



# **Kirklees Local Plan**

## **Employment Land Supply Briefing Note**

**November 2017**

Planning Policy Group  
Investment and Regeneration Service  
Kirklees Council  
PO Box B93  
Civic Centre III  
Huddersfield  
HD1 2JR

## Contents

## Page

1. Introduction	1
2. Kirklees jobs growth 2013-2016	2
3. Job density comparison: Roger Tym & Partners (2010) and HCA (2015)	5
4. Employment land supply and the need to make provision for 114 ha of employment land in the green belt	8
Appendix 1: Non-delivery of business and industry planning permissions	11

# 1. Introduction

## Purpose of the note

- 1.1 This note provides additional evidence and clarification in relation to outstanding issues raised during the Stage 1 hearings on employment related matters – covered during the Matter 3 and Matter 6 hearings.
- 1.2 In summary the council were requested to:
  - Provide a note presenting the jobs growth in the Kirklees District between 2013 and 2016. The purpose of this note is to critique the figure quoted by Litchfields at the Matter 3 hearing and consider its implications in relation to the council's ambitions for jobs growth over the plan period
  - Analyse the Homes and Communities Agency (HCA) Employment Densities Guide: 3<sup>rd</sup> Edition (November 2015) and provide a note presenting how these assumptions compare against the Yorkshire Forward, Planning for Employment Land: Translating Jobs into Land, Roger Tym & Partners (April 2010) assumptions and understand the implications in terms of employment land supply
  - Provide evidence justifying the need to provide 114 hectares (net) of employment land in the green belt, why this is the best strategy and to present the exceptional circumstances for the release of green belt
- 1.3 The following chapters set out in greater detail the council's response in relation to the issues identified above.

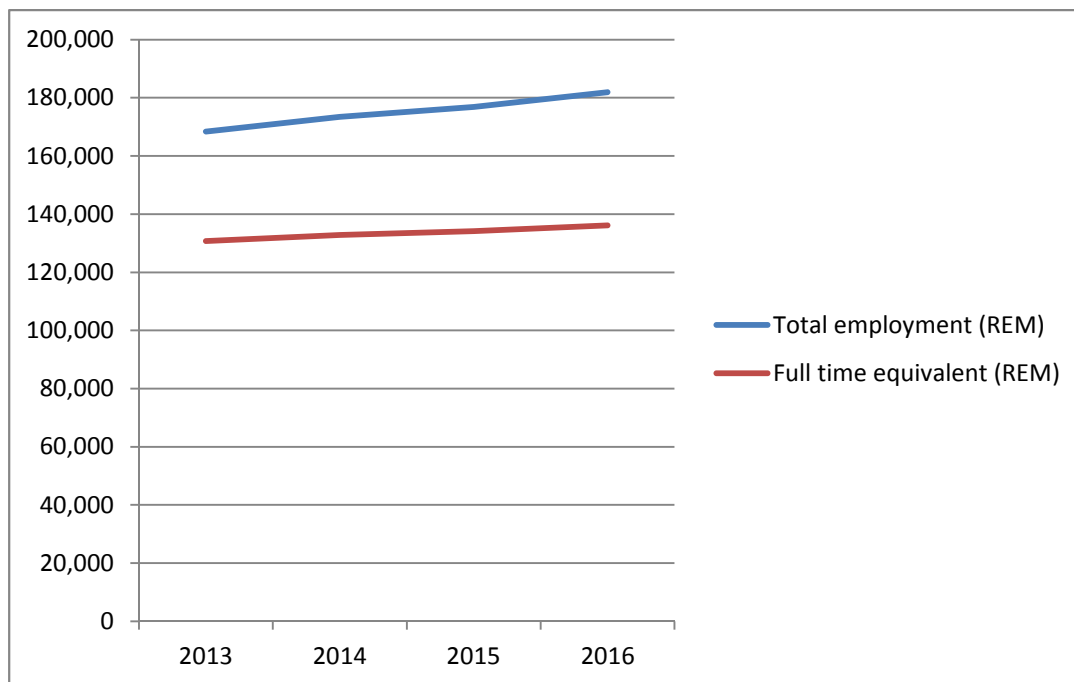
## 2. Kirklees Job Growth 2013-2017

- 2.1 During the Stage 1 Matter 3 examination hearing recognition was given to the perceived high level of jobs growth achieved in the Kirklees District between 2013 and 2016. Based on figures presented by Litchfield at the Matter 3 hearing (18,400 jobs) the council was requested to consider and compare the evidence presented to understand its implications and whether the objectively assessed needs (OAN) figure for jobs in the plan were overly cautious or not.
- 2.2 In analysing the jobs growth between 2013 and 2016 the council has made the following assumptions:
- The jobs growth figure between 2013 and 2016 presented by Litchfields of 18,400 is a total jobs figure and has been derived from Cambridge Econometrics
  - The council's objectively assessed needs (OAN) figure of 23,200 is a full time equivalent (FTE) and has been derived from the Regional Econometric Model (REM)
- 2.3 On this basis it is noted that both figures are considering different aspects of jobs growth and therefore projecting from a different starting point. However, this note attempts to compare the evidence and determine whether the degree of aspiration applied by the council is sufficiently stretching or not.
- 2.4 Based on the 2017 Regional Econometric Model (REM) - informed by ONS, BRES and APS data reflecting actual jobs growth - Kirklees has seen a total jobs growth of 13,530 between 2013 and 2016. This equates to an FTE figure of 5,380. Table 1 presents both the total jobs and FTE jobs figures derived from REM and Figure 1 illustrates their growth trajectories. The inclusion of the FTE figure is important as it is an FTE figure that has been used to inform the land requirement in the Local Plan.
- 2.5 For comparison Litchfields jobs growth figure has been included in Table 1. It has not been possible to present this data on an annual basis because the council does not have the growth figures by year. Subsequently Litchfields data has not been included in the growth trajectory (Figure 1).

**Table 1: Kirklees jobs growth 2013 - 2016**

	Jobs change per annum				Net change (2013-2016)
	2013	2014	2015	2016	
<b>Total employment (REM)</b>	168,340	173,470	176,800	181,870	<b>13,530</b>
<b>Full time equivalent (REM)</b>	130,740	132,870	134,150	136,120	<b>5,380</b>
<b>Total employment, Litchfields (Cambridge Econometrics)</b>	-	-	-	-	<b>18,400</b>

**Fig 1: Kirklees Jobs growth 2013 - 2016**

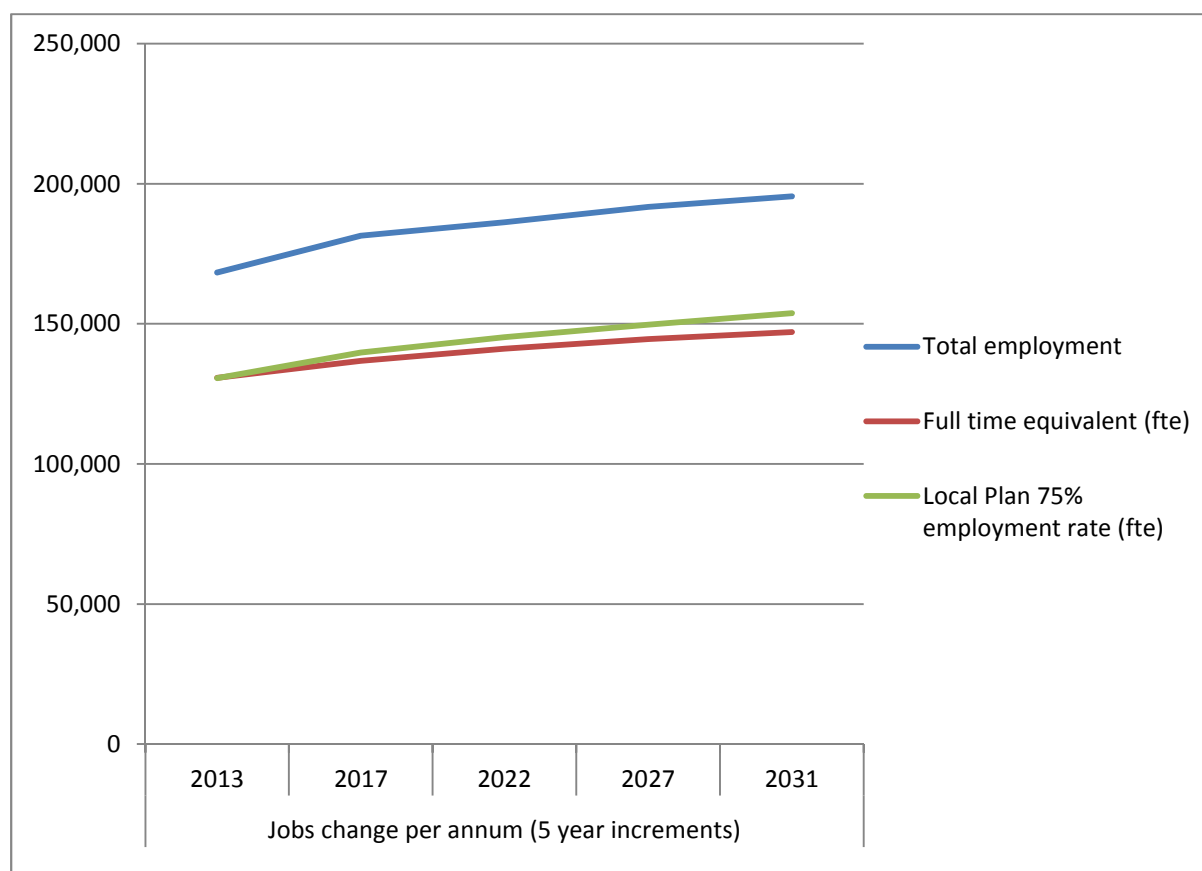


- 2.6 During Stage 1 of the Local Plan examination Lichfield presented a ‘total jobs’ figure of 18,400, it should be noted that this is not an FTE jobs number. This figure – calculated through Cambridge Econometrics - represents Kirklees’ net gain in jobs between 2013 and 2016. Litchfields applied this figure to demonstrate that Kirklees has already achieved approximately 80% of its targeted jobs growth (23,200) during 2013 to 2016. It is therefore the view of Litchfields that the Local Plan’s OAN figure for jobs (23,200) is not stretching enough. However, because Kirklees’ OAN figure of 23,200 is based on an FTE then Litchfields figure does not equate to an 80% delivery of the overall target and cannot therefore be used as a benchmark of progress towards meeting the OAN for jobs.
- 2.7 Having analysed the evidence derived from REM (2017), it is clear that jobs growth has been high in the last three years during a ‘post-recession period’, but has since dampened in the most recent year (2017) – demonstrating that an extrapolation based on a three years high growth period is already looking less than robust. Taking into account the growth between 2013 and 2016, the baseline forecast up to 2031 indicates that ‘total jobs’ growth in Kirklees is likely to be 22,000 which equates to a 16,200 FTE. Table 2 sets out the forecast growth between 2013 and 2031 and Figure 2 indicates the likely growth trajectory. As a comparison the council’s preferred economic forecast – used to derive the objectively assessed needs (OAN) figure of 23,200 – has been included. Litchfield’s figure has not been included in Table 2 and Figure 2 as the council only has the net change figure for total employment at 2016.

**Table 2: Kirklees jobs growth 2013-2031 (REM, 2107)**

	Jobs change per annum (5 year increments)					Net change
	2013	2017	2022	2027	2031	
<b>Total employment</b>	168,340	181,480	186,280	191,730	195,490	<b>27,150</b>
<b>Full time equivalent (FTE)</b>	130,740	136,830	141,150	144,580	147,090	<b>16,350</b>
<b>Local Plan 75% employment rate (FTE)</b>	130,580	139,770	145,270	149,710	153,850	<b>23,270</b>

**Fig. 2: Kirklees jobs growth 2013-2031. Current trend Vs Local Plan OAN jobs number (REM, 2107)**



2.8 On the basis of the above growth forecast (Fig 2) it is clear that the council's OAN figure remains above current trend. This implies that the council's preferred jobs growth scenario would continue to assist in increasing the rate of jobs growth and work towards the Kirklees Economic Strategy objective of an employment rate being at or around 75%. The council is therefore of the view that the OAN jobs figure of 23,200 FTE remains stretching but realistic.

### **3. Job density comparison: Roger Tym & Partners (2010) and HCA (2015)**

- 3.1 During the Stage 1 Matter 6 hearing the council were requested to undertake a benchmarking exercise to understand the implications of the Homes and Communities Agency (HCA) (2015) job density assumptions against the Roger Tym & Partners assumptions which were used to inform the Kirklees Local Plan.
- 3.2 The Roger Tym & Partners (2010) job density assumptions have been applied in the Kirklees Publication Draft Local Plan to determine the OAN derived employment land requirement for the plan period. The Roger Tym and Partners job density assumptions were used on the basis that the jobs and floorspace ratios were the most relevant to the Yorkshire and Humber region. There has been no more recent job and floorspace density analysis of the Yorkshire and Humber economy since 2010. However, it is recognised that the Homes and Communities Agency (HCA) has produced a more up to date jobs and floorspace density assumptions for business and industry in 2015. This analysis was undertaken at a national level and is therefore less likely to be reflective of the Yorkshire and Humber region - a key consideration when determining an appropriate land density assumption for Kirklees.
- 3.3 To understand the implications of the more recent density assumptions recommended by the HCA (2105) study the council has applied these to the Local Plan OAN jobs figure. Table 3 sets out the total floorspace and land requirement using the Roger Tym and Partners (2010) study and Table 4 sets out the total floorspace and land requirement based on the HCA recommended density assumptions.

**Table3: Roger Tym (2010) density assumptions:**

	2013 Sector by %	Total FTE jobs 2013	2031 Sector by %	Total jobs	Difference 2013 to 2031 (FTE)	Job density (Sqm per job)	Floorspace (sqm)	Land Required (ha)
Accommodation, food services & recreation	5.7	7462	6.1	9356	1894	No land assumption		
Agriculture, forestry & fishing	0.3	402	0.2	285	-117	No land assumption		
Construction (F)	5.5	7182	6.7	10302	3120	67	209040	15.5
Extraction & mining	0.1	167	0.2	238	71	No land assumption		
Finance & insurance	1.4	1819	1.3	2063	244	16	3904	0.7
Information & communication	1.9	2499	2.0	3046	547	16	8752	1.5
Manufacturing	18.9	24722	17.9	27591	2869	67	192223	54.9
Professional and other private services	13.3	17332	13.3	20370	3038	16	48608	8.1
Public services	27.4	35760	27.4	42136	6376	16	102016	17.0
Transport & storage	5.3	6949	5.6	8643	1694	67	113498	25.0
Utilities	1.0	1279	1.0	1590	311	No land assumption		
Retail	9.3	12112	8.1	12519	407	No land assumption		
Wholesale	9.8	12848	10.1	15591	2743	67	183781	52.5
<b>Total</b>	<b>100</b>	<b>130533</b>	<b>100</b>	<b>153730</b>	<b>23197</b>		<b>861822</b>	<b>175.1</b>

**Table4: HCA (2105) density assumptions:**

	2013 Sector by %	Total FTE jobs 2013	2031 Sector by %	Total jobs	Difference 2013 to 2031 (FTE)	Job density (Sqm per job)	Floorspace (sqm)	Land Required (ha)
Accommodation, food services & recreation	5.7	7462	6.1	9356	1894	No land assumption		
Agriculture, forestry & fishing	0.3	402	0.2	285	-117	No land assumption		
Construction (F)	5.5	7182	6.7	10302	3120	47	146640	10.9
Extraction & mining	0.1	167	0.2	238	71	No land assumption		
Finance & insurance	1.4	1819	1.3	2063	244	10	2440	0.4
Information & communication	1.9	2499	2.0	3046	547	11	6017	1.0
Manufacturing	18.9	24722	17.9	27591	2869	36	103284	29.5
Professional and other private services	13.3	17332	13.3	20370	3038	12	36456	6.1
Public services	27.4	35760	27.4	42136	6376	12	76512	12.8
Transport & storage	5.3	6949	5.6	8643	1694	95	160930	46.0
Utilities	1.0	1279	1.0	1590	311	No land assumption		
Retail	9.3	12112	8.1	12519	407	No land assumption		
Wholesale	9.8	12848	10.1	15591	2743	95	260585	74.5
<b>Total</b>	<b>100</b>	<b>130533</b>	<b>100</b>	<b>153730</b>	<b>23197</b>		<b>792864</b>	<b>181.1</b>



- 3.4 The findings from Tables 3 and 4 clearly demonstrate that although different assumptions are applied to certain broad sectors – particularly to B2 and B8 related uses – the overall land requirement is very similar with only an additional 6 hectare requirement if the HCA density assumptions were to be applied. It can be concluded therefore that the amount of land identified in the Local Plan is robust and consistent with both the Roger Tym and Partners and HCA (2015) figures.
- 3.5 In determining an appropriate job density assumption the council has taken careful consideration of the recommendations made in the Roger Tym and Partners study (CR25) at page 29, paragraphs 3.76-3.78. The recommendations made for the Yorkshire and Humber region were:
- Offices = 16 sqm per worker and industrial and warehouse = 67 sqm per worker (paragraph 3.76)
  - The above ratios are recommended over the EP Guide, ODPM Employment Land Review: Guidance Note and earlier Roger Tym and Partner studies because they are based on more evidence and evidence that is specific to the Yorkshire and Humber (paragraph 3.77)
  - It is recommended that industry and warehousing be merged because these uses operate at similar densities and from similar buildings (paragraph 3.78)
- 3.6 In view of this the Council considers that the application of the Roger Tym and Partners (2010) assumptions remain robust and provides for a suitable land requirement to accommodate the needs of business and industry for the duration of the Kirklees Local Plan.

## 4. The need to make provision for 114 hectares of employment land in the green belt

- 4.1 During the Stage 1 Matter 6 hearing – and based on the Post hearing letter from the Inspector to the Council 27<sup>th</sup> October (EX32) – clarification has been sought in relation to the justification for the inclusion of 114 hectares (net) of employment land in the green belt. Discussions around the proposed employment land supply and the appropriateness of the 10% flexibility rate – whether it was justified – and the inclusion of potential windfall from priority employment areas (PEAs) were raised at the hearing and referenced in the post hearing letter. In view of this, the council has reviewed its employment land supply position and considered whether it is appropriate to include provision from the PEAs supply whilst also reviewing the justification for the level of flexibility applied. This note considers these aspects in further detail and justifies amendments to these factors before concluding with the need – and justification - to make provision for 114 hectares of employment land in the green belt.
- 4.2 Table 5 below sets out the council’s latest position on employment land supply. In summary flexibility has been increased from 10% to 30% to reflect actual non-delivery rates (set out in Appendix 1) in the Kirklees District. The provision of windfall from PEAs has also been removed on the basis that the deliverability of this supply is less than certain due to the constrained nature of sites including issues in relation to their size, being land locked and their location. These constraints have also been acknowledged in the Employment Technical Paper (SD22) on page 34 at paragraph 6.17.

**Table 5 – Meeting the employment land requirement**

	Meeting the Employment Land Requirement	Hectares
<b>a</b>	<b>Employment land requirement (Based on REIU work)</b>	<b>175</b>
b	Completions – employment land take-up (since 1st April 2013)	-24
c	Commitments – on land not allocated for employment or mixed use	-18
d	Supply from previous permissions – on land not allocated for employment or mixed use	-7
e	30% flexibility allowance (a-b-c-d x 30%)	+38
<b>f</b>	<b>Amount of additional employment land required through allocations (a-b-c-d+e)</b>	<b>164</b>
<b>g</b>	<b>Amount of land allocated (net)</b>	<b>167</b>
<b>h</b>	<b>Amount of employment land predicted to come forward over the Plan period (b+c+d+g=h)</b>	<b>216</b>

- 4.3 The council’s MIQ response (M6.1) to Stage 1 Matter 6, question b provided an updated employment land supply table. During the Matter 6 hearing the Inspector requested that this table is used to form a modification to the Local Plan and should replace Table 3 in the Kirklees Publication Draft Local Plan (SD1 page 52). Table 5 above would now supersede the modified table in M6.1, and if appropriate the

council intends to propose a further modification to replace the MIQ version. This revised table demonstrates that by increasing flexibility to 30% - reflecting the Council's non-delivery rate (see Appendix 1) – and removing the 48 hectares of supply identified within the priority employment areas (PEAs) then the Local Plan makes provision for 3 hectares more than the remaining need ( $g - f = 3$ ). This means that when including completions and permission the total supply of employment land in the Local Plan is 216 hectares (row h).

- 4.4 When calculating the total employment land supply, consideration was afforded to completions and sites with or previously with permission, this equated to 49 hectares. The 49 hectares has then been deducted from the OAN derived land requirement of 175 to leave a need of 126. As submitted, the Local Plan applied a 10% flexibility allowance on the basis of the pre-recession non-delivery rate of 11.5% (Appendix 1, 2005/06 and 2006/07). However, the council has reviewed this and included a full economic cycle (Appendix 1) and concluded that 30% is more justifiable to reflect a non-delivery rate of 28.3%.
- 4.5 This 30% flexibility allowance has been applied to the remaining need of 126 hectares which has increased the employment supply requirements by 38 hectares ( $126 \times 30\% = 38$ ). This additional 38 hectare requirement has then been added to the 126 hectares meaning the Local Plan will need to make provision for an additional 164 hectares of employment land through allocations ( $126 + 38 = 164$ ). This figure is reflected in row f of Table 5. The 38 hectares flexibility is justified on the basis of the council's calculated non-delivery rate (see Appendix 1). This flexibility has been applied to allow for non-delivery, range and choice and also ensures the employment land supply is sufficient to respond to potential unexpected changes in the economy. This approach is in accordance with NPPF paragraph 14, bullet 2 and paragraph 21, bullet 3.
- 4.6 Taking into account the above and following the site allocation assessment work (BP29.1, pages 2 -11) - which considered all employment site options presented to the council - it has been calculated that 53 hectares (net) has been allocated in the urban area. Based on a comprehensive assessment of the urban area no additional capacity could be found, leaving a total of 111 hectares still required to meet the remaining need of 164 (row f of Table 5). The council has considered the role and function of this urban supply and recognised its limitations. This has been set out in the Employment Technical Paper (SD22) in chapter 6, pages 29-38 and chapter 7, pages 39-40. In summary, the supply in the urban area is limited in terms of its ability to deliver on the economic objectives for Kirklees and the Leeds City Region but does play an important role to support SME operations. In view of this consideration has been given to the need to release land from the green belt to ensure sites of sufficient scale in locations which can take advantage of the motorway network have been taken into account.
- 4.7 The conclusion of this exercise identified that exceptional circumstances exist if the Local Plan is to meet the needs of the Kirklees economy in full – as agreed with neighbouring authorities through Duty-to-cooperate discussion (SD14, page 16,

paragraph 5.12) therefore a total of 114 hectares has been allocated in the green belt to ensure the council has fully responded to the identified OAN land requirement – including the need for flexibility – and to ensure the delivery of both the Kirklees Economic Strategy and the Leeds City Region Strategic Economic Plan. This means the Kirklees Local Plan has allocated a total of 167 hectares (row g of Table 5) which equates to 3 hectares more than the calculated need (row f of Table 5). The additional 3 hectares directly relates to the need to ensure site allocation boundaries form new defensible green belt boundaries and make sufficient provision to accommodate the required levels of mitigation.

- 4.8 When considering the total supply figure of 216 hectares (row h) to Kirklees' calculated OAN derived land requirement of 175 hectares (row a) the difference is 41 hectares ( $216 - 175 = 41$ ). This is directly attributable to the 38 hectares flexibility and the additional 3 hectares from employment and mixed use site allocations. Because the 38 hectares flexibility applied is to account for non-delivery and range and choice, then it is not a component of meeting the jobs requirement. In view of this the council do not consider that the plan has made provision which could lead to the delivery of jobs exceeding the OAN derived figure (23,200 FTE).

**Appendix 1: Non-delivery of business and industry permissions between 2005/06 - 2015/16**

Year	Area (ha)					Non-delivery rate (%)
	Detailed permission	Outline permission	Total permissions	Completions	Expired by 2016	
2005/06	14.2	7.3	21.5	8.86	2.83	13.16
2006/07	5.62	0	5.62	6.88	0.55	9.79
2007/08	14.14	1.32	15.46	10.81	3.63	23.48
2008/09	11.69	3.56	15.25	13.34	5.59	36.66
2009/10	5.79	8.11	13.9	8.95	3.49	25.11
2010/12*	27.85	22.67	50.52	9.5	28.02	55.46
2012/13	10.42	2.48	12.9	4.35	5.95	46.12
2013/14	10.45	0.07	10.52	8.06	-	0.00
2014/15	11.74	7.27	19.01	7.04	-	0.00
2015/16	5.43	6.58	12.01	8.52	-	0.00
<b>Total</b>	<b>117.33</b>	<b>59.36</b>	<b>176.69</b>	<b>86.31</b>	<b>50.06</b>	<b>28.33</b>