# Contents

1.0 **Introduction** .................................................. 2
   Scope of Study .................................................................. 2
   Structure of Report ...................................................... 3

2.0 **Economic Context** ................................................. 4
   Geography and Connections ........................................... 4
   Functional Economic Area .............................................. 5
   The Demography of Hull ............................................... 7
   The Economy of Hull .................................................... 8
   SWOT Analysis ........................................................... 16

3.0 **Overview of Employment Space** ............................ 17
   Main Employment Areas ................................................ 17
   Enterprise Zone Sites .................................................... 17
   Current Stock of Employment Space .............................. 18
   Emerging Supply of Employment Space ....................... 23
   Employment Space in Adjoining Areas ......................... 24

4.0 **Future Requirements for B Class Employment Space** ....... 30
   a. Job Growth Estimates ............................................. 30
   b. Future Labour Supply (SHMA Central Scenario) .......... 35
   c. Past Development Rates .......................................... 40
   Net Employment Space Requirements .......................... 42
   Safety Margin ........................................................... 43
   Convert to Gross Floorspace Requirements .................... 44
   Estimated Land Requirement ....................................... 45
   Sensitivity Tests ........................................................ 48
   Conclusions .............................................................. 50

5.0 **Potential Growth Sectors and Future Land Needs (Spatial Implications)** 53
   REIU Forecasts ........................................................ 53
   Economic Strategy Aims and Objectives .......................... 54

6.0 **Commercial Property Market** ............................... 60
   Overview .................................................................... 60
   Office Market ........................................................... 60
   Industrial Market ....................................................... 64
   Views of Local Businesses .......................................... 71

7.0 **Qualitative Review of Existing Employment Sites** .......... 73
   Overview of Sites ....................................................... 74
   Western Corridor ...................................................... 75
Eastern Corridor.................................................................79
Port Area (as defined in the saved Local Plan - 2000).........................................................83
Heartlands and Clough Road.........................................................................................84
Allocated or committed in saved Local Plan (2000).........................................................84
Sutton Fields.............................................................................................................89
National Avenue......................................................................................................91
City Centre..................................................................................................................91
Kingswood .................................................................................................................95

8.0 Demand-Supply Balance

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential for Release of Sites</td>
<td>99</td>
</tr>
<tr>
<td>Expansion Land</td>
<td>106</td>
</tr>
<tr>
<td>Ensuring a Balanced and Diverse Portfolio</td>
<td>107</td>
</tr>
<tr>
<td>Spatial Distribution of Future Land Portfolio</td>
<td>116</td>
</tr>
</tbody>
</table>

9.0 Facilitating Delivery through the Planning Process

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conclusions</td>
<td>122</td>
</tr>
</tbody>
</table>

10.0 Conclusions

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conclusions</td>
<td>122</td>
</tr>
</tbody>
</table>

Figures

<table>
<thead>
<tr>
<th>Figure</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Context Plan</td>
<td>5</td>
</tr>
<tr>
<td>2.2</td>
<td>Humber LEP Area</td>
<td>5</td>
</tr>
<tr>
<td>2.3</td>
<td>Travel-to-Work Areas</td>
<td>6</td>
</tr>
<tr>
<td>2.4</td>
<td>Travel to Work Patterns</td>
<td>8</td>
</tr>
<tr>
<td>2.5</td>
<td>Main Economic Sectors by Share of Employees (2011)</td>
<td>8</td>
</tr>
<tr>
<td>2.6</td>
<td>Distribution of Employment</td>
<td>9</td>
</tr>
<tr>
<td>2.7</td>
<td>Employment Change in Hull by Sector (2001-2011)</td>
<td>10</td>
</tr>
<tr>
<td>2.8</td>
<td>Employment and GVA Growth in Hull (2001-2011)</td>
<td>11</td>
</tr>
<tr>
<td>2.9</td>
<td>Business Formation Rates (1997-2007)</td>
<td>12</td>
</tr>
<tr>
<td>2.10</td>
<td>Annual Population Survey / NLP Analysis</td>
<td>13</td>
</tr>
<tr>
<td>2.11</td>
<td>Deprivation</td>
<td>14</td>
</tr>
<tr>
<td>3.1</td>
<td>Distribution of Commercial Floorspace in Hull (sq.m)</td>
<td>19</td>
</tr>
<tr>
<td>3.2</td>
<td>Commercial Floorspace (sq.m) in Hull and Adjacent LPAs</td>
<td>19</td>
</tr>
<tr>
<td>4.1</td>
<td>Gross Land Requirement by Scenario</td>
<td>46</td>
</tr>
<tr>
<td>4.2</td>
<td>Annual B Class Job Growth Implied by Scenarios</td>
<td>48</td>
</tr>
<tr>
<td>6.1</td>
<td>Key Industrial Locations</td>
<td>66</td>
</tr>
<tr>
<td>6.2</td>
<td>Key Industrial Locations</td>
<td>68</td>
</tr>
<tr>
<td>8.2</td>
<td>Available Land at Kingswood</td>
<td>114</td>
</tr>
<tr>
<td>8.3</td>
<td>Employment Land by Spatial Area</td>
<td>117</td>
</tr>
</tbody>
</table>
Tables

Table 2.1 Average GVA per Worker ................................................................. 11
Table 2.2 SWOT Analysis of Hull .................................................................. 16
Table 3.1 Industrial Vacancy Rates ................................................................. 20
Table 3.2 Office Vacancy Rates ...................................................................... 21
Table 3.3 Development Activity in Hull (1999-2013) ..................................... 21
Table 3.4 Take-up of Employment Land by Spatial Area (1999-2013) .......... 22
Table 3.5 Take-Up of Employment Land by Site Size (1999-2013) ............... 23
Table 3.6 Demand-Supply Balance in North Lincolnshire, by Sub-Area ....... 27
Table 4.1 REIU Baseline Forecast Employment Change in Hull .................. 31
Table 4.2 REIU Baseline Employment Space Requirements in Hull ............ 32
Table 4.3 REIU Policy-On Forecast Employment Change in Hull ................. 34
Table 4.4 REIU Policy-On Employment Space Requirements in Hull ......... 34
Table 4.5 Labour Supply Scenario - Adjustment Factors ............................. 36
Table 4.6 Labour Supply Scenario Forecast Employment Change ............... 37
Table 4.7 Labour Supply Scenario Employment Space Requirements in Hull.. 38
Table 4.8 Labour Supply Scenario Forecast Employment Change ............... 39
Table 4.9 Labour Supply Scenario Employment Space Requirements in Hull.. 39
Table 4.10 Annual Gross Completion Rates in Hull (1999-2013) ................. 41
Table 4.11 Annual Net Completion Rates in Hull (1999-2013) ................. 41
Table 4.12 B Class Take-Up Forecast (2013-2030) Baseline Scenario ........ 42
Table 4.13 Net Floorspace Requirement (in sq metres) to 2030 for Different Growth Scenarios ................................................................. 43
Table 4.14 Safety Margin Allowances .............................................................. 44
Table 4.15 Gross Floorspace Requirement (in sq metres) to 2030 for Different Growth Scenarios ................................................................. 45
Table 4.16 Gross Land Requirement by Scenario (to 2030) ......................... 46
Table 5.1 Projected Sector Growth (2013-2031) ............................................ 54
Table 6.1 Office Rents and Values in Hull ....................................................... 63
Table 6.2 Office Rents and Values in Humberside ....................................... 63
Table 6.3 Annual Office Take-Up in Hull ....................................................... 64
Table 6.4 Industrial Rents and Values in Hull ................................................. 69
Table 6.5 Industrial Rents and Values in Humberside ................................... 69
Table 6.6 Industrial Take-Up Rates in Hull .................................................. 70
Table 7.1 Overview of Sites ............................................................................ 74
Table 8.1 Site Constraints ............................................................................. 99
Table 8.2 Sites for potential removal from the portfolio ................................ 100
Table 8.3 Sites Held for Expansion ................................................................. 106
Table 8.4 EZ Sites (Excluding Alexandra Dock) ............................................ 107
Table 8.5 General Employment Sites (>2ha) ................................................. 111
Table 8.6 General Employment Sites (<2ha) ................................................ 113
Table 8.7 City Centre Sites .......................................................................... 116
Table 10.1 Gross Employment Land Requirements (to 2030) .................... 125
1.0 Introduction

1.1 Hull City Council (HCC) commissioned Nathaniel Lichfield & Partners (NLP) and PPH Commercial (PPH) to prepare an Employment Land Review (ELR) for the City. The study seeks to identify the quantitative and qualitative needs for land and floorspace over the period to 2030 whilst also assessing the current supply of land in the City from both a qualitative and quantitative perspective.

Scope of Study

1.2 The focus of this report is on the employment space needs for the group of B Class sectors outlined below:

- **B1 Business** (offices, research & development, light industry);
- **B2 General Industrial**; and
- **B8 Storage or Distribution** (wholesale warehouses, distribution centres).

1.3 Demand for B Class employment land and floorspace is considered in this report and references to ‘employment space’ are intended to mean both these elements. References to ‘industrial space’ within the report relate to both manufacturing and distribution uses.

1.4 Whilst the National Planning Policy Framework (NPPF) defines economic development as including a wider range of non-B Class uses (including retail, leisure and community uses) an assessment of these uses is beyond the scope of this study.

1.5 The purpose of this study is to provide evidence to support the development of Hull City Council’s Local Plan. It is not a policy or strategy document per se, but instead provides an evidence base input to specific planning or economic development policies being developed by the Council. An important consideration for any work of this type is that it is inevitably a point-in-time assessment that cannot entirely reflect very recent changes in circumstances. This study has, however, drawn upon the latest data and other evidence available at the time of preparation. The accuracy and sources of data derived from third party sources have not been checked or verified by NLP or PPH.

1.6 The study has drawn upon consultation with Hull City Council Economic Development Officers, the Humber Local Enterprise Partnership (LEP) and the local business community. Commercial market insight has been provided by PPH – a local agency active within the Hull and wider Humber marketplace. In addition, the work has been undertaken within the context of development strategies and economic aspirations of the surrounding local authority areas of East Riding of Yorkshire, North Lincolnshire and North East Lincolnshire.
Structure of Report

1.7 The report is structured as follows:

- **Economic Context** (Section 2.0): a review of current economic conditions and recent trends in the City, as well as its economic strengths and weakness that may impact upon future needs for employment space;

- **Overview of Employment Space** (Section 3.0): analysis of the current stock and trends of employment space in the City in terms of mix and geographical distribution of uses, development rates (gains and losses) and provision in adjoining local authority areas;

- **Future Requirements for B Class Employment Space** (Section 4.0): estimates of future employment space requirements for B Class sectors in quantitative terms, drawing on a range of factors including historic take-up and projected change in employment and population;

- **Potential Growth Sectors and Future Land Needs** (Section 5.0): identifies those sectors with the potential to drive employment growth to 2030 and considers the typical land and premises requirements associated with each;

- **Commercial Property Market** (Section 6.0): a review of the local commercial property market, including the supply of and demand for different types of employment space within the City;

- **Qualitative Review of Existing Employment Sites** (Section 7.0): assessment of the quality of current and potential employment land supply against defined criteria including its attractiveness to the market;

- **Demand-Supply Balance** (Section 8.0): assesses the gap between current land supply and future needs, in both quantitative and qualitative terms, by comparing forecast requirements with the availability of existing sites;

- **Facilitating Delivery through the Planning Process** (Section 9.0): considers a range of planning-based mechanisms that can be applied to assist the delivery of sites; and

- Overall **conclusions** are presented in Section 10.0.
2.0 Economic Context

2.1 The section establishes the economic context for the study by reviewing recent economic conditions and trends within Hull, relative to regional and national performance. This is important in understanding the existing strengths and weaknesses of the local economy and those factors likely to influence the scale and nature of future demand for employment space.

2.2 Geography and Connections

Located in East Yorkshire, the City of Hull is located on the north side of the river Humber, surrounded by the predominately rural local authority of East Riding of Yorkshire Council (ERYC). On the south side of the Humber, opposite Hull, lies North Lincolnshire.

2.3 The total population of Hull is 256,400 (Census 2011). It is a densely populated local authority covering 71 square kilometres and has one of the most tightly drawn administrative boundaries in England. It has a dense urban core with suburban surroundings.

2.4 One of its most important assets is the Port of Hull, part of the Humber Ports Complex (one of the biggest port complexes in the country). The Humber Ports include; Hull, Goole, Immingham and Grimsby and is one of the leading foreign trading ports and the largest trading estuary in the UK, with a chemical and process sector worth £6bn a year and expertise in logistics.

2.5 The city is well connected to M62 to the west and is also connected through the following principal routes:

- The A1079 and A164 pass through Hull to Beverley and beyond to York;
- The A165 travels north towards Bridlington; and
- To the south the Humber Bridge crosses the river Humber and beyond on the A15 to North Lincolnshire.

2.6 In terms of rail access, trains from Hull provide links on an hourly basis, apart from those to London which operate more frequently, to:

- Leeds (1 hour journey) - where there are connections to the Cross Country rail network;
- York – located on the East Coast Mainline, providing regular services to Newcastle (2.5 hours) and Edinburgh (4 hours); and
- Manchester (2 hours).

2.7 The nearest airport is Humberside Airport, located to the south of the River Humber, whilst the airport does not operate flights to London, it does operate services to destinations across Europe, including the international hub of Schiphol airport in Amsterdam.
Hull is located within the Humber Local Economic Partnership (LEP) area. As shown in Figure 2.2, the Humber LEP covers the four local authority areas of Hull, East Riding, North Lincolnshire and North East Lincolnshire.
“natural economic geography of the areas they serve and hence to cover real functional economic and travel to work areas.” At the national level, therefore, the Functional Economic Area (FEA) within which Hull is located comprises of the Humber LEP area, as described above. Within this area, however, there are various local drivers of growth and linkages between some locations are clearly stronger than others.

An alternative, and commonly adopted, approach to defining an FEA is to consider travel to work data. It is generally accepted that an FEA can be defined as an area where at least 75% of the resident economically active population also work in the area, and of those working in the area at least 75% also live in the area. Travel-to-Work Areas defined and published by ONS in 2007 have been identified using this approach and can therefore be viewed as proxy FEAs.

The 2007 ONS analysis suggests that Hull forms part of a wider Travel-to-Work Area or FEA that includes parts of East Riding. As can be seen from Figure 2.3 below, the FEA (shown in green) is understood to extend:

- Beyond Beverley and Market Weighton to the north;
- Beyond Howden and Goole to the west; and
- To the coast to east.

Figure 2.3 Travel-to-Work Areas

Source: ONS Travel-to-Work Areas (2007)

For the purposes of Hull’s 2011 Local Economic Assessment, Hull City Council has assumed a more tightly defined FEA, which is based upon Travel-to-Work data published by ONS in 2001. The FEA identified by Hull City Council is understood to comprise of all wards in Hull and the following wards in East Riding:

- Beverly Rural;
- Cottingham North;
• Cottingham South;
• Dale;
• Hessle;
• Mid Holderness;
• Minister and Woodmansey;
• North Holderness;
• St Mary’s;
• South East Holderness;
• South Hunsley;
• South West Holderness;
• Tranby; and
• Willerby and Kirkella.

2.13 It is clear from the analysis presented above that a definitive FEA for Hull is difficult to confirm. It is apparent, however, that the Humber LEP area includes various drivers of local economic growth, including those which are closely related to the Hull City market.

2.14 For the purpose of this study, NLP and PPH have been commissioned by Hull City Council to examine the demand for and supply of employment land with respect to the Hull City Council administrative boundary.

The Demography of Hull

2.15 Hull’s population at the time of the Census 2011 was 256,400. Between 2001 and 2011 the population of Hull grew by 5.2%, slightly lower than population growth in Great Britain (7%). The 2010-based Subnational Population Projections forecast that by 2031 the population in Hull will grow by an additional 6.4% to 274,000.

2.16 An assessment of Census 2001 commuting data shows that 19% of Hull’s working residents were employed outside of the local authority area, a containment rate of 81%, representing a low level of out-commuting. In total 18,400 residents worked elsewhere, overwhelmingly in East Riding (13,450). Smaller flows to North Lincolnshire, York and Leeds were also observed.

2.17 At the same time approximately 39,600 workers commuted into Hull from elsewhere, with the influence of East Riding clear; 34,600 workers commuted into Hull from East Riding. Smaller inflows were observed from North Lincolnshire and North East Lincolnshire.

2.18 Drawing together the analysis, in 2001 Hull was a net importer of labour, with a net inflow of 21,200 workers.
The Economy of Hull

Employment

Data from the Business Register and Employment Survey (BRES) indicates that there were 112,700 employee jobs in Hull in 2011. In employment terms, the largest sectors in 2011 were: financial and business services (16%); manufacturing; (15%); health (15%); retail (12%); and education (10%). Within Hull manufacturing, health and retail all had a higher share of employment than the regional and national average, whilst financial and business services were under-represented (Figure 2.5).
2.20 Figure 2.6 highlights that the greatest concentrations of employment in 2011 could be observed in the city centre and spreading north into Sutton Fields. The map also highlights the existence of significant levels of activity to the east of the city centre (focused around Alexandra Dock) and to the west of the city centre in established industrial locations such as Witty Street and Freightliner Road.

Figure 2.6 Distribution of Employment

Source: BRES 2011/NLP Analysis

2.21 The number of employee jobs in the City has fallen over the past 10 years. In 2001 there were an estimated 118,000 jobs in Hull, which had reduced to 112,700 by 2011. This represents a contraction of 4.5%, a contrast to growth regionally and nationally of 2.6% and 2.8% respectively. Interestingly, analysing this employment change in more detail reveals that:

- Hull’s employment base remained generally static (-0.5%) between 2001 and 2008. At the national and regional level this pre-recession period was characterised by strong growth (4.7% and 5.6% respectively); and
- The impact of the recession has been particularly acute within Hull, with the City’s employment base contracting by 4.2% between 2008 and 2011. The reductions in employee jobs observed across Great Britain (1.6%) and Yorkshire and Humber (2.8%) were significantly lower.

2.22 Assessing the period 2001-2011 in its entirety, it can be seen that the fall in employment experienced in Hull was driven by a decline in: manufacturing (33%); wholesale (17%); and hotels and catering (10%). It can clearly be seen from Figure 2.7 that the performance of manufacturing at the local level was broadly in alignment with the regional average, whereas the local contractions experienced with respect to wholesale and hotels and catering were far greater than the corresponding figures at the regional level.

2.23 An analysis of the data in absolute terms reveals that by far the greatest decline in employment was observed with respect to manufacturing, with the City experiencing a loss of approximately 8,000 jobs in just 10 years.
2.24 It should be noted that the overall decline in employment does, however, conceal an increase in a number of sectors – most notably: transport and storage (16%); financial and business services (14%); health (10%); and public administration. Of those sectors listed above, only public administration experienced stronger growth within Hull than at the regional level.

**Productivity**

2.25 Productivity (measured by Gross Value Added (GVA) per worker) within Hull City’s labour force is lower than both the regional and national averages. This is likely to reflect the low representation of high value, knowledge intensive activity within the local economy and the high proportion of lower value activities such as retail. Indeed, average GVA generated by workers in Hull (£32,620) is significantly below the corresponding figure for the UK (£41,170) and Yorkshire & Humber (£34,990). Moreover, it can be seen that GVA per worker in Hull falls well below other key economic centres in Yorkshire, such as Leeds (£37,730) and York (£35,020) and many of the adjacent local authorities (with the exception of North East Lincolnshire).
Table 2.1 Average GVA per Worker

<table>
<thead>
<tr>
<th>Location</th>
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<tr>
<td>Kingston Upon Hull</td>
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</tr>
<tr>
<td>East Riding</td>
<td>£36,370</td>
</tr>
<tr>
<td>North Lincolnshire</td>
<td>£34,200</td>
</tr>
<tr>
<td>North East Lincolnshire</td>
<td>£31,770</td>
</tr>
<tr>
<td>Harrogate</td>
<td>£34,620</td>
</tr>
<tr>
<td>Leeds</td>
<td>£37,730</td>
</tr>
<tr>
<td>York</td>
<td>£35,020</td>
</tr>
<tr>
<td>Yorkshire &amp; Humber</td>
<td>£34,990</td>
</tr>
<tr>
<td>UK</td>
<td>£41,170</td>
</tr>
</tbody>
</table>

Source: Experian / NLP Analysis

2.26 Figure 2.8 provides a summary of employment and GVA growth in Hull City – by sector – over the period 2001-11. This reveals that in terms of employment growth transport/storage, financial and business services and to a lesser extent the health, public administration and construction sectors have made the most significant contributions to the local economy in recent years. Meanwhile, the highest GVA/output growth over the past decade has been observed in the sectors of: financial and business services; health; and (to a lesser extent) retail and culture/recreation.

Figure 2.8 Employment and GVA Growth in Hull (2001-2011)

Source: Experian / NLP Analysis

2.27 It can be seen that the majority of sectors recording simultaneous employment and GVA/output growth are service-based. Taken together with the significant
decline in manufacturing employment this could be interpreted as signalling a local shift towards a more service-oriented economy.

2.28 Notwithstanding the above, it should be noted that whilst employment in manufacturing has fallen significantly in recent years, the sector has performed well in terms of GVA/output growth. This would suggest that the sector remains strong, albeit with decreasing labour inputs – perhaps as a consequence of increased automation in production. Such developments would imply that it is perhaps a little simplistic to assume that a decline in manufacturing employment will manifest itself in a corresponding decline in demand for manufacturing space.

**Business Demography**

2.29 An assessment of the size of businesses in Hull shows that the City’s business base is dominated by smaller firms comprising of 0-9 employees (76%). Nevertheless this is lower than the regional (81%) and national (83%) figures. This is offset by a higher than average representation of businesses with 10-99 employees. Firms in this size banding account for 22% of Hull’s business base. This is higher than regional and national averages, 18% and 16% respectively.

2.30 Between 1997 and 2007 (the most recent data available from ONS) the number of VAT registered firms in Hull increased by 20%. This is slightly lower than the rate observed regionally (22%) and nationally (21%). Across this 10 year period, annual business formation rates for Hull are estimated at 17 per 10,000 population, compared to 25 for Yorkshire and Humber and 31 for Great Britain.

![Business Formation Rates (1997-2007)](image)

Source: BERR / ONS / NLP Analysis

2.31 Business starts ups have experienced a high period of growth since 2000/01, albeit from a low base. Business survival rates have also improved since 2001 with a greater number of VAT Registrations compared to de-registrations.
Labour Market

2.32 Claimant unemployment in Hull is high and has risen sharply as a consequence of the recession. Indeed claimant unemployment has increased from 4.5% in early 2008 to 8.8% in March 2013 (peaking at 9% in March 2012). The current figure exceeds both the Yorkshire and Humber (4.9%) and Great Britain (3.8%) averages.

2.33 The wider Annual Population Survey\(^1\) measure of unemployment also shows unemployment to be higher in Hull (16.1%) in comparison to Yorkshire and Humber (9.6%) and Great Britain (8%).

2.34 In November 2012 (most recent data available) there were 14 claimant unemployed workers for every unfilled job centre vacancy in Hull – more than twice the regional (5.0) number and over three times the national (3.9) averages. This indicates that the prospects of local residents finding work are poorer in the City than across Yorkshire and Humber (or Great Britain) as a whole.

2.35 Hull’s resident workforce has a below average skills base. Hull contains a lower proportion of graduate level workers (22.9%) than at the regional (29.7%) or national (33%) level and a significantly higher number of workers with no qualifications (16.2% compared to 11.5% and 9.7% respectively).

Figure 2.10 Annual Population Survey / NLP Analysis

![Annual Population Survey / NLP Analysis](source: Occupational Breakdown of Resident Population)

2.36 The occupational profile of Hull has some differences to the regional profile. Indeed, with a lower proportion of managerial and professional workers both Hull and Yorkshire and Humber differ from the Great Britain average. In comparison to the both regional and national profiles, Hull is characterised by a higher concentration of semi and lower skilled workers (including: skilled

\(^1\) This records all those who are currently unemployed, regardless of whether they are claiming JSA or not
trades; and elementary occupations) reflecting the economic structure of the area and the strength of the industries associated with the Port of Hull.

2.37 An analysis of the types of jobs currently being sought by claimant unemployed residents in the City reflect, in part, the occupational structure outlined above. Semi and lower skilled occupations are the most commonly sought by those residents looking for work; including: elementary occupations (32%); sales and customer service occupations (27%); process, plant and machine operatives (12%).

2.38 Resident wages in Hull (£21,788 per annum) are 82% of the national average and lower than the regional average (£24,190). However, workplace wages are higher (£23,150). This would support the analysis in the LEA which identified that 50% of workers commuting in from ERYC to Hull are knowledge workers who are likely to secure higher paid employment within Hull, but choose to live outside the City due to other quality of life factors.

### Deprivation

2.39 Analysis of IMD data (summarised in Fig 2.11) highlights that Hull is ranked the 10th most deprived local authority in England and Wales. It is also one of the top five authorities in terms of the proportion of Lower Super Output Areas (LSOAs) amongst the most deprived in England.

**Figure 2.11** Deprivation

![Deprivation Map](source.png)

Source: English Indices of Deprivation (2010)/NLP Analysis

### Inward Investment

2.40 It is understood that quantitative data on inward investment inquiries and activity within the City is not monitored by either Hull City Council or the Humber LEP. Nevertheless, discussions with the LEP and the Council's Economic Development and Regeneration Team have provided a useful
understanding of the area’s performance and positioning within the Humber sub-region.

2.41 Inward investment activity is primarily driven by industrial and distribution uses, with the latter focused on locations in and around the Port and the former distributed across a range of sites throughout the City. Looking to the future, the City is targeting inward investment related to the renewable energy sector. The proposed development by Siemens of a site in Alexandra Dock to manufacture wind turbines is considered by Council Officers to offer significant potential to deliver growth and new jobs in the sector.

2.42 As the sub-regional centre of the Hull and Humber sub-region, demand for office premises is stronger in Hull than the surrounding authorities. However, there is a perception that Hull is underperforming with respect to inward investment from office users. This reflects the fact that – with some exceptions – the City’s stock of office premises is generally poor quality. In particular, Hull has a shortage of:

- High specification, grade A offices; and
- Office premises on a large floorplate format.

2.43 Economic Development and Regeneration Officers advised that inward investment enquiries for offices tend to be less bespoke and more mobile and that investors are increasingly shortening the timeframes in which to make a decision. As a consequence, it was put to NLP that the shortage of suitable and available office accommodation (as outlined above) places the city at a considerable disadvantage in competing for inward investment with other cities.

Knowledge-based Industries

2.44 Knowledge-based industries are those sectors of the economy where value-added is derived from the intensity and accumulation of knowledge, often fostered through innovation and increasing use of technology. Firms within this sector tend to grow faster and have greater future potential than other sectors. As such, the relative representation of such firms is considered to be an important indicator of an economy’s competitiveness and future growth prospects.

2.45 It is estimated that 11.5% of all businesses in Hull are knowledge-based. This is only half that of the national figure of (21.8%) and lower than the regional figure of 16.9%. Within the regional context and national context Hull has a below average representation of businesses that are more likely to generate strong future growth.

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2 Based on definition adopted by the Organisation for Economic Co-operation and Development (OECD), includes high technology manufacturing such as pharmaceuticals, computers and aerospace and services such as telecommunications, financial intermediation, computing and research and development

3 UK Competitiveness Index (2010)
SWOT Analysis

2.46 Table 2.2 provides a summary of the analysis contained within the preceding paragraphs. In some instances, it also reflects the findings of the commercial market analysis undertaken by PPH (and discussed in the following sections).

2.47 The information is drawn together in order to identify the economic strengths and weaknesses of Hull, as well as the key potential opportunities and threats. Clearly, all of the factors summarised in the table offer the potential to influence the City’s ability to support the delivery of, and demand for, new employment space over the Plan period.

Table 2.2  SWOT Analysis of Hull

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Port of Hull – established distribution point in the north of England</td>
<td>Poor employment performance in recent years with a contraction in overall job numbers</td>
</tr>
<tr>
<td>Sub-regional capital and the focus for office demand within the Humber region</td>
<td>High levels of unemployment and low skills base</td>
</tr>
<tr>
<td>Key sub-regional centre of employment and significant net importer of labour</td>
<td>Low proportion of knowledge based businesses</td>
</tr>
<tr>
<td>Strong reputation in the manufacture of caravans and portable buildings</td>
<td>Low GVA per worker – possibly reflecting low proportion of knowledge-based activity</td>
</tr>
<tr>
<td>Lower living costs than other Yorkshire Cities such as Leeds, York and Sheffield</td>
<td>High levels of deprivation and poor quality housing stock</td>
</tr>
<tr>
<td>Well connected to M62</td>
<td>Poor perceptions of Hull as a place to live</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth potential in the renewable energy sector – linked to Siemens investment</td>
<td>Other locations competing to capture employment growth in the renewable energy sector</td>
</tr>
<tr>
<td>LEP focussed on promoting the Port of Hull as a renewable energy leader/centre</td>
<td>Significant EZ designations on the South Bank of the Humber offering fiscal and planning benefits to renewable energy investors</td>
</tr>
<tr>
<td>EZ designations should help to supplement Hull’s appeal re: renewable energy investment</td>
<td>Shortage of Grade A and speculatively built office space could constrain office-based growth</td>
</tr>
<tr>
<td>Possible scope to capture more growth in office-based sectors with the provision of the appropriate product</td>
<td>Potential for City of Culture 2017 to address negative perceptions</td>
</tr>
</tbody>
</table>

Source: NLP Analysis
3.0 Overview of Employment Space

3.1 This section provides a review of the current stock of employment space in Hull, and the adjoining local authorities, together with recent trends and changes to the supply of space.

3.2 The amount of employment land and the type and quality of existing floor space are considered across the principal employment uses, including offices (Use Class Order B1a), warehousing and distribution (B8) and manufacturing industry (B1c/B2).

3.3 The following data and sources were used to assess trends in the supply of employment space both within the City and the adjoining local authorities:

- PPH Monitoring Data
- Commercial floor space data from Valuation Office Agency
- Kingston upon Hull City Council Economic Development Team
- EGI Property Link Database
- Other commercial property sources

Main Employment Areas

3.4 The main existing economic activity and employment space within the City of Hull includes:

a Hull City Centre
b Priory Park East, Henry Boot Way, Hull
c Freightliner Road/Brighton Street/Witty Street - West Hull
d Hedon Road Industrial Area
e Sutton Fields Industrial Area
f Wincolmlee – the industrial heartland

3.5 Hull City Centre and Priory Park East are generally regarded as the two principal office locations within Hull.

3.6 In addition to the above, there are a number of other smaller industrial areas within the City including National Industrial Estate off Bontoft Avenue, Clough Road, Wiltshire Road and Citadel Way.

Enterprise Zone Sites

3.7 The Humber is home to the UK’s largest Enterprise Zone (EZ), comprising of almost 500ha of land across a range of sites located on both the north and south banks of the river. Eligible businesses occupying EZ sites will benefit from some or all of the following:
- Enhanced capital allowances on plant and machinery. Depending upon the size of the investment, up to £50m is available;
- 100% business rate discount worth up to £257,000 over a five year period; and
- Simplified planning approaches, through the use of measures such as Local Development Orders (LDOs).

3.8 The principal aim of the Humber EZ is to establish the area as an internationally important hub for the offshore wind energy sector. The sites will be targeted at Original Equipment Manufacturers (OEMs) from the offshore wind sector, as well as businesses in the supply chain. Four Enhanced Capital Allowance sites have been designated across the area, including two in Hull:
- Green Port, Hull (56ha);
- Queen Elizabeth Dock South, Hull (18ha);
- Paull, East Riding (80ha); and
- Able Marine Energy Park, North Lincolnshire (248ha).

3.9 In addition, the following sites within Hull have been designated as Discounted Business Rate Sites:
- Former Hedon Road Maternity Hospital;
- Burma Drive;
- Marfleet Environmental Technology Park;
- Elba Street;
- Valletta Street;
- Wyke Works; and
- Rix and Kingston International Business Park (referred to within the sites assessments as East of Somerden Road/Tower House Lane).

3.10 It should be noted that Discounted Business Rate sites have also been designated in East Riding, North Lincolnshire and North East Lincolnshire.

3.11 In addition to the above, land at Queen Elizabeth Dock North has been designated as an LDO site and, as a consequence is considered to form part of the City’s EZ portfolio. The site does not, however, benefit from enhanced capital allowances or discounted business rates.

**Current Stock of Employment Space**

3.12 A broad indication of the geographical distribution of the 2008 stock of employment space across the City is provided by Figure 3.1. This shows a clear concentration of office premises in and around the City Centre. Factory floorspace is generally clustered around the north bank of the Humber, spreading north into Sutton Fields. Warehousing floorspace is also focused around the north bank of the Humber, albeit with a stronger concentration to
the east of the City Centre – reflecting the scale of activity associated with the docks.

3.13 In 2012, Hull contained 2.8 million sq.m of B class floorspace. A breakdown of this space – by office and industrial uses – and a comparison with employment space levels in nearby authorities is presented in Figure 3.2.

3.14 This indicates that 88% of Hull’s employment space is industrial, with a much smaller level (12%) of office provision. The figure also shows that the City has a larger supply of industrial space overall than the nearby authorities, with 2.47 million sq.m – compared to 2.43 million sq.m in East Riding and
significantly lower levels in North East Lincolnshire (1.21million sq.m) and North Lincolnshire (1.92million sq.m).

3.15 Additionally, Hull contains more office space than all of the nearby authorities considered, in both absolute and proportionate terms. Indeed, Hull contains 347,000sq.m of office floorspace – significantly more than the figures for North East Lincolnshire (129,000sq.m) and North Lincolnshire (114,000sq.m) combined. East Riding, with the second largest office stock in the Humber area (albeit over a far larger geographical area) accounts for just 60% of Hull’s total. It is clear, therefore, that Hull serves as Humber’s principal office location.

3.16 Between 2000 and 2012, the stock of B class employment space in Hull increased by almost 180,000sq.m – a growth rate of 6.8%. The proportionate increase recorded in Hull was lower than those observed in the nearby authorities of East Riding (32.6%); North East Lincolnshire (8.1%); and North Lincolnshire (19.1%) over the same period. The increase in B class employment space in Hull was driven primarily by an uplift in industrial space of nearly 160,000sq.m, with the stock of office space growing by 20,000sq.m.

Vacancy Rates

3.17 Based upon analysis of commercial property being marketed in May 2013, PPH estimate that Hull has approximately 297,300sq.m of available industrial space. This represents a vacancy rate of 12.2% - higher than the rates for the neighbouring authorities derived by PPH using data from VOA. Quality industrial space in Hull is limited – as it is in other nearby settlements such as York, Bridlington, Lincoln and Scunthorpe – and the majority of vacant industrial space is understood to comprise of older premises.

<table>
<thead>
<tr>
<th>Industrial Vacancy Rate</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingston Upon Hull</td>
<td>12.2%</td>
</tr>
<tr>
<td>East Riding</td>
<td>4.1%</td>
</tr>
<tr>
<td>North East Lincolnshire</td>
<td>6.8%</td>
</tr>
<tr>
<td>North Lincolnshire</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

Source: PPH Commercial

3.18 With respect to offices, analysis undertaken by PPH in May 2013 indicates that Hull has in the order of 87,400sq.m of available floorspace. This equates to 25.2% of all stock in the City – significantly higher than the regional average and key regional office locations of Leeds and York.

3.19 PPH has advised that the majority of vacant office space in Hull is concentrated within older (c.1970s) or refurbished city centre buildings. This
overhang of old, outdated space is less apparent in locations such as Leeds and York, where office demand is stronger and the refurbishment of such space has proved more successful. Hull City Council’s Economic Development and Regeneration Team has advised that the lower office values achieved in Hull (compared to Leeds and York, for instance) often make it commercially unviable to redevelop property without a grant. This is considered by Hull City Council to be one of the key reasons for the scale of older office accommodation available within the city.

3.20 It can be seen from the table below that the proportion of vacant office space in Hull (25.2%) also exceeds the vacancy rates for the neighbouring authorities derived by PPH using data from VOA.

Table 3.2 Office Vacancy Rates

<table>
<thead>
<tr>
<th></th>
<th>Office Vacancy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kingston Upon Hull</td>
<td>25.2%</td>
</tr>
<tr>
<td>East Riding</td>
<td>16.0%</td>
</tr>
<tr>
<td>North East Lincolnshire</td>
<td>13.7%</td>
</tr>
<tr>
<td>North Lincolnshire</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

Source: PPH

Development Rates

3.21 Based upon data provided by Hull City Council, it is understood that 83.36ha (gross) of employment land was developed across the City over a 14 year period to 2013. This corresponds to an average take-up rate of 5.95ha per annum.

Table 3.3 Development Activity in Hull (1999-2013)

<table>
<thead>
<tr>
<th></th>
<th>B1</th>
<th>B2</th>
<th>B8</th>
<th>Mix</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Take-Up to 2013</td>
<td>5.43ha</td>
<td>24.53ha</td>
<td>22.20ha</td>
<td>31.20ha</td>
<td>83.36ha</td>
</tr>
<tr>
<td>Annual Average</td>
<td>0.39ha</td>
<td>1.75ha</td>
<td>1.59ha</td>
<td>2.23ha</td>
<td>5.95ha</td>
</tr>
</tbody>
</table>

Source: HCC / NLP Analysis

3.22 A significant proportion of development (37%) over the period is accounted for by development classified by Hull City Council as being for a mix of B1, B2 and B8 uses. It is, however, unclear whether such activity was genuinely for a mix of uses, or whether permissions have originally been sought for a range of B class uses, with Hull City Council’s monitoring data failing to record further detail regarding the precise nature of development once it has occurred. As such, it is difficult to draw any definitive conclusions from the data regarding the distribution by use class.
3.23 Notwithstanding the above, an analysis of the data presented in the table would appear to suggest that development activity in Hull has been driven by industrial – rather than office based – requirements. It can be seen that, on average, at least 3.34ha of land per annum has been developed for industrial (manufacturing and warehousing uses). In comparison take-up of land for office uses is understood to have averaged at least 0.39ha per annum over the 14 year period.

**Development Activity by Spatial Area**

3.24 The table below summarises the spatial distribution of recent take-up across the City. From this it can be seen that demand for land and premises has been strongest in North Hull, which accounted for almost 55% of all take-up. Within North Hull, Sutton Fields has experienced particularly strong levels of demand – accounting for 30% of all take-up City-wide). The Western Corridor has also proved to be a popular location in recent years, with more than 25% of all take-up in Hull focussed within this area.

Table 3.4 Take-up of Employment Land by Spatial Area (1999-2013)

<table>
<thead>
<tr>
<th>Spatial Area</th>
<th>Total Take-Up (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Centre</td>
<td>2.31</td>
</tr>
<tr>
<td>West of City Centre</td>
<td>0.35</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>2.66</td>
</tr>
<tr>
<td>North / Central Hull</td>
<td></td>
</tr>
<tr>
<td>Heartlands &amp; Clough Road</td>
<td>12.33</td>
</tr>
<tr>
<td>National Avenue</td>
<td>3.63</td>
</tr>
<tr>
<td>Sutton Fields</td>
<td>25.49</td>
</tr>
<tr>
<td>Kingswood</td>
<td>3.45</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>44.90</td>
</tr>
<tr>
<td>Eastern Corridor</td>
<td>13.10</td>
</tr>
<tr>
<td>Western Corridor</td>
<td>22.72</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>83.36</strong></td>
</tr>
</tbody>
</table>

Source: HCC / NLP Analysis

**Development Activity by Site Size**

3.25 The take-up data compiled by Hull City Council can also be disaggregated by size and this analysis is presented in the table overleaf. This shows that, over the 14 year period to 2013, the vast majority of schemes (89%) came forward on sites of less than 1ha.
At the other end of the spectrum it can be seen that relatively few developments requiring large parcels of land have come forward over the 14 year period. Indeed, the Hull City Council data (as replicated in the table) includes just five schemes that have occurred on sites of 3ha or more. It is noted, however, that 1 of the entries comprises of the development of five individual industrial/business units. As such, there were just four schemes (accounting for 15.53ha of land or almost 20% of take-up) that could only have occurred on sites of 3ha or more.

Geographically, demand for larger sites has historically been focused in Sutton Fields (two schemes totalling 8.18ha) and the Western Corridor (two schemes totalling 7.34ha).

<table>
<thead>
<tr>
<th>Site Size</th>
<th>No. of Sites</th>
<th>% of Sites</th>
<th>Area (ha)</th>
<th>Area (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;1ha</td>
<td>126</td>
<td>89.4%</td>
<td>45.72</td>
<td>54.8%</td>
</tr>
<tr>
<td>1ha - &lt;2ha</td>
<td>7</td>
<td>5.0%</td>
<td>10.49</td>
<td>12.6%</td>
</tr>
<tr>
<td>2ha - &lt;3ha</td>
<td>3</td>
<td>2.1%</td>
<td>8.19</td>
<td>9.8%</td>
</tr>
<tr>
<td>3ha+</td>
<td>5</td>
<td>3.5%</td>
<td>18.97</td>
<td>22.8%</td>
</tr>
<tr>
<td>Total</td>
<td>141</td>
<td>100%</td>
<td>83.36</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: HCC/NLP Analysis

Loss of Employment Space

Losses of employment space have been relatively high over the last 14 years (when considered in the context of take-up rates over the same period). Data provided by Hull City Council shows that 23.46ha of employment land was lost to non-B Class uses – an average of 1.67ha per annum.

Drawing this together with the gross take-up data considered above indicates that net take-up within Hull has averaged 4.28ha per annum over the 14 year period.

Emerging Supply of Employment Space

Having regard to data provided by Hull City Council it is understood that, as of May 2013, the City had a pipeline of sites with full or Reserved Matters planning permission for B Class development totalling some 31.23ha. This figure rises by a further 84.47ha once sites with outline planning permission are taken into account. The latter figure is dominated by proposals linked to the proposed Siemens investment at Alexandra Dock (46.7ha) and Kingswood Business Park (36.07ha).

In a typical property market, the gross increases outlined above would be offset to some extent by a pipeline of future losses of employment land to non-
B Class uses. No data regarding pipeline losses has been made available by Hull City Council. It is, however, considered that losses of employment land are likely to continue within Hull over the Plan period.

3.32 Discussions with Council officers have acknowledged that a number of sites in the City Centre and the surrounding area have (or are expected to) come forward as development opportunities and in a number of instances could include a range of non-employment uses including: retail; residential; and leisure. Furthermore, the site assessment work considered in subsequent chapters of this report identifies a number of employment sites where there is known to be interest for non-B Class development, including: Trinity Quays; East Side of Stoneferry Road; Former Yorkshire Water Site, Clough Road; and Rosedowns Ltd, Cannon Street.

### Employment Space in Adjoining Areas

3.33 It is also important to understand the extent of available employment land in the neighbouring local authorities, as well as any major new economic developments coming forward which might compete with Hull for future demand. A brief review of the current position in each of the neighbouring authorities is therefore provided below.

#### East Riding of Yorkshire Council

3.34 East Riding of Yorkshire is located on the north bank of the Humber. It bounds Hull to the north, east and west.

3.35 The East Riding of Yorkshire Council (ERYC) has published a number of employment related studies in recent years. The Council’s Demand Assessment Update (2011) represents the most up-to-date assessment of future land requirements. The study considers a range of forecasting approaches, including past take-up and job growth projections. However, it is understood that the final requirement recommended by the study has been identified having regard to the scale of extant permissions in the area – with an additional allowance to provide for choice and churn in the market.

3.36 On the basis of the approach outlined above, ERYC concludes that demand for general employment land is likely to be in the order of 235ha over the period to 2028, comprising of:

- 55ha of land for office uses;
- 65ha of land for industrial uses; and
- 115ha of land for warehousing and distribution uses.

3.37 In addition to the above, the Demand Assessment Update recommends allocating approximately 200ha of further land to meet the needs of renewable energy sector.

3.38 Data presented as part of the Demand Assessment Update indicates that the supply of employment land in East Riding significantly outstrips projected
demand at present. As of 2011, it was estimated that the area's supply amounted to in excess of 500ha. This was made up of:

- 482.54ha of undeveloped, allocated employment land; and
- 20.65ha of windfall sites with extant planning permission for employment development.

3.39 The following sites are identified as Key Employment Sites: Hedon Haven; Humber Bridgehead; Melton; and Capitol Park.

3.40 The Council’s Economic Development Strategy (2012-2016) highlights five sectors which are expected to grow over the period to 2016:

- Renewable Energy;
- Ports and Logistics;
- Manufacturing and Engineering (including Chemicals);
- Tourism; and
- Agriculture/Food and Drink.

North East Lincolnshire

3.41 North East Lincolnshire, which includes the settlements of Grimsby and Immingham, is situated on the south bank of the Humber.

3.42 Published in 2007, the Council’s ELR uses econometric modelling commissioned by Yorkshire Forward to estimate demand over the period 2004-16. The Yorkshire Forward employment projections indicate that, under a baseline scenario, North East Lincolnshire is likely to require:

- 1ha of land for office development to 2016; and
- 23ha of land for industrial and warehousing development to 2016.

3.43 The study identifies the following supply of sites within the Local Authority:

- C.300ha of estuary-related land;
- 14ha of operational port land;
- 142ha at the Strategic Exception Site, Europarc phase 4; and
- 140ha of ‘other employment land’ (including 30ha of remaining land at Europarc).

3.44 In assessing the demand-supply balance for industrial and warehousing land, the ELR strips out those sites not allocated for ‘general’ development. Removing the operational ports, Europarc 4 and the estuary sites leaves a committed supply of c.100ha for industrial and warehousing. The demand-supply balance (in relation to industrial and warehousing land) is then considered on the basis of two alternative supply scenarios:

- A best-case scenario: whereby all committed development sites come forward and only those sites recommended for release are lost to other uses; and
• A worst-case scenario: whereby only those development sites assessed as good quality and immediately available come forward and sites recommended for release or recommended by considered for release are lost to other uses.

3.45 The ELR suggests that North East Lincolnshire has an oversupply of 97ha of land for industrial and warehousing uses under the best-case supply scenario (on the basis of the baseline growth projections). This falls to an oversupply of 33ha under the worst-case scenario.

3.46 It is recognised within the ELR that the Borough has aspirations to deliver growth above the baseline employment forecast. A ‘plus’ employment scenario is therefore also considered, which is driven by North East Lincolnshire attracting inward investment to the prestige sites of Europarc and Europarc Phase 4. The document also highlights a potential need to provide new land to accommodate occupiers that may be displaced by the regeneration of the docks and the growth of the Port of Immingham. Taking these factors into account, the ELR highlights that the quantitative analysis of demand and supply may fail to capture the following three requirements:
  • Demand for high quality, prestige industrial accommodation beyond Europarc;
  • A possible requirement for c.50ha to relocate the occupiers of the Fish Docks, in the event that they are displaced by urban regeneration; and
  • Sites to accommodate port-related employment uses.

3.47 With respect to the demand-supply balance in relation to office land, the ELR indicates that the Borough has approximately 20ha of land for new office development. Having regard to the best and worst-case supply scenarios (as defined above) the study states that North East Lincolnshire is likely to have:
  • An oversupply of 8ha of office land under the best-case scenario (on the basis of the baseline growth projections); and
  • An undersupply of 12ha of office land under the worst-case scenario.

3.48 In response to the potential undersupply of offices, the ELR suggests that new office development should be focused in Grimsby town centre.

North Lincolnshire

3.49 North Lincolnshire is located on the south bank of the Humber. The largest settlement within the local authority area is Scunthorpe.

3.50 The Council’s ELR, produced in 2010, considers both demand and supply with respect to four sub-areas:
  • Sites located in Scunthorpe;
  • Sandtoft Airfield;
  • Humberside Airport; and
  • Sites in other locations in North Lincolnshire.
The table below provides a summary of the demand-supply balance with respect to each sub-area, taking account of the final recommendations contained within the ELR:

Table 3.6  Demand-Supply Balance in North Lincolnshire, by Sub-Area

<table>
<thead>
<tr>
<th>Sub-Area</th>
<th>Demand to 2026 (ha)</th>
<th>Supply (ha)</th>
<th>Sites to be Retained (ha)</th>
<th>Additional Allocations (ha)</th>
<th>Balance (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scunthorpe</td>
<td>71.00</td>
<td>107.84</td>
<td>80.09</td>
<td>57.77</td>
<td>+66.86</td>
</tr>
<tr>
<td>Sandtoft Airfield</td>
<td>58.50</td>
<td>1.58</td>
<td>1.58</td>
<td>56.92</td>
<td>0.00</td>
</tr>
<tr>
<td>Humberside Airport</td>
<td>20.00</td>
<td>10.12</td>
<td>10.12</td>
<td>9.88</td>
<td>0.00</td>
</tr>
<tr>
<td>Other Lincolnshire locations</td>
<td>18.50</td>
<td>89.47</td>
<td>58.23</td>
<td>78.78</td>
<td>+118.51</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>168.00</strong></td>
<td><strong>209.01</strong></td>
<td><strong>150.02</strong></td>
<td><strong>203.35</strong></td>
<td><strong>+185.37</strong></td>
</tr>
</tbody>
</table>

Source: North Lincolnshire ELR

This shows that projected demand across the authority as a whole is anticipated to be in the order of 168ha and that the future portfolio of land is expected to be in the order of 353.37 (comprising of 150.02ha of existing allocations to be retained, as well as 203.35ha of additional allocations). As such, it is understood that the area has an oversupply of circa 185.37ha, focussed in:

- Scunthorpe (+66.86ha); and
- Other Lincolnshire locations (+118.51ha).

It should be noted that the above figures do not reflect the significant additional land holdings at South Humber Bank and North Killingholme Airfield.

The following locations are proposed as strategic employment designations and are also identified as the areas with the greatest concentrations of available land:

- South Humber Bank – untapped deep water potential;
- Sandtoft – potential logistics park;
- North Killingholme Airfield – air freight potential; and
- Scunthorpe – develop as a service centre.

The Council’s Economic Development Strategy and the City Region Development Plan provide further detail regarding the key sectors within the local economy, including:
• Transport, storage and communication – scope exists to capitalise upon the opportunities presented by the large deep water channel between East Halton Skitter and North Killingholme – the only undeveloped deep water port in the country;

• Environmental technologies – exploiting the expected growth in off-shore wind and opportunities in biofuels and biomass. At present, Able UK is awaiting a decision from the Transport Secretary on plans for the Able Marine Energy Park (AMEP). The site would offer c.1,400m of new heavy duty deep water quays and 367ha of developable land. It has been designed specifically for the marine renewables sector to provide a multi-user facility for the manufacture, storage, assembly and deployment of offshore wind turbines and their associated supply chain. AMEP is located adjacent to the Able Logistics Park (ALP) – a c.500ha greenfield site with planning permission for the creation of extensive warehousing, storage and transportation depots. It is envisaged that ALP will complement activities at AMEP, potentially by enabling a ‘just in time’ approach;

• Chemicals – building upon a strong and well established cluster, with a range of chemicals currently manufactured in the area;

• Food & drink – the manufacture of food and drink offers the potential for future growth, driven in part by a number of farms diversifying away from traditional farming activities;

• Advanced engineering – though an industry which has declined, Corus remains a large local employer with a significant associated skills base.

**Duty to Co-operate**

3.56 It is critical that the 'plan-making' process in Hull is underpinned by an understanding of the position in neighbouring authorities and how this might influence requirements in Hull. The Duty to Cooperate means that Hull City Council needs to be clear how demand and land requirements operate between local authorities. This is of particular importance with regards the Hull Functional Economic Area (FEA) as defined in the Local Economic Assessment (LEA) 2011. Hull City Council has identified a number of sites in the East Riding that fall within the FEA and are considered by the City Council to have a role in potentially influencing how Hull’s needs are met.

3.57 The Hedon Haven site was subject to a successful application for £25m of RGF funding to bring forward an essential part of Green Port Hull. While not directly serving to meet projected land requirements in Hull, Hull City Council has advised that it does form an essential part of infrastructure to facilitate other Green Port proposals, including the Siemens development.

3.58 The Bridgehead site on the western edge of the city was considered at the recent Public Inquiry into the Birds Eye site. It is understood from Hull City Council that it was recognised at the Inquiry that it falls within a Western Corridor that in market terms runs between the two authorities. However the
Inspector concluded that the offer at the Bridgehead could be distinguished from that of the Birds Eye site, and by implication other sites within this part of Hull – suggesting a complementary rather than direct role in meeting Hull’s employment needs.

3.59 The Melton site was put forward by the appellants to the original Public Inquiry into Birds Eye. It is understood from Hull City Council that the Inspector to that Inquiry concluded that the land at Melton did not have a close relationship to Hull and therefore could not be considered as an alternative to meeting Hull’s employment needs. Melton has accommodated some companies that have chosen to relocate from Hull and land at Melton and, indeed, beyond Melton along the A63/M62 multi-modal corridor may continue to fulfil such a role as well as meeting more direct employment requirements from within the East Riding.
4.0 Future Requirements for B Class Employment Space

4.1 This section assesses B Class employment space requirements in Hull in the period to 2013-2030, taking account of:

a. Forecasts of employment growth in the main B class sectors (labour demand);

b. Future growth in the local labour supply and an analysis of the jobs and employment space that this can support; and

c. Past rates of development activity.

4.2 All approaches to forecasting future employment space needs have some limitations. As such, careful thought needs to be given to how appropriate each is to the specific circumstances of Hull.

4.3 Forecasts of future demand for employment space in Hull have been considered with respect to five different growth scenarios for the City. The work draws upon data provided by Hull City Council, as well as econometric forecasts commissioned from the Regional Economic Intelligence Unit (REIU). The first two scenarios are based-upon employment growth projections, modelled by the REIU. Scenarios 3 and 4 are based upon labour supply associated with estimated population growth in Hull, whilst the final scenario is underpinned by historic trends in the take-up of B Class employment space within the City:

- Scenario 1: Job Growth (REIU Baseline)
- Scenario 2: Job Growth (REIU 'Policy-On')
- Scenario 3: Population Change (Hull City Council SHMA – Sectoral Change)
- Scenario 4: Population Change (Hull City Council SHMA – Sectoral Distribution)
- Scenario 5: Development Rates (Continuation of Past Take-Up)

a. Job Growth Estimates

Scenario 1: REIU Baseline Growth

4.4 Hull City Council commissioned the REIU to produce forecasts of job growth for the City over the period 2013-2030. These forecasts of job change by sector reflect recent trends and economic growth projections at the national and regional level, and take account of how economic sectors in Hull have performed relative to regional growth in the past. The forecasts reflect the current post-recession economic climate. They take some account of Hull’s projected population growth, drawing upon the 2010-based Subnational Population Projections (published by ONS).
The forecasts are not constrained by labour or land supply. Whilst stated government policy (such as deficit reduction) is considered in order to help to understand the future economic outlook, the forecasts do not take account of any local policy interventions, planned major developments or infrastructure changes at the local/regional level. As such, they are unlikely to yield the highest estimate of future demand in situations where there are significant place-based interventions or other policy drivers aiming to accelerate local economic growth.

Econometric forecasts of this nature tend to be most reliable at the regional and national level, and less so when considering local economies. Nevertheless, they provide a valuable input by indicating the broad scale and direction of economic growth in different sectors, thereby helping to assess future land requirements.

Table 4.1 provides a summary of the overall employment change forecast under the REIU Baseline scenario, along with expected job growth in the main B class sectors. It should be noted that the analysis relating to B class sectors includes an allowance for jobs in other non-B class sectors that typically occupy office or industrial space. This includes: some construction uses; vehicle repair; courier services; road transport and cargo handling; and some public administration activities.

<table>
<thead>
<tr>
<th>No. of Jobs</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td><strong>2030</strong></td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)*</td>
<td>25,890</td>
</tr>
<tr>
<td>Distribution (B8)**</td>
<td>9,855</td>
</tr>
<tr>
<td>Offices (B1a/b)***</td>
<td>12,900</td>
</tr>
<tr>
<td>Total B Class Jobs</td>
<td>48,640</td>
</tr>
<tr>
<td>Jobs in All Sectors</td>
<td>131,780</td>
</tr>
</tbody>
</table>

Source: REIU / NLP Analysis - Total Jobs. Totals may not sum due to rounding
* Includes vehicle repair and some construction activities
** Includes parts of transport & communications sectors that use industrial land
*** Includes a proportion of government/civic offices

The table indicates that total employment (i.e. jobs in all sectors) is projected to remain fairly stable over the period to 2030 – with a contraction of just 65 jobs. Set within the context of a reduction of 5,300 jobs over the period 2001 to 2011, this represents a significant stabilisation of the City’s employment base.

With respect to B class employment, it can be seen from the table that the REIU Baseline scenario forecasts a decline of 3,140 jobs (c.6%) to 2030. This is forecast to be driven primarily by a marked contraction in manufacturing.
employment (4,165 jobs) – offset, in part, by modest increases in employment in the distribution (640 jobs) and office (385 jobs) sectors.

4.10 These job forecasts can then be converted into future (net) employment space requirements by applying typical employment densities (the ratio of floorspace to jobs) for the different B class uses. To estimate employment space needs for Hull, the following employment densities⁴ have been applied:

- Manufacturing: 1 job per 43sq.m;
- Warehousing
  - General, smaller scale warehousing (assumed to account for 70% of future jobs): 1 job per 65sq.m;
  - Large scale, lower density, strategic warehousing (assumed to account for 30% of future jobs): 1 job per 74sq.m; and
- Offices: 1 job per 10.5sq.m.

4.11 Where a reduction in jobs is forecast by the REIU Baseline, the associated negative floorspace requirement has been halved by NLP, to reflect the fact that not all of this employment space is likely to be lost. Where an increase in jobs was forecast, NLP has adjusted down the resultant floorspace requirement in order to bring vacancy rates across the City down to 10% - generally accepted to reflect a normal level of vacancy in a healthy, well-functioning market.

4.12 The net floorspace requirements generated via the process outlined above are summarised in Table 4.2 and indicate a net demand for approximately 48,055sq.m less industrial space and 3,885sq.m more office space in 2030 than in 2013. The former reflects a projected decline in manufacturing jobs and hence greatly reduced need for manufacturing space, which serves to outweigh the projected growth in distribution needs.

<table>
<thead>
<tr>
<th>Floorspace (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
</tr>
<tr>
<td>Distribution (B8)</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source: NLP Analysis. Totals may not sum due to rounding.

4.13 The forecast net decline of 3,140 B class jobs over a 17 year period forecast by the REIU Baseline scenario (and which therefore underpins the employment space requirements summarised in Table 4.2) is equivalent to the loss of c.185 jobs each year. Data from Experian suggests that B class employment in Hull

⁴ Based on HCA/OffPAT Employment Densities Guide, 2010
fell by 7,500 jobs between 1999 and 2013 – equivalent to an annual reduction of c.535 jobs – driven almost exclusively by losses in the manufacturing sector. Within this context, the REIU Baseline scenario represents a more positive economic future for the City (relative to historic trends) with respect to B class change. The resultant floorspace requirements, however, are significantly lower than the past development rates observed over the same 14 year period (discussed later in this section).

**Scenario 2: REIU ‘Policy-On’ Growth**

4.14 In addition to the Baseline scenario described above, Hull City Council commissioned the REIU to model an additional ‘Policy-On’ scenario, in order to model the likely employment impact of a series of transformational projects planned for the City. The projects included within the modelling work were identified by Hull City Council and comprise of:

- Green Port Hull;
- Green Port Growth;
- Data Centre;
- Waste to Energy;
- A63 Improvements;
- City of Culture; and
- Housing Retrofit Investment Programme.

4.15 Details of each project, including the overall quantum and type of jobs to be created and anticipated timescales, were provided to the REIU by Hull City Council. This data was then used by the REIU to adjust the original Baseline forecast in order to take account of the direct employment effects estimated by Hull City Council, as well as the corresponding multiplier impacts, leakage and displacement, having regard to the structure of the local economy and the specific nature of the projects under consideration.

4.16 The forecast levels of employment change generated by the Policy-On scenario are summarised in Table 4.3. From this it can be seen that adjusting the figures to reflect the impact of the transformational projects identified by Hull City Council adds a further 2,600 jobs onto the Baseline employment forecast to 2030. Whilst a number of the additional jobs are not anticipated to give rise to any requirement for B class space, those that are considered to do so are focused primarily in the manufacturing sector.

4.17 Before considering the resultant employment space requirements, it is important to note, however, that the Policy-On scenario includes 750 direct manufacturing jobs associated with the proposed investment of Siemens on a c.56ha site at Alexandra Dock. Clearly, standard employment density and plot ratio assumptions would fail to accurately reflect the needs of such land intensive proposals. As a result, the direct jobs at Alexandra Dock have been excluded from the initial land demand forecasting work undertaken by NLP.
The space requirements that could be generated by Siemens are considered separately later in the section when the land requirement for Hull is assessed.

### Table 4.3 REIU Policy-On Forecast Employment Change in Hull

<table>
<thead>
<tr>
<th>No. of Jobs</th>
<th>Change (2013-2030)</th>
<th>2013</th>
<th>2030</th>
<th>Including Siemens</th>
<th>Excluding Siemens</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td></td>
<td>25,890</td>
<td>23,295</td>
<td>-2,595</td>
<td>-3,340</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td></td>
<td>9,855</td>
<td>10,610</td>
<td>755</td>
<td>755</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td></td>
<td>12,895</td>
<td>13,465</td>
<td>570</td>
<td>570</td>
</tr>
<tr>
<td>Total B Class Jobs</td>
<td></td>
<td>48,640</td>
<td>47,370</td>
<td>-1,265</td>
<td>-2,015</td>
</tr>
<tr>
<td>Jobs in All Sectors</td>
<td></td>
<td>131,780</td>
<td>134,320</td>
<td>2,540</td>
<td>1,790</td>
</tr>
</tbody>
</table>

Source: REIU / NLP Analysis. Totals may not sum due to rounding

#### 4.18

The job forecasts (excluding the direct employment impacts associated with the proposed Siemens investment at Alexandra Dock) can then be converted into future (net) employment space requirements, using the same methodological assumptions outlined previously with respect to Scenario 1.

### Table 4.4 REIU Policy-On Employment Space Requirements in Hull

<table>
<thead>
<tr>
<th>Floorspace (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
</tr>
<tr>
<td>Distribution (B8)</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: NLP Analysis. Total may not sum due to rounding

#### 4.19

Table 4.4 indicates that demand for office space is forecast to increase by 5,745sq.m to 2030. In relation to industrial space, a net demand for 22,715sq.m less employment space is forecast under the REIU Policy-On scenario, although it should be noted that this excludes the c.56ha requirement at Alexandra Dock associated with the proposed potential investment by Siemens. As such, an overall positive requirement for industrial land is anticipated in the event that the Siemens investment comes forward.

#### 4.20

The REIU Policy-On scenario forecasts a net decline of 1,265 B class jobs over a 17 year period. This translates to an average annual loss of c.75 – less than half the level of losses anticipated under the REIU Baseline scenario and
far stronger than the historic performance of the City, with B class jobs falling by c.535 per annum between 1999 and 2013.

b. Future Labour Supply (SHMA Central Scenario)

Scenario 3: Population Change (Sectoral Change)

4.21 The projected level of future labour supply with respect to Hull – and the land requirements that could flow from this – has also been considered by NLP. The labour supply scenario has been underpinned by data produced to inform Hull City Council’s Strategic Housing Market Assessment5 (SHMA).

4.22 The core scenario (PROJ1) assessed within the Council’s SHMA projects a net population increase of 17,500 over the period 2013-2030. It is understood that the PROJ1 scenario is underpinned by the 2011-based Subnational Population Projections published by ONS. The SHMA modelling work assumes that 64.1% of Hull’s population will be of working-age in 2030 and that the City’s economic activity rate will stand at 81.6%.

4.23 Taking account of the above – as well as a labour force ratio of 1.116 (to reflect Hull’s role as a net importer of labour) – would suggest that the net additional labour supply arising from the SHMA’s core scenario could be in the order of 10,160 to 2030. Assuming a labour supply:jobs ratio of 1:1, this would suggest that the net job growth that Hull City Council should plan to accommodate under this scenario would be approximately 10,160 between 2013 and 2030.

4.24 In order to understand the employment space requirements that flow from a projected net increase of 10,160 jobs, the overall job figure was disaggregated by sector using a ‘top-down’ approach. In order to ensure that the disaggregation process had regard to the projected future strength and importance of individual sectors in Hull, the REIU Policy-On scenario was used as a starting point. The Policy-On scenario was selected in favour of the REIU Baseline on the basis that its sectoral split reflects a stronger economic future – and higher levels of job creation – within Hull over the period to 2030. As such – and given the scale of ambition (in terms of job creation) inherent within the labour supply scenario – it was considered more appropriate to capture the structural changes driving the growth assumed under the Policy-On modelling work.

4.25 Absolute change (2013-2030) for each of the 38 sectors modelled by REIU was considered by NLP. Clearly, overall employment growth under the Policy-On scenario is, at 2,540 jobs, significantly below the estimated 10,160 jobs

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5 NLP has not been responsible for any of the demographic modelling produced in the SHMA and has not validated or endorsed any of the underlying assumptions or outputs.

6 Workplace-based employment of 128,000 (ONS Jobs Density, 2011) ÷ 114,400 residents in employment (ONS Annual Population Survey, 2011)
associated with the PROJ1 SHMA scenario (derived above). A series of adjustment factors were therefore applied to the absolute change figures, to reflect the potential impact of a larger population (and by implication a stronger economy) within Hull. The adjustment factors are summarised in Table 4.5.

Table 4.5 Labour Supply Scenario - Adjustment Factors

<table>
<thead>
<tr>
<th>Adjustment Factor</th>
<th>Rationale</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expanding Sectors</strong></td>
<td></td>
</tr>
<tr>
<td>1.5</td>
<td>Demand is consumption and population-driven. It has been assumed that the employment impact of population growth will be strongest in these sectors.</td>
</tr>
<tr>
<td>1.3</td>
<td>Demand is not as clearly related to population growth. Nevertheless, a larger population and economy is anticipated to stimulate some increase in the size of the local market and generate corresponding multiplier benefits.</td>
</tr>
<tr>
<td>1.0</td>
<td>Employment levels to remain unchanged by population growth.</td>
</tr>
<tr>
<td><strong>Contracting Sectors</strong></td>
<td></td>
</tr>
<tr>
<td>1.0</td>
<td>Employment levels to remain unchanged by population growth.</td>
</tr>
<tr>
<td>0.9</td>
<td>A small reduction in projected job decline is anticipated, largely in manufacturing sectors. A growing population and large economy is anticipated to stimulate limited additional local demand.</td>
</tr>
<tr>
<td>0.75</td>
<td>The forecast contraction in public administration is anticipated to be reduced by 25%, to reflect the increased population and general levels of economic activity.</td>
</tr>
<tr>
<td>0.0</td>
<td>The REIU Policy-On scenario forecasts a decline of c.900 retail jobs. On the basis that retail demand is consumption and population-led, it has been assumed that this projected decline will be offset by higher levels of population and employment, leaving net retail employment unchanged between 2013 and 2030.</td>
</tr>
</tbody>
</table>

Source: NLP Analysis

4.26 Applying the adjustments detailed above to the absolute employment change projected under the REIU Policy-On scenario (on an individual sector basis) generates a projected net employment change of 7,410 to 2030. The adjusted figures for each individual sector were then pro-rated up to generate an overall net employment change figure of 10,160.

4.27 Appendix 3 provides a summary of the methodological steps applied in disaggregating the employment change figure of 10,160 (based upon the central population scenario of Hull City Council’s SHMA) by sector using the top-down approach detailed in the preceding paragraphs.
The resultant job change projections are summarised in Table 4.6. From this, it can be seen that projected population growth under the PROJ1 scenario of the Council’s SHMA would correspond to a net increase of 10,160 jobs. A modest decline in B class employment is still anticipated under this scenario, however, with jobs falling by 500 to 2030. This is driven by a fall in manufacturing jobs (although it is noted that the decline is markedly lower than envisaged under the REIU scenarios). The number of jobs in distribution and (to a lesser extent) office-based sectors is projected to increase over the study period.

Table 4.6  Labour Supply Scenario Forecast Employment Change

<table>
<thead>
<tr>
<th>No. of Jobs</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013</strong></td>
<td><strong>2030</strong></td>
</tr>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>25,955</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>9,855</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td>12,900</td>
</tr>
<tr>
<td><strong>Total B Class Jobs</strong></td>
<td>48,710</td>
</tr>
<tr>
<td><strong>Jobs in All Sectors</strong></td>
<td>131,875</td>
</tr>
</tbody>
</table>

Source: Justin Gardner Consulting / NLP Analysis. Totals may not sum due to rounding

The above job forecasts can then be converted into future (net) employment space requirements, using the same methodological assumptions outlined with respect to Scenario 1.

It can be seen from table 4.7 that a positive future requirement for both office and industrial floorspace within Hull is anticipated under this scenario. A net demand for 24,525sq.m more industrial space is projected, in addition to 10,775sq.m of additional office space.

The labour supply scenario forecasts a net decline of just 500 B class jobs over the 17 year period to 2030, which corresponds to an average annual loss of c.30 jobs. This represents a far stronger performance in relation to B class employment than was observed across Hull between 1999 and 2013. Nevertheless, the resultant floorspace requirements are significantly lower than the historic take-up levels observed over the same time period. In terms of a floorspace requirement, therefore, the labour supply scenario can be viewed as conservative within the context of past trends.
### 4.32 Hull Employment Land Review: Final Report

**Table 4.7 Labour Supply Scenario Employment Space Requirements in Hull**

<table>
<thead>
<tr>
<th>Floorspace (sq.m)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-62,555</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>87,080</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td>10,775</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>35,300</strong></td>
</tr>
</tbody>
</table>

Source: NLP Analysis

### Scenario 4: Population Change (Sectoral Distribution)

The core scenario (PROJ1) of Hull City Council’s SHMA has been used to derive an overall net job growth figure of 10,160 – applying the same methodology and assumptions detailed above in relation to Scenario 3. Where Scenarios 3 and 4 differ, however, is in their approach to the disaggregation – by B Class use – of the 10,160 jobs.

Under Scenario 4, the net job growth is pro-rated on the basis of the *proportionate* share of employment projected in 2030 under the REIU Policy-On job forecast. As such, the analysis is more static and does not have regard to whether sectors are projected by the REIU to grow or contract over the Plan period. The most obvious example of this relates to the manufacturing sector. The REIU figures project a reduction in manufacturing employment between 2013 and 2030. Scenario 4, however, projects an increase in manufacturing employment, as a share of the overall net jobs growth (of 10,160) is apportioned to the manufacturing sector – with the percentage share determined by the sector’s proportionate share of jobs as of 2030.

As discussed above in relation to Scenario 3, the REIU Policy-On scenario was selected in favour of the REIU Baseline on the basis that it reflects a stronger economic future – and higher levels of job creation – within Hull over the Plan period.

The job change projections generated under Scenario 4 (and calculated using the methodology outlined above) are summarised in Table 4.8. From this, it can be seen that industrial jobs are anticipated to increase by 2,450 over the period to 2030 – driven by strong growth in manufacturing. This reflects the strong presence of manufacturing forecast in 2030 under the REIU Policy-On scenario (48% of all B class jobs). It is, however, acknowledged that this runs counter to the REIU job growth figures, which project a contraction in manufacturing employment under both the Baseline and Policy-On scenarios considered. It can also be seen that office employment is forecast to grow by 1,000 jobs.
Table 4.8  Labour Supply Scenario Forecast Employment Change

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>48%*</td>
<td>1,650</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>23%*</td>
<td>800</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td>29%*</td>
<td>1,000</td>
</tr>
<tr>
<td><strong>Total B Class Jobs</strong></td>
<td><strong>34%</strong></td>
<td><strong>3,450</strong></td>
</tr>
<tr>
<td><strong>Jobs in All Sectors</strong></td>
<td><strong>100%</strong></td>
<td><strong>10,160</strong></td>
</tr>
</tbody>
</table>

Source: Justin Gardner Consulting / NLP Analysis. Totals may not sum due to rounding

*Expressed as a percentage of Total B Class Jobs
** Expressed as a percentage of jobs in all sectors

4.36 The job forecasts outlined above can then be converted into future (net) employment space requirements, using the same methodology detailed previously in relation to Scenario 1.

4.37 It can be seen from table 4.9 that a positive future requirement is anticipated for both industrial and – to a far lesser extent – office floorspace under Scenario 4. Indeed, a net demand for 125,095sq.m of industrial space is projected, as well as 10,490sq.m of additional office space.

Table 4.9  Labour Supply Scenario Employment Space Requirements in Hull

<table>
<thead>
<tr>
<th></th>
<th>Floorspace (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>70,875</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>54,220</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td>10,490</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>135,585</strong></td>
</tr>
</tbody>
</table>

Source: NLP Analysis

4.38 The labour supply scenario forecasts a net increase of 3,450 B class jobs over the 17 year period to 2030. This equates to an annual average increase of c.200 jobs, representing a far stronger performance in relation to B class employment than was observed across Hull between 1999 and 2013. The resultant floorspace requirements, whilst higher than those identified under Scenarios 1-3, still fall some way short of the historic take-up levels observed over the same period. Again, therefore, the floorspace requirement could be viewed as conservative when considered within the context of past rates of development activity.
c. Past Development Rates

Scenario 5: Development Rates (Continuation of Past Take-Up)

4.39 In some instances, long-term completion rates for employment space can provide a reasonable basis for informing future land needs. This is because they reflect market demand and actual development patterns on the ground. Where demand or supply has historically been unduly constrained, such an approach to forecasting becomes less useful. It is also important to note that the profile of future demand may not reflect past trends and some adjustments may be required.

4.40 Data on past (gross) completions by B Class sector was provided by Hull City Council for a 14 year period to 2013. This represents a relatively long time frame – and one that covers periods of both recession and economic buoyancy.

4.41 The take-up data provided by Hull City Council included details of floorspace taken up for B1, B2 and B8 development. Entries for B2/B8 and B1/B2/B8 were also provided, with NLP disaggregating these evenly between individual use classes. For instance, 10,000sq.m of development for B2/B8 uses was assumed to comprise of 5,000sq.m of development for B2 uses and 5,000sq.m of development for B8 uses.

4.42 It should be noted that the take-up data considered below differs slightly from the figures analysed in Section 3.0. The data considered in Section 3.0 reflects all development activity for B class uses observed within Hull over the 14 year period. It is understood that some of this take-up occurred on sites that were not available to the general market - for instance, extensions within the curtilage of an occupier’s existing site and refurbishment schemes.

4.43 In using take-up data to model a future land requirement for Hull as part of this report, NLP is seeking to identify the quantum of land that should be made available to the general market. As such, where take-up is understood to have occurred on land that could not realistically have been considered as available to the general market, this has been excluded from the following analysis.

4.44 Over the 14 year period for which data is available, average annual gross completions of B Class floorspace amounted to almost 18,670sq.m, disaggregated by sector as shown in Table 4.10. The majority (41%) of completions were for manufacturing space, with a further 35% for warehousing. Office space accounted for just 23% of space.
Table 4.10: Annual Gross Completion Rates in Hull (1999-2013)

<table>
<thead>
<tr>
<th>Sector (Use Class)</th>
<th>Gross Annual Completion (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1b/c/B2 Manufacturing</td>
<td>7,685</td>
</tr>
<tr>
<td>B8 Warehousing</td>
<td>6,620</td>
</tr>
<tr>
<td>B1a Office</td>
<td>4,365</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>18,670</strong></td>
</tr>
</tbody>
</table>

Source: HCC / NLP Analysis

Data provided by Hull City Council relating to losses of employment land cannot be disaggregated by B Class and has been provided on the basis of land rather than sq.m of floorspace. As such, a series of adjustments and assumptions have been applied by NLP in order to estimate average annual *net* completions within Hull since 2000.

As outlined in Section 3.0, losses of land have averaged 1.68ha per annum across the City over a 14 year period. Assuming a standard plot density of 40% this equates to approximately 6,720sq.m of floorspace per annum. For modelling purposes, this has been split evenly between the use classes – i.e. 2,240sq.m per annum for each.

The methodology applied (as a result of data limitations) in calculating the net completions data means that these figures should be treated with a degree of caution. Whilst the assumptions applied should not have a material impact upon the overall requirement for Hull, it is acknowledged that they could distort the sectoral distribution of projected demand.

Table 4.11: Annual Net Completion Rates in Hull (1999-2013)

<table>
<thead>
<tr>
<th>Sector (Use Class)</th>
<th>Net Annual Completion (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1b/c/B2 Manufacturing</td>
<td>5,445</td>
</tr>
<tr>
<td>B8 Warehousing</td>
<td>4,380</td>
</tr>
<tr>
<td>B1a Office</td>
<td>2,125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,950</strong></td>
</tr>
</tbody>
</table>

Source: HCC / NLP Analysis

One view of future growth in Hull could be to simply assume that future development rates reflect the long term average that has been achieved in the past. In simple terms, projecting the above figures forward to 2030 would suggest a requirement for approximately 167,025sq.m of industrial floorspace and 36,125sq.m of office floorspace. In total, this would indicate demand for **203,150sq.m** of net employment space to 2030. This level of requirement is
far higher than the figures generated under the baseline labour demand and labour supply scenarios considered previously.

Table 4.12 outlines the projected sectoral breakdown of the net requirement identified above. It should be noted that this distribution has been arrived at simply by projecting forward historic rates of development.

Table 4.12  B Class Take-Up Forecast (2013-2030) Baseline Scenario

<table>
<thead>
<tr>
<th>Sector (Use Class)</th>
<th>Assumed Annual Completion Rate (sq.m)</th>
<th>Floorspace Required (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1b/c/B2 Manufacturing</td>
<td>5,445</td>
<td>92,565</td>
</tr>
<tr>
<td>B8 Warehousing</td>
<td>4,380</td>
<td>74,460</td>
</tr>
<tr>
<td>B1a Office</td>
<td>2,125</td>
<td>36,125</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,950</strong></td>
<td><strong>203,150</strong></td>
</tr>
</tbody>
</table>

Source: HCC / NLP Analysis

As outlined previously, this scenario assumes that past trends of development will continue unchanged and, as such, may not fully reflect future demand over the Plan period. For instance, future development rates for industrial space could be lower than observed historically as the sector continues to rationalise and/or makes more efficient use of space. On the other hand, the baseline scenario may underestimate future demand if, for instance, the proposed Siemens investment at Alexandra Dock results in the emergence of significant demand from new supply chain businesses seeking a presence in Hull.

**Net Employment Space Requirements**

Drawing together the various scenarios discussed above, Table 4.13 summarises the net floorspace requirement (to 2030) arising from each.
Table 4.13  Net Floorspace Requirement (in sq metres) to 2030 for Different Growth Scenarios

<table>
<thead>
<tr>
<th></th>
<th>Labour Demand</th>
<th>Labour Supply</th>
<th>Past Take-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-89,560</td>
<td>-71,830</td>
<td>-62,555</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>41,505</td>
<td>49,115</td>
<td>87,080</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td>3,885</td>
<td>5,745</td>
<td>10,775</td>
</tr>
<tr>
<td>All B Uses</td>
<td>-44,170</td>
<td>-16,970</td>
<td>35,300</td>
</tr>
</tbody>
</table>

Source: NLP Analysis

NB: It should be noted that Scenario 2 is the only modelling approach capable of explicitly capturing the 56ha requirement associated with the proposed Siemens investment.

4.52 The different approaches and forecasts produce a wide range of projected space requirements. For industrial space this would be between -48,055 sq.m (based on the baseline job forecasts) and 167,025sq.m (based on a continuation of historic take-up rates). It should be noted that whilst the policy-on jobs forecasts yield a negative floorspace requirement, the scenario also assumes that the proposed Siemens investment at Alexandra Dock comes forward – resulting in a further requirement for c.56ha of land at the site. The potential employment space implications associated with the accompanying supply chain are dealt with as part of the (negative) floorspace requirement.

4.53 For office space, the range is much narrower, between 3,885sq.m (based on the baseline job forecasts) and 36,125sq.m (based on a continuation of past development rates).

**Safety Margin**

4.54 To estimate the overall requirement of employment space that should be planned for in allocating sites, and to give some flexibility of provision, it is normal to add an allowance as a safety margin for factors such as:

1. Delays in sites coming forward for development;
2. The provision of developer choice;
3 The need for some flexibility and decanting space while older premises are redeveloped and new premises are coming forward; and

4 Forecasting error.

4.55 A commonly accepted approach is to provide an allowance to reflect the average time for a site to gain planning permission and be developed – typically two years. As such, a margin equivalent to two years' worth of past completions is often applied.

4.56 Whilst vacancy rates in Hull are relatively high (which can sometimes suggest the need for a more modest margin) it is understood that this is driven primarily by older premises that do not meet the requirements of modern occupiers. Additionally, the local market is characterised by the ‘churn’ of existing sites being redeveloped – in part a function of the City’s relatively tight administrative boundary. The role of churn in the local market increases the need to ensure an adequate provision of decanting space. Within this context, the margins outlined in table 4.14 do not appear unreasonable.

Table 4.14 Safety Margin Allowances

<table>
<thead>
<tr>
<th>Sector (Use Class)</th>
<th>Average Annual Take-Up (sq.m)</th>
<th>Safety Margin Added (sq.m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B1b/c/B2 Manufacturing</td>
<td>5,445</td>
<td>10,890</td>
</tr>
<tr>
<td>B8 Warehousing</td>
<td>4,380</td>
<td>8,760</td>
</tr>
<tr>
<td>B1a Office</td>
<td>2,125</td>
<td>4,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11,950</strong></td>
<td><strong>23,900</strong></td>
</tr>
</tbody>
</table>

Source: NLP Analysis

**Convert to Gross Floorspace Requirements**

4.57 To convert the net employment space requirements (derived above) into a gross requirement (the amount of employment space or land to be allocated), an allowance is also typically made for some replacement of losses of existing employment space that may be redeveloped over the Plan period for other, non-B Class uses.

4.58 As noted earlier, past losses in Hull have averaged 6,720sq.m per annum. The data provided by Hull City Council relating to losses cannot be disaggregated by B Class and so, for modelling purposes, this headline figure has been split evenly between the use classes – i.e. 2,240sq.m per annum for each.

4.59 It is necessary to make a judgement regarding the scale of future losses and the need to replace these over the Plan period. Without some replacement, the current supply of employment space would gradually be eroded. However, typically it is not necessary to replace all losses as some will reflect restructuring in the local economy and a general move towards the more efficient use of land and premises in the City’s economy. Also, future losses may reduce over time as poorer quality sites are removed from the supply.
4.60 Taking the above factors into account, it is considered that an allowance equivalent to two-thirds (66%) of historic losses should be applied.

4.61 The resultant gross floorspace requirements – reflecting the adjustments for margin of choice and the replacement of losses discussed above – are set out in Table 4.15.

Table 4.15  Gross Floorspace Requirement (in sq metres) to 2030 for Different Growth Scenarios

<table>
<thead>
<tr>
<th></th>
<th>Labour Demand</th>
<th>Labour Supply</th>
<th>Past Take-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manufacturing</strong> (B1c/B2)</td>
<td>-64,435</td>
<td>-46,705 Plus c.56ha at Alexandra Dock</td>
<td>-37,430</td>
</tr>
<tr>
<td><strong>Distribution</strong> (B8)</td>
<td>75,391</td>
<td>83,000</td>
<td>120,965</td>
</tr>
<tr>
<td><strong>Offices</strong> (B1a/b)</td>
<td>33,260</td>
<td>35,120</td>
<td>40,150</td>
</tr>
<tr>
<td><strong>All B Uses</strong></td>
<td>44,220</td>
<td>71,420 Plus c.56ha at Alexandra Dock</td>
<td>123,690</td>
</tr>
</tbody>
</table>

Source: NLP Analysis (totals rounded)

NB It should be noted that Scenario 2 is the only modelling approach capable of explicitly capturing the 56ha requirement associated with the proposed Siemens investment.

**Estimated Land Requirement**

4.62 The final step, for all scenarios, is to translate floorspace into land requirements for both office and industrial uses. This has been calculated by applying the following plot ratio assumptions to the floorspace estimates outlined above:

- **Industrial** – a plot ratio of 0.4 was applied so that a 1ha site would be needed to accommodate 4,000sq.m of industrial floorspace; and

- **Offices** – it was assumed that 50% of new office floorspace in Hull would be in lower density developments with a plot ratio of 0.4, with 50% in higher density city centre locations at a plot ratio of 2.0. The proportionate split was determined having regard to monitoring data compiled by PPH.

4.63 The resulting land requirements are set out in Table 4.16 and Figure 4.1.
Table 4.16 Gross Land Requirement by Scenario (to 2030)

<table>
<thead>
<tr>
<th></th>
<th>Labour Demand</th>
<th>Labour Supply</th>
<th>Past Take-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-16.1ha</td>
<td>-11.7ha</td>
<td>-9.4ha</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plus c.56ha at Alexandra Dock</td>
<td></td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>18.8ha</td>
<td>20.8ha</td>
<td>30.2ha</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td>5.0ha</td>
<td>5.3ha</td>
<td>6.0ha</td>
</tr>
<tr>
<td>All B Uses</td>
<td>7.7ha</td>
<td>14.3ha</td>
<td>26.9ha</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Plus c.56ha at Alexandra Dock</td>
<td></td>
</tr>
</tbody>
</table>

Source: NLP Analysis (totals rounded)

NB It should be noted that Scenario 2 is the only modelling approach capable of explicitly capturing the 56ha requirement associated with the proposed Siemens investment.

Figure 4.1 Gross Land Requirement by Scenario

Source: NLP Analysis (totals rounded)

NB: Hatched columns denote the land requirement associated with the proposed Siemens investment at Alexandra Dock.
It can be seen that the range of land requirements for office development is fairly narrow – between 5.0ha (under the baseline job growth scenario) and 9.8ha (based upon past development rates). Similarly, there appears to be a degree of consensus between the five scenarios with respect to the future requirement for distribution land across Hull. Projected demand for distribution ranges from 18.8ha (under the baseline job growth scenario) to 30.2ha (based upon Scenario 3).

In contrast, the five scenarios give rise to significantly different requirements with respect to manufacturing land. Scenarios 1-3 are all underpinned by an assumed reduction in manufacturing employment to 2030, giving rise to projected demand of: -16.1ha; -11.7ha (rising to 35ha once the proposed Siemens investment at Alexandra Dock has been taken into account); and -9.4ha. Scenarios 4 and 5 are underpinned by a positive requirement for manufacturing land (26.0ha and 32.1ha respectively).

As previously discussed, Scenario 4 takes as its starting point the net job growth of 10,160 derived from the central scenario of the Council’s SHMA. This overall job figure is then disaggregated by sector on the basis of the proportionate split in 2030 (as projected by the REIU Policy-On scenario). This approach to disaggregation takes no account of whether sectors have been growing or contracting in the recent past, nor does it consider whether the REIU projects that sectors will grow or contract over the period to 2030. As such, there are clear limitations to the approach.

Notwithstanding the above, it is Scenario 4 (as well as – less surprisingly – Scenario 5) that appears to best reflect what has happened on the ground in Hull in recent years. The REIU forecasts that manufacturing employment will decline within the City to 2030 and, under Scenarios 1-3, this translates to a negative requirement for manufacturing land (setting aside the potential impact of the proposed Siemens investment at Alexandra Dock). It is, however, considered unlikely that demand for manufacturing land to 2030 will be negative, given that:

- Demand for manufacturing land has been strong – compared to other B Class uses in Hull – in recent years, despite a significant contraction in employment within the sector. Indeed, data sourced from Experian indicates that the number of manufacturing jobs in Hull fell by 7,300 over the period 1999-2013. During the same period, however, demand for manufacturing space held up well – as evidenced by the take-up data underpinning Scenario 5; and
- REIU forecasting work commissioned to inform this study suggests that GVA from local manufacturing will increase over the period to 2030, with the baseline scenario assuming a £290m uplift in GVA for the sector. Whilst jobs are projected to fall, output in the sector is expected to continue to grow. This could be as a result of increased automation in manufacturing processes, giving rise to a leaner, more efficient sector.

Therefore, Scenario 4 could – in some respects – be considered to better reflect historic demand for land in comparison with Scenarios 1-3, despite its
methodological limitations and the fact that actual job growth might turn out to be less than assumed in the underlying modelling.

**Sensitivity Tests**

Given the wide range of future land requirements implied by the different forecasting approaches outlined above, it is important to test how reasonable each appears against other factors and how sensitive they are to alternative assumptions.

It is useful to compare the employment growth implied by the land requirements from each scenario with the levels of employment growth actually achieved in Hull in recent years (Figure 4.2). The lowest estimated land requirement (based upon the REIU Baseline Scenario) implies a contraction of c.185 B Class jobs per annum to 2030. The scenario based upon historic development rates generates the strongest implied job change – with growth equivalent to 395 net new B Class jobs per annum. These figures compare with an average loss of 535 B Class jobs in Hull per annum between 1999 and 2013, a decline driven by job losses in the manufacturing sector.

All of the demand estimates could, potentially, generate a significantly higher level of job creation than has been achieved in Hull in recent years. As such, they could all be viewed as optimistic. However, it is worth re-emphasising that take-up of employment land in Hull has, on average, been far stronger than the land requirements implied under Scenarios 1-3 in recent years, despite a marked contraction in B Class jobs.

Figure 4.2 Annual B Class Job Growth Implied by Scenarios

Source: NLP Analysis / Various

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7 Based on Experian data
Indeed, whilst B Class employment in the City reduced by an average 535 jobs per annum over the period from 1999 to 2013, take-up rates held up comparatively well. So much so that, projecting forward past development rates (Scenario 5) identifies a requirement for 69.1ha and implies B Class job growth of 395 per annum. Clearly therefore, the property market dynamics of Hull have meant that, historically, there has been little correlation between land take and job change. This is particularly the case with manufacturing, as the sector has been responsible for the overwhelming majority of B Class job losses whilst also acting as the key driver of land take-up.

As outlined elsewhere in this section, Scenario 5 is underpinned by an analysis of past development rates of floorspace. An alternate estimate of demand can, therefore, be provided by analysing the take-up of land instead. Data provided by Hull City Council indicates that total gross take-up over the period 1999-2013 totalled 71.34ha. This equates to 5.1ha per annum. It should be noted that the data excludes take-up that has occurred on sites that could not realistically have been considered as generally available (i.e. refurbishments and extensions within the curtilage of an occupier’s existing site). The rationale for this is discussed in relation to Scenario 5.

Over the same period, losses of employment land averaged 1.7ha per annum. As a consequence, net take-up was in the order of 3.4ha per annum. Applying a two year safety margin and allowing for the replacement of losses at 66% of historic trends (in accordance with the methodology applied to Scenarios 1-5) would yield a gross requirement of 85.5ha over the period to 2030. This would rise to 96.9ha if losses were to be replaced at 100% of historic trends.

Flexing the assumptions regarding the scale of the safety margin and the allowance for the replacement of future losses can make a significant difference to forecast future demand. Indeed, if no allowance is made for future losses then total gross requirements under each scenario would fall by 16.4ha. Conversely, if losses are replaced at 100% of historic trends then total gross requirements would increase by a further 8.5ha. Clearly, these are significant changes, however, it should be noted that the allowance for future loss replacement applied by NLP is below the past rate of losses in the area (66%) and as such should avoid over-inflating the City’s requirement for employment land.

The safety margin allowances applied are also relatively modest – at two years of historic take-up. The churn of existing sites to provide redevelopment opportunities is a distinct characteristic of the local market and it is therefore important to provide some flexibility to facilitate the decanting of space. However, a two year margin equates to 23,900sq.m – 54% of the overall floorspace requirement identified at the lowest end of the range (under the baseline jobs forecast). As such, it was not considered appropriate to increase the margin any further.

The assumed proportion of office development on city centre of out-of-centre sites, with the different plot ratios that apply, could make a significant difference to land requirements. In this study a 50:50 split has been assumed,
having regard to monitoring data compiled by PPH. However, if it were assumed that 70% of new office space would be built on city centre sites, then the requirement for office land in Hull would fall by 2.6ha (from 9.8ha to 7.2ha) in the maximum case.

4.78 In contrast, flexing the assumed proportion of warehousing/distribution jobs in general, smaller scale or larger scale, strategic premises would appear to make very little difference to land requirements. NLP’s modelling of future land needs has assumed that 70% of jobs will be accommodated within general warehousing developments. This figure was arrived at having regard to local market intelligence provided by PPH, which indicated that warehousing demand has traditionally been dominated by occupiers of this nature. If, for example, an 80:20 split between general and larger scale warehousing jobs was applied instead, this would see the overall requirement for industrial land fall by a maximum 0.2ha.

Conclusions

4.79 In seeking to identify an appropriate future land requirement for Hull, five different scenarios have been considered. These are based on a number of different approaches which reflect past development trends, population projections and forecast economic change across the City. The total gross requirement for general employment land identified (i.e. excluding the proposed Siemens investment at Alexandra Dock) ranges from just 7.7ha to 69.1ha.

4.80 It important to note, however, that the scale of difference from top to bottom of the forecasting range masks a reasonable degree of consensus regarding the future land needs for office and distribution uses. Indeed, the key point of difference between the various scenarios centres around the future needs of manufacturing:

- Offices: the scenarios forecast a requirement for between 5.0ha and 9.8ha over the period to 2030;
- Distribution: the scenarios forecast a requirement for between 18.8 and 30.2ha over the period to 2030; and
- Manufacturing: the scenarios forecast a requirement for between -16.1ha and 32.1ha over the period to 2030.

4.81 Having regard to the above, the need to identify a narrower range of requirements for manufacturing space is clear. At present the forecasts divide into two distinct categories: those that yield a negative requirement; and those that yield a positive requirement. The scenarios that give rise to a negative requirement (Scenarios 1-3) are all underpinned by an assumed contraction in manufacturing employment. As a result of the way in which the ELR process translates job forecasts into land requirements, this gives rise to an assumed decline in manufacturing land. There are, however, a number of factors that would suggest that the sector could be expected to give rise to a positive land
requirement over the Plan period, even in the event of negative employment growth:

- Take-up of employment space in Hull over the period 1999-2013 was dominated by demand from manufacturing businesses – despite a significant contraction in employment within the sector;
- The manufacturing sector in Hull is projected (by the REIU) to experience growth in GVA to 2030 alongside a contraction in employment numbers. This could be as a result of increased automation or off-shoring in manufacturing processes, which could drive up demand for space;
- The supply chain jobs associated with the proposed Siemens investment at Alexandra Dock (modelled by REIU to inform Scenario 2) have been translated into a land requirement using standard employment densities and plot ratios. In practice, some of the requirements that may emerge from the supply chain may prove to be more land hungry, which would serve to drive up the requirement for manufacturing land8; and
- Discussions with the Humber LEP regarding projects coming forward via the ‘Growing the Humber’ Regional Growth Fund (RGF) Grant Programme identified a pipeline of projects with the potential to create 1,400 new FTE jobs in Hull. Whilst a detailed disaggregation of individual projects was not available, the LEP estimated that 80-85% are from within the manufacturing sector. It is recognised that job growth of this scale would not be sufficient to offset the decline in manufacturing employment projected under Scenarios 1-3. Indeed, the LEP figures may even include an element of double counting with respect to the transformational projects modelled under Scenario 2 – this is unclear at present. What is clear, however, is that the LEP has provided evidence of a significant number of projects (85 in total, which could equate to c.70 in manufacturing) that are anticipated to come forward over the next 3 years – suggesting that a number of manufacturing businesses are likely to grow and expand. This is a short term programme and at present there is no certainty regarding the provision of a similar initiative beyond 2015/16.

Taking account of the above, it could be considered more appropriate for Hull to plan on the basis of the positive B1c/B2 land requirements identified under Scenarios 4 and 5. As such, the overall requirement for general employment land to 2030 could be expected to be in the order of 50-70ha, in addition to approximately 56ha at Alexandra Dock to accommodate the potential investment of Siemens. An indicative distribution of the general land requirement – by B Class use – is set out below:

---

8 At present it is difficult to predict with any certainty the number and type of jobs to be generated in the supply chain as a result of potential inward investment. As acknowledged within Skills Research in the Humber LEP (2012), this will depend upon the supply chain strategies adopted by Siemens and other main manufacturers. Clearly this makes it difficult to apply any more bespoke analysis regarding potential employment densities and plot ratios
• 25-30ha of (B1c/B2) manufacturing land:
• 20-30ha of (B8) distribution land; and
• 5-10ha of (B1a/b) office land.

4.83 An overall requirement for 50-70ha of general employment land falls between those identified under Scenarios 4 and 5. This is considered to be reasonable on the basis that Scenarios 4 and 5 are the only ones modelled by NLP that imply a net growth in B Class jobs over the period to 2030 (Scenario 4 assumes annual average growth of 200, Scenario 5 assumes almost double this at 395). It is acknowledged that, in employment terms, these scenarios appear ambitious, given that Hull lost 535 B Class jobs per annum, on average, over the period 1999-2013. Clearly, however, for a City such as Hull – with its role as a driver of the wider sub-regional economy – it might not be appropriate in terms of the NPPF requirement to plan positively, for the City to plan for economic decline and a contraction in the economy.

4.84 It should also be recognised that the relationship between jobs and land in Hull does not appear to be fully reflected in the application of standard employment densities and plot ratios. As such, whilst an analysis of implied B Class job growth indicates that the recommended range represents a significant step change in economic performance, it would appear far more achievable in terms of the corresponding land requirements. Indeed, as outlined earlier in relation to the sensitivity testing of scenarios, projecting forward net development rates for land (rather than floorspace) suggest a requirement for 85.5ha.
5.0 Potential Growth Sectors and Future Land Needs (Spatial Implications)

5.1 It will be important that the supply of employment land to be allocated by Hull City Council through the Local Plan process provides a mix of different sites in different locations, in order to meet the needs of existing and emerging economic sectors. In advance of identifying an appropriate future portfolio of land for Hull, therefore, it is helpful to consider:

- Which sectors of the economy are projected to grow (or are being targeted to drive growth) over the Plan period; and
- The type of sites and locations typically favoured by businesses in each of these sectors.

5.2 The issues are considered below, drawing upon an analysis of: econometric forecasts produced by REIU; and the policy aspirations of both Hull City Council and the Humber LEP.

REIU Forecasts

5.3 The REIU forecasts discussed in Section 4.0 provide an estimate of future change in both employment levels and productivity (GVA) across 38 economic sectors across Hull. As such, they provide a useful starting point for understanding the growth potential of individual sectors within the City.

5.4 Table 5.1 identifies all those sectors projected to experience growth of more than 100 jobs to 2030 under the REIU Policy-On scenario. Forecast GVA change for each sector is also presented. The Policy-On scenario has been chosen in favour of the REIU Baseline on the basis that it is considered to better reflect Hull City Council’s growth aspirations (due to the inclusion of a number of key transformational projects).
Table 5.1  Projected Sector Growth (2013-2031)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialised Construction</td>
<td>872</td>
<td>£70.5m (45%)</td>
</tr>
<tr>
<td>Wholesale</td>
<td>810</td>
<td>£72.1m (27%)</td>
</tr>
<tr>
<td>Land Transport, Storage &amp; Post</td>
<td>162</td>
<td>£48.0m (32%)</td>
</tr>
<tr>
<td>Accommodation &amp; Food Services</td>
<td>266</td>
<td>£21.4m (28%)</td>
</tr>
<tr>
<td>Recreation</td>
<td>318</td>
<td>£2.7m (5%)</td>
</tr>
<tr>
<td>Finance</td>
<td>218</td>
<td>£23.6m (31%)</td>
</tr>
<tr>
<td>Real Estate</td>
<td>139</td>
<td>£82.7m (35%)</td>
</tr>
<tr>
<td>Professional Services</td>
<td>101</td>
<td>£39.4m (42%)</td>
</tr>
<tr>
<td>Admin &amp; Support Services</td>
<td>579</td>
<td>£101.8m (35%)</td>
</tr>
<tr>
<td>Other Private Services</td>
<td>443</td>
<td>£1.0m (-3%)</td>
</tr>
<tr>
<td>Education</td>
<td>1,571</td>
<td>£44.0m (13%)</td>
</tr>
<tr>
<td>Health</td>
<td>1,097</td>
<td>£199.4m (60%)</td>
</tr>
<tr>
<td>Residential Care &amp; Social Work</td>
<td>1,463</td>
<td>£74.0m (52%)</td>
</tr>
</tbody>
</table>

Source: REIU / NLP Analysis

5.5 From the table it can be seen that the strongest employment growth is projected to occur in a number of non-B Class sectors, including: education; health; and residential care & social work, many of them linked to the demographic base of the city. The majority of entries could be classified as being within the service sector (including those listed above) indicating a continued shift towards a more service-oriented economy in Hull.

5.6 Interestingly, however, analysis of those sectors that could give rise to a requirement for B Class land shows that the strongest growth is projected to occur in the industrial sectors of specialised construction and wholesaling.

**Economic Strategy Aims and Objectives**

5.7 In addition to the analysis set out above, it is important to have regard to the economic aims and objectives of Hull City Council and the Humber LEP. In particular, it is necessary to identify those sectors that are being targeted to drive future employment and economic growth within the City.

5.8 The Local Economic Partnership (LEP) in their Strategic Economic Plan (SEP) identify a number of sectors that are of strategic importance to the City’s economy, including: ports and logistics; renewables; healthcare and bioscience; advanced engineering; and food manufacturing and processing. It is understood that these sectors have been identified on the basis of their current representation and historic growth performance.

5.9 In identifying those sectors that are anticipated to drive future growth, it is useful to also consider A Plan for the Humber 2012-2017. Published by the Humber LEP in 2012, the document outlines the Humber’s short-term growth priorities. One of the principal aims of the document is to build upon the existing strengths of the Humber in a number of key sectors. Clearly, not all of these are relevant to Hull or likely to generate B class land requirements.
Those that are considered to be of relevance are summarised in the following paragraphs.

5.10 The following paragraphs draw upon the data sources presented above, as well as desk-based research and consultation undertaken by NLP. As a result of this analysis it is considered that Hull City Council should seek to ensure that the City’s future portfolio of land meets the needs of a range of potential growth sectors. The paragraphs set out below identify those sectors that it is considered could offer some growth potential, whilst also providing some steer regarding the typical land and premises requirements associated with each.

**Renewable Energy**

5.11 A Plan for the Humber highlights that the Humber is uniquely well suited to the offshore wind sector, having regard to:

- Three of the largest Round 3 offshore wind farm zones and a number of large Round 2 zones being located within 12 hours’ steaming time of the Humber;
- Existing and planned port infrastructure with deep water access next to large available development sites; and
- The strength of Grimsby as an established Operations & Maintenance hub.

5.12 The Humber has been designated – by Government – as a Centre for Offshore Renewable Engineering and this has been supported by the designation of two Enterprise Zones (Humber Renewable Energy Super Cluster EZ and Humber Green Port Corridor EZ) comprising 484ha of land across the Humber.

5.13 The Humber LEP has a stated ambition to attract four Original Equipment Manufacturers (OEM) to the area, in order to establish the Humber as a renewable energy ‘super cluster’. It is understood – based upon data published by Hull City Council that attracting four OEMs to the Humber could create 4,854 direct jobs, consisting of 1,500 on OEM sites on the North Bank and 3,354 on OEM sites on the South Bank. The data published by Hull City Council recognises that it is difficult to accurately quantify the total number of supply chain jobs that could be generated under such a scenario, estimating that the number of supply chain jobs could range from 2,000 to 8,000 across the Humber.

5.14 Key factors which influence locational decisions within the sector include: proximity to transport nodes and raw materials, the availability of skilled labour,

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9 Spatial Requirements of Key Sectors in the South East, Atkins for SEERA, 2004. Whilst it is acknowledged that the document does not specifically cover Yorkshire & Humber, it is considered that many of the conclusions are valid for other areas of the UK.

10 Source: http://www.hullcc.gov.uk/portal/page?_pageid=221,692260&_dad=portal&_schema=PORTAL
proximity to relevant research institutions and access to customers/suppliers. As such, it is anticipated that any OEMs or supply chain business associated with the offshore wind sector that might be attracted to Hull are likely to seek sites with dock access or sites located in the immediate vicinity of the port. As a consequence, it is anticipated that demand from the sector is likely to be focused on the City’s EZ sites and other locations in the Hedon Road area.

### Ports and Logistics

5.15 A Plan for the Humber states that the Humber Estuary is a unique natural asset and – with the largest ports complex in the country – a major economic one. Indeed, the Strategic Economic Plan for the Humber (Draft) estimates that the port and logistics sector supports 16,100 jobs and £667m of GVA across the Humber.

5.16 In assessing the future growth potential of the sector, the Strategic Economic Plan acknowledges that the Humber’s port sector is dominated by the throughput of non-unitised traffic, which is forecast to experience only marginal growth. However, the document suggests that growth in the offshore renewables sector could significantly enhance the economy of the Humber estuary.

5.17 It is understood from PPH that logistics operators generally express a preference for land within the Port itself. In the event that no suitable land is available, they typically prefer to satisfy their premises requirements more centrally within the UK. This is because once a business is forced to move their goods by road; they would prefer to move them as far as possible, having regard to EU Drive Time Directives. As such, logistics demand within Hull typically focuses within the Port area and if sites are not available businesses often then express a preference for locations in the Midlands or the M1/A1 Corridor.

### Food Processing

5.18 The Agribusiness and Food Processing sector is estimated to support 12,500 jobs and £738m of GVA across the Humber. Hull has a well-established food manufacturing and processing sector, including key manufacturers such as Aunt Bessie’s, Cranswick Foods and Jackson’s Bakeries.

5.19 A Plan for the Humber suggests that the Humber area as a whole can increase its share of the national food processing market, stating that it is imperative that the sector maintains its productive competitiveness and invests in innovation. What is less clear, however, is the extent to which the number of jobs in the sector is likely to grow, with the Strategic Economic Plan for the Humber (Draft) stating that employment in the sector is forecast to remain relatively static over the next five to ten years.

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11 Strategic Economic Plan for the Humber (Draft) (2013)
5.20 NLP is not aware of any research or market intelligence that specifically considers the needs of this particular sub-sector in terms that are of relevance to this study. However, it is considered that locational decisions are likely to primarily reflect the key factors that influence such decisions for the manufacturing sector as a whole: proximity to raw materials (where relevant), access to a supply of affordable sites and premises; good transport accessibility (including export nodes such as ports); and an available local labour force with the relevant skill levels. Within this context, it is anticipated that demand from the sector is likely to continue to be focused in locations such as Sutton Fields, Freightliner Road and Witty Street, whilst less cost sensitive occupiers may consider locations such as Priory Park.

5.21 Engineering and Manufacturing

Overall, the sector is projected to decline. Nevertheless, a small number of key sub-sectors still offer growth potential. The continued importance of caravan manufacturing and modular building to the local economy – despite changing market conditions – is recognised within A Plan for the Humber. The document also states that specialist engineering firms across the area represent a key competitive asset and will remain as such, with new opportunities to grow in future.

5.22 Engineering and manufacturing represents a broad sector that covers a wide spectrum of activity. It is anticipated that key locational decisions for the more traditional sub-sectors will continue to be influenced by: access to a supply of affordable sites and premises; good transport accessibility (including export nodes such as ports); and a skilled local labour force. Within this context it is anticipated that demand will be focused in Heartlands/Clough Road, Sutton Fields, as well as parts of the Freightliner Road and Witty Street areas of the City.

5.23 Sites in the Hedon Road area are also likely to be attractive, although it is unclear to what extent any supply chain that may result from the proposed Siemens investment will impact upon values and availability in this particular location. The eligibility criteria associated with Hull’s EZ sites (concentrated in the Hedon Road area) should also be recognised. Large tracts of land remain in ownership and operational use for caravan and prefabricated building manufacturing outwith the EZ sites.

5.24 With respect to advanced manufacturing and engineering a greater emphasis is generally placed upon the following factors when considering business locations: the availability of high quality business park environments; flexible/affordable workspace; proximity to the strategic road network; and (most importantly) a supply of skilled, qualified and experienced staff. It is therefore considered that demand will be focused in locations such as Priory Park East (and elsewhere in the City’s Western Corridor), Kingswood Business Park and parts of Sutton Fields, although some older traditional areas of the City will continue to support heavier industries.
Digital and Creative

5.25 The Humber is understood to have one of the fastest growing digital sectors outside of London and the Digital and Creative sector is estimated to support 4,800 jobs and £229m of GVA across the Humber. The University of Hull has expertise relevant to digital, gaming and creative content businesses and its Games Programming Masters course was the first in England to receive accreditation by the Sector Skills Council for Creative Media. In addition, Hull hosts an annual digital gaming and entertainment event (Platform Expo) as well as an annual technology conference (HDLive). It is understood the Humber LEP has identified the Computational Sciences Institute at the University of Hull and Platform Studios in the City Centre as priorities for funding.

5.26 Looking to the future, A Plan for the Humber recommends that the area should further develop its strengths in digital gaming, content creation and the creative sectors by capitalising upon the strong existing skills base and the planned investment in local communications infrastructure.

5.27 Businesses in the digital and creative sectors typically select locations on the basis of the following factors: access to broadband; image of the location; quality of life benefits; and access to large centres of population. The availability of skilled staff and town/city centre premises with a good cultural image to reflect the creative nature of the sector can also be important. Demand from the sector is likely to be concentrated in City Centre locations. Occupiers may favour good quality refurbishment/redevelopment schemes, such as Brewery House at The Maltings, rather than new premises.

5.28 In addition, it is noted that the regeneration of the Fruit Market is identified as a key priority for Hull City Council. It is anticipated that the mixed-use redevelopment of the area will include the development of a digital quarter, in order to capitalise upon the area’s existing reputation as a cultural lifestyle quarter.

Financial and Business Services

5.29 In addition to the potential growth sectors outlined above, it is anticipated that there may be a need for Hull City Council to ensure a supply of land to meet the needs of the financial and business services sector. The prospects for employment growth in this sector are, however, considered to be more mixed.

5.30 In general, businesses in the sector identify potential locations having regard to: access to markets/suppliers; access to a skilled and diverse workforce; and high quality transport and telecommunications infrastructure. Given the need to attract high calibre staff, quality of life factors including cultural facilities can also be important.

12 Strategic Economic Plan for the Humber (Draft) (2013)
Clearly, however, the sector is relatively broad and covers a diverse range of activities. This diversity is, in turn, reflected in the property requirements of the sector, with business generally either seeking town/city centre office premises or units on lower density business park developments. It is recommended that Hull City Council seeks to accommodate a modest provision of land for both City Centre and business park development (with locations such as Priory Park East and Kingswood Business Park considered suitable to meet demand for the latter) in order to ensure that the City is best placed to cater for the range of requirements that may emerge from the sector over the Plan period.
6.0 Commercial Property Market

6.1 This section describes the current property market conditions in Hull including recent trends in the demand for and supply of office and industrial premises. The work draws upon PPH’s extensive knowledge of the local property market, as well as their in-house monitoring data and published market reports.

Overview

6.2 As of 2013 the UK commercial property market was beginning to show signs of recovery from the financial crisis of 2007/08 and the ensuing recession and property slump. Falls in the capital value and rental levels of office and industrial premises of up to 40% - combined with stricter lending criteria from banks and the abolition of tax relief on empty property - mean that property development is less profitable, finance is hard to obtain and the risks of developing space without an identified end-user are high. As a result, speculative development has become very rare in virtually all of the UK outside London. This is particularly the case in more economically marginal locations, and those without a significant existing commercial property market, where lenders and developers are likely to be especially cautious.

6.3 The impact of the financial crisis upon Hull has been marked, with the progress of a number of major projects (including the proposed regeneration of the Fruit Market) stalled.

6.4 Despite the economic difficulties of recent years, Hull has experienced continued demand for existing quality space – particularly in relation to the office sector. A noticeable spike in activity was observed in 2011. This, coupled with the reduced levels of development (as outlined above), has resulted in the limited availability of good quality office and industrial stock in the City. As the market shows signs of improving, this is beginning to constrain Hull’s growth potential.

Office Market

6.5 The majority of Hull’s office stock lies within the City Centre or at Priory Park (a business park located approximately 4 miles to the west of the City Centre).

6.6 Within the City Centre there are effectively 3 separate office markets:

1. New Grade A space;
2. Modern refurbished space mainly constructed in the 1980’s and 1990’s; and
3. Older non-refurbished 1960’s and 70’s stock in need of refurbishment.

6.7 In the mid to late 1970’s Hull City Centre witnessed significant speculative office development with 5 main buildings constructed as follows:
A number of other bespoke office buildings were constructed, particularly along Lowgate (which at that time formed part of the Old Town office district with a concentration of professional services occupiers). However, the developments identified above were let to a variety of national, regional and local companies with the principal demand coming from the financial services sector and the legal profession.

As the commercial property market improved in the mid 1980’s, demand for quality office space increased. However, the immediate availability of quality space (even on a refurbished basis) was limited. This continues to be a problem for the City Centre. The average space requirement at that time was between 250 sq m and 750 sq m, with regular uptake of units of circa 250 sq m by financial services firms.

This pattern continued through the 1980’s into the early 1990’s and due to this uptake of space developers started to once again look at Hull as a possible City for speculative office buildings. Despite this interest, only 2 speculative schemes occurred during this time. This space was let to a mixture of local authority occupiers, government departments as well as banks, building societies, solicitors and accountants.

Up to 2000 the City Centre saw further limited speculative office development with only 3 schemes undertaken in this area. The schemes, listed below, added a total of approximately 9,290sq m (100,000sq ft) of new space, which took approximately 5 years to fully let:

1. Marina Court, Castle Street, Hull
2. Wilberforce Court, Alfred Gelder Street, Hull
3. Barclays House, Lowgate, Hull

During the period to 2000 a number of buildings were also being refurbished to provide City Centre office space. The most notable scheme was the former Hull Brewery complex, which was renamed The Maltings Office Village.

The project was completed on a purely speculative refurbishment basis totalling 120,000 sq ft and created suites from 1,500 sq ft through to 40,000 sq ft initially offered at a rental of £6.50 per sq ft, which against the top rent of £9 per sq ft on new space was very competitive.

With an improving economic climate a number of speculative office proposals were considered and in 2005 a major new office development known as Humber Quays on the edge of the City Centre on the old quayside was commenced. This resulted in the creation of 5,249sq m (56,500 sq ft) of Grade
A office space. Located next to Hull Marina, the offices attracted a range of national companies (including Royal Bank of Scotland, Barclays Bank, Price Waterhouse Cooper and Baker Tilly) and set a new benchmark of rental levels in Hull of £14.50 per sq ft (£156 per sq m).

6.15 Around 2004/2005 regional developers were also looking at the creation of further out of town business park space within the Hull boundary, following on from some nearby schemes created in the East Riding region. This new office space was located around Henry Boot Way (Priory Park East) approximately 4 miles west of Hull City Centre alongside the Clive Sullivan Way (A63) on schemes now known as Earls Court, Estuary Business Park and Bridgeview Business Park.

6.16 Within the above area, speculative and bespoke office schemes totalling 94,000 sq ft were constructed - providing semi-detached and detached office buildings ranging from 3,000 sq ft (278.7 sq m) to 10,000 sq ft (929 sq m) with generous car parking provision. These offices let reasonably well up until the downturn in the market and were attracting rents between £12.50 per sq ft and £15 per sq ft.

**Current Availability and Values**

6.17 At present, total availability of offices in Hull extends to approximately 87,419 sq m (941,000 sq ft). Of this space just 1,068 sq m (11,500 sq ft) is classified as Grade A, with approximately 4,645 sq m (50,000 sq ft) Grade B (including modern or refurbished offices). This clearly demonstrates the limited availability of high quality office premises within the City.

6.18 The majority of Hull’s office space is located within larger, older, purpose-built schemes which were constructed around the 1970s but have not been refurbished. This accounts for approximately 21,367 sq m (230,000 sq ft) in the City Centre alone.

6.19 The remaining space is a mixture of converted premises, older office suites above retail units and refurbishment opportunities which remain vacant. Much of this space has been vacant and on the market for many years but, in view of the current market difficulties outlined earlier, owners are unlikely to carry out speculative office refurbishment.

6.20 The City’s shortage of quality office space is reflected in the fact that less than 15% of the available stock (currently estimated at 941,000 sq ft) is receiving regular enquiries. Clearly, new development is needed to address this shortfall and enable Hull to compete for office-based inward investment opportunities. However, no speculative office development is currently underway in the City Centre and the only speculative space presently on-going is outside the local authority area, within East Riding.

6.21 Of the new enquiries being received, these are primarily based on occupation within three to six months which precludes pre-let arrangements. This is seen
as one of the main difficulties within Hull’s office market to ensure it continues to grow.

6.22 The significant variation in the quality of stock available in Hull is demonstrated in the range of rents and capital values for offices:

Table 6.1 Office Rents and Values in Hull

<table>
<thead>
<tr>
<th>Location</th>
<th>Office Rents</th>
<th>Office Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£ per sq ft</td>
<td>£ per sq m</td>
</tr>
<tr>
<td>Hull City Centre</td>
<td>£3.00 – £14.50</td>
<td>£32.30-£156</td>
</tr>
<tr>
<td>Business Parks</td>
<td>£10-£15</td>
<td>£107.64-£161</td>
</tr>
</tbody>
</table>

Source: Survey of agents/EGI Property link

6.23 This variation is not unusual within the Humber region and can be highlighted from the office values in the other surrounding authorities as highlighted below.

Table 6.2 Office Rents and Values in Humberside

<table>
<thead>
<tr>
<th>Location</th>
<th>Office Rents</th>
<th>Office Values</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£ per sq ft</td>
<td>£ per sq m</td>
</tr>
<tr>
<td>East Riding of Yorkshire</td>
<td>£6.00-£16.00</td>
<td>£64.50-£172</td>
</tr>
<tr>
<td>North East Lincolnshire</td>
<td>£3.00-£12.75</td>
<td>£32.30-£137</td>
</tr>
<tr>
<td>North Lincolnshire</td>
<td>£3.00-£10.00</td>
<td>£32.30-£107</td>
</tr>
</tbody>
</table>

Source: Survey of agents/EGI Property link

6.24 Within the Humber region incorporating Hull, Beverley, Grimsby and Scunthorpe, Hull competes very strongly as the main office destination in the sub-region with strong transport connectivity and a larger labour force. This is reflected in top-end rental values in Hull that are broadly comparable with East Riding and significantly higher than those achieved in North Lincolnshire and North East Lincolnshire.

6.25 Overall, rental/capital values have not significantly fallen at the quality end of the market, but there is a much more flexible approach being adopted by owners/landlords on the older Grade C to E space, with rents currently as low as £1 per sq ft as a start-up level being offered.

**Office Occupiers**

6.26 Hull is characterised by a diverse business base and as such, demand for office premises (particularly in the City Centre) is generated by local occupiers from a range of sectors.

6.27 On average, circa 95% of all transactions concluded are local moves for companies either expanding or conversely contracting their space. Demand from inward investment is limited.

6.28 Although the City is actively promoting and encouraging inward investment, new office users coming into Hull are very limited and when this does occur it tends to be on a short term letting basis.
6.29 In the current market, potential occupiers are primarily looking for Grade A/Grade B quality office space with car parking. The current lack of availability at this end of the market is considered to be a constraint to growth. In particular, where companies have enquiries for over 5,000 sq ft on a single floor plate, they have very little if any options to choose from in Hull.

6.30 To improve the level of office stock in the market and to generate and secure occupiers, larger quality floorspace offices need to be created and released to the market.

Office Transaction Levels

6.31 As can be seen from the table below, the annual take up of offices within Hull since 2006 has ranged from 125,680 sq ft to 223,413 sq ft.

Table 6.3 Annual Office Take-Up in Hull

<table>
<thead>
<tr>
<th>Year</th>
<th>Take Up sq ft</th>
<th>Take Up sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>141,648</td>
<td>13,160</td>
</tr>
<tr>
<td>2007</td>
<td>156,155</td>
<td>14,507</td>
</tr>
<tr>
<td>2008</td>
<td>156,713</td>
<td>14,559</td>
</tr>
<tr>
<td>2009</td>
<td>157,893</td>
<td>14,668</td>
</tr>
<tr>
<td>2010</td>
<td>125,680</td>
<td>11,675</td>
</tr>
<tr>
<td>2011</td>
<td>223,413</td>
<td>20,755</td>
</tr>
<tr>
<td>2012</td>
<td>165,432</td>
<td>15,369</td>
</tr>
</tbody>
</table>

Source: Agents survey and EGI Property Week

6.32 2011 proved to be one of the most active years for disposal of office space, not only in Hull City Centre, but across the authority as a whole. The strong levels of take-up were particularly noticeable in Q4 of 2011 as a result of three large transactions at Humber Quays (C Spencer Ltd), The Maltings (SGS Ltd) and Marina Court (Andrew Jackson Solicitors). In total, 57,200 sq ft (5,314 sq m) was taken in December alone in Grade A and Grade B space in those buildings.

6.33 Take-up in 2012 subsequently fell back to a level more closely aligned to the long-term average observed over the period 2006-12. It should, however, be noted that this was due to a shortage of quality space, rather than a result of demand per se. To date 2013 is showing signs of improvement and levels may exceed 2012.

The Future

6.34 With the continuing demand for quality office space - particularly in the City Centre - Hull must seek to increase the provision of Grade A space or high quality refurbishments. This will require the release of further sites to the market, with a focus on City Centre locations.

Industrial Market

6.35 Demand for industrial space in Hull is predominantly service-related. The key drivers are considered to include:
- The City’s extensive port facilities;
- The strong presence of the caravan manufacturing industry and portable building accommodation, as well as the associated supply chain;
- Emerging strengths in the renewable energy sector; and
- Lower living costs compared to the nearby cities of York, Leeds and Sheffield.

6.36

The industrial market in Hull is more self-contained than in many of the cities in West and South Yorkshire. This is a reflection of Hull’s geographic location (at the end of the M62 motorway) which gives rise to limited competition from other nearby towns and cities.

6.37

Following the construction and opening of the Humber Bridge in 1981 and the creation of the new orbital ring road (Clive Sullivan Way), which connected Hull to the M62 motorway, the City’s industrial offer was dominated by four key locations:

- **Sutton Fields Industrial Estate (A):** located approximately 3.5 miles north of the City Centre, the site was released to the market in the early 1970’s and extended to more than 140 acres;
- **Wincolmlee – Cleveland Street – The Industrial Heartland (B):** situated 1.5 miles north of the City Centre, this area is separated by the River Hull where many of the occupiers, particularly in the 1960’s and 1970’s imported materials through barges into various manufacturing mills;
- **Hedon Road Industrial Area (C):** a substantial industrial location situated 1 mile from the City Centre. The area includes the City’s main freight, passenger terminals at Alexandra Dock and King George / Queen Elizabeth docks to the south. To the north, the area included some of the City’s larger manufacturers; and
- **Fish Docks – William Wright and Albert Dock (D):** located a mile to the west of the City Centre this included areas around English Street and Goulton Street, serving the then vibrant fish docks.
The creation of the orbital road allowed the creation of a number of new industrial areas on the western outskirts of the City Centre. The City also benefitted from the industrial building allowance scheme which stimulated major development of new industrial complexes for the small and medium-sized enterprises.

The new industrial estates facilitated the relocation of a number of companies based in the City from premises on older industrial areas, where sites were overdeveloped and did not have any expansion land. Such relocations were important in facilitating the growth of Hull’s indigenous business base.

In addition, extensive slum clearance around the old fishing docks resulted in the development of a number of significant new industrial areas to the west of the city. This included land at Witty Street, Brighton Street, Freightliner Road and Priory Park. These areas saw significant speculative development. Witty Street provided space for many of the city’s SME’s with units ranging from 2,500 sq ft through to 15,000 sq ft with considerable owner occupation in these areas.

A significant number of service related businesses were attracted to these locations, particularly with the ease of access to Clive Sullivan Way, as well as some small manufacturing concerns.

From 2000 and with favourable economic conditions prevailing, Hull's industrial market experienced significant growth – as in many northern cities. Growth in Hull, however, was characterised by a focus on small to medium sized enterprises employing up to 25 people.

The industrial landscape of the City has changed in recent years, as a consequence of the more recent developments detailed above. Whilst some of
the older industrial estates still remain attractive, the main industrial areas in Hull are now:

- **Priory Park East, Henry Boot Way, Hull (A):** this 100 acre site is now well developed, with approximately 17 acres remaining. The area has attracted a wide range of employment users, including offices, light industrial, the Arco distribution centre, as well as various non-B class uses such as motor showrooms and the Village hotel.

- **Freightliner Road/Brighton Street/Witty Street – West Hull (B):** demand for this industrial area is particularly strong and limited sites are now available for development. The area provides a range of modern industrial space from small starter units through to complexes up to 50,000 sq ft. The area has excellent direct access to the Orbital Ring Road and a large surrounding labour force - key reasons for the location’s popularity.

- **Hedon Road (C):** this location offers the potential to provide a number of larger scale development sites. The area is, however, the preferred location for the potential development of a wind turbine manufacturing plant by Siemens which, if successful, would require more than 100 acres of land, with the possibility of further requirements from the resultant supply chain.

- **Sutton Fields (D):** 95% of the site has now been developed out. Whilst there are a limited number of small plots remaining, several of the larger users are facing potential expansion problems within their existing complexes.

- **Wincolmlee – Industrial Heartlands (E):** a small number of sites have been brought to the market for redevelopment within the last three years. The largest such opportunity is located on Cleveland Street and extends to 15 acres. It is understood that the site is likely to be used for a new Biomass facility. PPH consider that there may be further opportunities to identify redevelopment opportunities on existing complexes in the area, although these are likely to be smaller scale. When such sites have been brought to the market in recent years, they have proved to be less attractive to the market than development opportunities in the City’s other key industrial locations.
The availability of industrial space within the City at the start of 2013 was estimated to be in the order of 3,200,000 sq ft (297,282 sq m). The majority of this space is concentrated within the main industrial areas of: Priory Park East; Witty Street/Freightliner Road; Hedon Road; Sutton Fields; and Wincolmlee – Industrial Heartlands.

There is a distinct difference in rental and capital values on industrial accommodation – with locations to the west of the City Centre (Priory Park East and Witty Street/Freightliner Road) attracting the highest values. Differences in rental and capital values are particularly noticeable with respect to medium sized accommodation. Current values within the five main industrial areas are shown in the table below.
Table 6.4  Industrial Rents and Values in Hull

<table>
<thead>
<tr>
<th>Location</th>
<th>Unit Size per sq ft</th>
<th>Rental Value £/sq ft</th>
<th>Capital Value £/sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priory Park East</td>
<td>0-5,000</td>
<td>£4.50-£5.50</td>
<td>£50-£65</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
<td>£4-£4.75</td>
<td>£45-£55</td>
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<tr>
<td></td>
<td>20,001-100,000+</td>
<td>£3.25-£4</td>
<td>£35-£50</td>
</tr>
<tr>
<td>Witty Street /Freightliner Road</td>
<td>0-5,000</td>
<td>£4-£5</td>
<td>£45-£60</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
<td>£3.50-£4</td>
<td>£36-£50</td>
</tr>
<tr>
<td></td>
<td>20,001-100,000+</td>
<td>£2.50-£3.25</td>
<td>£25-£40</td>
</tr>
<tr>
<td>Hedon Road</td>
<td>0-5,000</td>
<td>£3-£4</td>
<td>£30-£45</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
<td>£2.25-£3.50</td>
<td>£25-£35</td>
</tr>
<tr>
<td></td>
<td>20,001-100,000+</td>
<td>£1.75-£2.75</td>
<td>£20-£30</td>
</tr>
<tr>
<td>Sutton Fields Industrial Estate</td>
<td>0-5,000</td>
<td>£3-£4</td>
<td>£30-£45</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
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<td>20,001-100,000+</td>
<td>£1.50-£2.50</td>
<td>£18-£28</td>
</tr>
<tr>
<td>Wincolmlee – Industrial Heartlands</td>
<td>0-5,000</td>
<td>£2-£3</td>
<td>£22-£30</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
<td>£1.50-£2.25</td>
<td>£15-£23</td>
</tr>
<tr>
<td></td>
<td>20,001-100,000+</td>
<td>£1-£2</td>
<td>£10-£20</td>
</tr>
</tbody>
</table>

Source: PPH

6.46 In Sutton Fields (located to the north of the City Centre) there are a number of larger complexes available whereas on the west side of the city availability is primarily in units of 2,500 to 5,000 sq ft with the availability of larger accommodation somewhat limited.

6.47 Overall, the City currently has a shortage of larger accommodation (50,000 sq ft plus) and when inquiries for such space emerge, from either existing companies or inward investors, the choice of space is currently limited to 2 or 3 properties. In some instances, Hull has lost out on such inquiries due to the lack of available, modern space and the limited opportunities to develop premises of this nature. Officers from Hull City Council’s Economic Development and Regeneration Team have advised that the absence of accommodation could also be a function of a lack of demand.

6.48 Values for Hull (outlined above) are broadly similar to those typically achieved in the neighbouring authorities. This is illustrated by the table below.

Table 6.5  Industrial Rents and Values in Humberside

<table>
<thead>
<tr>
<th>Location</th>
<th>Unit Size per sq ft</th>
<th>Rental Value £/sq ft</th>
<th>Capital Value £/sq ft</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Riding</td>
<td>0-5,000</td>
<td>£4.00-£5.00</td>
<td>£30-£60</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
<td>£2.50-£4.00</td>
<td>£20-£40</td>
</tr>
<tr>
<td></td>
<td>20,001-100,000+</td>
<td>£1.75-£3.00</td>
<td>£15-£25</td>
</tr>
<tr>
<td>North East Lincolnshire</td>
<td>0-5,000</td>
<td>£4.50-£5.25</td>
<td>£45-£52</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
<td>£4-£4.75</td>
<td>£45-£50</td>
</tr>
<tr>
<td></td>
<td>20,001-100,000+</td>
<td>£1.50-£3.00</td>
<td>£12-£25</td>
</tr>
<tr>
<td>North Lincolnshire</td>
<td>0-5,000</td>
<td>£4.00-£4.00</td>
<td>£30-£40</td>
</tr>
<tr>
<td></td>
<td>5,001-20,000+</td>
<td>£2.50-£4.00</td>
<td>£20-£40</td>
</tr>
<tr>
<td></td>
<td>20,001-100,000+</td>
<td>£1.25-£2.50</td>
<td>£10-£20</td>
</tr>
</tbody>
</table>

Source: PPH
6.49 The industrial market in the Humber region is primarily focused around Hull, Scunthorpe and Grimsby. Each of these three areas has their own localised market place and no one town or city is noticeably stronger than the other, with values (perhaps with the exception of Scunthorpe) broadly similar.

6.50 In terms of enquiries, all three areas experience significant interest from indigenous occupiers. Scunthorpe has particularly benefitted from the Regional Growth Fund which is only now to starting to show benefits in Hull and therefore impact positively on the market place.

**Industrial Occupiers**

6.51 Hull has a diverse industrial base which has grown strongly since the 1980’s, with particular emphasis on the distribution and service industries as opposed to extensive manufacturing in the caravan and portable buildings sector.

6.52 Despite the City actively promoting and encouraging inward investments (as demonstrated by the potential Siemens investment) PPH estimate that internal moves by existing companies account for 90/95% of all transactions. It is understood from Hull City Council’s Economic Development and Regeneration Team that the Council’s aspiration is to capture a greater volume of inward investment linked to Siemens, although this will ultimately be dependent upon the supply chain strategy adopted by Siemens.

**Industrial Transaction Rates**

6.53 The average take up rates of industrial accommodation within Hull have traditionally been between 800,000 and 1,000,000 sq ft per year. However, the impact of the economic downturn of 2008/2009 can clearly be seen, with significantly reduced levels of development in 2009 and 2011.

6.54 Within the City, the take up rate for industrial accommodation over the last seven years is shown in the table below.

<table>
<thead>
<tr>
<th>Year</th>
<th>Take Up sq ft</th>
<th>Take Up sq m</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>818,939</td>
<td>76,080</td>
</tr>
<tr>
<td>2007</td>
<td>859,586</td>
<td>79,856</td>
</tr>
<tr>
<td>2008</td>
<td>1,813,817</td>
<td>168,505</td>
</tr>
<tr>
<td>2009</td>
<td>290,141</td>
<td>19,429</td>
</tr>
<tr>
<td>2010</td>
<td>814,152</td>
<td>75,635</td>
</tr>
<tr>
<td>2011</td>
<td>387,929</td>
<td>36,039</td>
</tr>
<tr>
<td>2012</td>
<td>934,472</td>
<td>86,813</td>
</tr>
</tbody>
</table>

Source: Agents survey and EGI Property Week

**The Future**

6.55 As with many northern cities Hull has continuing steady demand for quality existing industrial space but limited stock and with restricted new development is limiting property movement within the city.
PPH have advised that the areas in the north (driven in part by capacity issues at Sutton Fields) and east of the City Centre are experiencing difficulties in attracting new business but the west side of the city particularly the Priory Park and Witty Street areas continue to be attractive business locations.

**Views of Local Businesses**

In 2007 the Hull Business Forum (HBF) conducted a Business Premises Survey, which sought to understand the views of the local business community with respect to the quality and availability of premises within the City. Whilst it is recognised that this work is now somewhat out-of-date, the survey did identify a number of issues of relevance to this ELR:

- 57% of businesses indicated that the quality of premises within Hull ‘is not good enough’. A further 58% suggested that a lack of suitable premises ‘holds back the local economy’;
- 90% of businesses believe that the improvement of business premises in Hull is either ‘essential’ (50%) or ‘important’ (40%);
- The importance of maintaining an appropriate portfolio of premises – and the risks associated with a failure to do so – is clear. 31% of respondents indicated that they would seek premises outside of Hull if they were to move in the near future, with a lack of suitable premises identified as one of three key reasons;
- In seeking to enhance Hull’s premises offer 66% indicated that the provision of managed workspace for start-ups and small firms should be prioritised. Respondents also identified a need for: high quality office space (46%); light industrial units (43%); and hi-tech incubation facilities (40%);
- Location was cited as the most significant factor when choosing premises. The survey indicates that the provision of new premises should be focused in Hull (rather than new and emerging sites in East Riding). The most popular options identified were:
  - In close proximity to key assets such as the Port, University and major employers (38%);
  - On or adjacent to existing business/industrial estates in Hull (38%);
  - On newly created employment locations in Hull (33%); and
  - Hull City Centre (32%).

A survey of businesses in Hull was undertaken in May/June 2013 to inform this ELR and update much of the analysis summarised above. The survey was sent to members of the Hull and Humber Chamber of Trade and publicised more widely in the local press. Unfortunately, a low response rate means that the survey cannot be used to provide a robust quantitative analysis. Nevertheless, some general qualitative conclusions can be taken from the exercise, which broadly support the findings of the 2007 HBF work:
Premises decisions by businesses in the City are primarily driven by the quality, cost and availability of premises. The quality of the wider industrial estate and access to the strategic network are also important, albeit to a lesser extent; and

A lack of suitable premises was identified by businesses as the most likely obstacle to their expansion of relocation within Hull.
7.0 Qualitative Review of Existing Employment Sites

7.1 This section assesses the characteristics and quality of employment sites in Hull and their suitability to meet future employment development needs in the City.

7.2 The initial assessment considered a range of sites identified by Hull City Council for review. Sites included those previously allocated for employment uses, those allocated for a mix of uses and those identified through previous monitoring reports – for example where previous permissions suggested an opportunity or where a site appeared to be vacant. Sites were generally located within recognised employment areas, suggesting that there may be scope for employment use.

7.3 This review considered all those sites which could be part of a meaningful and deliverable portfolio and therefore could potentially be allocated in the city’s New Local Plan. Initially the area of all land considered amounted to approximately 283ha of land on 95 sites. Clearly this amount of land is far in excess of projected requirements. The qualitative review of sites and opportunities below considers the characteristics of all those assessed. Section 8.0 then provides initial recommendations regarding those sites which would appear suitable to be taken forward as part of a portfolio that can meet needs and support economic development in the city. It also outlines those that the review considers should be discounted and not be put forward as part of a portfolio of sites.

7.4 It should be noted that the ultimate judgement for inclusion or exclusion from the employment land supply is a matter for the Local Planning Authority, taking account of a range of planning factors, including ones that may be outwith the ambit of this Employment Land Review. In this sense, the NLP conclusion on a site may not be the only consideration for how it is addressed in the Plan.

7.5 Site visits were undertaken by NLP, with each site inspected and its suitability for employment use assessed against the criteria listed below, which reflects those in the former ODPM Guidance on Employment Land Reviews, now superseded by National Planning Policy Guidance (NPPG). Analysis regarding the market attractiveness of employment sites was provided by PPH:

- Strategic road access and local road access;
- Accessibility to public transport and services;
- Adjoining uses that might constrain employment uses;

13 It should be noted that a small number of additional sites were submitted by HCC for inclusion in the ELR process at a later stage. In such instances, HCC undertook site inspections and provided the corresponding analysis. The views of expressed in this ELR in relation to those sites do not, therefore, represent the professional opinion of NLP. These sites are identified at the relevant juncture within the text.
Site size, characteristics and potential development constraints; and
Attractiveness to the market, including vacancy and market activity.

Other factors were also noted including the site’s suitability for specific uses, any barriers to the delivery of undeveloped sites for employment uses, as well as sustainability factors where relevant. Details of each assessed site, and how they scored against the assessment criteria, are contained in Appendix 1.

It should be noted, however, that this assessment process in itself does not necessarily provide a complete picture of a site’s role within the local economy. For example, a site’s importance to meeting particular business or sector needs can be important reasons for retaining a site even if it does not perform well against conventional site assessment criteria. A broader commentary is therefore provided below on each site to supplement the formal scoring exercise.

Overview of Sites

The broad distribution across the city of employment sites assessed by this study is illustrated by the plans in Appendix 2 and Table 7.1. It can be seen that approximately 41% of the total number of sites in Hull are located within the North/Central area of the city (Heartlands, Sutton Fields, Kingswood and National Avenue) with 15% in the Western Corridor, 22% in the Eastern Corridor, 17% in the City Centre and 4% within the Port Area. An assessment on the basis of the amount of land reveals a markedly different distribution, with the Port Area accounting for the largest proportion at 36%, followed by the North and Central areas of the City (30%), Western Corridor (19%), Eastern Corridor (13%) and 3% in the City Centre.

Table 7.1 Overview of Sites

<table>
<thead>
<tr>
<th>Location</th>
<th>Number of Sites</th>
<th>% of Sites</th>
<th>Total Site Area</th>
<th>% of Total Site Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Centre</td>
<td>16</td>
<td>17%</td>
<td>8.56</td>
<td>3%</td>
</tr>
<tr>
<td>Western Corridor</td>
<td>14</td>
<td>15%</td>
<td>54.00</td>
<td>19%</td>
</tr>
<tr>
<td>Eastern Corridor</td>
<td>21</td>
<td>22%</td>
<td>35.73</td>
<td>13%</td>
</tr>
<tr>
<td>Port Area</td>
<td>4</td>
<td>4%</td>
<td>100.51</td>
<td>36%</td>
</tr>
<tr>
<td>Heartlands &amp; Clough Road</td>
<td>28</td>
<td>29%</td>
<td>39.47</td>
<td>14%</td>
</tr>
<tr>
<td>Sutton Fields</td>
<td>8</td>
<td>8%</td>
<td>4.72</td>
<td>2%</td>
</tr>
<tr>
<td>Kingswood</td>
<td>2</td>
<td>2%</td>
<td>39.00</td>
<td>14%</td>
</tr>
<tr>
<td>National Avenue</td>
<td>2</td>
<td>2%</td>
<td>0.73</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>95</strong></td>
<td><strong>100%</strong></td>
<td><strong>282.72</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: NLP (totals rounded)

Hull’s supply of employment sites has been divided into six distinct typologies to reflect their current planning status. The analysis of individual sites, presented in the following paragraphs, is structured on the basis of the typologies outlined below:

1. Allocated or committed in the saved Local Plan (2000);
2 Allocated in an AAP;
3 Existing port area site (as defined in the saved Local Plan - 2000) with planning permission;
4 Existing port area site (as defined in the saved Local Plan - 2000) without planning permission;
5 Unallocated sites with Planning Permission; and
6 Unallocated sites without Planning Permission.

Western Corridor

7.10 The western corridor of Hull is a predominant area of employment uses. This area is particularly attractive to the industrial and business market and is a popular area of choice. However, there are limited available sites remaining in this area.

Allocated or committed in saved Local Plan (2000)

7.11 Priory Park (7.98 ha) (Ref: 26/08 - 9, 10, 26, 30, 31, 32, 36 and 37), is designated within the saved Local Plan (2000) as a Strategic Employment Location. The sites are located on land to the north, south and east of Henry Boot Way, with good access to Priory Way. The original site totalled some 37.4 ha, of which 9.86 ha remains across the nine sites identified above, although it is understood that 26/08-1 (1.88 ha) has planning consent for an extension to Arco's existing warehouse. Site 26/08-30 has planning approval for the construction of four, two storey office buildings and sites 26/08-31, 32 and 38 have planning permission for the construction of various commercial and industrial units. Appropriate surrounding infrastructure is in place and the sites offer potential for a number of employment uses. These sites all score highly against the assessment criteria and are considered appropriate for a number of employment uses. Most sites are currently being promoted as development land with the expectation that office accommodation will be developed on the sites. Site 26/08-26 is specifically marked as part of the existing Banner Court scheme which is a complex of light industry/warehouse units.

7.12 The Beacon Business Park (part allocated) (2.07 ha) (Ref: 11/22, 11/22-1 and 11/22-2), is located on Brighton Street/Clive Sullivan Way. Access to the available sites is via Brighton Street, providing excellent access onto Clive Sullivan Way (A63). Site 11/22-1 has full planning approval for the construction of two three storey buildings to provide office accommodation. The site is currently under construction, and as such, whilst the land will no longer contribute to the stock of available employment land in Hull, it will help to meet the anticipated demand for land and premises over the Plan period. 11/22-2 remains as a cleared development plot.

7.13 Site 11/22 was part of a wider outline planning permission, which lapsed in 2012, however the site has been cleared and is currently vacant, but it may require remediation work before redevelopment can take place. Access would most likely via the access road created from Brighton Street as part of earlier
development, or separately from West Dock Street which adjoins the site to the north. The sites are currently being marketed as ‘The Beacon Business Park’ offering Grade ‘A’ office accommodation and trade counter units.

7.14 **Former Cavaghan and Gray Factory** (part allocated) (2.13 ha) (Ref: 11/01), is accessed off Freightliner Road and has excellent access to both Hessle Road and Clive Sullivan Way. Whilst only a small proportion of the land is allocated, the wider site is vacant and consists of redundant buildings of the former Cavaghan and Gray Factory. The whole site is for sale as an unoccupied, usable factory complex, previously used for food production, and underused storage area/car park, although marketing material also provides option for the offices to be sold, or for the land to be let. It is not clear therefore whether the site will be brought forward as a single development opportunity. The site is one of the three available for development within Freightliner Road - a popular established employment area in the west of Hull. The site scored well against the assessment criteria, reflecting its location within a popular and accessible business area and would be suitable for B1b/c, B2 and B8 uses. It is currently being marketed as a development plot suitable for offices or industrial units.

7.15 **West of St Andrews Quay** (14.25 ha) (Ref: 26/20) is located adjacent to Clive Sullivan Way, with no direct access onto site. It comprises of a large area of vacant land formerly associated with a fish processing plant connected to the fish docks at St. Andrews Quay. It is understood that the Highways Agency have indicated that the existing junction to the St Andrews Quay Retail Park from Clive Sullivan Way is at capacity and therefore would not provide sufficient access to the site. Physical access is along a narrow road alongside a retail unit and would not provide adequate access for substantial development. Although the site itself is vacant and largely returned to nature some infrastructure remains from a previous use, with a racing track to the westerly part of site. The site is also low-lying and at risk from flooding and not particularly attractive to the market. The site scores poorly as a consequence of access and flood risk issues. It is currently being marketed as ‘Manor Quay’ - a potential retail park.

7.16 **Priory Park, south** (6.40ha) (Ref: 26/08-3) was identified in the Local Plan as a Strategic Employment Location. The site is located to the south of Priory Park but is separated by railway tracks which effectively ‘land-lock’ the site. Current access is via a narrow entrance point to the end of Freightliner Road, under a bridge serving the main passenger rail line. Whilst the site is 6.4ha in total, its irregular shape (long and thin) significantly reduces the likely net developable area. Whilst the site is currently vacant, it is understood to be owned by Network Rail and may be required for their operational purposes. The site is currently being marketed as secure storage land or light industrial/warehousing land available to let in the short term.

7.17 **Wiltshire Road, south of** (0.63 ha) (Ref: 26/08-35) was committed for employment use in the Local Plan (2000) as part of the Priory Park estate development but is no longer part of this scheme as there is no feasible access
between the two sites. It was formerly part of the original Priory Business Park outline permission but was not included in the subsequent approved Reserved Matters applications for the site (possibly due to its isolation on the northern side of the freight railway tracks). This site has not been included in the marketing details for the other Priory Park sites. The land now is most likely to form expansion land in connection with the existing employment uses fronting onto Wiltshire Road. As an expansion site it is unlikely that it will contribute to the supply of land available to the general market.

7.18 Land to north of Freighliner Road, south of Hessle Road (0.66 ha) (Ref: 26/05) is located to the rear of the vacant former Cavaghan and Gray factory and is currently used for storage and car parking. The site has no direct access from either Freighliner Road or Hessle Road and can only be accessed via a narrow road running past the existing industrial premises surrounding it. It is constrained by its current access and existing use.

Allocated in Newington and St Andrew’s AAP

7.19 Land around Arnold Street (7.8 ha) (Ref: 12/105) is located adjacent to the A1105 Anlaby Road. Much of the site is in use with a range of occupiers including the East Yorkshire bus depot and Jewson builder’s merchant. However, part of the site to the east is currently used as a ground level car park. The Newington and St Andrews Area Action Plan (2010) identifies this area for long-term mixed-use development and as a consequence the site has been put forward by Hull City Council for assessment within the ELR. The current buildings on the site are appropriate to their current use and should be retained. However, parts of the site are underutilised and offer an opportunity for further employment development in the medium to long-term, such as the land to the east currently used as car parking. Much of the land is used by the hospital and its future use will depend on their Intentions for the wider hospital estate. It is known the NHS have made bids through the Strategic Housing Land Availability Assessment (SHLAA) for land to be considered for future housing development. However there are no clear plans for short term changes to the area. Significant investment is being carried out in refurbishing existing buildings on the NHS site. East Yorkshire Motor Services (EYMS) use a significant area of this site for their main depot and there is no knowledge of intentions to move from the site. Overall this site is located in an area that could easily support employment uses although opportunities for redevelopment clearly depend on future intentions of the current land owners and operations on the site.

Unallocated sites with Planning Permission

7.20 Land on the north side of Freightliner Road (0.11ha) (Ref: 26/107) is a small open grassed area that forms part of the curtilage of an existing employment use. It has planning approval for the construction of a two storey industrial building to provide mixed ‘B’ employment use. The site is currently being marketed as ‘Hermosa House’ (a ‘to be built’ opportunity with detailed
approved plans) for a two storey office building. A similar development scheme was completed on a small plot adjacent to this site in 2007.

7.21 **Land at Gillett Street** (0.66ha) (Ref: 11/111) is within an area of predominantly existing employment land. The site can be accessed from either Gillett Street or Havelock Street with direct access onto Hessle Road. The site has extant planning permission for the construction of ten mixed-employment use units, which has been part implemented (five units have been completed and foundations have been laid for remaining units although work has stopped – it understood from Hull City Council that this may potentially be to secure lettings of the first phase before completing the whole scheme). 11/111 will not, therefore, form part of the general supply of available land. It will, however, contribute to meeting the City’s identified employment space needs to 2030.

**Unallocated sites without Planning Permission**

7.22 The remaining sites in the western corridor are all within an area designated in the saved Local Plan as of predominantly existing employment and include

7.23 **Former Birds Eye Factory site (West Hull Business Park)** (7.21ha) (Ref: 26/103), is accessed directly from Hessle Road. The site has been cleared and currently lies vacant, there are no insurmountable constraints to development on the site and it scores well against the assessment criteria, therefore, providing potential for employment development. The site has been subject to two Public Inquiries following the refusal of permission initially for housing on the whole site, and then for a mixture of housing and employment uses. The inspector was clear in his reports to both Inquiries that the whole of the site should be developed for employment uses.

7.24 **Land between Wassand Street and Walcott Street, Hessle Road** (0.88ha) (Ref: 11/112), this site is located off Hessle Road and can be accessed from either Wassand Street or Walcott Street. The site became available following the closure and relocation of the Heron Frozen Foods depot. A new NHS health centre has been built on the northern part of the site fronting Hessle Road and part of the site is now an associated car park. The remaining part of the site is vacant with no insurmountable constraint; it scores well against the assessment criteria and would be suitable land for employment development.

7.25 **Neptune Street** (1.34ha) (Ref: 11/15), the site is located in the Western Corridor of Hull and is situated at the far southern end of Neptune Street adjacent to Albert Dock; access is also via Neptune Street. The vacant site runs alongside the operational commercial dock and therefore the site would be appropriate for port related employment development. The site is marketed as open storage land (c.1.2ha) currently un-surfaced and available to let. It is also marketed with the adjacent factory complex as a potential development opportunity.
Eastern Corridor

The eastern corridor of Hull is also highlighted as a predominant employment area, particularly attractive to distribution and manufacturing uses.

Allocated or committed in the saved Local Plan (2000)

Site of the former Hedon Road Maternity Hospital (Kingston Parks Business Park) (4.46ha) (Ref: 68/27). The site is prominently located in close proximity to the port area - and can be accessed directly from Hedon Road. The site is currently vacant and, whilst somewhat overgrown, infrastructure remains in place from its previous use. The site is part of the Humber Enterprise Zone and benefits from Discounted Business Rates. It has outline planning approval (determined May 2013) for the construction of B1 (b and c) B2 and B8 use industrial buildings, to be targeted at the supply chain associated with the proposed Siemens investment at Alexandra Dock. Development is expected to commence on site in the near future with the first phase comprising of a 3,900sqm building. Overall, the site scores highly against the assessment criteria and has extant planning permission for employment development. A development brief has been prepared to support its status as an Enterprise Zone site. It is understood that the site has been put forward for financial support through the Local Growth Fund administered by the LEP.

Burma Drive (5.55ha) (Ref: 68/02 and 68/02-3) is located to the west of Marfleet Lane, immediately north of Hedon Road. The sites are accessed from Marfleet Lane onto Burma Drive and is situated within close proximity to the port area. Forming part of the Humber Enterprise Zone, the sites benefit from Discounted Business Rates. Taken together, both sites total 5.9ha in size, and are currently vacant, however 68/02-3 has planning approval for the construction of two industrial units and the construction of an access road and infrastructure onto the sites has commenced. The larger site (68/02) currently has an outline planning application (submitted November 2010) for the construction of seven mixed-employment use units and ancillary service yards but the application is still undetermined as the Highways Agency has placed a holding direction on it. However previous individual schemes on this site, brought forward through individual permissions, have been successful in gaining planning permission (as 68/02-3). These sites are well suited for employment development, scoring well against the assessment criteria. A development brief has been prepared to support its status as an Enterprise Zone site.

Land off Valletta Street (3.25ha) (Ref: 68/20) is located to the west of Valletta Street, to the rear of several existing industrial premises, within an established area of light industry and storage uses. The site is effectively 'land-locked' by these surrounding uses, although the marketing details suggest access may be possible via a strip of underused greenspace between the existing uses onto Valletta Street. It is understood from Hull City Council that the land is owned by Willerby Homes but is being actively marketed as industrial development land.
It is 3.25ha in size and forms part of the Humber Enterprise Zone, benefitting from Discounted Business Rates. The site is currently vacant and overgrown with a number of mature trees, which reflects its previous use as a recreation ground and bowling green for the use of Seven Seas employees. The land is located in a predominantly employment area and scores reasonably against the assessment criteria, offering potential for B2 and B8 development, appropriate to the surrounding employment location. A development brief has been prepared to support its role as an Enterprise Zone site.

7.30 Land north of Wyke Works, north of Hedon Road (1.67ha) (Ref: 68/21) is located to the north of Hedon Road, behind the existing industrial premises fronting onto Hedon Road, between Valletta Street and Somerden Road. It was part of a larger area of land allocated in the Local Plan (2000) for employment use and forms part of the Humber Enterprise Zone, benefitting from Discounted Business Rates. Currently it is a vacant, Greenfield site including a number of mature trees. The site is situated within an established area of light industrial and storage uses, within close proximity to the port area. The site is effectively 'land-locked' by surrounding uses and constrained by poor access. However, it is understood from Hull City Council that this would be overcome through current proposals to develop the site as part of the Wyke Works Advanced Engineering Park. An indicative plan from marketing material shows that the site can be accessed from Hedon Road via Wyke Works land. An outline planning approval was granted (April 2013) to develop the site for general industry (B2)/warehousing and storage (B8) use. A development brief has been prepared for the site to support its EZ status.

7.31 Kingston International Business Park (Somerden Road) (2.61ha) (Ref: 68/18-2) and Unit 3, Kingston International Business Park (Somerden Road) (Ref: 68/18-3) are located at the north eastern end of Somerden Road, north of Hedon Road and are 2.61ha together. Both sites were part of wider Rix and Kingston International Business Park development which was built in the early 1990’s. Both sites form part of the Humber Enterprise Zone, benefitting from Discounted Business Rates. They are located in the Eastern Corridor of Hull, well situated in relation to strategic road links and the port area. The larger site (68/18-2) has extant planning approval for the construction of seven industrial units (two of which were completed by 2003 - however no further development has occurred since then). Unit 3 (68/18-3) has planning approval for expansion of the existing unit (to the south) as part of the extant permission for the wider site. The sites fall within a wider area committed for employment development in the Saved Local Plan and represent two of the last remaining plots available. These sites could be developed either separately or together and would be suitable for a number of employment uses; however, the area is favourable to distribution and manufacturing uses. A development brief has been prepared for the site, in conjunction with the adjacent site (across the drain, in the East Riding of Yorkshire).

7.32 Former Marfleet Works, Greatfield Lane (1.5ha) (Ref: 68/04) the site is 1.5ha and is located to the east of Marfleet Lane and directly accessed from Great Field Lane which runs alongside existing employment premises. However
access from Greenfield Lane is difficult, and the surrounding ownerships land-lock the site. It is currently vacant and overgrown with some remaining debris, including concrete bases, from the previous use. Should the site’s access issues be resolved, there are no other issues constraining the site, therefore could be developed for employment uses.

7.33 Somerden Road, west of (1.44ha) (Ref: 68/17) is covered by hard standing and is currently in use as storage of static caravan and car parking. Subject to the plans and aspirations of the landowners and occupiers, the site could potentially provide land for redevelopment. Most of the site was shown as committed in the Local Plan 2000.

Allocated in Holderness Road AAP

7.34 Land west of Marfleet Lane (0.87ha) (Ref: 68/115) is within the estate of the Fenner Dunlop site and located in close proximity to Hedon Road and the port area. The site itself is currently vacant grassland, used for recreational sports. The site has been allocated in the Holderness Road Area Action Plan as an employment development site. The site scores reasonably well against the assessment criteria. The site is currently subject to a pending decision for the extension to the existing Fenners factory complex. As land held for expansion by an existing operator it will not be generally available although it could still help to meet anticipated demand over the Plan period.

7.35 Land north of Delhi Street (0.53ha) (Ref: 68/108) can be accessed from Delhi Street (linking to Hedon Road) or via Marfleet Avenue, through adjacent site (68/109). Currently vacant, the site is used by surrounding occupiers as an informal ground level car park and storage. The site is within the Hedon Road industrial corridor, and is adjacent to sites 68/02, and 68/109 (with the latter allocated for residential development in the Holderness Road Corridor AAP). The site scores fairly well against the assessment criteria, given its location in the Hedon Road corridor and its proximity to other industrial uses. The site could come forward for employment development.

7.36 Former Isaac Newton School site (3.0ha) (Ref: 66/02), is located off Annandale Road, approximately one and a half miles north of Hedon Road (A1033). The site is a large underused, former school site with a number of buildings still in use, including a youth centre and outdoor gym. The site scores poorly against the site assessment criteria, due to adjacent residential area and poor local road access. It is also located in a high flood risk zone. The site would be more suited to residential uses; however, according to the Holderness Road Corridor Area Action Plan it may be appropriate to include the provision of some small scale business start-up or incubator premises as part of a residential-led mixed-use development.

Unallocated sites with Planning Permission

7.37 Elba Street (1.99ha) (Ref: 68/103-1) is located off Hedon Road. The majority of the site is covered by grassland/scrubland, with the remainder hard standing, which is currently being used as open storage land for Static
caravans. It forms part of the Humber Enterprise Zone, consequently, whilst it is currently in use for storage, we should assume that it is immediately available. It is marketed for sale with full vacant possession.

7.38 **Marfleet Environmental Technology Park** (2.73ha) (Ref: 68/113) forms part of the Humber Enterprise Zone and benefits from Discounted Business Rates. A large, prominent site located off Hedon Road, part of the site has been built out – including major refurbishment and redevelopment of the former Humbrol factory – and the remaining 2.73ha has infrastructure in place and extant planning permission for employment development. The site scored very well against the assessment criteria. A development brief has been prepared for the site.

7.39 **Somerden Road** (0.93ha) (Ref: 68/107) is currently in use as a goods yard/open storage area for containers but could provide good development plot in the future. It is understood from Hull City Council that the site has full planning approval for the erection of a workshop building (B2 use) with ancillary offices.

### Unallocated sites without Planning Permission

7.40 **Land west of Littlefair Road** (0.78ha) (Ref: 68/114) is located in the Eastern Corridor, within close proximity to the Port area. The site is adjacent to the A1033 and has direct access from Hedon Road, therefore providing excellent strategic access. The site is currently vacant and cleared with some hard standing remaining, with no other known constraints, it therefore scores well against the assessment criteria and offers appropriate land for employment development.

7.41 **Kingston International Business Park** (0.85ha) (Ref: 68/101) is a prominent site located adjacent to Hedon Road, which was identified by Hull City Council through a previous planning permission. The site is under a hectare in size, regular in shape and - although currently vacant - there are remains of hardstanding and landscaping from the previous use. Therefore, there are no significant constraints to employment development on the site and it scores well against the assessment criteria offering good opportunities for small-scale employment development within a prominent location off Hedon Road.

7.42 **Former Fenner site** (0.94ha) (Ref: 68/109) is located to the west side of Marfleet Avenue and is surrounded by a mixture of employment to the north and residential to the south, within an area of predominantly employment use. The site is vacant with the former factory buildings having been cleared. The site scores fairly well against the assessment criteria.

7.43 **Land adjacent to Old Fleet Drain** (0.39ha) (Ref: 68/06-1) is located in the Eastern Corridor of Hull, and is accessed just off Hedon Road. The site is small (0.39ha) and triangular in shape and situated adjacent to Old Fleet Drain. The site is currently in use as a service yard for the surrounding uses but it could be appropriate for a small development or an extension to surrounding
employment use – subject to the plans and aspirations of the landowner and occupier.

7.44 Wyke Street (0.28ha) (Ref: 68/13) is located on the north side of Hedon Road and is currently accessed from an entrance on Wyke Street. The site – a former railway embankment – has been levelled and re-surfaced and is ready for development. Part of the site is currently used as open storage land for containers. A small portion of the site had planning approval for the erection of a warehouse but this lapsed in January 2013. The site is marketed as development land and would therefore appear to be available for development.

Port Area (as defined in the saved Local Plan - 2000)

Existing port area sites with Planning Permission

7.45 Alexandra Dock (56ha) (Ref: 69/104) represents one of Hull’s most prominent and largest sites adjacent to the A1033/ A63. The site is in the ownership of the Associated British Ports and is subject to agreed investment by Siemens to develop the site for wind turbine manufacturing, assembly and distribution to offshore wind farms. The site scores well against the assessment criteria and provides potential opportunity for employment uses requiring dock access. The site is within the Humber Enterprise Zone and benefits from Enhanced Capital Allowances.

7.46 Land to the east of Queen Elizabeth Dock North (3.51ha) (Ref: 69/107) is closely related to site 69/105, and forms part of the wider Green Port Hull. The site is currently vacant or in use for open storage and has extant planning permission for a biomass facility. Were this to be developed out, the site would no longer be available. Notwithstanding the extant planning permission, the site represents an important part of Hull’s employment land supply, having regard to its: size; dock access; proximity to Alexandra Dock (and the proposed Siemens investment). A development brief has been prepared for this site in combination with the larger site (see 69/105). The site does not have Enterprise Zone status but is subject to a Local Development Order.

Existing port area sites without Planning Permission

7.47 Sites at the Queen Elizabeth Dock South (17.88ha) (Ref: 69/106) and Queen Elizabeth Dock North (23.12ha) (Ref: 69/105) represent two of the largest remaining sites in Hull. Both are allocated as Local Development Order sites, whilst 69/106 also forms part of the Humber Enterprise Zone, benefitting from Enhanced Capital Allowances. The sites are currently vacant or in use for open storage and have largely been returned to nature. The sites represent an important part of Hull’s employment land supply, having regard to their: size; dock access; proximity to Alexandra Dock (and the proposed Siemens investment); and the Enterprise Zone status of 69/106. Both sites have development briefs prepared for them.
Land at Keystore Ltd., South of Hedon Road (0.51ha) (Ref: 69/102) is located to the south of Hedon Road, west of Alexander Dock and is currently accessed via a service road running alongside the surrounding industrial premises. The site is currently used as a car parking area for the surrounding uses and as a container storage yard. It is a Humber Enterprise Zone site and a development brief has been prepared for it. The site is marketed, as part of a larger redevelopment opportunity involving the adjacent factory complex. Marketing details reflect that it is an Enterprise Zone Site with potential to accommodate renewables sector investment.

Former Norman Nicholson Box site, south side of Hedon Road (0.31ha) (Ref: 69/101) is located adjacent to Hedon Road, and offers excellent access to the strategic network. The site is currently vacant and the previous building has been removed, however, some hardstanding remains. The site score reasonable well against the assessment criteria, offers a site well located to Alexandra Dock an excellent opportunity for port related activities in a prominent location on Hedon Road.

Land to the south of Hedon Road, south east of Marfleet Avenue roundabout (0.81ha) (Ref: 69/01-1) is located within the Port area, with access directly off Marfleet Avenue roundabout, which links to Hedon Road. The majority of the site is vacant grass/scrubland which reflects its former use as an allotment garden, the remainder is presently used as a car park. The site previously had planning approval for the construction of a storage building (phase 2 of the existing development adjacent to this site) but this lapsed in 2012. It would suit a manufacturing, service-related or port-related user requiring main road prominence and the site scores reasonably well against the assessment criteria.

Heartlands and Clough Road

Allocated or committed in saved Local Plan (2000)

The southern part of the National Grid Site (13.2ha) (Ref: 38/07), land adjacent to the railway track and Bank side, is allocated for employment development, Local Plan 2000. The overall site is one of Hull’s largest and most prominent employment sites, which is currently underutilised. A large part of the site has been remediated, and provides the best opportunity for employment development. Significant gas storage and distribution infrastructure remains elsewhere on the site, making it less clear how those areas yet to be remediated could be brought forward. Should the remainder of the site be cleared and remediated, it would offer a large employment site, within a prominent location in Hull and could potentially come forward for a mixture of B uses.

The south side of Clough Road (2.3ha) (Ref: 38/05-2 and 38/05-1) is located on the edge of a largely industrial area but is also in close proximity to a mix of uses including residential, retail and leisure. It is understood from Hull City Council that the site is linked with the NPower operation immediately to the
east, providing access to the electricity substation and showing signs of storage components of electricity infrastructure. The only current access on to the site is from the NPower estate or via a single lane bridge across the railway via The Rydales – a residential street. Access via Sissons Way, to the north, is prevented by the electricity substation. The site is currently largely vacant and substantially overgrown. There is also an electricity pylon within the site, linked with the substation, and overhead wires cross the site. Overall, the site is one of the poorer scoring sites within Hull’s portfolio, reflecting its poor access and limited market appeal.

7.53 Ipark Industrial Estate (1.15ha) (Ref: 38/10-6) is situated within the Heartlands and Clough Road area of the City. The site is located off Innovation Drive and Bankside, adjacent to the river. Good quality local roads provide easy access to Clough Road and the A1165. The site forms part of the second phase of development at Ipark (with Phase 1 already complete) and has planning permission for the erection of four industrial units. Located in a high flood risk zone, the site is currently vacant with a lot of remains from the previous uses, however, scores highly offering the last remaining developable plot on the Ipark estate, providing an opportunity for a number of employment uses.

7.54 Chapman Street (1.87ha) (Ref: 16/58-1) is currently used by Hull City Council lifelong learning education facility (Bike Training Facility). It is largely made up of rough ground providing trails for bikes to use. Future intentions for the site are unknown. Its inclusion in the Employment Land Schedule reflects its status as part of the wider area committed for employment use in the Local Plan (2000).

7.55 Therm Road, east of (0.17ha) (Ref: 16/58-2) is a small site which had planning approval for erection of warehouse and office uses in conjunction with site to the north. Most of the site currently used for storage/lorry parking. On street parking causes access issues.

Unallocated sites with Planning Permission

7.56 Former Yorkshire Water site (0.63ha) (Ref: 38/100) is a semi-derelict, largely cleared and levelled site, with a prominent frontage on to the north side of Clough Road although it can also be accessed from Pearson Way. The majority of the site is vacant although some buildings remain on site. It has planning approval for the construction of five trade warehouses, although the marketing details include new build retail-trade or industrial units (to be constructed). The site scores reasonably well against assessment criteria.

7.57 Land at Merrick Street/Warwick Street (0.15ha and 0.07ha) (Ref: 16/135 and 16/135-2) are located in close proximity to the A63 and the A1033. The sites are situated between Merrick Street and Warwick Street and can be accessed via either. Both sites have been cleared and levelled and have planning permission for the construction of a mixed-employment use unit. Overall the sites score well against the assessment criteria and are considered to be suitable for B1, B2 and B8 employment development. Site 16/135-2 is
currently under construction however will contribute to meeting the City’s identified employment space needs to 2030.

7.58 **Land to the west of Cleveland Street** (site of former Spillers Flour Mill) (Ref: 16/106) and **Land at Cleveland Street** (site of former ADM Cocoa Plant) (Ref: 16/143) (4.85ha) both sites are located adjacent to A1165, with part of site 16/143 accessed via Grange Road. Site 16/106 has been cleared and is currently vacant and site 16/143 has largely been cleared. Both are within a high flood risk zone. Site 16/143 has planning permission for the development of an energy works which will produce sustainable electricity, although the development is understood to be dependent on the outcome of negotiations regarding the Council’s waste contract. There is a possibility, therefore, subject to the outcome of the aforementioned negotiations and the resultant implementation of the permission – that the site may not be available to meet B Class requirements over the Plan period. The planning proposal for energy from waste facility incorporates the adjoining site (16/106).

7.59 **Anchor Trading Park, Reservoir Road** (0.12ha) (Ref: 38/108) is located off Clough Road but there is no direct access to the site as it is expansion land for surrounding use with planning approval granted for the erection of an industrial building to replace an original building demolished due to fire damage. Although in a high flood risk zone, the land has been developed previously.

7.60 **Land adjoining MKM Building Supplies** (0.45ha) (Ref: 52/100) had permission for expansion of the existing use. Planning permission remains extant due to works carried out but the site of expansion is used for parking and outside storage. The site is unlikely to provide for general market needs.

7.61 **Thomas Street** (0.4ha) (Ref: 16/145) is located between Marvel Street and Thomas Street, within the Drypool industrial area, situated south of Witham. This site is currently used primarily as a car park/open storage area and has an existing office block incorporated within it. It has a planning approval for the construction of a two storey extension to this office block and another planning application has also been submitted for another extension building. However, it is understood from Hull City Council that the site is being marketed as industrial land and buildings, with scope for further development subject to planning approval.

**Unallocated sites without Planning Permission**

7.62 **Land to the north of Reservoir Road** (0.72ha) (Ref: 38/103) is located to the north of Clough Road and accessed via Reservoir Road, although access along Reservoir Road is constrained, as it is narrow and the issue is exacerbated by on-street parking. The site is largely cleared and levelled and is being marketed as storage/industrial development land. It had planning approval for the construction of seven mixed employment use units which has since lapsed. The site scored fairly well against assessment criteria despite its proximity to the River Hull.
7.63 **Former Holliday Pigments, Morley Street** (4.16ha) (Ref: 52/109 and Ref: 52/109-1) are located to the west of Morley Street, adjacent to the River Hull on its east bank. The site can be accessed from Maxwell Street or Morley Street directly from Stoneferry Road. The majority of both sites are covered by old industrial buildings which are no longer considered suitable for use – some of which have been cleared following the closure of the former pigment factory. It is understood from Hull City Council that the smaller site (52/109-1) had planning approval for the construction of a materials recycling facility but this lapsed in February 2013.

7.64 **Land on the south of Merrick Street** (0.4ha) (Ref: 16/140) is located in close proximity to the A63 and offers direct access via adjacent roads. It comprises 0.4ha of vacant previously developed land. Overall the site scores well against the assessment criteria and is considered to be suitable for B1, B2 and B8 employment development.

7.65 **Land north of Hedon Road and East of Williamson Street** (1.52ha) (Ref: 16/141) is in a prominent location off the Mount Pleasant roundabout on the A63. The site was previously in use as an industrial warehouse building, but is currently vacant, and has largely returned to scrubland. Residential development can be found immediately to the north of the site and industrial to the west. Access could be taken from Wilton Street or the A1033. The site scored fairly well against the assessment criteria, reflecting its good links to the strategic highway network and would be suitable for B1, B2 and B8 uses.

7.66 **Land to the west side of Lockwood Street** (0.61ha) (Ref: 16/90), **Land to the west of Gibson Street** (0.46ha) (Ref: 16/124) and **Rosedowns Ltd on Cannon Street** (1.22ha) (Ref: 16/123) are situated on the edge of the City Centre in an old industrial estate that is close to a residential area. They are located within close proximity of one another and Beverley Road. Sites 16/90 and 16/124 are both vacant, however, site 16/123 is covered mainly by vacant buildings. All three sites are constrained by market attractiveness (and 16/124 is in a high flood risk zone) and score fairly poorly against the assessment criteria. Site 16/123 is further constrained by the historical/architectural importance of part of the existing building, as well as owner aspirations for residential development.

7.67 **67 Northumberland Avenue** (0.14ha) (Ref: 16/20) is located within an area of predominantly employment use. The site is mostly vacant with one existing building to the southern boundary. Northumberland Avenue is dominated by storage and general industrial uses and market demand for premises in this area of the City is understood to be reasonable. The site is currently underutilised and would be appropriate for number of employment uses including B2 and B8. Whilst the site is located in a high flood risk zone, it is understood that there are no other significant constraints to development. The site scored fairly well against the assessment criteria.

7.68 The Wincolmlee industrial area is one of the older industrial areas of the City. Much of the infrastructure is of poor quality and many of the buildings are old and rundown. Nevertheless, the area is home to a significant number of
employers. There are three sites which have been assessed within the area, including: Land south of Swan Street (0.78ha) (Ref: 16/142) and High Flag Mills (0.22ha) (Ref: 16/117). Both the sites are in close proximity to the A1165, however, local access is constrained by tight blind junctions and parked cars, narrowing the roads. The sites are located in the heart of the well-established Wincolmlee industrial area, where uses vary between B1, B2 and B8. Site 16/142 comprises a cleared and levelled site which has been the subject of a comprehensive decommissioning scheme to remove plant and buildings associated with its previous use. Site 16/117 comprises of a derelict mill and industrial premises. Both sites are understood to be located in a high flood risk zone and both scored poorly against the assessment criteria. However, these sites are unlikely to come forward for any other uses.

7.69 **Temple Street** (0.13ha) (Ref: 13/13-1) is located close to Beverley Road (A1079) although local road access is a constraint. This vacant and overgrown site is adjacent to residential development to the south, a school and playing field (east and north) and light industrial buildings to the west. The site is not understood to have any physical constraints that would prohibit its development for employment, however, its market attractiveness is understood to be limited and development would need to be compatible with surrounding residential uses.

7.70 **East Side Of Stoneferry Road** (0.81ha) (Ref: 52/101) is located in a prominent location adjacent to the A1065. The site is just under a hectare in size and is a vacant, however, overgrown and is bounded by residential dwellings on two sides and a petrol filling station to the south. Located in close proximity to retail uses such as B&Q, it is understood that the site is currently being marketed for as a retail/trade park opportunity.

7.71 **Land at the eastern end of Bedford Street** (0.9ha) (Ref: 16/100), is located adjacent to the A1033, with current access taken from the A1165 via Bedford Street, which is currently constrained by cars and static caravans. There is potential for access to be taken from Mount Pleasant. The site is currently vacant, however, is somewhat overgrown with some debris remaining from previous use and falls within a high flood risk zone.

7.72 **North of St Mark Street** (0.68ha) (Ref: 16/58-3) is located north of the City Centre and can be accessed from either Therm Road or St. Mark Street. The site is a relatively small site (0.68ha), is currently vacant, however, it is known that the site is significantly constrained by underground facilities relating to gas holder. Although the site is significantly constrained the site otherwise offers an appropriate and available site for employment development.

7.73 **Former Holmes Hall Tannery, Wilmcolmlee** (1.19ha) (Ref: 16/102) is a vacant site (part of the former Holmes Hall tannery site, fronting onto Wincolmlee), which has largely been cleared and levelled, leaving some hard standing. Some buildings remain and may be subject to retention through Conservation Area policies. The rest of the former tannery site is still occupied by various storage/industry uses and part of site (adjacent to Beverley
Barmston Drain) has been developed as a material recovery recycling facility but the remainder of site is still marketed as a development land opportunity.

**Scotts Wharf, west side of Lime Street** (0.17ha) (Ref: 16/119) adjacent to the Scott Street Bridge, the site is currently in use as a haulage depot.

**Sutton Fields**

Sutton Fields is outlined as a strategic location for employment in the Local Plan (2000) and highlighted as an area of predominate employment uses. There are a number of sites within the Suttons Field area and these have been assessed within groups with similar characteristics.

**Allocated or Committed in saved Local Plan (2000)**

Located within the strategic employment location of Sutton Fields, **Sutton Fields Plot 66-67**, (0.15ha) (Ref: 51/07) is situated on Helsinki Road on the corner of Oslo Road. The site is previously developed, but has largely returned to nature. The site has been sectioned off from surrounding units and could be developed as a small plot. Although within a high risk flood zone, the appropriate surrounding infrastructures, access, and as one of the final plots available within one of Hull’s largest and most popular industrial and business estates and offers suitable land for a small employment development therefore scores highly against the assessment criteria.

**Sutton Fields Plot 89B and 93** (0.41ha) (Ref: 51/10-4) is also located in Sutton Fields. The represents the final phase (Phase 4) of Rotterdam Park). The site is well located in relation to the A1033, although access is taken from Rotterdam Road. Services have already been laid out on-site in order to ready the land for development. As one of the last available plots within the popular and well-established industrial location of Sutton Fields, the site scores well against the assessment criteria and would be appropriate for a number of employment uses.

**Land to the south side and east end of Geneva Way** (1.25ha) (Ref: 52/05-1) is also located in Sutton Fields. The site benefits from good road links to A1033 via Leads Road. Although the site is situated in close proximity to residential dwellings (to the east and south) a row of trees and hedges provides a buffer. The site is currently vacant and overgrown, with some infrastructure and contamination remaining from the previous uses. It is understood that the costs associated with remediating the site are significant and that previous schemes have been considered unviable, even with grant funding in place. The site scores well against the assessment criteria, owing to its location within a popular employment area and good road links. As such, it is considered a suitable employment site, although clearly there is a need to address the issue of contamination that is currently understood to be constraining its viable development for such uses.
Unallocated sites with Planning Permission

7.79 **Akzo Nobel sites** (0.14ha) (Ref: 51/116 and Ref: 51/116-1) are expansion sites for the Akzo Nobel factory complex and benefit from two current planning approvals, neither of which has been implemented to date. Although, these sites score well against the assessment criteria, their status as expansion land means that they are unlikely to contribute to the supply of land available on the general market within Hull. If implemented, they will, however, help to meet the projected future need for employment space in the City.

7.80 **Cranswick Foods, Plot 74, Helsinki Rd** (0.44ha) (Ref: 51/19-2) is an expansion site located to the west of Helsinki Road. The site has planning approval for the construction of a factory building extension between the existing main factory complex and the adjacent warehouse block. The proposal covers the vacant land (half hard standing, half grassed area) to the rear of the site. Although the site scored quite well against the assessment criteria, its status as expansion land means it will not contribute to the supply of land available on the general market within Hull. However, if implemented it will help to meet the projected future need for employment space in the City.

Unallocated sites without Planning Permission

7.81 **Land adjacent to Donaldson Filtration Components, Stockholm Rd** (1.52ha) (Ref: 51/15) is located on Sutton Fields, to the east of Stockholm Road. It has good access to the A1033 and appropriate surrounding infrastructure. The site is prominently located with frontage onto Stockholm Road. The site consists of a large vacant grassed area which has never been developed. It is believed to be in ownership of Donaldson Filtration Components (the adjoining property) and held for their expansion. The front of the site is currently used as a car park for Donaldson's employees. The site is not, therefore, expected to contribute to the supply of land available on the general market.

7.82 **Land at the corner Hamburg Road/Rotterdam Road** (0.4ha) (Ref: 51/22) represents one of the last undeveloped plots available to the general market within Sutton Fields. The site benefits from good access to the A1033 and appropriate surrounding infrastructure and scores well against the assessment criteria.

7.83 **West Carr Lane** (0.41ha) (Ref: 51/117) is located just off the Sutton Fields roundabout at the junction of Stoneferry Road and West Carr Lane, opposite Burnetts Timber. It is currently used as an open storage area for containers and trailing caravans. The site accommodates a number of prefabricated office buildings. It is understood from Hull City Council that the site is currently being marketed as a design and build opportunity.
National Avenue

National Avenue and the area of Bontoft Business Park, National Avenue is highlighted as an area of predominantly employment uses within the Local Plan (2000).

Allocated or Committed in saved Local Plan (2000)

7.84 Land to the north of Bontoft Avenue (0.35ha) (Ref: 35/03) is located within Bontoft Business Park. The site is one of the last remaining plots to be developed within the business park. The site has no significant constraints; scores well against the criteria and, having regard to surrounding occupiers, would be appropriate for a number of employment uses including B1b/c and B2.

Unallocated sites with Planning Permission

7.85 The former Ideal Standard Car Park, National Avenue (0.38ha) (Ref: 35/102) represents one of the final remaining plots available for development within the area. The site has extant planning permission for B1, B2 and B8 uses and benefits from being located within a wider, established industrial estate with a mixture of employment uses and appropriate infrastructure in place. Although, the area is not one of Hull's most attractive employment locations in market terms, the site nevertheless scores well against the assessment criteria and is considered suitable for future employment development.

City Centre

Allocated or committed in the saved Local Plan (2000)

7.86 The sites discussed below were previously designated within the Local Plan (2000), as Areas of Potential Change and/or key development sites. They were subsequently identified as Strategic Development Areas (SDA's) within the City Centre Masterplan. They are currently being promoted through the preparation of development briefs to address changing circumstances, particularly around delivery.

The City Centre masterplan highlighted the Fruit Market area as a SDA, which includes two assessed sites the Fruit Market (Ref: 14/112) and the Former Bonus Electrical site, Blackfriargate (Ref: 14/105) (1.92ha in total). Site 14/112 is an area of unique and historic buildings, of which some are currently in use and others are vacant. The other site (14/105) is a vacant site and is adjacent to site 14/112. The boundary for site 14/112 is indicative, representing a parcel of potential employment land which could be incorporated within the larger SDA, as highlighted in the City Centre Masterplan. The sites are located in the south of the City Centre, in close proximity to the south of the A63. Both are prominent sites close to the Humber Docks and in a high flood risk zone. Site 14/105 is cleared and could be developed for office use; however the Fruit
Markets site would be more appropriate for ad hoc, infill and refurbishment employment development across the Fruit Markets SDA. A development brief has been prepared for the site by Hull City Council.

7.88 **Land to the south of Albion Street** (office element of the Albion Square development scheme) (0.75ha) (Ref: 14/113) is highlighted within the City Centre masterplan as part of the 'Albion Square and heart of the City' SDA, which outlines an aspiration for mixed use development including office, leisure and residential development. This site is located in the heart of the Centre, in close proximity to excellent roads and public transport networks. It is currently used as a ground level car park, serving the City Centre. It is understood from Hull City Council that the site is expected to accommodate c.0.75ha of office space. The site scores well against the assessment criteria (in part due to its City Centre location) and is considered to represent a good opportunity for office development. A development brief has been prepared for the site by Hull City Council.

7.89 **Land around Myton Street** (office element of Quay West development scheme) (0.68ha) (Ref: 14/111) The site is located in the heart of the City Centre with good access to the road network and public transport links. The City Centre Masterplan identified this area as the Quay West SDA, which is to include elements off employment development. The Quay West SDA includes land to the south of Osborne Street and to the east and west of Myton Street, including Prince Dock. Located in a high flood risk zone, this area is made up of vacant land, as well as buildings that are both in use and vacant (including a redundant NHS building). The site’s location lends itself to office development, given that they are within the City Centre and scores well against the assessment criteria. Notwithstanding this, it is understood that the proposed redevelopment of the area has currently stalled due to land owner aspirations. A development brief has been prepared for the site by Hull City Council.

7.90 **Phase Two, Humber Quays, Island Wharf** (1.31ha) (Ref: 14/100-3) located in close proximity to the A63 and Hessle Road; access it taken off Wellington Street (west). The site is part of a wider Humber Quays area, originally part of the Island Wharf Humber Foreshore Key Development Site within the Local Plan (2000). This site has subsequently been highlighted within the City Centre Masterplan as part of the wider Humber Quays Strategic Development Area (SDA). This includes the area adjacent to the eastern boundary, known as Humber Quays Phase one, which has been developed into 21,800 sq.ft of prime office space.

7.91 The assessed site forms part of the Phase Two Humber Quays, which has extant planning permission for mixed use development, comprising of offices, hotel, retail/restaurant/leisure, 32 apartments, and a multi-storey car park/surface car parking areas and associated highway and public realm works. Therefore, the site is earmarked for mixed use with an office element comprising of 35,000 sq. ft of prime office space (c.0.16ha on the basis of a 200% plot ratio). The masterplan indicates this will be across 5 buildings with employment use across whole of the site.
Unallocated sites with Planning Permission

7.92  **32-38 Jameson Street** (0.5ha) (Ref: 14/114) is located adjacent to 14/113 and has planning permission for change of use to B1 office on the upper floors. Consequently, it is considered unlikely that the site will make any contribution towards the supply of available land, although new office floorspace does offer the opportunity to help meet anticipated growth in employment and demand over the Plan period. The site scores well against the assessment criteria and is a good location for the provision of office space.

7.93  **Land and buildings at 20 - 24 Baker Street** (0.15ha) (Ref: 14/115) is accessed mainly from Baker Street but with potential from Clarence Crescent to the rear of the site. At present an old redundant garage building is located on the site, with vacant land to the rear on Clarence crescent. Due to the location within the City Centre the site offers a potential opportunity for office development. The site currently has extant planning permission for office development of 42,000 sq. ft over 4 floors and associated car parking.

7.94  **Land at Central Dry Dock, south of Humber Street** (Digital City) (0.82ha) (Ref: 14/120) is located within the Fruit Market area of Hull’s Old Town, south of the A63 (Castle Street) and is bounded to the east by the River Hull. The site currently consists of six buildings, including a public house, storage buildings and a disused stable block, underused land and a disused dry dock basin. It has planning approval for the erection of two, three and four storey buildings to provide B1(a) office accommodation (known as the Digital City development) following the demolition of the existing buildings. These buildings lie within the Old Town Conservation Area and have a separate planning approval for their demolition. This site was added to the portfolio subsequent to NLP undertaking their site assessment and has been informed by information supplied by Hull City Council.

Unallocated sites without Planning Permission

7.95  **Land to the rear of 128/136 Francis Street and Raywell Street** (0.07ha) (Ref: 14/108) and **Land and Buildings at 12-22 Caroline Place, Off Freetown Way** (0.26ha) (Ref: 14/107) are located to the north of the City Centre, and the north of A165. Whilst there are a number of employment uses in the wider area, both sites are located adjacent to residential development. There are buildings currently on both of the sites. The buildings on site 14/107 are currently used for general and light industry with vacant land to the west used for unofficial ground level car parking on the Charleston Street and Freetown way, which offers a small parcel of land (0.14ha) for employment development. The building on site 14/108 is vacant, rundown and seemingly suitable for redevelopment.

7.96  **Trinity Quays** (0.42ha) (Ref: 14/110) was highlighted as an area of potential change within the Local Plan (2000). The site has recently been cleared and is ready for development. Prominently located within the City Centre, with good access to the strategic road network. The site would be suitable for City
Centre office (B1a) development, although it is understood that a current planning approval is in place for a hotel and residential uses.

7.97 **Former Circus Circus Public House** (0.06ha) (Ref: 14/116) is located on Spencer Street in the heart of the City Centre, accessible to the strategic road network and public transport. The site (0.06ha) is entirely occupied by one vacant building. It had planning permission for the demolition of the existing building and the development of ‘Trinity Tower’ - a seven storey office scheme but this lapsed in April 2013.

7.98 **Land to the east of Ferensway** (0.22ha) (Ref: 14/117) is a cleared and levelled site. It was formerly a row of retail units. The site could be redeveloped with the vacant public house (Site 14/116) adjacent which previously had planning permission to be redeveloped as a seven storey office block. A site brief has been prepared by Hull City Council with a view to marketing the site. This site was added to the portfolio subsequent to NLP undertaking their site assessment and has been informed by information supplied by Hull City Council.

7.99 **Land to the west of Ferensway** (formerly LA’s nightclub) (0.2ha) (Ref: 14/118) is a vacant site which has been largely cleared and levelled and is available to be redeveloped. It has become vacant following the closure of the former LA’s nightclub and its subsequent demolition. It is surrounded by B1(a) uses and is located in an office and retail district of the city centre, with the Primary Shopping Area and travel interchange nearby. A site brief has been prepared by Hull City Council with a view to marketing the site. This site was added to the portfolio subsequent to NLP undertaking their site assessment and has been informed by information supplied by Hull City Council.

7.100 **Land at Trippet Street** (site of former municipal offices) (0.15ha) (Ref: 14/119) is located on the periphery of the City Centre, on the north side of Freetown Way/George Street, adjacent to the Charterhouse Conservation Area. The site has become available following the closure and subsequent demolition of the former council offices. The area is gradually transforming from offices to a dominant education use expanding out from Hull College. The site adjacent to it has recently been redeveloped as a college building housing the Hull Energy and Climate Change Centre. It is located in the commercial and business district of the city centre and would support office use. A site brief has been prepared by Hull City Council with a view to marketing the site. This site was added to the portfolio subsequent to NLP undertaking their site assessment and has been informed by information supplied by Hull City Council.

7.101 **Kingston House, Bond Street** (0.26ha) (Ref: 14/121) is located on the eastern side of Bond Street, in the business and commercial district centred around the Maltings Business Village (based in the former Hull Brewery buildings following their conversion to Grade ‘A’ office space). The site currently consists of a four storey office block with ground floor commercial units fronting on to Bond Street and a thirteen storey tower block, set back from Bond Street at the corner of Sylvester Street and New Garden Street. Built in the 1960’s, Kingston House is now approaching the end of its viable
lifespan, in its present form and has been identified for disposal by its owners, Hull City Council. A development brief has been prepared for the site with the suggestion that the building could be demolished and redeveloped, possibly in connection with adjoining land at Albion Street (site 14/113). This site was added to the portfolio subsequent to NLP undertaking their site assessment and has been informed by information supplied by Hull City Council.

7.102 Land to the west of Tower Street (adjacent to the River Hull) (0.79ha) (Ref: 16/98) is located within Hull City Centre on the eastern bank of the River Hull. This site was initially earmarked as part of ‘the boom’ development, a residential and office-led mixed use scheme. It is understood from Hull City Council that the project was postponed as a consequence of the downturn in the residential market. The site’s planning approval for a mixed use development subsequently lapsed in January 2013, however the new pedestrian footbridge (linking the site to the rest of the city centre), which was part of the wider regeneration scheme for the east bank, was completed and opened in the autumn of 2013. Part of the site is used for access to the bridge and this effectively splits the site in two, with the southern section temporarily in use (for 3 years) as a car park serving the footbridge. However it is recognised that the site still has the potential for a mixed use or a mixed ‘B’ use scheme.

Kingswood

Allocated or committed in the saved Local Plan (2000)

7.103 Kingswood Business Park (north) (36.57ha) (Ref: 41/10) and (41/10-2-3-4-5-6-8-10) is identified as a Strategic Employment Location in the Local Plan (2000) and located to the north of Hull, providing good strategic access to the A1033 and A1079. Outline planning permission covering seven of the eight sites is currently in place for residential, retail, office and industrial uses with associated leisure, social and community facilities. The remaining site (41/10) is committed for a mixture of employment and residential. Whilst parts of the overall Kingswood scheme have been developed out for employment, this has primarily focused on retail and leisure to date, with limited B1 and B2 development. However, excellent road links and readily available nearby workforces making it a good location for B1, B2 and B8. The sites are all vacant Greenfield sites; however, there is appropriate infrastructure in place from surrounding developments. It is understood that flood risk is an issue, with all of the sites located in a high flood risk zone. However, it is noted that development has occurred at Kingswood adjacent to the river. Taking the above factors into account the sites score well against the assessment criteria and are considered to represent good sites for employment development. This is particularly the case when considered in the context of the limited supply of available land at Sutton Fields, with land at Kingswood providing an opportunity to serve as an extension to this popular industrial location.

7.104 Kingswood Business Park (south) (2.43ha) (Ref: 41/10-7), relating to land to the south of Raich Carter Way, is also part of the wider outline planning
permission (for residential, retail, office and industrial purposes with associated leisure, social and community facilities) for the wider Kingswood area. The site is Greenfield and well located with respect to the strategic road network and the surrounding infrastructure and workforce. As such, it scores well against the assessment criteria, although – as with the other sites at Kingswood – flood risk is understood to be an issue. As the final remaining plot within an area dominated by leisure uses (the land south of Raich Carter Way includes a bowling alley, cinema, fitness gym and fast food restaurants) the site is perhaps less suitable for B class uses than other parcels of land at Kingswood (north).
8.0 Demand-Supply Balance

8.1 This section of the report draws together the forecast requirement for B Class land with an assessment of available development land, in order to identify the balance of demand and supply within Hull. The need to address any qualitative gaps in supply, in order to ensure a diverse portfolio, is also considered.

Current Land Supply

8.2 The total quantum of land within Hull considered by this ELR (as summarised in Section 7.0) comprises of 283ha. The land reviewed included: allocated sites; unallocated sites with planning permission for a range of B class uses; and a small number of unallocated sites without planning permission. The supply is made up of five main areas (Eastern Corridor and Port Area, Western Corridor, City Centre and North/Central Area). Much of the land reviewed is located within or adjacent to existing employment areas.

8.3 Of the land assessed across the city, there are 72 sites (76% of the total of 95 sites assessed) that are less than 2ha in size. In total, they account for 49ha of supply. 11 sites (12%) are between 2ha and 5ha in size – accounting for a total supply of 35ha. A further 5 sites (5%) across the city’s supply – totalling 35ha – are between 5ha and 10ha in size. There are 7 sites (7%) of more than 10ha in size, accounting for 163ha of supply.

8.4 Overall, the review initially considered 12 sites across Hull of more than 5ha. This included: 5 sites within the Western Corridor, 3 sites in the Port Area, 3 sites in the North/Central area of the city and 1 in the Eastern Corridor.

Available Land vs. Demand

8.5 As set out in Section 4.0, it is anticipated that future demand in Hull could require the allocation of between 50ha and 70ha of employment land across the city, in addition to land at Alexandra Dock identified to accommodate the potential investment of Siemens.

8.6 Based upon site data provided by Hull City Council and assessment work undertaken by NLP, the initial review identified c.283ha of land. Excluding the 56ha of land at Alexandra Dock (on the basis that the impact of the proposed Siemens investment is largely neutral in land terms) would leave a 227ha of land. The assumption to consider Alexandra Dock separately is made because:

- The general requirement for 50-70ha of land in Hull excludes the direct employment impact of the proposed development;
• Discussions with Hull City Council officers have indicated that no 
businesses will be displaced from the Alexandra Dock site by the 
proposed development. It is understood that all those sites to be 
decanted to facilitate the investment have already relocated; and 

• It is understood that the land will be retained by Associated British Ports 
– rather than made available to the general market – if the proposed 
investment does not come forward.

8.7 The data presented above demonstrates that – on paper, and in purely 
quantitative terms – Hull has an oversupply of employment land at present. 
Indeed, a supply of 227ha exceeds the top-end demand forecast for the City by 
some 157ha. On its own, this is a somewhat simplistic picture and takes no 
account of:

• The way in which Hull’s EZ sites skew the demand-supply dynamic within 
the City’s property market; or 

• The need to provide for a balanced portfolio of sites that meet the city’s 
qualitative needs.

Site Constraints

8.1 The above analysis considers the demand/supply balance in purely 
quantitative terms based on the existing identified supply of employment land. 
This represents the ‘maximum’ case – the total amount of land ideally available 
to accommodate employment development.

8.2 However, the total identified supply (approximately 283 ha) does not 
necessarily reflect the amount of land that has reasonable prospects of being 
delivered taking account of any underlying development constraints which exist 
that might impose additional costs or limitations to sites being developed. To 
provide an alternative indication of the employment land supply position based 
on assessment of deliverability, a broad filtering exercise has been applied 
taking account of identified constraints on individual sites. These include flood 
risk, contamination of land, land only suitable for expansion and access. On 
this basis, the sites in Table 8.1 were identified.

8.3 It is important, however, to recognise that not all of the constraints considered 
within the table will be insurmountable. Indeed, a number of sites identified 
have been designated as part of the Humber Enterprise Zone and so are 
extected to comprise a key part of the city’s employment land offer. 
Nevertheless, the analysis contained within Table 8.1 demonstrates the 
complex make-up of Hull’s current supply of land, and the nature of some of 
the challenges that exist to bringing sites forward.
Table 8.1 Site Constraints

<table>
<thead>
<tr>
<th>Sites</th>
<th>No of Sites</th>
<th>Size (ha)</th>
<th>Identified constraints</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expansion land(^{14})</td>
<td>9</td>
<td>6.93</td>
<td>These sites across the City only offer potential for extension land for adjacent employment uses. Five of these sites are within the Sutton Fields area, a popular industrial area.</td>
</tr>
<tr>
<td>High Flood Risk(^{15})</td>
<td>35</td>
<td>57.13</td>
<td>These sites all fall within a high flood risk zone</td>
</tr>
<tr>
<td>Contamination(^{16})</td>
<td>2</td>
<td>1.93</td>
<td>These sites have been identified as being contaminated and in need of remediation.</td>
</tr>
<tr>
<td>Access(^{17})</td>
<td>8</td>
<td>28.99</td>
<td>These sites have no current direct access on to the site.</td>
</tr>
</tbody>
</table>

Source: NLP Analysis

Potential for Release of Sites

8.4 Given the apparent oversupply (in quantitative terms) identified above, it is clearly worthwhile to identify those sites that are considered unlikely to make a meaningful contribution to the city’s future portfolio of sites. In doing so, it is important to ensure that the diversity of offer within the portfolio is not compromised by simply seeking to bring demand and supply into alignment in terms of ‘pure numbers'. This consideration has helped to shape the recommendations set out in the remainder of this section, with NLP taking into account that each of the city’s sub-areas will need to retain a supply of land that includes a range of different types and sizes of sites that are suitable for general employment use. This reflects the market feedback that different parts of the city operate to a degree as distinct localised markets.

8.5 This approach accords with Paragraph 22 of the National Planning Policy Framework, which advises that:

“Planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Land allocations should be regularly reviewed. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.” (NLP emphasis)

8.6 It is important to note that NLP has not sought to rationalise the portfolio simply through the removal of those sites with the lowest site assessment scores.


\(^{15}\) Site References (14/20, 14/105, 14/110, 14/111, 14/112, 16/98, 16/100, 16/102, 16/106, 16/117, 16/119, 16/124, 16/142, 16/143, 16/20, 16/26, 38/02-1, 38/100, 38/103, 38/10-6, 38/108, 41/10, 41/10-10, 41/10-2, 41/10-3, 41/10-4, 41/10-5, 41/10-6, 41/10-7, 41/10-8, 51/07, 51/15, 51/19-2, 52/109, 52/109-1 and 66/02)

\(^{16}\) Site References (52/05-1 and 16/58-3)

\(^{17}\) Site References (26/05, 26/08-3, 26/08-35, 26/20, 38/05-1, 38/05-2, 68/04 and 68/20)
There is a need to ensure an appropriate balance within the overall supply, as well as an acknowledgement that sites which may score poorly can often still serve an important role within the local economy by supporting employment and meeting the need for lower value premises. It is worth noting that the ultimate judgement for inclusion or exclusion from the employment land supply is a matter for the Local Planning Authority, taking account of a range of planning factors, including ones that may be outwith the ambit of this Employment Land Review. In this sense, the NLP conclusion on a site may not be the only consideration for how it is addressed in the Plan.

8.7

Subject to these parameters, the sites identified in Table 8.2 should be considered by the Council for potential removal from the supply of employment land:

Table 8.2 Sites for potential removal from the portfolio

<table>
<thead>
<tr>
<th>Site</th>
<th>Location</th>
<th>Status</th>
<th>Size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land north of Delhi Street (68/108)</td>
<td>Eastern Corridor</td>
<td>Allocated in AAP</td>
<td>0.53</td>
</tr>
<tr>
<td>Former Fenner Site, West Side of Marfleet Avenue (68/109)</td>
<td>Eastern Corridor</td>
<td>Unallocated</td>
<td>0.94</td>
</tr>
<tr>
<td>Former Marfleet Works, Greatfield Lane (68/04)</td>
<td>Eastern Corridor</td>
<td>Allocated in the saved Local Plan</td>
<td>1.5</td>
</tr>
<tr>
<td>Wyke Street (68/13)</td>
<td>Eastern Corridor</td>
<td>Unallocated</td>
<td>0.28</td>
</tr>
<tr>
<td>Somerden Road (land on west side) (68/17)</td>
<td>Eastern Corridor</td>
<td>Allocated in the saved Local Plan</td>
<td>1.44</td>
</tr>
<tr>
<td>Land adjacent to Old Fleet Drain (68/06-1)</td>
<td>Eastern Corridor</td>
<td>Allocated in the saved Local Plan</td>
<td>0.39</td>
</tr>
<tr>
<td>Trinity Quays, 62-71 High Street (14/110)</td>
<td>City Centre</td>
<td>Area of Potential Change</td>
<td>0.42</td>
</tr>
<tr>
<td>Land and Buildings at 12-22 Caroline Place (14/107)</td>
<td>City Centre</td>
<td>Unallocated</td>
<td>0.26</td>
</tr>
<tr>
<td>Land to the rear of 128/136 Francis Street/Raywell Street (14/108)</td>
<td>City Centre</td>
<td>Unallocated</td>
<td>0.07</td>
</tr>
<tr>
<td>Chapman Street (16/58-1)</td>
<td>North/Central</td>
<td>Allocated Employment Site</td>
<td>1.87</td>
</tr>
<tr>
<td>East of Therm Road (16/58 -2)</td>
<td>North/Central</td>
<td>Allocated Employment Site</td>
<td>0.17</td>
</tr>
<tr>
<td>Land at Warwick Street (16/135-2)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>0.07</td>
</tr>
<tr>
<td>Chamberlain Road (MKM Building Supplies) (52/100)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>0.45</td>
</tr>
<tr>
<td>Scotts Wharf, Lime Street (16/119)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>0.17</td>
</tr>
<tr>
<td>East Side of Stoneferry Road (52/101)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>0.81</td>
</tr>
<tr>
<td>North of St Mark Street (16/58-3)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>0.68</td>
</tr>
<tr>
<td>Former Holmes Hall Tannery (16/102)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>1.19</td>
</tr>
<tr>
<td>Former Yorkshire Water site, Clough Road (38/100)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>0.63</td>
</tr>
<tr>
<td>Gibson Street, west of (16/124)</td>
<td>North/Central</td>
<td>Unallocated</td>
<td>0.46</td>
</tr>
</tbody>
</table>
As table 8.2 shows, it is recommended that 26 of the sites initially assessed (totalling c.45ha) should be excluded from the city’s future portfolio of employment land. It should be noted, however, that much of this land is in any case not formally allocated for employment uses at present (albeit many sites have previously been in employment use, are located in predominantly employment areas or benefit from outline planning permission for employment uses).

It can be seen from the table that much of the land recommended for exclusion from the city’s future portfolio comprises of three sites (26/20, 26/08-3 and 12/105) within the Western Corridor. The three sites total 28.45ha – equivalent to 63% of all the land identified in table 8.2 above. A further 23 sites (16.92ha) recommended for exclusion (as shown in Table 8.2) consist primarily (though not exclusively) of relatively small parcels of land. The sites in the Eastern Corridor not taken forward are sites located outwith the Enterprise Zone and are therefore more likely to cater for more general employment needs. It is understood that the market for general employment land in the Eastern Corridor has not been strong in recent years.

In addition to the initial list of sites (above) identified for exclusion from the city’s future portfolio, it is recommended that some of the land currently available at Kingswood should be discounted from the supply. This is discussed separately elsewhere in this section. Clearly, the discounting of some land at Kingswood will further reduce Hull’s overall level of supply.

The spatial distribution of those sites (above) that it is recommended be excluded from Hull’s future portfolio is as follows:

- 6 sites, totalling 5.08ha in the Eastern Corridor;
- 13 sites, totalling 10.43ha in the North/Central Hull area;
- 3 sites, totalling 0.75ha in the City Centre; and
- 4 sites totalling 29.11ha in the Western Corridor.
The text below provides a commentary in relation to each of the sites proposed for exclusion from Hull's future portfolio of supply:

1. Land north of Delhi Street (68/108): the site is part of a larger factory clearance site, the southern section of which has been allocated for residential development in the Holderness Road AAP. The land is accessed via existing and proposed residential uses to the south. The site is also located in the Eastern Corridor, where demand is considered to be relatively weak for general employment uses;

2. Former Fenner Site, West Side of Marfleet Avenue (68/109): the site is part of a larger factory clearance site, the southern section of which has been allocated for residential development in the Holderness Road AAP. The land is accessed via existing and proposed residential uses to the south. The site is also located in the Eastern Corridor, where demand is considered to be relatively weak for general employment uses;

3. Former Marfleet Works, Greatfield Lane (68/04): surrounding ownership effectively land-lock the site, with access currently only possible via a small, poorly maintained lane;

4. Wyke Street (68/13): a small development plot, located within the Eastern Corridor, where demand is considered to be relatively weak for general employment uses. Although previously having had planning approval for an employment use (now lapsed) this small plot is not considered to offer a significant opportunity for the emerging renewables sector related to the port area. It is not designated as a Humber Enterprise Zone site;

5. Somerden Road, west of (68/17) is in use as an existing employment site with ancillary car parking, and although committed in the Local Plan (2000) it is considered unlikely that the site will become available in the Plan period;

6. Land adjacent to Old Fleet Drain (68/06-1) is in use as an existing employment site, used in conjunction with the surrounding uses. It was committed for employment use in the saved Local Plan (2000), as part of the wider Kingston International Business Park development scheme (the majority of which has now been completed). As such, it is considered unlikely that this site will become available as development land in the near future;

7. Trinity Quays, 62-71 High Street (14/110): it is understood that the site has an extant planning permission in place for the development of a hotel and residential units. As such, it is considered unlikely that the site will come forward to meet demand for B Class uses over the Plan period;

8. Land and Buildings at 12-22 Caroline Place (14/107): the site comprises of operational buildings and a large grassed area, with the latter currently available for development. It is understood that a planning consent for a mixed use scheme (comprising of residential and office development) lapsed in 2011. The site is located adjacent to residential uses and it is considered that there are stronger officer locations/office development
opportunities elsewhere in the City. As such, and having regard to the modest projected requirement for office land within Hull to 2030, it is considered that the available land on the site should not form part of Hull’s future portfolio of employment land;

9 Land to the rear of 128/136 Francis Street/Raywell Street (14/108): the site is occupied by vacant, rundown building and it is understood that a planning consent for office development lapsed in 2010. The site is located adjacent to residential uses and it is considered that there are stronger office locations/office development opportunities elsewhere in the City. As such, and having regard to the modest projected requirement for office land within Hull to 2030, it is considered that the site should not form part of Hull’s future portfolio of employment land;

10 Chapman Street (16/58-1) is in use by Hull City Council as an established training facility and although future intentions for the site are unknown, it is understood from Council Officers that the existing use will continue. As such, although committed for employment use in the saved Local Plan (2000) it is unlikely that this site will become available as development land and should not form part of Hull’s current portfolio of employment land;

11 East of Therm Road (16/58-2): the majority of this site is in existing employment use in conjunction with its surrounding uses, and although committed for employment use in the saved Local Plan (2000), it is considered that the small section of vacant land remaining, should not form part of Hull’s portfolio of employment land;

12 Land at Warwick Street (16/135-2) is under construction and as such will not form part of Hull’s portfolio of employment land readily available for development;

13 MKM Building Supplies, Chamberlin Road (52/100) is in use as an existing employment site. Planning permission for the construction of a new warehouse on the site was approved in 2004 and remains in place, as the previous building has been demolished and replaced by a car park (as per the development proposal). Council Officers have advised that it is unlikely that this proposal will ever be implemented (as the site’s owner subsequently gained and implemented a planning approval to extend their existing warehouse which was completed in 2011) and that they do not consider it appropriate to maintain the site as part of the Council’s portfolio;

14 Scotts Wharf, Lime Street (16/119): is in use as a fully operational haulage yard. NLP are not aware of any evidence indicating that the site is likely to become available for development land over the Plan period and it is therefore considered that it should not form part of Hull’s present portfolio of employment land;

15 East Side of Stoneferry Road (52/101): located immediately adjacent to residential development (to the north and east) and in close proximity to
retail uses (including a B&Q to the west). It is understood that the site is currently being marketed as a retail/trade park;

16 North of St Mark Street (16/58-3): the site is significantly constrained by underground facilities relating to an adjoining gas holder. The costs associated with the remediation of the site, when considered alongside the overall demand-supply balance within Hull would suggest that Hull City Council should not plan on the basis of the site coming forward to meet B Class demand over the period to 2030;

17 Former Holmes Hall Tannery (16/104): much of this site is currently in use, the majority of it, as a material recycling facility and various occupied industrial premises. Some of the site remains vacant and although marketed as possible development land, Council Officers have advised that they do not consider it to offer an opportunity of sufficient size or scale to warrant its retention in Hull's current employment land portfolio;

18 Former Yorkshire Water site, Clough Road (38/100): it is understood that the site is currently being marketed as a retail/trade counter development opportunity and, as such, the likelihood of the site coming forward for B Class uses is uncertain. It is considered that the level of supply within Clough Road/Heartlands area is sufficient to meet projected demand and consequently the loss of this particular site will not jeopardise the Council’s economic development objectives;

19 Gibson Street (16/124): although situated on the edge of the City Centre within an old industrial estate, the site is in close to the adjacent residential area and constrained by market attractiveness. It is understood that the site is currently in use for car parking.

20 Rosedowns Ltd, Cannon Street (16/123): the potential redevelopment or refurbishment of the existing (vacant) buildings on the site is understood to be constrained by their historical/architectural importance and associated listing. This is also likely to present a challenge in viability terms in what is a relatively weak market area (within the context of Hull);

21 South of Sissons Way, Clough Road (38/05-1 & 38/05-2): access is currently a significant constraint, with the site accessed via a single lane bridge across the railway via a residential street. Whilst this issue could be resolved, it is understood to require the remodelling of adjacent employment sites. Given that sufficient employment land exists within the surrounding area to meet projected demand, such intervention is considered unlikely to be delivered by the private sector and a poor use of limited public sector funds;

22 West Carr Lane (51/117): is a small existing employment site. Hull City Council Officers have indicated that they do not consider the site to offer an opportunity of sufficient scale and quality to warrant its inclusion in the current portfolio of readily available development land;

23 West of St Andrews Quay (26/20): this low-lying site is located adjacent to the Humber and is understood to be prone to flooding. Access to the
site is also constrained (it is land-locked by the presence of a retail park to the east and Highways Agency restrictions regarding access from the A63) and market demand is understood to be weak;

24 Priory Park, south (26/08-3): railway tracks located to the north and south of this parcel of land mean that the site is not only divorced from the rest of Priory Park East estate, but also land-locked. The railway tracks are currently still in use, meaning that the delivery of the site is likely to be incredibly difficult. Furthermore, it is understood that the land is owned by Network Rail and may still be required for their operational purposes – meaning that the site may not be made available to the general market over the plan period. Taking these factors into account, it is considered that Hull City Council should not plan for this site to comprise part of the City’s future portfolio of employment land;

25 Freightliner Road, north of (26/05) is located to the rear of existing employment uses surrounding it and as such, access to the site is heavily constrained. Although allocated in the saved Local Plan (2000) it is considered highly unlikely that this site will become available as development land and so should not form part of the city’s current portfolio of employment land; and

26 Arnold Street (12/105): the site is currently in variety of existing uses, including as a car park (for the hospital), hospital buildings, a bus depot and other employment uses. All are well-established, appropriate to their location, and with undetermined intentions by their owners as to if or when operations may cease on them. As such, although identified as a possible mixed-use development site in the Newington and St. Andrews AAP, it is considered highly unlikely that any of the site will become available during the plan period.

8.13 As outlined previously, the initial stock of employment land considered by the review totalled c.227ha (excluding land at Alexandra Dock). Not taking forward the 26 sites identified above through the Local Plan process would see the city’s supply fall by a further c.45ha to c.181ha. This corresponds to more than double the top end requirement of 70ha identified in Section 4.0.

8.14 It should be noted, however, that the supply of 181ha includes significant land holdings that are unlikely to be available to the general market over the Plan period. This includes: land held by existing occupiers for expansion purposes; and land designated as part of Hull’s EZ\(^{18}\). In addition, sites within the city’s supply will meet different needs and it is important to understand the wider qualitative contribution of each site typology. Sites falling into each category are discussed in turn below.

\(^{18}\) It should be noted that the availability of EZ sites is not restricted in the same way as land held for expansion. Nevertheless, the eligibility criteria associated with the EZ sites (with a particular focus on the renewable energy sector) means that they are unlikely to be available to the general market (i.e. occupiers not associated with the renewable energy industry).
Expansion Land

8.15 A number of sites are currently held as potential expansion land by existing businesses in the area. Some of this land may be developed out over the Plan period, thereby contributing to projected job growth and the resultant land requirements considered in Section 4.0. Equally, however, it may also prove to be the case that none of these businesses expand their operations onto the sites in question over the period to 2030. Clearly, it is beyond the scope of this ELR to assess the growth prospects of the individual businesses concerned.

8.16 For as long as the sites are retained as potential expansion land it is clear, however, that they cannot be considered to form part of the supply of generally available land within Hull.

8.17 Based upon NLP’s site assessments, discussions with PPH and information provided by Hull City Council, nine sites (totalling 6.93ha of land) have been identified as being held for expansion purposes. The sites are listed below:

Table 8.3 Sites Held for Expansion

<table>
<thead>
<tr>
<th>Site</th>
<th>Location</th>
<th>Size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land West of Marfleet Land (68/115)</td>
<td>Eastern Corridor</td>
<td>0.87</td>
</tr>
<tr>
<td>Somerden Road (68/107)</td>
<td>Eastern Corridor</td>
<td>0.93</td>
</tr>
<tr>
<td>Anchor Trading Park, Reservoir Road (38/108)</td>
<td>North/Central</td>
<td>0.12</td>
</tr>
<tr>
<td>Donaldson Filtration Components, Stockholm Road (51/15)</td>
<td>North/Central</td>
<td>1.52</td>
</tr>
<tr>
<td>Cranswick Foods, Helsinki Road (51/19-2)</td>
<td>North/Central</td>
<td>0.44</td>
</tr>
<tr>
<td>Akzo Nobel, Rotterdam Road (51/116 &amp; 116-1)</td>
<td>North/Central</td>
<td>0.14</td>
</tr>
<tr>
<td>Land at Thomas Street (16/145)</td>
<td>North/Central</td>
<td>0.40</td>
</tr>
<tr>
<td>Arco Land Priory Park (26/08-1)</td>
<td>Western Corridor</td>
<td>1.88</td>
</tr>
<tr>
<td>Land north of Freightliner Road, south of Hessle Road (26/08-35)</td>
<td>Western Corridor</td>
<td>0.63</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>6.93</strong></td>
</tr>
</tbody>
</table>

Source: NLP Analysis

8.18 The table clearly shows that the sites are generally relatively small – 78% are less than 1ha in size and none of the sites exceed 2ha. In addition, it can be seen that land held for expansion land is generally concentrated within the North/Central area of the city, with a particular focus in the Sutton Fields area.

8.19 As set out above, land held for expansion cannot be considered to form part of the city’s generally available supply of sites. In addition, it is not possible to project with any certainty which (if any) of the sites are likely to be developed out and make a contribution to meeting forecast demand. On this basis, the sites have been discounted from Hull’s stock of land, reducing supply to c.174ha (excluding the 56ha site at Alexandra Dock).
Ensuring a Balanced and Diverse Portfolio

8.20 The supply of 174ha (derived above) that remains after discounting sites considered for removal and expansion sites, can be defined as:

1. land designated as part of Hull’s EZ or with LDO in the Port Area;
2. general employment land consisting of large and small sites; and
3. land within the City Centre that could support employment development as part of a mix of uses.

8.21 Sites falling into each category are discussed in turn below.

Enterprise Zone / LDO Sites

8.22 As set out in Section 4.0, future demand for employment land in the city is estimated to be in the order of 50ha to 70ha (plus 56ha at Alexandra Dock for the proposed Siemens investment) over the Plan period.

8.23 Discounting the 56ha of land at Alexandra Dock (as discussed earlier in this section) the remainder of the Enterprise Zone/LDO sites within Hull comprise of 11 sites and, in total, account for 67.62ha of available land:

<table>
<thead>
<tr>
<th>Site</th>
<th>Location</th>
<th>Size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queen Elizabeth Dock South (69/106)</td>
<td>Port Area</td>
<td>17.88</td>
</tr>
<tr>
<td>Queen Elizabeth Dock North (69/105)</td>
<td>Port Area</td>
<td>23.12</td>
</tr>
<tr>
<td>Queen Elizabeth Dock North (69/107)</td>
<td>Port Area</td>
<td>3.51</td>
</tr>
<tr>
<td>Land at Keystore Ltd. (69/102)</td>
<td>Port Area</td>
<td>0.51</td>
</tr>
<tr>
<td>Former Hedon Road Maternity Hospital (68/27)</td>
<td>Eastern Corridor</td>
<td>4.46</td>
</tr>
<tr>
<td>Burma Drive (68/02, 68/02-3)</td>
<td>Eastern Corridor</td>
<td>5.89</td>
</tr>
<tr>
<td>Marfleet Environmental Technology Park (68/113)</td>
<td>Eastern Corridor</td>
<td>2.73</td>
</tr>
<tr>
<td>Elba Street (68/103-1)</td>
<td>Eastern Corridor</td>
<td>1.99</td>
</tr>
<tr>
<td>Valleta Street (68/20)</td>
<td>Eastern Corridor</td>
<td>3.25</td>
</tr>
<tr>
<td>Wyke Works (68/21)</td>
<td>Eastern Corridor</td>
<td>1.67</td>
</tr>
<tr>
<td>Kingston International Business Park (Somerden Lane) (68/18-2, 68/18-3)</td>
<td>Eastern Corridor</td>
<td>2.61</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>67.62</strong></td>
</tr>
</tbody>
</table>

Source:  HCC / NLP Analysis

8.24 This quantum of land available on EZ sites alone within Hull is – on paper – almost sufficient to meet demand, based upon a simple quantitative analysis. Such analysis does not, however, accurately reflect the demand-supply dynamics of the Hull market for a variety of reasons considered below.

8.25 Firstly, it is important to recognise that the demand projections should be viewed as a guide only. In particular, the difficulty in accurately forecasting the employment land requirement associated with renewable energy/offshore wind must be acknowledged. The scale of opportunity will clearly be determined by
Hull’s ability to attract an OEM to the city. At present, whilst Siemens has identified Alexandra Dock as the preferred location for a new manufacturing development, the investment is yet to be finalised and confirmed. The issue is further complicated by a lack of clarity and certainty regarding what any such investment might mean for Hull in terms of the development of an associated supply chain. Indeed, data published by Hull City Council suggests that the supply chain impacts associated with a ‘best case’ scenario of attracting four OEMs to the wider Humber area could range from 2,000 to 8,000 jobs\(^{19}\). It is understood that the scale of the supply chain, and the land requirements that flow from this, will be determined by the supply chain strategies to be adopted by any OEMs locating in the area. At present, it is not possible to model this with any degree of certainty.

8.26 The current lack of clarity regarding the scale, nature and specific land needs of any supply chain impacts makes it difficult to accurately estimate the land requirements associated with the renewable energy/offshore wind sector. Whilst it would, in theory, be possible to apply a variety of sector-specific adjustments to the demand forecasting exercise described in Section 4.0 any such adjustments would be based on little more than conjecture, having regard to the issues described above.

8.27 It should be noted that the renewable energy/offshore wind opportunity has been addressed within the demand forecasting work and specifically the REIU Policy-On scenario. Hull City Council Officers identified a series of key transformational projects within the city, including the proposed Siemens investment at Alexandra Dock. For each project, data regarding direct employment impacts was provided by Hull City Council Officers. This information was then modelled by the REIU to capture the anticipated supply chain impacts of each project.

8.28 The employment forecasts generated by REIU via the process outlined above were then translated by NLP into an employment land requirement. The direct jobs associated with the proposed Siemens investment were modelled independently using a bespoke methodology. Information relating to the job creation and land take requirements of this particular investment both demonstrated the need for and facilitated such an approach.

8.29 For the remaining employment forecasts from REIU, NLP applied standard plot ratios and employment densities, as described in Section 4.0. Such an approach assumes that the relationship between land take and jobs for any businesses in the Siemens supply chain will reflect those of ‘typical’ office and industrial occupiers. The potential implications of firms adopting alternative occupation and development ratios are recognised by NLP. For instance, some supply chain businesses may be more land hungry (particularly having

\(^{19}\) Economic Development and Regeneration Officers from Hull City Council have advised that, whilst the aspiration for the Humber is to attract 4 OEMs, such a scenario is considered unlikely to occur.
regard to the nature of the sector) and if this were to be the case, there is a risk that demand could be higher than projected. However, without any evidence upon which to base assumptions regarding the proportion of land hungry uses in the supply chain and the scale of their requirement, it is considered that there is little merit in seeking to address such uncertainties within the forecasting itself. Hull City Council Officers have advised that the land at Queen Elizabeth Dock could, in the same way as Alexandra Dock, accommodate such land hungry uses – subject to demand.

8.30 Clearly, renewable energy/offshore wind is just one of a number of economic sectors that could be expected to require additional employment land over the Plan period. This is considered in greater detail in Section 5.0. It can, therefore, be assumed with a reasonable degree of certainty that the renewable energy/offshore wind opportunity does not account for 100% of the demand requirement (50ha to 70ha plus 56ha of land at Alexandra Dock). This is demonstrated by the relatively small difference in the gross land requirements identified under the REIU Baseline and REIU Policy-On scenarios. Indeed, whilst the latter seeks to model the impact of any potential supply chain linked to Siemens (using the methodology outlined above) the associated uplift in the requirement equates to just 7ha (plus land at Alexandra Dock).

8.31 Taking into account the issues outlined above, it is clear that it would be inappropriate to assume that Hull’s EZ sites alone would be sufficient to meet demand in both qualitative and quantitative terms. Not all of the 50ha to 70ha of ‘general’ demand will be driven by the renewable energy/offshore wind sector – a significant proportion will come from a variety of unrelated sectors with a diverse range of land and premises requirements. Allocating an employment land portfolio comprising solely of EZ sites (in an attempt to demonstrate a quantitative balance between demand and supply) would fail to provide the necessary choice required to support broadly based economic growth across a range of sectors. Indeed, the EZ sites are all located in close proximity – within the Port Area and the Eastern Corridor – and can generally be characterised as brownfield sites surrounded by industrial uses.

8.32 In addition, it is important to recognise that not all occupiers would meet the eligibility criteria associated with EZ sites. Were such occupiers to locate on EZ land, therefore (in the absence of any alternative sites) they would not be eligible to draw down the fiscal and other benefits associated with the EZ designations, effectively reducing the potential benefit of the EZ to Hull.

8.33 Conversely, it is also apparent that it would not be appropriate to de-allocate any land within the city’s EZ. The renewable energy/offshore wind sector has been identified as a significant opportunity for Hull and the City (in collaboration with the Humber LEP and Central Government) has designated 96.99ha of EZ land (including 56ha at Alexandra Dock) – with a further 26.63ha of land at Queen Elizabeth Dock (north) identified as a Local Development Order site – in order to respond to the opportunity. The associated fiscal incentives and planning measures mean that the EZ sites represent a significant inward
investment opportunity for the city. Clearly, therefore, there would be no merit in jeopardising such an opportunity through the de-allocation of EZ sites.

8.34 The difficulty in accurately projecting the future land requirements of the renewable energy/offshore wind sector has already been discussed. Within this context, should a significant supply chain including some land hungry uses emerge following the proposed Siemens investment, there is a risk that the de-allocation of some EZ sites could leave the city with a shortage of sites capable of meeting the requirements of occupiers from within the sector. Conversely, if the renewable energy/offshore wind opportunity fails to materialise on a scale that would require c.124ha of EZ land then there is a risk that Hull will have a significant oversupply of land. As such, it is important that the City adopts a plan, monitor, manage approach to the city's EZ designations.

8.35 Having regard to the above, it is considered that Hull City Council should, through the Local Plan, seek to retain all of the City's EZ for employment uses, whilst also allocating additional land to meet the needs of other sectors. Separating the city's EZ sites from the available stock of land - and adjusting to reflect those sites recommended for removal from the supply – would suggest that Hull has c.107ha of general employment land (including 7.81ha of City Centre sites). This is considered in greater detail in the following paragraphs.

**General Employment Land**

8.36 The City's future requirement for employment land to 2030 is estimated to be in the order of 50ha to 70ha (in addition to 56ha of land at Alexandra Dock). On the basis that this includes any supply chain impacts associated with the potential growth of the renewable energy/offshore wind sector, it would appear that – on paper, and in purely quantitative terms – 107ha of general employment land represents a potential oversupply.

8.37 As discussed above, however, the renewable energy/offshore wind and general employment markets represent very separate opportunities with markedly different land and premises requirements. It is essential that Hull provides a portfolio of land capable of catering for both.

**Large sites (>2 ha)**

8.38 Council Officers have advised that, within the context of the local market and historic development activity, sites of more than 2ha would be considered to represent large opportunities. It can be seen from the table overleaf that the supply of land available to meet general needs contains 10 sites of 2ha or more, comprising a total of 83.6ha.

8.39 Whilst the presence of a small number of large sites serves to skew the demand-supply balance it is considered important to retain much of the land in order to help address two qualitative supply issues, as summarised below:

1. The perceived shortage of larger sites: it is understood from PPH that there is a perception within the market that Hull has a shortage of larger sites. Analysis of historic take-up demonstrates that developments
requiring sites of 3ha or more have occurred infrequently (once every three years on average) and have not previously exceeded 5ha in size. It should be noted that a number of large sites are covered by an EZ designation and it would appear reasonable to assume that demand for larger sites is most likely to be driven by the renewable energy/offshore wind sector. Nevertheless, it is clearly important to ensure that the city has a supply of general employment sites capable of meeting requirements for sites of 3ha or more; and

The emerging shortage of land at Sutton Fields: analysis of historic take-up data presented elsewhere in this report demonstrates that demand has traditionally been strong for sites in Sutton Fields and consultation with local agents confirms that it is a popular location. PPH has indicated, however, that the estate is facing emerging capacity issues. Whilst some available land remains on the estate, some of this is held for expansion purposes and those parcels of land available to the general market are often too small (typically under 0.5ha) to meet inquiries for sites in the area. A number of large sites in North/Central Hull have been identified (most notably land at Kingswood, which is located to the north of Sutton Fields). It is recommended that some land at Kingswood taken forward for employment uses through the Local Plan (discussed later in this section) to help address the issue;

The supply of general land is dominated by a small number of larger employment sites, with four sites of 7ha or more accounting for 40.86ha in total. The largest of these holdings are at Kingswood, followed by the National Grid site which is situated in the middle of the Heartlands/Clough Road industrial area. The land at Kingswood is considered in later in this section. The National Grid site is bounded on all sides by industrial development, is considered unlikely to be suitable for alternative uses and therefore will continue to form an element of general supply of employment land.

<table>
<thead>
<tr>
<th>Site</th>
<th>Location</th>
<th>Size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Beacon Business Park (11/22, 11/22-1 and 11/22-2)</td>
<td>Western Corridor</td>
<td>2.07</td>
</tr>
<tr>
<td>Former Cavaghan &amp; Gray (11/01)</td>
<td>Western Corridor</td>
<td>2.13</td>
</tr>
<tr>
<td>Former Birds Eye Factory Site (26/103)</td>
<td>Western Corridor</td>
<td>7.21</td>
</tr>
<tr>
<td>Priory Park (26/08-9,10,26,30,31,36 and 37)</td>
<td>Western Corridor</td>
<td>7.98</td>
</tr>
<tr>
<td>National Grid Site (38/07)</td>
<td>North/Central</td>
<td>13.2</td>
</tr>
<tr>
<td>Former Holiday Pigments (52/109 and 52/109-1)</td>
<td>North/Central</td>
<td>4.16</td>
</tr>
<tr>
<td>Cleveland Street, former ADM Cocoa (16/143 and 16/106)</td>
<td>North/Central</td>
<td>4.85</td>
</tr>
<tr>
<td>Kingswood Business Park (41/10-2,3,4,5,6,7,8 and 10)</td>
<td>North/Central</td>
<td>21.18</td>
</tr>
<tr>
<td>Kingswood Business Park (41/10)</td>
<td>North/Central</td>
<td>17.82</td>
</tr>
<tr>
<td>Isaac Newton (66/02)</td>
<td>Eastern Corridor</td>
<td>3.00</td>
</tr>
</tbody>
</table>

**Total** 83.60

Source: HCC / NLP Analysis
The other sites in excess of 2ha vary in their ability to contribute to the city’s portfolio. A relatively large area of land is identified at Cleveland Street and at the former Holiday Pigments. These sites have been subject to schemes for recycling uses and energy from waste. It is unclear therefore how they will have a contribution to a portfolio of sites. In addition, the site is effectively split into two parcels of land either side of Glass House Row. As such, the site is unlikely to be able to accommodate an occupier seeking 4-5ha in one location.

Comparatively strong industrial rents and values have been achieved in the Western Corridor in recent years and sites in the area have an important role to play as part of the city’s portfolio. This was recognised at the recent Planning Inquiry into the Birds Eye site.

Whilst it is recognised that NPPF defines offices as a town centre use, market signals clearly demonstrate the existence of demand for lower density office premises on a business park environment. Indeed, monitoring data compiled by PPH suggests that demand from office occupiers in the city has historically been split 50:50 between those seeking City Centre premises and those seeking a business park environment. In addition, some industrial occupiers (particularly those operating in higher value sectors) also favour premises located in a business park environment. It is anticipated that land at Priory Park and Kingswood can provide opportunities to meet requirements of this type within Hull.

The Beacon Business Park comprises of three smaller, conjoined parcels of land that could be developed out as one larger site of 2.07ha.

Land identified at the former Isaac Newton site is not within a recognised employment area and forms part of land designated for mixed use development within the Holderness Road Corridor Area Action Plan. It is likely this could support light industrial / starter units. The final form and quantity of land that could come forward is at this time unclear and so the site area is indicative but has been put forward by Hull City Council as an area of land that could create a viable scheme.

**Small and Infill sites (<2 ha)**

Hull contains a significant number of small, infill sites located on existing industrial estates (excluding the City Centre sites). This is particularly true in North Hull, focussed around the established industrial areas of Heartlands/Clough Road and Sutton Fields, which run north from the City Centre. Indeed, such infill sites across the city account for 15.4 ha of supply spread over 25 sites of less than 2ha each.
### Table 8.6 General Employment Sites (<2ha)

<table>
<thead>
<tr>
<th>Site</th>
<th>Location</th>
<th>Size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freightliner Road, north of (26/107)</td>
<td>Western Corridor</td>
<td>0.11</td>
</tr>
<tr>
<td>Land at Gillett Street (11/111)</td>
<td>Western Corridor</td>
<td>0.66</td>
</tr>
<tr>
<td>Land at Wassand Street (11/112)</td>
<td>Western Corridor</td>
<td>0.88</td>
</tr>
<tr>
<td>Neptune Street (11/15)</td>
<td>Western Corridor</td>
<td>1.34</td>
</tr>
<tr>
<td>Ipark Industrial Estate (38/10 – 6)</td>
<td>North</td>
<td>1.15</td>
</tr>
<tr>
<td>Land at Warwick Street (16/135)</td>
<td>North</td>
<td>0.15</td>
</tr>
<tr>
<td>Merrick Street, Land south of (16/140)</td>
<td>North</td>
<td>0.40</td>
</tr>
<tr>
<td>North of Hedon Road (16/141)</td>
<td>North</td>
<td>1.52</td>
</tr>
<tr>
<td>Lockwood Street, west of (16/90)</td>
<td>North</td>
<td>0.61</td>
</tr>
<tr>
<td>67 Northumberland Avenue (16/20)</td>
<td>North</td>
<td>0.14</td>
</tr>
<tr>
<td>Swan Street, south of (16/142)</td>
<td>North</td>
<td>0.78</td>
</tr>
<tr>
<td>High Flags Mills (16/117)</td>
<td>North</td>
<td>0.22</td>
</tr>
<tr>
<td>Temple Street(13/13-1)</td>
<td>North</td>
<td>0.13</td>
</tr>
<tr>
<td>Bedford Street, east end of (16/100)</td>
<td>North</td>
<td>0.90</td>
</tr>
<tr>
<td>Plot 66- 67, Sutton Fields (51/07)</td>
<td>North</td>
<td>0.15</td>
</tr>
<tr>
<td>Plot 89B and 93 Sutton Fields (51/10 – 4)</td>
<td>North</td>
<td>0.41</td>
</tr>
<tr>
<td>Geneva Way, South side (52/05 – 1)</td>
<td>North</td>
<td>1.25</td>
</tr>
<tr>
<td>Rotterdam Road / Hamburg Road (51/22)</td>
<td>North</td>
<td>0.40</td>
</tr>
<tr>
<td>Reservoir Road (38/103)</td>
<td>North</td>
<td>0.72</td>
</tr>
<tr>
<td>Bontoft Avenue, north of (35/03)</td>
<td>North</td>
<td>0.35</td>
</tr>
<tr>
<td>Former Ideal Standard Car Park (35/102)</td>
<td>North</td>
<td>0.38</td>
</tr>
<tr>
<td>Land west of Littlefair Road (68/114)</td>
<td>Eastern Corridor</td>
<td>0.78</td>
</tr>
<tr>
<td>Marfleet Avenue (69/01-1)</td>
<td>Eastern Corridor</td>
<td>0.81</td>
</tr>
<tr>
<td>Kingston International Business Park (68/101)</td>
<td>Eastern Corridor</td>
<td>0.85</td>
</tr>
<tr>
<td>Former Norman Nicholson Box Company (69/101)</td>
<td>Eastern Corridor</td>
<td>0.31</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>15.4</strong></td>
</tr>
</tbody>
</table>

Source: HCC / NLP Analysis

8.47 Whilst some such sites have been recommended for exclusion from the city’s future portfolio of employment land (and this is reflected in the figures presented in Table 8.2) in many instances the plots are considered to represent reasonable employment sites and are unlikely to be suitable for alternative B Class uses. As such, and given their location within existing industrial areas it is considered that there is little merit in recommending their removal from the supply.

**Land at Kingswood**

8.48 A significant land holding exists at Kingswood that has partly been allocated through the saved Local Plan and is recognised as land for employment development in the masterplan that accompanies the broader outline planning permission for Kingswood. Given the scale of this individual holding and the quantitative oversupply of employment land city wide it is appropriate to consider whether all of the land should be retained within Hull’s future portfolio of sites.
It is understood from Council Officers that certain parcels of land are being considered through the Kingswood Area Action Plan for uses different to those for which the land was originally allocated in the Local Plan. This includes land that is likely to become part of an expanded District Centre. Given that there is unlikely to be demand over the Plan period to necessitate the retention of all of the land at Kingswood, these sites represent obvious candidates to be discounted from general supply of employment land. The following text outlines how each of the parcels of land can be considered:

- **Site 41/10-2 (1.43 ha):** the site has been identified for potential retail, service and community uses within a new District Centre within the emerging Kingswood AAP. As a consequence, and having regard to the scale of supply at Kingswood the site is considered unlikely to form part of the City's future portfolio of employment land;

- **Site 41/10-8 (3.66 ha):** the site has been identified for potential retail, service and community uses within a new District Centre within the emerging Kingswood AAP. As a consequence, and having regard to the scale of supply at Kingswood the site is considered unlikely to form part of the City's future portfolio of employment land;

- **Site 41/10-6 (8.77 ha):** provides an area of land immediately to the north of existing business units that is of a size that could viably support employment development;

- **Sites 41/10-3, 4, 5 and 10 (3.58 ha):** are smaller parcels adjacent to existing business units that could provide viable opportunities for employment development;
• Site 41/10 – 7 (2.43 ha) is located within an area which has the predominant character of a leisure park with cinema, bowling alley, and a number of food outlets, as well as a private fitness centre. This is considered by NLP to represent one of the less suitable plots at Kingswood for employment development;

• Site 41/10-10 (1.31 ha) is to the north of the land identified to be part of a new District Centre. It is understood that the land previously had planning consent for an Integrated Care Centre, which has now lapsed. It is uncertain how the land will be taken forward, although it could potentially be for B-class employment uses; and

• Site 41/10 (17.82 ha) is the northernmost area of land and largest parcel of land identified. It stretches along the riverside area and around the housing area to the north.

Clearly, a significant supply of land is available at Kingswood and it is anticipated that sites available would be capable of meeting demand at Kingswood beyond the Plan period. It is considered that those parcels of development land currently located in close proximity to existing B class uses – 41/10-3,4,5, 6 and 10 – represent the most appropriate immediate opportunities for future development. These sites would provide 13.66 ha of employment land. Allocating these sites (and not taking forward the remaining land at Kingswood would reduce the supply of general employment land by 25.34 ha (with 5.09 ha to be incorporated with the proposed new District Centre).

Should Hull City Council consider this level of supply insufficient to meet demand over the Plan period, the Council may also wish to consider allocating part of the land at 41/10 for employment uses in order to address any perceived shortfall. It may be most appropriate to do so at a later date, having regard to a ‘plan, monitor, manage’ approach to the demand-supply balance at Kingswood. In addition, Hull City Council may also wish to consider whether it is appropriate to retain any remaining land at 41/10 for employment land uses beyond the Plan period, having regard to: the city’s tight administrative boundaries; the need to support Hull’s economic development priorities beyond 2030; and Kingswood’s status as one of the few sites in the city able to provide development opportunities for a high quality business park environment.

City Centre Sites

A number of opportunities exist in the city centre, often as part of wider development opportunities where a mix of uses is likely. It is likely that the City Centre will primarily support office (B1a) uses, but may support some research and development uses (B1b / c) in certain locations. Land within the City Centre will only therefore support specific elements of demand and should be looked at separately to more general opportunities.

Given the potential mix of uses within City Centre sites, it is not always possible to be absolutely clear – prior to development and occupation – of the actual land area to be taken by office development. It should also be noted that
larger schemes are not yet the subject of fixed development proposals and as a consequence the precise quantum of office development could be subject to further change.

Table 8.7  City Centre Sites

<table>
<thead>
<tr>
<th>Site</th>
<th>Status</th>
<th>Size (ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fruit Market and Blackfriargate (14/112, 14/105)</td>
<td>Development Brief</td>
<td>1.92</td>
</tr>
<tr>
<td>Albion Street (14/113)</td>
<td>Development Brief</td>
<td>0.75</td>
</tr>
<tr>
<td>Myton Street, west of Princes Quay Shopping Centres (14/111)</td>
<td>Development Brief</td>
<td>0.68</td>
</tr>
<tr>
<td>Humber Quays, Phase 2 (14/100-3)</td>
<td>Planning Permission</td>
<td>1.31</td>
</tr>
<tr>
<td>Land at Central Dry Dock, south of Humber Street (Digital City)</td>
<td>Planning Permission</td>
<td>0.82</td>
</tr>
<tr>
<td>20 – 24 Baker Street (14/115)</td>
<td>Planning Permission</td>
<td>0.15</td>
</tr>
<tr>
<td>32 – 38 Jameson Street (14/114)</td>
<td>Planning Permission</td>
<td>0.50</td>
</tr>
<tr>
<td>Tower Street, West of (16/98)</td>
<td>Lapsed Planning Permission</td>
<td>0.79</td>
</tr>
<tr>
<td>Former Circus Public House (14/116)</td>
<td>Lapsed Planning Permission</td>
<td>0.06</td>
</tr>
<tr>
<td>Land to the east of Ferensway (14/117)</td>
<td>Site Brief</td>
<td>0.22</td>
</tr>
<tr>
<td>Land to the west of Ferensway (formerly LA’s nightclub) (14/118)</td>
<td>Site Brief</td>
<td>0.20</td>
</tr>
<tr>
<td>Land at Trippet Street (14/119)</td>
<td>Site Brief</td>
<td>0.15</td>
</tr>
<tr>
<td>Kingston House (14/121)</td>
<td>Site Brief</td>
<td>0.26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>7.81</strong></td>
</tr>
</tbody>
</table>

Source:  HCC / NLP Analysis

**Spatial Distribution of Future Land Portfolio**

8.54

Figure 8.3 provides a summary of Hull’s supply of employment land and how this could be presented as a future portfolio (excluding those sites recommended for exclusion – totalling 45.37ha – and at least another 25.34ha to be removed from the supply at Kingswood), segmented by typology and size. From this it can be seen that, in general terms:

- Expansion Land, which cannot be classified as generally available, comprises 6.93ha;
- The EZ component of supply, which is clearly location and sector specific in terms of both the nature of the need and its ability to cater for the opportunity, accounts for 123.62 ha. This is made up of 67.62ha and 56ha at Alexandra Dock (related to the proposed Siemens investment)
The supply of general employment land accounts for 73.66ha (excluding the City Centre sites). This is made up of 58.26ha on large sites > 2ha across the city and 15.4 ha of smaller sites < 2ha.

The supply of land in the city centre totals 7.81ha to be used for mix of uses.

Figure 8.2  Employment Land by Spatial Area

![Diagram showing employment land by spatial area](chart.png)

Source:  NLP Analysis

NB:  Figures in the chart relate to number of sites per land category

8.55

Figure 8.3 above provides an understanding of the spatial distribution of land. This highlights that the supply of general employment land is relatively modest in the Eastern Corridor (4.63 ha) and Port area (1.12ha). This is however, offset by significant EZ allocations in both the Eastern Corridor and Port areas with 67.62 ha of land plus 56 ha at Alexandra Dock, reflecting the fact that growth is likely to be driven by the renewable energy/offshore wind sector. In addition, it is understood from discussions with local agents and stakeholders that demand from general occupiers is weaker in these locations, with businesses typically favouring the Western Corridor sites and parts of North and Central Hull. On balance, therefore, it is considered that the portfolio of sites within the Eastern Corridor and the Port Area is likely to be sufficient to meet demand from general occupiers.
With respect to the Western Corridor, the chart shows a potential future portfolio of 22.38 ha\(^{20}\). This could be sufficient to meet between 32% and 45% of total demand on the basis of an identified requirement of between 50ha and 70ha to 2030 (although this does not take account of the impact of demand from the renewable energy sector). Take-up data, as presented in Table 3.3 indicates that the Western Corridor has historically accounted for 27% of take-up across the city.

Having regard to the above, it is considered that supply within the Western Corridor is likely to be sufficient to meet demand over the Plan period. Nevertheless, it is noted that this is one of the city’s more popular employment locations, as evidenced by the strong take-up levels and rental performance outlined in preceding sections. As such, it will be important that Hull City Council continues to closely monitor take-up levels and the availability of supply within the Western Corridor, in order to ensure that the demand-supply balance in the area does not become too tight – should demand outstrip the estimates presented within this report.

In relation to North and Central Hull, the chart shows a future portfolio of 45.53ha\(^{21}\). This could be sufficient to meet between 65% and 91% of total demand on the basis of an identified requirement of between 50ha and 70ha to 2030 (although as set out above this does not take into account the impact of demand from the renewable energy sector).

Parts of North and Central Hull are clearly a popular employment location, as evidenced by past development rates and the significant concentrations of existing activity within the area. Indeed, North and Central Hull has historically accounted for 54% of take-up across the city. Development activity has been highest in the Sutton Fields Estate where, as referred to elsewhere, development capacity is now limited. Development within the Clough Road and Heartlands areas have been lower over recent years with the only notable development at iPark. Little development has occurred at Kingswood since 2004.

The analysis presented above would suggest that any quantitative oversupply of general employment land within the city is being driven by North and Central Hull. As discussed previously the land available in this area is dominated by three relatively large sites in the Clough Road and Heartlands Area, together with the substantial area of land at Kingswood. The demand-supply balance within the area is also skewed by the presence of a large number of small infill plots and other parcels of land within established industrial areas. As good employment sites that are – in general – unlikely to be suitable for alternative development given their locations it is considered that their retention for employment use poses little harm, although they do not necessarily contribute in a significant way to ensuring the provision of a balanced and diverse portfolio of land capable of meeting the needs of a variety of economic sectors.

\(^{20}\) Excluding expansion land

\(^{21}\) Excluding expansion land
9.0 Facilitating Delivery through the Planning Process

9.1 As outlined in Section 6.0, the legacy impacts of the financial crisis have resulted in a number of projects in Hull stalling, whilst speculative development has slowed markedly. Nevertheless, the provision of good quality workspace that meets the needs of occupiers is vital in promoting economic growth and attracting/retaining business occupiers. Notwithstanding the viability constraints considered above, a number of planning and policy tools can also be effective in helping to encourage development.

9.2 The paragraphs below provide an overview of key measures available to LPAs at present. These are presented for consideration and further exploration by Hull City Council. It should, however, be noted that these measures will not be appropriate in every case and delivery strategies should be tailored to meet the specific needs and challenges of individual development sites.

Increasing Planning Certainty

9.3 The publication of a planning document which can create greater certainty for potential developers can have a positive impact on bringing forward new employment sites. Such an approach is often already adopted by local authorities and can take the form of an Area Action Plan, Supplementary Planning Document or Development Brief. Documents should be used to provide clarity with respect to the development constraints of a site – including abnormal costs – and approaches to overcoming these, as well as specifying the mix and scale of uses which would be acceptable.

9.4 It is critical that documents of this nature are market facing and present a positive but realistic investment prospectus for a site.

Local Development Orders

9.5 Local Development Orders (LDOs) can be adopted by local authorities in order to allow specified types of development within defined employment areas, without the need to obtain planning permission. An LDO needs to be prepared in partnership with tenants and land owners and could allow, for example, the construction of new industrial buildings or the sub-division or refurbishment of existing buildings without the need for owners/developers to go through the planning process. This can help to stimulate the upgrading of premises within existing industrial estates.

9.6 The introduction of an LDO can also support the delivery of new premises by increasing certainty for developers, thereby making it easier to raise development finance and giving them greater confidence to proceed.
Business Improvement Districts

9.7 Business Improvement Districts (BIDs) can help to facilitate the enhancement of existing employment areas. BIDs are established for a defined area – such as an industrial estate – within which, after a ballot, businesses agree to pay a levy to fund improvements. Typically this applies over a defined period, such as 5 years.

9.8 Many BIDs for employment areas focus upon improving security, landscaping and road access/parking, rather than the direct modernisation of premises. Such interventions can, however, make an estate more attractive and encourage businesses to invest in the upgrading of premises, as well as helping an area to attract new occupiers.

Other Supporting Activities

9.9 A number of activities are taking place through the LEP and within the Council in order to support the delivery of the LEP Strategic Economic Plan and the Council’s City Plan.

9.10 For the city to successfully capitalise on the emerging growth sectors it will be necessary to be in a situation in which it can supply premises quickly. This requires unconstrained sites in the right locations, ideally benefiting from planning permission.

9.11 A particular challenge for bringing forward land and sites within Hull is that of market value and viability. Within the Heartlands area of the city, for instance, low land values reduce the propensity to dispose of land to the market, particularly where abnormal development costs of that land can act as a disincentive for an owner to release it.

9.12 Action taken to encourage their development is ongoing and spans a range of initiatives including planning activities and the development of appropriate funding programmes. A number of sites have been brought forward with the benefit of European Regional Development Fund (ERDF) and Regional Growth Fund (RGF).

9.13 Significant changes have occurred in how the system of governance can support the delivery of sites. The Humber LEP is now leading a partnership approach to economic development across the wider region bringing together the particular strengths of locations and recognising mutual benefits. The LEP is currently producing a Strategic Economic Plan for the Humber. An Investment Plan will accompany this and expressions of interest have been invited for relevant projects and programmes, including those for which part-funding might be sought through the Local Growth Fund.

9.14 The recent signing of the City Deal shows cross authority and Central Government commitment to a number of activities that will support the economic outlook for the area, including ‘acceleration of development’.
Enterprise Zone status has been given to sites within the Port Area and wider Hedon Road Corridor identified for main manufacturers from the renewable energy sector, as well as any supply chain businesses that may be attracted to the city. This brings enhanced capital allowances to sites within the port and discounted business rates to other sites.

Alongside the Enterprise Zone a Local Development Order has been adopted for sites in the port and development briefs have been created for other sites. These together present a framework of simplified planning to enhance delivery of development.

Most recently the LEP has identified strategic priorities for investment which has included the identification of two locations as business parks in the city. These include the Western Business Park (the former Birds Eye site) and the Kingston Parklands Business Park (former Hedon Road Maternity Hospital). These represent target activities to bring forward major sites that are seen as key to economic growth.
Conclusions

10.0

The key conclusions of the review are summarised below and discussed in greater detail in the paragraphs that follow:

1. The employment performance of Hull has been poor in recent years, with static employment observed during the pre-recession ‘boom’ years and a significant subsequent contraction;

2. Looking to the future, the city has identified a number of growth opportunities and sectoral strengths;

3. Hull is viewed by the market as the principal office location within the Humber area, although demand for space is primarily local;

4. The city contains a larger stock of industrial space than the surrounding local authorities. As with office demand, the market for industrial space within Hull is largely self-contained;

5. Demand for employment land over the period to 2030 is anticipated to be in the order of 50ha to 70ha (plus an additional 56ha at Alexandra Dock);

6. A significant supply of employment land (c.283ha) has been assessed through the ELR. Approximately 70ha of land has been identified as not being suitable to take forward as part of the city’s portfolio. A further c.7ha is identified as land being held for expansion purposes and therefore not appropriate to be relied upon as part of a portfolio of generally available land;

7. A portfolio of land comprising c.205ha (including 56ha of land at Alexandra Dock linked to the proposed Siemens investment) is considered suitable for employment uses over the Plan period. Whilst on paper – and in purely quantitative terms – this would suggest an oversupply of land, such a land response is considered necessary and appropriate in order provide the city with a balanced and diverse portfolio of sites to meet the needs of a range of employment sectors;

8. It is necessary as a consequence of NPPF (paragraph 160) for local authorities to have a clear understanding of business needs within the economic markets operating within and across their area. Whilst there are established functional linkages with East Riding, analysis presented within the ELR demonstrates that Hull’s projected quantitative needs can be met within the city; and

9. Significant activities are taking place to support the delivery of sites within Hull. Viability challenges in some areas of the city make it necessary to have a support mechanism in place to bring forward sites. The designation of some sites within the city as EZ sites brings significant benefit in this regard, whilst the activities of the LEP and the City Council and its partners also has an important role to play in supporting delivery.
1) The employment performance of Hull has been poor in recent years, with static employment observed during the pre-recession ‘boom’ years and a significant subsequent contraction

10.2 An analysis of employment change over time reveals that the number of employee jobs in Hull fell by 5,300 between 2001 and 2011, in stark contrast to the increases observed both regionally and nationally. The fall in employment numbers has been driven by a marked decline in manufacturing, with the sector accounting for the loss of 8,000 jobs over the 10 year period.

10.3 Whilst some contraction is perhaps to be expected since the onset of the recession, a more detailed analysis reveals that:

- The city’s employment base remained generally static during the ‘boom’ years of 2001-2008 – a period characterised by strong growth at the regional and national level; and
- The impact of the recession has been particularly acute within Hull, with the city’s employment base experience a far more significant contraction between 2008 and 2011 when compared with regional and national averages.

10.4 In seeking to deliver a more prosperous economic future, the city faces a number of additional challenges including: low levels of GVA per worker, which in part reflect an under-representation of knowledge-based activity; low business formation rates (although growth has been observed in recent years); a low skills base; high unemployment; and concentrations of acute deprivation.

2) Looking to the future, the city has identified a number of growth opportunities and sectoral strengths

10.5 The city is aiming to deliver growth by targeting a number of existing sectors and emerging opportunities. Hull City Council and the Humber LEP have identified Hull as having some form of competitive advantage in relation to each of the sectors:

- Renewable Energy/Offshore Wind: the Humber has been designated by Government as a Centre for Offshore Renewable Engineering. This has been supported by establishing two EZs in the Humber to target growth in the sector, including significant landholdings within Hull. The city has been identified as the preferred location for proposed investment by Siemens for a wind turbine manufacturing facility;
- Port and Logistics: the city’s ports represent a significant economic asset. Hull City Council and the Humber LEP anticipate that any future growth of the renewable energy/offshore wind sector could generate additional opportunities related to port and logistics operations;
- Food Processing and Manufacture: a well-established sector within the city, with a number of high profile occupiers. It is understood that there is an aspiration on the part of Hull City Council and the LEP to grow the sector through a commitment to innovation, although the associated job growth prospects are less clear; and
Digital and Creative: the Humber is home to one of the UK’s fastest growing digital sectors outside of London. Recent success in developing the sector is underpinned by research and teaching expertise at the University of Hull, whilst the city has also been successful in enhancing its profile by hosting a number of major conferences and trade exhibitions.

3) Hull is viewed by the market as the principal office location within the Humber area, although demand for space is primarily local

Hull’s stock of office floorspace is significantly higher than that of the other Humber authorities, reflecting its status as the sub-region’s main office location. Despite this, it is understood that the majority of demand is local, with PPH estimating that 95% of office transactions concluded are local moves and demand from inward investors traditionally limited.

It is understood that Hull’s office stock contains a number of older, outdated premises and that these are responsible for the city’s relatively high office vacancy rate. Another challenge facing office occupiers in the city is the limited availability of good quality (Grade A and B) office stock.

The City Centre and the Western Corridor are generally acknowledged as the key office locations within Hull.

4) The city contains a larger stock of industrial space than the surrounding local authorities. As with office demand, the market for industrial space within Hull is largely self-contained

The stock of industrial space within Hull is larger than in the surrounding local authorities, however, it is not perceived as the sub-region’s principal location in the same way as it is for office users. It is understood that the industrial market is relatively self-contained and localised, with PPH estimating that local moves account for 90-95% of all industrial transactions. This reflects the geographic location of the city, which gives rise to limited competition from neighbouring towns and cities.

5) Demand for employment land over the period to 2030 is anticipated to be in the order of 50ha to 70ha (plus an additional 56ha at Alexandra Dock)

Future requirements for employment space were assessed under a range of approaches, reflecting economic and population growth potential, as well as past development trends. The resultant gross land requirements are summarised in Table 10.1.

From this it can be seen that there is a reasonable degree of consensus between all five scenarios regarding future requirements for office and distribution land. In contrast, the five scenarios give rise to significantly different requirements with respect to manufacturing land. In identifying a future requirement for the city therefore, the key challenge was to understand
whether demand for manufacturing land over the Plan period is likely to be positive or negative.

10.12 Having regard to the factors outlined below, it has been assumed that demand for manufacturing land will be positive over the period to 2030:

- Demand for manufacturing land has held up well in recent years, despite a significant contraction in employment within the sector;
- GVA from local manufacturing is forecast to increase to 2030 potentially giving rise to a leaner, more efficient sector; and
- Data provided by the LEP regarding RGF funding recipient has identified a significant pipeline of manufacturing projects with significant job creation potential.

Table 10.1 Gross Employment Land Requirements (to 2030)

<table>
<thead>
<tr>
<th>Labour Demand</th>
<th>Labour Supply</th>
<th>Past Take-Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing (B1c/B2)</td>
<td>-16.1ha</td>
<td>-11.7ha</td>
</tr>
<tr>
<td>Distribution (B8)</td>
<td>18.8ha</td>
<td>20.8ha</td>
</tr>
<tr>
<td>Offices (B1a/b)</td>
<td>5.0ha</td>
<td>5.3ha</td>
</tr>
<tr>
<td>All B Uses</td>
<td>7.7ha</td>
<td>14.3ha</td>
</tr>
</tbody>
</table>

Source: NLP Analysis

NB It should be noted that Scenario 2 is the only modelling approach capable of explicitly capturing the 56ha requirement associated with the proposed Siemens investment.

10.13 Taking account of the above, the overall requirement for general employment land to 2030 has been estimated at c.50ha to 70ha (in addition to a further 56ha at Alexandra Dock to accommodate the potential investment of Siemens). An indicative distribution of the general land requirement – by B Class use – is set out below:

- 25-30ha of (B1c/B2) manufacturing land:
- 20-30ha of (B8) distribution land; and
- 5-10ha of (B1a/b) office land.
6) A significant supply of employment land (c.283ha) has been assessed through the ELR. Approximately 70ha of land has been identified as not being suitable to take forward as part of the city’s portfolio. A further c.7ha is identified as land being held for expansion purposes and therefore not appropriate to be relied upon as part of a portfolio of generally available land.

10.14 Site assessment work has indicated that Hull currently has approximately 238ha of available employment land.

10.15 Drawing upon the findings of the site assessment work NLP has identified approximately 70ha of land that is not considered suitable to take forward as part of the city’s supply. This includes 26 sites (accounting for c.45ha) to be removed in their entirety, in addition to part of the available land at Kingswood (accounting for c.25ha).

10.16 Nine sites, accounting for the further land have been identified as being held for potential expansion purposes by existing businesses in the area. For as long as these sites are retained as potential expansion land, it is clear that they cannot be considered to form part of the city’s supply of generally available land.

10.17 It should, however, be noted that the ultimate judgement for inclusion or exclusion from the employment land supply is a matter for the Local Planning Authority, taking account of a range of planning factors, including ones that may be outwith the ambit of this Employment Land Review.

10.18 It is important to note that NLP has not sought to rationalise the portfolio simply through the removal of those sites with the lowest site assessment scores. There is a need to ensure an appropriate balance within the overall supply, as well as an acknowledgement that sites which may score poorly can often still serve an important role within the local economy by supporting employment and meeting the need for lower value premises.

7) A portfolio of land comprising c.205ha (including 56ha of land at Alexandra Dock linked to the proposed Siemens investment) is considered suitable for employment uses over the Plan period. Whilst on paper – and in purely quantitative terms – this would suggest an oversupply of land, such a land response is considered necessary and appropriate in order provide the City with a balanced and diverse portfolio of sites to meet the needs of a range of employment sectors.

10.19 The recommended removal of c.70ha of land and disregarding c.7ha of land held for expansion (as discussed above) would leave Hull with a supply of c.149ha (plus 56ha at Alexandra Dock). When considered within the context of projected demand of 50ha to 70ha (plus an additional 56ha at Alexandra Dock) this would – on paper and in purely quantitative terms – suggest an oversupply of land within the City. Such an analysis does not, however, accurately reflect the demand-supply dynamics of the Hull market, as discussed below.
10.20 Twelve sites, totalling c.124ha of land, are currently designated as EZ sites (this includes 56ha at Alexandra Dock). Clearly, it would not be appropriate to remove any of the EZ land from Hull’s supply. The renewable energy/offshore wind sector has been identified as a significant opportunity for Hull (and one which is clearly location specific) and c.124ha of land has subsequently been designated specifically to respond to this. It is considered that there would be no merit in removing any of this land.

10.21 Whilst the EZ sites alone would provide almost enough land to meet demand in quantitative terms, it is considered that allocating a portfolio comprising solely of EZ would fail to provide the necessary choice in supply. The EZ sites are located in close proximity to one another within the Port Area/Eastern Corridor and generally comprise of brownfield opportunities surrounded by industrial uses.

10.22 In addition, not all potential occupiers would meet the EZ eligibility criteria. Were such occupiers to locate on EZ sites (in the absence of any alternative supply) they would not be eligible to draw down the fiscal and other benefits associated with EZ status, thereby reducing the potential benefit of the EZ to Hull.

10.23 Separating the EZ sites from the available stock of land would indicate that Hull has c.80ha of general employment land. The City’s future requirement for employment land is estimated to be in the order of 50ha to 70ha (plus 56ha at Alexandra Dock). Given that this includes any supply chain impacts associated with the growth of the renewable energy/offshore wind sector, it would appear that a general supply of c.80ha represents a potential oversupply in purely quantitative terms. It should however, be noted that the supply figures are skewed by the following factors, which result in the need to retain 80ha of general employment land in order to ensure Hull has a portfolio of sites capable of providing the range and choice necessary to accommodate growth potential across a range of sectors:

1  A significant stock of small infill plots and small plots located within established employment areas that are unlikely to be suitable for alternative uses;

2  The need to allocate a small number of larger sites in order to address the following qualitative gaps in supply;
   i  The emerging shortage of land at Sutton Fields despite the continuing popularity of this location for businesses;
   ii The need for a high quality, out of centre/edge of centre business park product; and
   iii The perceived shortage of larger sites for general employment development within Hull.

10.24 The 80ha supply of general employment land includes thirteen sites, totalling c.8ha, within the City Centre. Given the potential mix of uses within City Centre sites, it is not always possible to be absolutely clear – prior to development and occupation – of the actual land area to be taken by office
development. It should also be noted that larger schemes are not yet the subject of fixed development proposals and as a consequence the precise quantum of office development could be subject to further change.

8) It is necessary as a consequence of NPPF (paragraph 160) for local authorities to have a clear understanding of business needs within the economic markets operating within and across their area. Whilst there are established functional linkages with East Riding, analysis presented within the ELR demonstrates that Hull’s projected quantitative needs can be met within the city.

As a consequence of NPPF and through the Duty to Cooperate it is critical that the ‘plan-making’ process in Hull is underpinned by an understanding of the position in neighbouring authorities and how this might influence requirements in Hull. The Duty to Cooperate means that Hull City Council needs to be clear how demand and land requirements operate between local authorities. This is of particular importance with regards the Hull Functional Economic Area (FEA) as defined in the Local Economic Assessment (LEA) 2011. Hull City Council has identified a number of sites in the East Riding that fall within the FEA and are considered by the City Council to have a role in potentially influencing how Hull’s needs are met:

- The Hedon Haven site at Paull;
- The Bridgehead site; and
- Land at Melton.

It is clear from the analysis presented above – and elsewhere in this report – that sufficient land exists within the city to meet projected demand. As such, land to meet Hull’s projected quantitative need is not required outside of Hull City Council’s administrative boundaries. Nevertheless, there remain important linkages – in terms of how residents of the city are able to access employment opportunities – with the surrounding local authority areas, principally the East Riding. A number of major employers within the East Riding make an important contribution to the provision of employment opportunities for some Hull residents. Similarly, Hull provides employment opportunities for a number of residents of East Riding and other neighbouring local authorities.

There may, on occasion, be instances where existing Hull businesses are unable to satisfy their land and premises requirements within the City’s boundaries. The quantitative demand-supply balance discussed elsewhere in this report would, however, suggest that such instances are unlikely to drive a significant need for land beyond Hull City Council’s administrative borders.
9) Significant activities are taking place to support the delivery of sites within Hull. Viability challenges in some areas of the city make it necessary to have a support mechanism in place to bring forward sites. The designation of some sites within the city as EZ sites brings significant benefit in this regard, whilst the activities of the LEP and the City Council and its partners also has an important role to play in supporting delivery.

10.28 For the city to successfully capitalise on the emerging growth sectors it will be necessary to be in a situation in which it can supply premises quickly. This requires unconstrained sites in the right locations, ideally benefiting from planning permission.

10.29 A particular challenge for bringing forward land and sites within some parts of Hull is that of market value and viability. Action taken to encourage their development is ongoing and spans a range of initiatives including planning activities and the development of appropriate funding programmes. A number of sites have been brought forward with the benefit of European Regional Development Fund (ERDF) and Regional Growth Fund (RGF).

10.30 The Humber LEP is now leading a partnership approach to economic development across the wider region bringing together the particular strengths of locations and recognising mutual benefits. The LEP is currently producing a Strategic Economic Plan for the Humber and an accompanying Investment Plan.

10.31 The recent signing of the City Deal shows cross authority and Central Government commitment to a number of activities that will support the economic outlook for the area, including ‘acceleration of development’.

10.32 Enterprise Zone status has been given to sites identified for manufacturers from the renewable energy sector as well as any supply chain businesses that may be attracted to the city. This brings enhanced capital allowances to some sites and discounted business rates to others. Alongside the Enterprise Zone a Local Development Order has been adopted for sites in the port, whilst a series of development briefs have also been created, presenting a framework of simplified planning to enhance delivery of development.

10.33 Most recently the LEP has identified strategic priorities for investment which has included the identification of two locations as business parks in the city. These include the Western Business Park (the former Birds Eye site) and the Kingston Parklands Business Park (former Hedon Road Maternity Hospital). These represent target activities to bring forward major sites that are seen as key to economic growth.