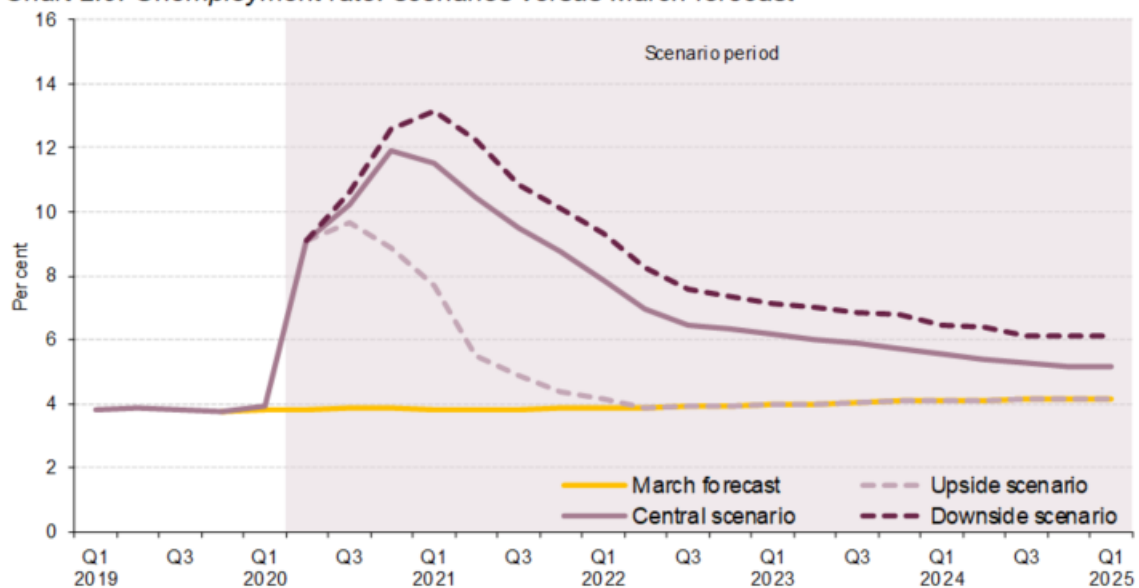
Q9. What impact is the Coronavirus ('COVID-19') pandemic likely to have on the forecasts in the HEDNA? Are sectors such as agri-tech, engineering, construction, the visitor economy and the bio-economy expected to see continued growth going forward?

Council's response

It is very early to determine the long term impacts of COVID-19 and caution should be used in considering the implications.

The Office for Budget Responsibility central scenario expects a rapid 2 year employment recovery for the majority of sectors as below however there may be some longer term labour market scarring.

OBR July 2020 Fiscal sustainability report: Charts & Tables
Chart 2.9: Unemployment rate: scenarios versus March forecast



Source: ONS, OBR

The latest ONS report 'Coronavirus and the impact on output in the UK economy: July 2020' reports that monthly GDP has recovered just over half of the decline in output from February 2020, measured from its lowest point during April 2020.

In terms of sectors, services saw widespread improvement in July 2020, with over half of the growth coming from industries where continued easing of lockdown restrictions had a significant impact, namely education, motor trades, pubs and restaurants, personal services, and hotels and accommodation. Manufacturing and construction saw widespread improvement during July 2020, with motor vehicle manufacturing and house building showing the strongest growth. Air transport remains the hardest hit sector followed by accommodation, food and beverage services and creative arts /entertainment. Retail, warehousing, motor trades and postal activities are all above their February 2020 level.

For the Hambleton district the majority key sectors are *agri-tech, engineering, construction, the visitor economy and the bio-economy*. It is considered that agri-tech sector will be key to delivering the food security and aid in the delivery of future growth. Construction should see a return to growth in the near term, this also applies for manufacturing (for Hambleton's sectors such as food and drink) and engineering should return to trend or near trend. The Government has

already moved to stimulate recover by introducing the Getting Building Funding, the funding equates to approximately £900m across the UK of which £15m was allocated to the LEP area. After a brief shutdown to adapt working practices, most construction projects have continued with little impact. In relation to the visitor economy it is considered that this is likely to remain constrained in the short /medium term given on going social distancing measures. The visitor economy was slow to begin with however now the District are seeing unprecedented levels of demand with greater numbers of people holidaying in the UK. The Council has employed a new Tourism Officer to ensure our visitor economy can respond from the lockdown impacts rapidly.

The bio-economy industry, now encompassed in the LEP's wider circular economy strategy, is focused on improved resource usage, obtaining value from waste products or eliminating waste streams altogether by finding new uses for them. In an era of increasing climate and environmental concern there is no reason to expect this sector will see a long term downturn.

Q10. In response to the *Inspectors Initial Questions* the Council recognises that commuting patterns are likely to change in the future. This would result in either drawing the labour force from other neighbouring areas, or, retaining a greater level of the resident workforce. What implications would this have on the need for additional housing?

Council's response

The implications for the need for housing linked to changing commuting patterns would depend in which direction the patterns change. If there is an increased level of net in-commuting then the need for housing would go down (as more local workers are living outside the District) and vice versa if net out-commuting increased.

Para 5.72 of the HEDNA shows a commuting ratio of 0.93 which means that there is a small level of net in-commuting to the District. Table 6 of the SHMA Update (September 2016) shows how the estimated number of jobs is translated into the required growth in the resident labour supply; this shows for 178 jobs per annum there would need to be an increase in the labour supply (economically active population) by 157 per annum – this figure takes account of both commuting and double jobbing (i.e. taking account of people with more than one job). For the full 2014-35 period, the analysis shows a need for labour-supply to increase by 3,299 people.

If instead of using the 2011 Census commuting patterns it is assumed that there is a 1:1 ratio between jobs and the resident labour supply then the 3,299 figure would increase to 3,559 (still including an allowance for double jobbing) – i.e. 260 additional residents in the labour force. Using the projections developed for the HEDNA it is estimated that there is a need for around 0.68 additional homes for every increase in the labour supply and therefore using an assumption of 1:1 commuting rather than the Census commuting ratio would increase the need by around 177 homes, (2014-15) or 8 per annum. This is considered to be a fairly modest change to housing need given the changes made to assumptions about commuting (which should be treated as illustrative).

On this basis, it is considered that there would need to be fundamental changes to commuting patterns for there to be any meaningful change to the housing need

estimates. There is no strong evidence in Hambleton that there have been any such changes – nor that such changes are likely in the future.

Overall, the expected increase in jobs needs an increase in new housing and that is calculated to be accommodated in the allocations that are included in the Local Plan.

Conclusion

The PPG advises that “Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”¹⁶

Q11. Is the alternative approach to calculating local housing needs in Hambleton justified and consistent with national planning policy and guidance?

Council’s response

Yes, the approach to assessing housing need in Hambleton is consistent with that set out in the relevant Planning Practice Guidance; taking account of demographic and economic trends/projections (and market signals). It does point to a higher need figure than is generated by the Standard Method and it exceeds the starting point (Standard Method – 196 dwellings per annum) by some margin.

¹⁶ Paragraph: 015 Reference ID: 2a-015-20190220

Q12. Is the figure of at least 6,615 new homes over the plan period as set out in Policy S2 (or 315 dwellings per year) sound? If not, what should the housing requirement be for the plan period?

Council’s response

Yes, the council considers the figure of at least 6,615 new homes over the plan period as set out in Policy S2 (or 315 dwellings per year) to be sound. Should the Inspectors accept the proposed change put forward in the council’s response to the Inspectors’ Initial Questions (L001a) relating to the plan period being extended to 2036 then a change would be required to policy S2 to increase the new homes figure to 6,930.

Q13. What is the justification for suggested modifications M5 and M9? Are they necessary for soundness?

Council’s response

Proposed modification M5 is not considered necessary for soundness. The council had considered it to be a reasonable change so included it in the submitted schedule. Proposed modification M9 is not considered necessary for soundness, but is useful for clarity.

Issue 2 – Employment Needs – Policy S2

Methodology for Assessing Employment Need

On 21 July 2020, the Government published The Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020. The changes came into force on 1 September 2020.

Q1. In summary, parts of use classes A, B and D no longer exist, and have been replaced by a new class E (commercial, business and service). What implications, if any, does this change have on the evidence base supporting the Local Plan and the way in which employment needs have been calculated?

Council's response

Notwithstanding the changes to the use class order, the job growth forecasts and actual businesses requiring employment premises in the future as considered in the 2018 HEDNA remain. The evidence base modelling starts with a jobs forecast and determines premise and use class needs thereafter. As a result it is not considered necessary for the Local Plan evidence to be adjusted to reflect the class E premises at this time given the robust assessment of overall business floorspace and land area.

One area of differentiation that will have a future influence is the B1c/B2 to E/B2 split given that the HEDNA evidence conflates these uses to allow flexibility for business choice. Further analysis of past completions trends indicate that around 25% of industrial premises are B1c and 75% B2. Thus in quantitative terms the needs of B1abc would be replaced by E, derived from $B1ab + (B1c/2 \times 0.25)$. Table 65 in the HEDNA would read:

- Class E: 14.4ha (exc former A1-3)
- Class B2: 16.4

In response to the *Inspectors Initial Questions*, the Council stated that analysing past trends are a better guide to calculating future employment needs than labour demand forecasts. This is particularly the case for uses which previously fell within Class B1c, and within Class B2, which have “continually seen space delivered across the district”.

Q2. Does the evidence demonstrate a positive trend in the delivery of floorspace for uses previously defined as Class B1c, and for Class B2?

Council's response

Tables 60 and 61 of the HEDNA set out the past completions trends for Hambleton between 2008/09 and 2016/17. These show positive delivery trends for B1c B2 floorspace with an annual average of 4,400 sqm delivered.

Q3. What evidence is there to suggest that past trends in these sectors will continue?

Council's response

The commercial market data gathered in chapter 9 of the HEDNA reports good levels of occupancy and very low levels of industrial availability, an indication that new floorspace needs to be brought to the market to meet demand. Furthermore, sectors occupying industrial floorspace most notably manufacturing, are expected to grow in Hambleton, taking into account past and recent past performance. There are a number of successful manufacturing (food and drink in particular) clusters at Leeming Bar and Dalton Industrial Estate which have continued to and are expected to expand in the future. Detailed consultation has been undertaken with businesses and commercial parties to confirm the potential expansion of employment land at Leeming Bar. Similarly, positive feedback by local commercial entities indicates the potential at Dalton Airfield and Sowerby Gateway, the latter seeing first phase implementation.

Q4. What is the justification for suggested modification M104? Is this necessary for soundness?

Council's response

M104 was proposed following discussion with GL Hearn, who produced the HEDNA, in the lead up to submission of the plan in March 2020. The current text is not accurate and is potentially confusing and should therefore be changed.

For Class B8 uses (storage and distribution), Table 65 in the HEDNA illustrates that 33.5 hectares of land would be required over the plan period. This is based on a 'Lower Completions Trend'. If open storage uses at Dalton are taken into account, the HEDNA recommends that 81.4 hectares is the 'absolute maximum' amount of development land that is required. In response to the *Inspectors Initial Questions*, the Council stated that "*it is reasonable to suggest that further large areas will be needed for indoor or outdoor storage of this kind*".

Q5. What evidence is there to support this assumption that further large areas of land will be required for storage? What is this based on?

Council's response

Development at Dalton Airfield Industrial Estate over recent years has seen a significant area of land being used for B8 uses. The council's business and economy team are aware of several businesses that wish to expand at Dalton. The HEDNA indicates that around 134,100 sqm or 33.5 ha of additional land for B8 uses should be planned for. Whilst this is a considerable area, it is significantly less than the amount of land for B8 permitted in the past. Table 62 of the HEDNA indicates that the historic rate of B8 completions, when projected forwards, would be around double the recommended future requirement.

Hambleton has a number of specific businesses that require large areas of storage and which are located in sustainable locations which can facilitate expansion, which the businesses have indicated is likely. This includes Severfield Steel and Cleveland Steel at Dalton Industrial Estate, consultation was undertaken with these businesses as part of the HEDNA production.

Allocation DAI 1 in the Local Plan reflects an extension to Dalton Industrial Estate adjacent to the large storage type businesses which can facilitate their expansion. Furthermore it would be reasonable to expect that other employment locations would see a take up in storage and distribution type employment premises. This reflects the strategic road network accessibility of the A1.

- Q6. Is the expectation that additional storage land will be required at Dalton Airfield as a result of existing business expansion, or, will similar large areas of storage land be required elsewhere?**

Council's response

The expectation is that the main requirement will be for expansion of existing businesses at Dalton Airfield Industrial Estate. Land at Leeming Bar is expected to be in part for expansion of existing local businesses but also for new businesses to locate there. This is expected to be mostly in the food production sectors, but is expected to include some related storage use. This is a sustainable location given the brownfield nature of the site and the existing business types as well as the recent infrastructure improvements. Leeming Bar is also likely to absorb distribution and storage activities under the B8 use class including for example warehousing distribution accessing the A1.

- Q7. Do the allocations and policies in the Local Plan reflect the assumptions that further large areas of land will be required? For example, do the size, type and location of the allocations reflect the expected need for storage and distribution uses?**

Council's response

Yes, the size, type and location of the allocations reflect the expected need for storage and distribution uses. As above the allocation DAI1 in particular is designed to facilitate the need for (open) storage and distribution uses. Local commercial entities and businesses have confirmed, as established and recommended in the HEDNA and ELR that large areas of development at Dalton Airfield can support economic growth of this type. Recent access infrastructure improvements further this potential. These are business types that require large flat areas as provided at Dalton.

Leeming Bar can also facilitate distribution type uses although the expectation is that the site will be more orientated to the expansion of the existing successful food cluster located there. Given road network access some warehousing and distribution businesses (rather than open storage) could reasonably be expected to locate there.

Meeting Employment Needs

In response to the *Inspectors' Initial Questions*, the Council stated that the safeguarding of roughly 10 hectares of land at Leeming Bar is justified for a number of reasons. This includes creating a single employment site bounded by existing highways infrastructure, providing certainty that will enable a comprehensive approach to the development of the site and enabling the site to be phased from

west to east. The Council also stated that the safeguarded area of land is expected to come forward beyond the plan period.

Taking into account the safeguarded area at Leeming Bar, the Plan would identify land in excess of the 'absolute maximum' need of 81.4 hectares in the HEDNA.

Q8. What is the justification for the total amount of land allocated for employment in the Local Plan?

Council's response

The HEDNA reflects a PPG compliant approach to assessing the future land needs reporting around 220,000sqm or 64 ha of additional land for employment uses should be planned for. The Local Plan allocates for around 220,000 sqm of employment or 77.6 ha (para 4.2 publication draft). The Local Plan principally relies on the HEDNA's assessment whilst taking into account the available sites and natural site perimeters.

The Local Plan includes a mix of large strategic allocations at Leeming Bar, Dalton and Sowerby which in particular reflect major investment locations that align with infrastructure investment and known business clusters or anticipated development (at Sowerby Gateway which has permission). Smaller allocations support Easingwold, Stokesley and Northallerton's existing employment areas for expansion.

The HEDNA's justification for the land requirement largely relies on the historic rate of completed development for industrial and storage / distribution premises being projected forwards. This is considered justified as the businesses and employment sectors at the local level have historically performed well and based on local engagement are anticipated to do so in the future. Figure 25 (p120) of the HEDNA usefully tracks the historic performance of the district economy in manufacturing terms against the total industrial floorspace (VOA records). This shows a strong historic correlation which is then projected forwards. Compared with the jobs based modelled growth for floorspace, the trend based clearly better represents the District's needs.

As covered in question 8 'future jobs' The Council own 35 industrial units and all of these are occupied, the Council also have a waiting lists if a unit becomes vacant. In terms of food units 11 out of our 12 food units are occupied. At the business centres, the levels of occupation are as good as they have ever been. Enquires for land have been buoyant in particular in the Leeming area and the Council are aware of businesses that require land for future growth.