

KIRKLEES LOCAL PLAN EXAMINATION

HEARING STATEMENT TO STAGE 4, MATTER 26

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1 Representations to Matter 26 (Stage 4) of the Kirklees Local Plan Examination

- 1.1 This Hearing Statement follows previous representations made on behalf of IKEA to the draft Plan, specifically in January 2016 and December 2016 respectively.
- 1.2 This Statement concerns the draft allocation of part of IKEA's store at Birstall Retail Park ('the Store') within *Priority Employment Area* ('PEA') reference "B&S3". This allocation includes the "full serve" warehouse element of the IKEA store only; the other component parts of the store remain unallocated/non-designated.
- 1.3 Quod have agreed with the Inspector (via the Programme Officer) that the B&S3 PEA boundary should be discussed further pursuant to Matter 26 of the Stage 4 Hearings, and these representations provide a specific response to this Matter.
- 1.4 The issue to be debated under Matter 26 is **"Does Part 2 of the Local Plan set out an effective framework for the delivery of allocations and the protection of designation sites, which is robust and in line with National Policy?"**
- 1.5 In summary, this Hearing Statement addresses the following points:
- 1.5.1 The IKEA full serve warehouse is an intrinsic part of the store's operations, and its inclusion within the PEA is anomalous.
- 1.5.2 The boundary of PEA B&S3 should therefore be amended to remove the IKEA full serve warehouse from its demise; and
- 1.5.3 Without prejudice to the preceding point, IKEA supports the Council's proposal modifications to the Glossary which notes '*non-employment generating uses*' can include non-B class uses, including A1 retail use.

IKEA's Operations (and the Full Serve Warehouse)

- 1.6 Set out below is a brief explanation of how IKEA's full serve warehouse covered by the PEA designation works and is integral to the store's operation. Every IKEA store consists of 13 key functional elements, each as equally important as the other. These 13 components consist of
- 1 Parking area;
 - 2 Entrance area;
 - 3 Showroom;
 - 4 IKEA restaurant and café;
 - 5 Market hall;
 - 6 Self-serve furniture area;
 - 7 Warehouse;
 - 8 Goods receiving area;
 - 9 Check-out area/cash office;
 - 10 Customer service area;

- 11 Exit area;
 - 12 Office/co-worker area;
 - 13 Mechanical/technical areas.
- 1.7 Every component is inter-connected and designed to be legible to customers. The full serve warehouse element of the IKEA store is integral to many of these connections, including customers and goods.
 - 1.8 The full serve warehouse element stores goods that are sold from the store. The main task of the warehouse is to ensure efficient handling and storage capacities for slow selling products and complex, bulky and heavy furniture products that customers ordered in the Showroom and will collect at the merchandise pick up.
 - 1.9 In an IKEA store this is particularly important as the main floorspace acts as a showroom for these larger goods as part of IKEA's 'marketplace' philosophy. This allows customers to interact with the products before making the purchase. Given the flatpack nature of many of these larger products it is far more practical to keep these products within the warehouse, allowing customers to complete their shop and pick products up at the last moment.
 - 1.10 The full serve warehouse is intrinsic to the retail offer, and is not used for general storage and distribution, unlike a traditional B8 use.
 - 1.11 The Store is one of IKEA's oldest UK operations, and has one of the smallest self-serve warehouses (i.e. these where customers have access to pick their own purchases) in the company's UK estate, due to the limited size of the store itself. The full serve warehouse in the case of Birstall is therefore important to ensure efficient stock is contained on site.
 - 1.12 The separation from the store, however, does not mean that the full serve warehouse building is unconnected from the store's operations, but remains an integral and important component part of IKEA's retail model, without which the store would simply not function effectively.

Priority Employment Area (PEA) Boundary

- 1.13 All PEA's are covered by draft Policy PLP8, which applies a strategic intention to safeguard and protect employment land and premises, for employment generating uses.
- 1.14 It was resolved by the Council during the Stage 1 hearings to clarify (within the Glossary of the draft Plan) that '*employment generating uses*' should extend beyond the traditional B Use Class. Nevertheless, it is noted that this definition remains for discussion during the Stage 4 hearings (specifically under Matter 26, question I).
- 1.15 The inclusion of the IKEA full serve warehouse within a specific PEA is inconsistent with the purpose of the designation, that being to protect employment land and premises. The full serve warehouse is a fundamental component of the IKEA retail model; it therefore functions part of the overall "gross" as a retail use and not as a traditional B8 warehouse (i.e., for storage and distribution purposes).
- 1.16 By including the IKEA full serve warehouse in the PEA designation, i.e., suggesting it is functionally separate to the rest of the IKEA store, is not appropriate or logical.
- 1.17 There should be a consistent designation applied to IKEA's operations i.e. that being the redefinition of the PEA boundary to exclude the IKEA store and full serve warehouse.

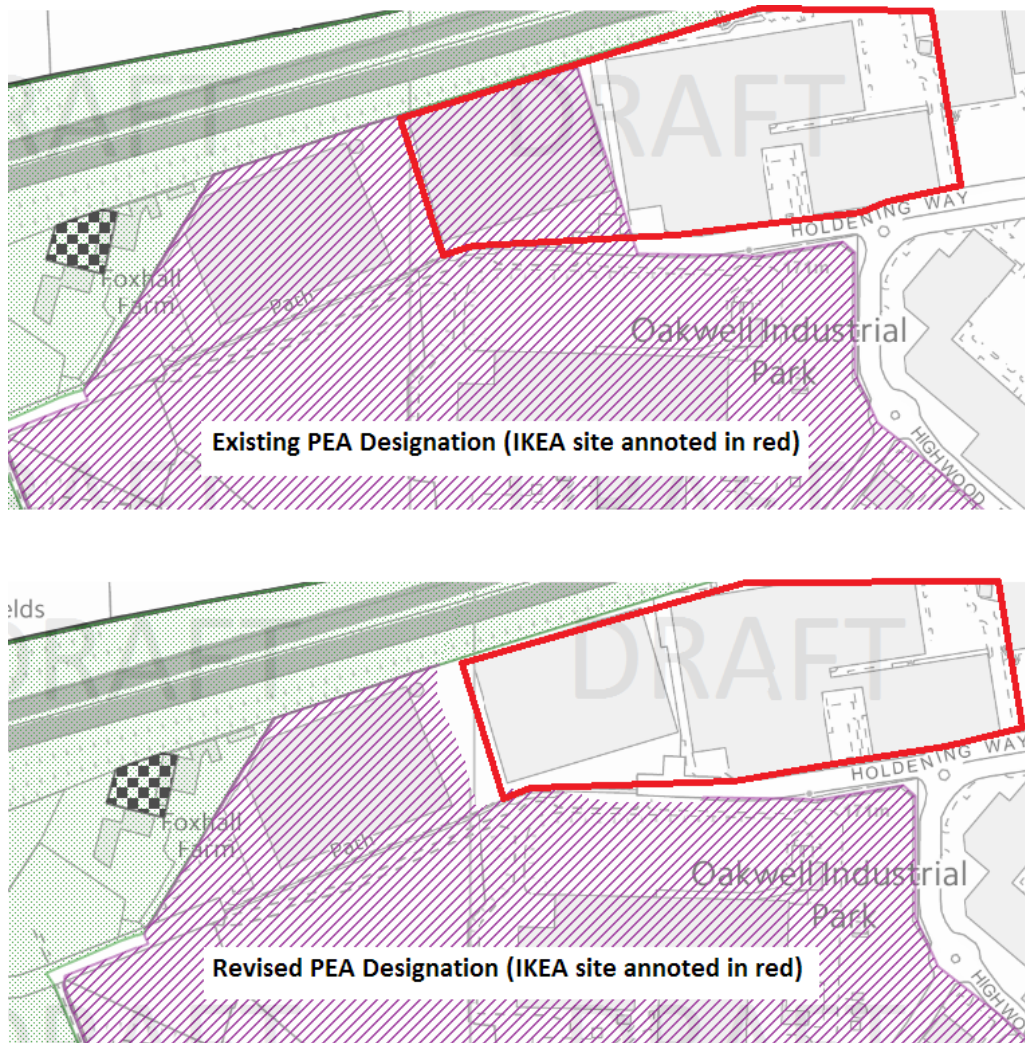
Employment Uses

- 1.18 The Inspector's Question L of Matter 26 seeks to clarify whether the Council's approach to employment sites are allocated for 'employment uses' i.e. whether this includes B1 to B8 uses, or other non-B use class uses that generate employment, such as A1 retail uses should be included.
- 1.19 The Council are proposing to apply a broader definition through an amendment to the Glossary of the draft Plan. IKEA support this definition.
- 1.20 For the reasons identified below, IKEA suggest that there is no valid reason why retail uses, which generate significant employment should be excluded from these areas.
- 1.21 The Homes & Communities Agency Employment Density Guide 3rd Edition (November 2015) provides an industry standard for employment densities relating to a number of different employment generating uses. The metrics within the Guide therefore allow comparison of employment generation from alternative land use.
- 1.22 According to the Guide, a traditional B8 use has a job density of between 1 job per 77 and 95 sqm, while retail has a more dense employment level of between 1:15 and 1:90. In the case of IKEA's store in Birstall, the job density is in the order of 1:60, i.e. greater than the B8 ratio.
- 1.23 More so, the importance of the jobs created is also determined by the nature of employment. Those created in retail stores are wide ranging (e.g. management, sales, shop floor, back of house, maintenance, etc.) and high quality. Many retail businesses, including IKEA, offer excellent opportunities for career progression through the company. The value of retail jobs are now recognised as being equal if not better to those created in the B use classes.
- 1.24 IKEA is unlike other retail organisations in regard to the variety of roles offered within their stores. IKEA provide a wide range of employment opportunities, covering a diverse range of skills, with individual stores being responsible for their own management, marketing, recruitment, shop fitting and customer services.
- 1.25 Positions range from unskilled jobs which provide a point of entry for those who have little or no qualifications or training to skilled and management positions. The range of jobs include sales positions as well as support services such as delivery, security, crèche care, catering, building maintenance and interior designers.

Summary

- 1.26 In summary, whilst the IKEA Birstall store's full serve warehouse is physically separate from the rest of the store, this component is just 1 integral part of the 13 components that create IKEA's retail function. It is not a B8 warehouse (storage and distribution) use in its strictest sense.
- 1.27 Within PEAs, the intention of the draft Plan is to protect employment land and premises for employment purposes. The inclusion of the IKEA (full service) warehouse is therefore not justified, particularly when the remainder of the IKEA operations are outside of this boundary on account of its retail use.
- 1.28 The Draft Plan, and specifically PEA site designation B&S3, places an undue burden on IKEA's operations and the boundary should be amended to exclude the IKEA warehouse. **Figure 1** below shows the revisions sought to the PEA (with the existing IKEA self-serve warehouse and store annotated in red).

Figure 1 – Proposed Changes to designation Site B&S3



- 1.29 Without prejudice to these proposed changes, IKEA support the proposed modifications to the Local Plan's Glossary, which is intended to recognise that retail and service employment is an employment generating uses.
- 1.30 The above changes will ensure that the Local Plan is based on the most appropriate strategy for future development, and that the Plan is 'sound' in accordance with Paragraph 182 of the NPPF, namely that it is positively prepared, justified, effective and consistent with national policy.