Leeds City Council

Leeds Employment Land Review

Final Report

March 2006

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Glossary of Terms Used

Term	Definition
Availability	Land available for development
ABI	Annual Business Inquiry
AAP	Area Action Plan
B1	Business (UCO 2005 Definition)
B1	Offices (Commercial and Industrial Floorspace and Rateable Value Statistics, ODPM Definition)
B1 a	Offices other than in a use within Class A2 (UCO 2005 Definition)
B1 b	Research and Development – Laboratories, Studios (UCO 2005 Definition)
B1 c	Light Industry (UCO 2005 Definition)
B2	General Industrial (UCO 2005 Definition)
B2	Factories (Commercial and Industrial Floorspace and Rateable Value Statistics, ODPM Definition)
B8	Storage or Distribution (UCO 2005 Definition)
B8	Warehouses (Commercial and Industrial Floorspace and Rateable Value Statistics, ODPM Definition)
FTE	Full Time Employees
Gross Internal Floorspace	The entire area inside the external walls of a building. Includes corridors, lifts, plant rooms, service accommodation, but excludes internal walls (ODPM/ RICS)
IMD	Index of Multiple Deprivation (ODPM 2004)
LDF	Local Development Framework
Leakage	Amount of employment land 'lost' to (granted planning permission for) non-employment uses
Margin of Choice	Flexibility in the land supply to enable choice.
MD	Metropolitan District
Net Internal Floorspace	The internal area of a building. Includes entrance hallway, kitchens and built-in units, but excluding toilets, stairways, lifts, corridors and common areas (ODPM/RICS)
ODPM	Office of the Deputy Prime Minister
ONS	Office of National Statistics
Pipeline Supply	A market term for sites that either have planning permission or for which planning applications have been submitted.
Plot Ratio	Ratio of gross floorspace to total site area.
PROMIS	Property market analysis reports published by Property Market Analysis LLP
SIC	Standard Industrial Classification

Term	Definition
Take up	Land developed
UCO	Town and County Planning (Use Classes) Order 2005
UDP	Leeds Unitary Development Plan
Vacancy rates	Vacant stock
VOA	Valuation Office Agency
Windfall	Sites in existing use that have become available for development unexpectedly.

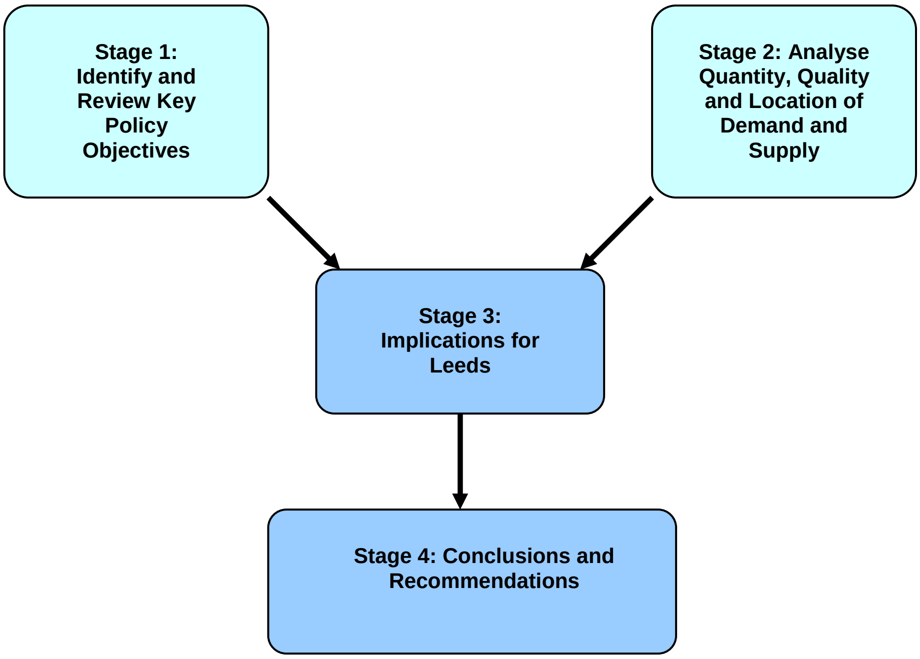
1 Introduction

1.1 Introduction

Arup were appointed in October 2005 to undertake an Employment Land Review for the Leeds Metropolitan District (MD). The study examines a Leeds wide context but the brief sought to gain an understanding, in particular, of the employment land issues in the City Centre and Aire Valley to inform the evidence base for the City Centre Area Action Plan and the Aire Valley Area Action Plan.

1.2 Approach

This study was undertaken in four parts, as specified by the brief.



Stage 1 was a comprehensive desktop review of planning policy, current planning and economic development drivers and policies, and the socio – economic context for Leeds.

Stage 2 researched and assessed potential future demand for employment land in Leeds and provided a review of the suitability of the existing portfolio of supply.

Stage 3 identified shortfalls in employment land provision in relation to quantity, quality, location and policy objectives.

Stage 4 detailed the key element of stages 1 to 3, drew conclusions and made recommendations.

This final report sets out the results of the study stages and is accompanied by a detailed report which examines the demand and supply analysis (Annex 1).

1.3 Report Structure

The report is structured as follows:

- Section 2 provides a summary of the different methodologies used in this study.
- Section 3 provides a summary of the Stage 1 Policy Appraisal findings and specifically highlights the key policy related objectives for Leeds.

- Section 4 sets out the key messages from the Stage 2 Report, both in terms of potential demand for and supply of employment land in Leeds.
- Section 5 discusses the implications of matching the policy objectives and the demand and supply analysis for Leeds.
- Section 6 sets out the proposals for monitoring employment land and related issues.
- Section 7 provides the main conclusions to the study, outlines the key policy choices and sets out recommendations for the way forward

2 Methods Used in the Study

2.1 Introduction

This Employment Land Review for Leeds MD is dependent upon a transparent and robust methodology to facilitate the assessment of future employment land requirements. Wherever possible, the methodology for this study has been informed by the guidance outlined in the ODPM documents 'Employment Land Reviews: Guidance Note' (December 2004) and 'Planning for Economic Development' (May 2004), along with best practice examples from similar employment land studies undertaken at regional and local level across the country. These include the East Midlands RELS (2002)[1], the NWRA's North West Region Employment Land Strategy (2005)[2] and the Greater London Authority's (GLA) Demand and Supply of Business Space in London (2002)[3].

The methodology has also sought to tie in with the methodology followed by the Yorkshire and Humber Regional Assembly in their recently published Employment Land Modelling work. This modelling work has informed the Employment Section of the draft Regional Spatial Strategy (2006), as recommended by the ODPM.

It is important to recognise that it is not appropriate to rely on quantitative methods alone. There are limitations to the use and applicability of detailed projections of supply and demand by employment type and their spatial distribution, partly due to unknown variables and a degree of spurious accuracy. It is therefore important to consider a range of methods and data sources for both quantitative and qualitative, to ensure a comprehensive and well grounded approach, which is necessary to provide a robust evidence base for the Leeds Local Development Framework. This evidence base seeks to highlight the employment related policy choices and judgements that will need to be made in the developing the LDF and ensure understanding of the implications of these choices.

There is a glossary of terms at the beginning of this report.

2.2 Quantitative Methods Used

An outline of the quantitative methods used in this study is provided below. The Annex 1 Report provides full details of the methodologies used.

2.2.1 Employment Land Monitoring Returns Methodology and Data Source

The records of annual average historic take up rates for employment land were provided by Leeds City Council for Leeds MD between 1979 and mid 2005. All data is recorded as a gross figure. These records represent a continuous flow of land that is allocated and being taken up for development. Based on the assumption that similar take up rates might be expected for the future, the local summations of the historic take up rates were factored up to provide a forecast of the total amount of employment land likely to be required by the market in the period 2006-2016. The resultant figure represents a **gross** employment land forecast.

2.2.2 Commercial and Industrial Floorspace and Rateable Value Statistics 2003 (ODPM)

Commercial and Industrial Floorspace and Rateable Value Statistics are based on Valuation Office Agency (VOA) data to produce statistics on floorspace and rateable values for non-domestic properties in England and Wales, and it provides data on the total stock of floorspace, by office, industrial and warehousing type, down to MD level for the years 1998-

[1] East Midlands LGA, EMDA, GO-EM and Roger Tym & Partners (2002): Quality of Employment Land Study
[2] North West Regional Assembly (2005): Employment Land Strategy
[3] Greater London Authority (2002): Demand and Supply of Business Space in London

2004. There are some limitations with the aggregation of this data in terms of Use Class hereditaments. Consequently, care should be taken when directly comparing the outputs of the VOA method and other methods.

The floorspace statistics were extrapolated up to 2016 scenarios, based on the average annual incremental increases between 1998 and 2004. The robustness of these statistics is compromised somewhat by the short preceding time period upon which the trends are based (comparable data is only available for 1998-2004). The resultant employment land scenarios represent **net change** in employment land demand.

2.2.3 Projections Based on the Yorkshire Futures Econometric Model

The economic modelling that underpins the Yorkshire & Humber Regional Employment Land Study used Experian Business Strategies Spring 2004-based regional forecasts (from Yorkshire Futures) as its basis. Three scenarios were generated:

- Scenario A: Long Term Trend. This reflects longer-term structural trends, and assumes that they will continue.
- Scenario B: Short Term Trend. This is a trend based evaluation, but reflecting the recent upturn in the economy in Leeds MD and the rest of Yorkshire and the Humber region.
- Scenario C: Transformational. This is an aspirational scenario that assumes the success of a range of policy interventions, which would move the region towards the GVA growth rate of the UK as a whole.

These three scenarios have been used for this Employment Land Review. In addition, a fourth scenario using Spring 2005-based forecasts has been produced. This is effectively an update of Scenario A.

It should be noted that these are scenarios for regional economic prospects and, as scenarios, they should not be taken as predictors of what will happen.

The employment projections produced by the Regional Econometric Model have been translated into employment land scenarios for Leeds MD through the application of employment densities, plot ratios and vacancy rates.

The difference between the current and future employment land scenarios represents the **net change** of employment land that should be planned for over the plan period. It is standard practice to produce net employment land projections through the use of Econometric Modelling, however Leeds City Council have requested that these figures are converted into a gross requirement. A rough **approximation of gross change** has been calculated through an allowance for a margin of choice and leakage. It should be noted that the net figure is more robust than the gross figure as a variation in margin of choice and leakage rates can affect the gross figure.

Following review and presentation of the results of each of the quantitative projections methodologies, the Leeds Employment Land Review Steering Group decided to proceed with the output of Scenario B – Short Term Trends, of the *Yorkshire Futures* Econometric Model.

2.3 Qualitative Methods Used

An outline of the qualitative methods used in this study is provided below. The Annex 1 Report provides full details of the methodologies used.

2.3.1 Research and Review

On commencement of the study a comprehensive review of planning, regeneration and socio-economic plans policies and programmes affecting Leeds MD was undertaken.

2.3.2 Market Trends

The Business Development Team at Leeds City Council keep records of inward investment enquiries made to the authority. These records were used to provide an overview of recent demand for employment land and premises in Leeds.

The market analysis in term of demand and supply was primarily based on the PROMIS reports, which are produced by Property Market Analysis LLP (an independent property research consultancy) and interpreted by project partners Donaldsons LLP.

2.3.3 Quantitative Analysis of Employment Land Supply

Leeds City Council keeps detailed records of the current supply of employment land in the MD. This includes details of:

- Location
- Availability (e.g. marketed or constrained)
- Status (e.g. historic allocation)
- Ownership
- Constraints (e.g. access, drainage)

These records were interrogated to provide a quantitative and qualitative overview of the employment land supply portfolio in Leeds.

2.3.4 Qualitative Analysis of Key Sites

A qualitative review of selected sites was undertaken which included a desk and site based review based on criteria recommended by ODPM in Employment Land Reviews: Guidance Note.

3 Policy Objectives

3.1 Introduction

This section summarises the planning and regeneration policy and the socio-economic context of Leeds and from this highlights the key policy objectives for Leeds[4]. These policy objectives are derive from national, regional and local agendas.

3.2 Planning Policy Context

From the detailed planning policy assessment, the following key considerations relevant to the Leeds Employment Land Review are set out below.

3.2.1 Planning Policy Statement 6: Planning for Town Centres

Planning Policy Statement 6 (2005) seeks to **promote the vitality and viability of town and city centres by planning for growth and development of centres** encouraging a wide range of services in a good environment which are accessible to all. Main town centre uses, which include retail, leisure and entertainment, offices and art, culture and tourism, should be focused in existing centres. PPS6 states that it is important to **consider the physical capacity of the centre** to accommodate new office development and how this will balance with other uses. PPS6 advocates a **sequential approach to the location of main town centre uses** looking at the centre first, followed by edge of centre then out of centre.

3.2.2 Planning Policy Guidance Note 3: Housing

Planning Policy Guidance Note 3 seeks to facilitate housing development on brownfield land as a first preference above greenfield sites, in order to promote more sustainable patterns of development. This principle is reinforced by Consultation Draft Planning Policy Statement 3 (December 2005) which states that the priority for development is developable brownfield land and local planning authorities should **review all their non- housing allocations and consider whether some of this land might be more appropriately used for housing or mixed use**. PPS3 also encourages local planning authorities to develop a brownfield land strategy to remove barriers and secure the supply of brownfield land for development.

Currently however, **Leeds City is increasingly dependent on windfall sites to maintain a supply of housing land on brownfield sites**, and industrial/commercial sites are by far the commonest source of windfall land. Consequently, as the Supporting Papers to the Leeds UDP Review note, pursuit of the Council's current housing policy is likely to place increasing pressure on the supply of employment land, resulting in unsustainable development patterns involving longer distance commuting. The paper notes that **there is a wide disparity occurring in West Leeds in particular**, with large losses of employment land supply with relatively minimal opportunities for alternative new sites. This disparity is further compounded by the lower quality of available sites in this area when compared to sites elsewhere in the District.

3.2.3 The Draft Regional Spatial Strategy (RSS)

The Draft Regional Spatial Strategy – The Yorkshire and Humber Plan (January 2006) recommends that local planning authorities **guide investment to locations where it will have maximum benefit and secure competitive advantage**. It seeks to **facilitate links between job opportunities, skills development, business productivity and investment, and the needs of excluded communities**. It also seeks to promote important sector or **cluster development** (five clusters are identified, with three (Chemical, Bio-Science and

[4] A comprehensive review of the planning and regeneration policy and the socio-economic context of Leeds was submitted to the Leeds Employment Land Review Steering Group in October 2005 as a Stage 1 Report.

Digital) having a specific spatial base in Leeds/West Yorkshire) and encourages **recognition and support of non business classes sectors** including health, sport, leisure, tourism and education as key economic and employment generators.

Policy E2 of The Draft RSS – The Yorkshire and Humber Plan states that **city centres should be the main focus for office development**. Policy E3 requires all local authorities in the Region to undertake an Employment Land Review. This should identify a **portfolio of the best sites representing a five year supply of market ready sites** and be reviewed on a three year rolling basis. Inappropriate sites should be considered for alternative uses or de-allocated. Policy E5 enables local planning authorities to **provide special protection to employment sites if it is necessary to safeguard them from competing demand of other uses**. Specifically the draft RSS recommends that to support the role of Leeds there should be an evaluation of the sites allocated purely for office use and this evaluation can be used to justify the safeguarding of some sites through special protection.

The Yorkshire and Humber Regional Assembly's Employment Land Demand Modelling work indicated that **Leeds has the highest projected employment growth forecasts** in the region. It suggested that the MD appears to have an adequate supply of B1 sites, even taking into consideration the high level of net demand forecast in this sector up to 2016. The **amount of general B land, however, was reported as being excessive**, at 573 hectares, relative to moderate levels of net B2 take up (between -28 and +27 hectares over the three scenarios). Projected take up of B8 land, at between 28 and 75 hectares, is high.

The Draft RSS includes a sub-area strategy for the Leeds City Region. It states that **Leeds City has the strongest prospects for growth of all the Region's cities.** In terms of the economy, the sub-area policy seeks to support the role of Leeds as the major engine of the regional economy and to help connect disadvantaged communities to the job opportunities generated. It **identifies Aire Valley and East Leeds (EASEL) as sub regionally significant economic development and housing regeneration opportunities that require major infrastructure investment**.

3.2.4 The Selective Review of RPG12

The Selective Review of RPG12 (December 2004) states that Development Plans and economic development strategies and programmes should ensure that locations are reserved for three types of regionally significant employment sites, namely **Single User Sites, Estuary-related Sites and Premium Sites**. There should also be a good range of size and quality of general employment land for sub regional and local developments that will integrate well with urban industrial areas, their workforces and supply chains.

The Selective Review of RPG12 states the criteria for choosing and prioritising employment sites, with **locational criteria giving preference to land within urban areas** (particularly previously developed land), subject to being able to deliver a continuing supply of sufficient quality and quantity across the portfolio; otherwise, where land outside urban areas is required, preference should be given to land on the urban periphery accessible by good public transport, taking into account Green Belt considerations.

3.2.5 The Adopted Leeds Unitary Development Plan

The Adopted Leeds UDP seeks to **promote and strengthen the economic base of Leeds by identifying a balanced range of sites for development and relocation**, the co-ordination of the provision of necessary infrastructure, and the identification of areas which will have priority for regeneration initiatives. The distribution of land for employment uses is based on providing land in quantities and locations which offer job prospects close to homes of the workforce, reducing travel to work; and which can accommodate likely market demand, in order to stimulate economic recovery and job opportunities.

Based on the past rates of development of B1 Business Use schemes, the Adopted UDP estimates that there is a **requirement for some 160 hectares of land for B1 business development outside the City Centre** for the period to 2016. In addition, the UDP establishes the need to identify at least 400 hectares of land for industrial and distribution purposes. **Consequently, as a base position, the UDP strategy requires 560 hectares of land for employment purposes**. Within this general employment land provision, there is also an identified need to reserve or promote sites for particular purposes, with a specific allocation for a 'science park'.

3.2.6 The UDP Partial Review

The UDP Partial Review and supporting Papers found that the **adopted UDP**, whilst effective in preventing the loss of allocated employment land, was **less effective in preventing the loss of existing employment land to other uses, particularly housing**. Consequently, the Partial Review has inserted a clause defining locality, in terms of a reasonable walk to work distance, and by revising policy to ensure that sites are adequately marketed for employment uses before any other use is considered.

The Leeds Urban Capacity Study stated that in the interim period before results of the Regional Employment Land Survey were revealed, it was considered that there was **no scope for reducing the stock of employment allocations in view of the scale of existing loss to other uses** and the need to retain both key employment sites and a spread of employment land throughout the district.

Proposed Modifications to the UDP Review, following the Inspector's Report are currently on deposit (27th February to 10th April 2006). This includes a modification to policy E7 which seeks to set criteria for the release of land from employment allocations or last in employment use whilst maintaining safeguards for employment land and premises where the need is clear. On the Inspector's recommendation, this policy has been modified to apply to consideration of planning applications rather than the process of formulating development plans.

3.3 Economic Development and Regeneration Context

Key issues arising relating to economic development and regeneration are as follows:

- The **Northern Way** sets the economic policy framework for the north and is focused on the City Region as the engine for growth and prosperity, and strives to close the productivity gap between north and south in England.
- The City Region Development Policy for Leeds identifies that **Leeds must experience even higher levels of growth than previously in order for the productivity gap to be closed within a decade.** Short term measures to ensure this include increasing the commuter rail network by 50% to support city centre employment.
- The key theme of the Leeds Economic Development Strategy is to **tackle social exclusion in Leeds, and promote sustainable development.** It identifies five key sectors in Leeds which should be supported: business and financial services; manufacturing; medical and healthcare, media, and environmental industry.
- Leeds City Centre is a major driver for success in the region, and is thriving in terms of employment, retail and tourism and leisure.
- **The Aire Valley Employment Area is the major focus of regeneration policy in Leeds.** The Strategic Vision for the Aire Valley (as restructured by GVA Grimley in 2004) aims to regenerate over 1,000ha of land by providing 1.16 million sq.m. of new employment floorspace (comprising 415,937 sq.m. B1 space and 748,490 sq.m. of B2/B8 space), 2,700 new homes and create 49,386 new jobs in the next 15 to 20 years.

- The development of the Kirkstall Road area will provide opportunity for city-fringe and waterfront development, including areas for prestige office development, a media village and high density housing.

3.4 Socio-Economic Appraisal

Key issues arising from a socio economic perspective are as follows:

- Recent rapid economic growth, which will need to be consolidated and increased in order to meet long term Northern Way growth objectives.
- Strong performance in financial and business services, along with thriving high quality retail opportunities coming together to provide a high quality of place which will be important in maintaining and increasing success of the Leeds City Region.
- The anticipated continuation of economic growth and success will put pressure on existing transport infrastructure through increased in-commuting.
- Manufacturing remains relatively successful compared with other core cities, contributing 15% of Leeds' output, and experiencing declining employment at the slowest rate in the UK.
- Despite economic success, there exist marked disparities in income, educational attainment and employment opportunities, resulting in some pockets of significant deprivation, notably to the south and east of the city centre, including the Aire Valley and the Objective 2 areas.

3.5 Key Policy Objectives

Drawing on the above research, the following key policy objectives have been identified in relation to Leeds.

3.5.1 The Role of Leeds City in the Wider Sub Area and Regional Economy

Leeds is considered to be the major engine in the regional economy and in particular Leeds City Centre is considered to be a major driver for success in the region. Leeds has the highest projected employment growth forecasts in the Yorkshire and Humber Region.

3.5.2 Understanding the Portfolio of Supply

The draft RSS promotes understanding of the employment land supply in each local authority area. ODPM are clear that market realism and sustainability should be key considerations in allocating land for employment. Review of the employment land supply is an important factor in determining if some sites should be re-allocated for alternative uses or completely de-allocated. Specifically, the draft RSS requires the identification of the best sites which represent a five year supply of 'market ready' sites. This should be reviewed on a regular basis. This emphasises the importance of regular delivery of sites to the market through removing constraints and barriers.

3.5.3 Managing Competing Land Uses

There is an emphasis on the re-use of previously developed land in sustainable locations for all types of land use, including housing and employment. City centres are promoted as sustainable (as well as economically competitive) locations and should be the focus for 'town centre uses' which include retail, leisure and entertainment, offices and arts, culture and tourism. It is acknowledged that there is a role for residential uses in centres too. In particular it is considered that city centres should be the main focus for office development, but this should be balanced with other main town centre uses. A sequential approach to town centre uses advocates a centre first principle, followed by edge of centre and out of centre.

There is therefore potential for a number of different uses to compete over the available land supply in such locations, and some uses command higher land values than others (e.g. housing). In the past, Leeds City Council has been effective in preventing the loss of *allocated* employment land, but less effective in preventing the loss of *existing* employment land (or potential windfalls) to other uses, particularly housing.

It is possible for the Leeds Local Development Framework (LDF) to safeguard sites for employment development within areas of competing demand, particularly in relation to employment development in the city centre. However, this policy choice may conflict with the market and affect the viability of developing some sites, so must be considered carefully.

3.5.4 Linking Opportunities with Disadvantaged Communities

Local Authorities are encouraged to facilitate links between job opportunities, skills development business productivity and investment and the needs of excluded communities. Aire Valley and East Leeds (EASEL) are both areas of disadvantage with significant regeneration potential. This can be achieved by locating employment generating uses within or in close proximity to disadvantaged communities or facilitating better access between disadvantaged communities and key employment locations. Major infrastructure investment is required to make the employment land supply in the Aire Valley ‘market ready’. Leeds Supertram is no longer an option for improving public transport links, and alternative (likely to be bus-based) options are being investigated.

3.5.5 The Contribution of Non-Employment Uses

It is important to recognise and support non-employment use class sectors including health, sport, leisure, retail, tourism and education as key economic and employment generators. The latest Experian forecasts highlight that health will be the biggest growth sector in the next 10 years.

4 Demand and Supply Analysis

4.1 Introduction

This study has examined both the projected demand for future employment land in Leeds to 2016 and the suitability of the existing supply of employment land. Specifically, the demand assessment included a review of historic trends and projected trends using the Regional Employment Land Model and a qualitative overview of employment demand. The supply assessment included a quantitative audit of the existing employment land supply portfolio, the market view of supply in Leeds, and a qualitative audit of identified key sites.

This section highlights the results and key messages that have developed from the demand and supply analysis. These messages are structured in terms of quantity, quality and location of land. Further details of this analysis are provided in the Annex 1 Report.

4.2 Demand

4.2.1 Quantity

This study modelled a number of different methodologies and scenarios to provide a range of employment projections for Leeds City MD for the period 2006 to 2016. The Leeds Employment Land Review Steering Group decided to proceed on the basis of the quantitative projection of Scenario B - Short Term Trends - based on the *Yorkshire Futures* Econometric Model.

Scenario B is a trend based evaluation, but reflects the recent upturn in the economy in Leeds City MD and the rest of Yorkshire and the Humber Region. This scenario assumes the strong employment growth over the last 4 to 5 years will continue in to the future.

The table below presents the net and gross employment land projections for 2006 to 2016 under Scenario B.

Table 3.1: Net and Gross Employment Land Projections (Scenario B) 2006-2016

Land Use	**Net Employment Land projection (ha)**	**Gross Employment Land projection (allowing 50% margin of choice and leakage) (ha)**
B1a Office / B1b Research & Development	45.8	118.35
B1c Light Industrial / B2 General Industrial	-2.5	84.89
B8 Storage or Distribution	45.1	109.63
Total	**88.4**	**312.87**

Leeds City Council has requested that the gross employment land projections are also reflected as gross floorspace projections. This has been achieved by applying a standard plot ratio of 40%. However this is a simplistic interpretation and the floorspace projections could vary with the application of different plot ratios to reflect different locational requirements in Leeds MD.

Table 3.2 Gross Employment Floorspace Projections 2006-2016.

Land Use	Gross floorspace projections (based on 40% plot ratio) (m²)
B1a Office / B1b R&D	473,400
B1c Light Industrial / B2 General Industrial	339,560
B8 Storage or Distribution	438,520
Total	**1,251.480**

In quantitative terms there is a net projected requirement for a total of 88.4ha and a gross projected requirement for a total **312.87ha** throughout Leeds MD between 2006 and 2016, 38% of which is for B1aOffice /B1b Research and Development use, 27% for B1cLight Industrial / B2 General Industrial use and 35% for B8 Storage or Distribution use.

The gross projection is 66.6ha less than projections based on employment land historic take up trends and the proportion of land required by each use class also differs.

Table 3.3 Proportion of Total Projection Required by Land Use Class

Land Use	Proportion of Total Gross Projection (Historic Trends)	Proportion of Total Gross Projection (Scenario B)
B1a Office / B1b R&D	34%	38%
B1c Light Industrial / B2 General Industrial	38%	27%
B8 Storage or Distribution	28%	35%

The table above shows that the proportion of the total land projection required by B1a/b uses and B8 uses has increased and the proportion required by B1c/ B2 uses has decreased. The current employment land supply does not specify the exact hereditament of B class which a site is allocated for as often sites have a flexible allocation (i.e. B2/B8) However, the difference between the historic take up trends and future requirements indicate that a shift is required.

The *Yorkshire Futures* Model does not currently provide projections beyond 2016 therefore it is unreliable to make projections using current trends beyond this period. Crude estimates would indicate a requirement for an additional 219ha of land between 2017 and 2023. However it is strongly advised that this figure is not used as part of the LDF evidence base and that Leeds City Council revisit this figure when the *Yorkshire Futures* Model is updated.

4.2.2 Quality

There has been a significant increase in the amount of speculative office development occurring and the amount of Grade A stock constructed in Leeds MD. Since the end of 1999, 59% of all office stock build has been speculative. The Business Services and Public Services Sectors have been the main drivers of this demand. Analysis of Inward Investment Enquiries indicates that both the number of enquiries made and the number of successes has increased in the past 10 years indicating that demand has increased.

The factors which the market is seeking when looking for land or premises for employment use include:

- Unconstrained in terms of assembly, local access, contamination and infrastructure supply;
- Good strategic access by road and public transport;
- A location which enables accessibility and proximity to markets, customers and supply chains;
- The suitability of the site configuration and the flexibility of premises;
- A high quality environment including image, safety, free from bad neighbour uses;
- Accessible amenities and facilities for employees;
- A site that is relatively free from land use planning constraints and risks.

4.2.3 Location

Demand for office space has occurred both within Leeds city centre and outside of the city centre, but there has been a recent focus on the city centre product. Demand for B8 Storage or Distribution space has increased recently. The majority of inward investment inquiries to Leeds City Council resulting in success are from Leeds based companies wishing to remain in Leeds, which itself demonstrates that it is a location in which companies wish to remain.

Considering market trends and viability, the view of the city centre, Aire Valley and peripheral employment location on the edge of the city are discussed below:

City Centre

The dynamics of the city centre is complex. It is performing well as an employment location with strong demand, particularly in growth sectors such as financial and business services. Prime rents and yields are achievable. This demand however is currently focused within a tight geographical area defined typically by a maximum of 10 minutes walk for employees from Leeds Train Station and the inner ring road as a ‘city centre boundary’. Sites that are on the edge of the city centre and beyond 10 minutes walk of the train station are under pressure for alternative land uses which can attract higher land values, particularly residential use. Confidence in office development beyond the ring road could improve. For example an office development just beyond the ring road close to Park Lane College has proven slower to let than premises within the ring road. There is evidence of recycling and refurbishment of premises within the city centre, although often outdated office blocks or former industrial premises (particularly former mill buildings) are developed for alternative uses to employment (e.g. residential and hotels).

Aire Valley

There is interest and demand for land within the Aire Valley but this is limited somewhat by the ability to deliver market ready sites. The Market Assessment accompanying the GVA Grimley Report (February 2004) states that the Aire Valley does not currently feature as a location of emerging sectors (advanced manufacturing, ICT, digital industries, bi-sciences/environmental industries and financial and business services) and the image of the area is such that these types of business will not currently consider it as a business location.

Significant public sector investment is required to prime interest and a strategy of environmental improvements and establishing a profile and identity for the area will help to instil investor confidence. Confirmation of funding for the East Leeds Link Road has already demonstrated this principle with the recent submission of a number of planning applications for the development of sites along the route of the proposed road.

Peripheral or Radial Sites

Demand varies for these sites. Some long standing employment allocations on the edge of Leeds have attracted little developer interest for employment use. This is often due to lack of public transport access, the nature of neighbouring uses, peripherality from markets, customers and supply chains, and potential physical constraints.

4.3 Supply

4.3.1 Quantity

In pure quantitative terms, the total employment land supply in Leeds was **795.31ha** at mid 2005, 86% of which derived from sites allocated in the Leeds UDP, 11.5% from windfalls and 2.5% from 'other significant sites'. Just under a quarter of this total supply (22.7%) was committed for development or for the owner's use at mid 2005, leaving a residual of 614.83ha.

Almost 70% of the mid 2005 total employment land supply is derived from 29 sites which are all over 5ha in size. Therefore the take up or de-allocation of even one or two of these sites would make a significant difference to the employment land supply.

At the end of 2004, the total amount of office stock in Leeds totalled 1.75 million m², of which 15.7% is currently available. On top of the existing office stock supply there is currently an additional 80,175m² under construction and 1.79 million m² in the pipeline (1.22 million m² with planning permission and 566,700 m² in preliminary stages[5]). If all pipeline development is progressed to construction this could double the existing office stock in Leeds.

At the end of 2004, the total amount of industrial/distribution stock in Leeds[6] totalled 6.35 million m², of which 54% is considered to be factories and 46% warehousing. Just 5.6% of the total stock is currently available. On top of the existing industrial and distribution stock supply there is currently an additional 33,820m² under construction and 1.37 million m² in the pipeline (1.05 million m² with planning permission and 325,160 m² in preliminary stages[7]). If all pipeline development is progressed to construction (and no existing stock is lost) this would potentially represent a 16% increase in current stock.

The pipeline (or market) supply of floorspace with planning permission should not be directly compared to the committed employment land supply (or planning supply). This information is meant to inform how the market is performing in terms of meeting demand for premises rather than inform the quantitative analysis. Comparisons between the figures should not be made as there may be elements of double counting, the pipeline could include refurbishment and recycling of existing land and premises that does not represent a change of use, land could be developed at higher densities in some locations therefore increasing pipeline floorspace, not all of the pipeline supply will be delivered and a small element of the industrial and distribution pipeline supply includes floorspace located outside the Leeds MD Boundary[8].

4.3.2 Quality

The Stage 2 analysis found that 45% of the total employment land supply was constrained and the bulk of the constrained land derived from the UDP allocations.

A large proportion of the available office stock is outdated second hand stock. This is reflected by the trend in recent years of an increase in the amount of new build stock

[5] i.e. currently without planning permission
[6] Including Sherburn-in-Elmet (Selby District) and Birstall (Kirklees MD)
[7] i.e. currently without planning permission
[8] As set out in the Stage 2 report, PROMIS are unable to separate data for Sherburn-in-Elmet or Birstall

coming into the market. It seems that currently there is a preference for newly built premises rather than refurbishment of older stock.

Only 4.2% of the total industrial and distribution stock is considered to be new (i.e. constructed in the past 2 years). Leeds City Council reports that there is an abundance of vacant older industrial and distribution stock but shortages of Grade A space.

Therefore, much of the current stock does not meet modern requirements. The office market has responded with a new build product but the industrial and distribution market is further behind.

4.3.3 Location

All of the current city centre employment land supply derives from windfalls. However, little of this supply is actually 'available' as around 95% is already committed for development. Much of the recent city centre development has been on windfall sites and through recycling of existing premises so this figure is not surprising.

City Centre

This study assessed four key sites in more detail within or in proximity to the city centre boundary, as defined by the Leeds UDP. Most of these sites are located outside the commercial core of the city centre and are former or existing industrial premises. These sites predominantly represent existing and likely future windfalls and are listed in the table below.

Table 3.3 City Centre Key Sites

Site	Timescale for Development	Potential Use (Market Perspective)	Action Required to Bring Site Forward
Yorkshire Chemicals	Short Term	Main town centre uses including B1a	Potential remediation
Carlsberg /Tetley	Short – Medium term	Main town centre uses including B1a	This site is currently in active use, but the owner/occupier may relocate to realise the land value of this asset. Await relocation of existing owner/occupier
Kidacre Street	Medium Term	Predominantly B1 but due to access to the strategic road network may also be viable for B2 or B8 uses.	Potential remediation
Kirkstall Road	Medium Term	Main Town Centre Uses including B1a	Assemble and co-ordinate land release

The sites listed above are large sites in or close to the city centre and therefore have the potential to accommodate a substantial amount of development, particularly as higher densities can be achieved. However there is a pressure for either alternative uses or a mix of uses on these sites as higher returns can be achieved if residential use is included. These sites are predominantly suitable for B1 uses and are likely to come forward in the short to medium term.

Aire Valley

Almost two thirds of the total employment land supply is located in south east Leeds (which includes the Aire Valley). However, approximately two thirds of the employment land supply in the Aire Valley is currently constrained.

This study assessed eight key sites which are located within the Aire Valley were reviewed in more detail. These sites are predominantly Leeds UDP employment allocations (The ex-Wholesale Market in Cross Green is the exception) and are listed in the table below.

Table 3.4 Aire Valley Key Sites

Site	Timescale for Development	Potential Use (Market Perspective)	Action Required to Bring Site Forward
Bellwood (East Leeds Radial Sites)	Medium To Long Term	B2/B8 but may be reconsidered for residential development	Waste Water Treatment Works, new access bridge, provision of utilities and potential remediation
Leeds Valley Park	Short Term	B1	n/a
Stourton North	Short to Medium Term	B1/B2/B8 also interest in D2 leisure and Park and Ride	Establish market and investor confidence
Skelton Grange	Long term	B1/ B2/ B8	Aire Valley Area Action Plan, Waste Water Treatment Works, provision of utilities, new river crossing and potential remediation
Skelton Business Park	Medium Term	Mix use, B1	Improvements to Junction 45 of the M1, provision of utilities and potential remediation
Skelton Moor Farm	Medium Term	B1/ B2/B8	Waste Water Treatment Works, provision of utilities
Ex-Wholesale Market	Short Term	B1/B2/B8	Waste Water Treatment Works, Potential remediation
Thornes Farm	Short Term	B1/B2/B8	n/a

The sites listed above are all large sites which are located in close proximity to each other, representing a significant amount of land. They share a number of related constraints and would therefore benefit from a co-ordinated approach or strategy for development. This will be provided by the Aire Valley Area Action Plan (AAP). These sites appear to be quite flexible in the type and size of employment uses that could be accommodated, particularly large scale B2 and B8 uses. However, land values in general are lower in the Aire Valley than the city centre so alternative uses may have to be considered to make the infrastructure costs viable. There are some significant barriers to be overcome with these sites, including the need for a high level of public sector investment to be addressed at a strategic level, and issues of image quality and profile.

Radial Sites

Around one third of the remaining employment land supply is located outside of the city centre and the Aire Valley. This study assessed nine key sites in more detail which are located on the periphery of Leeds around the outer ring road. These 'radial route sites' are predominantly Leeds UDP employment allocations, some of which are now fully or partly under construction. The sites are listed in the table below.

Table 3.5 Radial Route Sites

Site	Timescale for Development	Potential Use (Market Perspective)	Action Required to Bring Site Forward
Harrogate Road/Warren House Lane, Yeadon	Short Term	B1/ Airport Related Uses	Leeds Bradford Airport Masterplan.
Low Mills, Guiseley	Long term	n/a	This site is not market viable and there are significant barriers to development.
Thorpe Park	Short term	Mix and B1	Necessary Motorway Junction Upgrade.
Red Hall Lane	Short Term	B1	Potential requirement to upgrade A6120/A58 Roundabout
North Newhold, Garforth	Short Term	B1/ B2/B8	Resolution of drainage issues
Nepshaw Lane, Gildersome	Short to Medium Term	B1/ B2/B8	Masterplan for coordinated development. Need to upgrade Junction 27 capacity.
Bodington, Adel	Short Term	B1	n/a
Woodside Quarry, West Park	Short to Medium Term	Mix use	Masterplan, access arrangements.
Tyresal Lane	Medium Term	B2	Dependent on requirements/ aspiration of Bradford MDC, and market confidence.

Several of the sites listed in the table above are well placed and represent good opportunities for more localised employment opportunities in the suburban areas of Leeds. However, due to the nature and scale of the surrounding uses, these sites are predominantly best suited to B1 related activities.

4.4 Matching Demand and Supply – Key Messages

4.4.1 Quantity

The existing supply of employment land is about two and a half times greater than the gross projected demand (under Scenario B) for employment land to 2016. However 45% of the total employment land supply is constrained and only 30% of the total supply is available and actively marketed. Of the remaining supply, 23.5% is already committed for development and 1.5% is retained for expansion of existing occupiers. This indicates a more limited supply in the amount of land realistically available or ‘market ready’ for development.

4.4.2 Quality

There has been an increase in the building of new office stock in Leeds as a preference to recycling older more outdated stock. The market has thus far been able to respond to the demand for Grade A stock demonstrated by the confidence to build speculatively. This is also reflected by the amount of office stock currently being constructed and in the pipeline.

New build of industrial and distribution stock has been fairly low and despite some stock reduction there remains a significant amount of older, outdated stock. The market has not yet delivered significant proportions of Grade A stock in Leeds, so in the short term there is a risk that potential demand cannot be met.

4.4.3 Location

Development opportunities in the city centre predominantly derive from windfall opportunities and are therefore progressed through the system rapidly. The key sites reviewed within proximity to the city centre are fairly significant in size considering their location. There is pressure for high value land uses in the city centre, resulting in employment space being delivered as part of wider mixed use schemes, or not featuring at all. Due to the mix of uses in the city centre and proximity to an increasing residential population, the city centre is best suited to meet some of the projected B1a/b Office and Research & Development land requirements.

Beyond the commercial core of the city centre there are opportunities to meet demand on potential large windfall sites. However, it is questionable how far beyond 10 minutes walk of Leeds train station B1a uses will extend. It is also important to note that some of the potential windfall sites are still in active employment use (e.g. Tetley/ Carlsberg). If these companies are to relocate it is important to manage this transition to avoid a long period of vacancy and as existing employers, to encourage such companies to remain in Leeds MD.

Outside of the city centre there is a mismatch between market demand and the current supply portfolio.

There is a significant amount of employment land available for development in the Aire Valley with sites in close proximity, but a large proportion is constrained by limited infrastructure. With intervention, these sites could be available in the medium to long term. Due to the amount of land potentially available, and proximity to the strategic road network, the Aire Valley could be a potential location to meet projected demand for B1c/B2 Industrial and B8 Storage and Distribution uses.

However, this might not fit with the City Council’s long term vision or desire for housing development, or more of a mixed use strategy for the Aire Valley. If the entire B1c/ B2 and B8 projected requirement to 2016 were accommodated in the Aire Valley there would still be surplus land, and this level of development may not be sufficient to secure essential infrastructure investment.

Peripheral or radial sites represent good opportunities for more localised employment opportunities in the suburban areas of Leeds. However, demand is questionable on some of the sites reviewed. These site should be viewed as ancillary to the city centre and Aire Valley offer, rather than as an alternative.

5 Matching Policy Objectives, Supply and Demand - Implications for Leeds

5.1 Introduction

This section seeks to match demand and supply analysis alongside identified policy objectives. This is not a neat or smooth process. There are likely to be differing policy and market aspirations. It will be necessary to make policy choices and this section aims to highlight the potential implications of these policy choices and make suggestions about which are realistic and sustainable.

This section is structured to align with the policy objectives identified in section 3.

5.2 The Role of Leeds in the Wider Sub Area and Regional Economy

The market does not operate within the limits of defined administrative boundaries. Leeds provides employment opportunities for people living outside the administrative boundary. Accessibility is key to this in market terms, particularly for high level services seeking locations in close proximity to the train station.

The West Yorkshire Office Property Market Study states that Leeds is the principle office centre within the Leeds City Region and the pre-eminence of Leeds is due to:

- Accessibility: it has good accessibility to the sub-region and beyond. This gives access to a large and skilled labour supply, and provides a wide customer and client base for centrally- located businesses.
- Agglomeration: Leeds has benefited over the past 10-15 years from trends in merger, acquisition and the consolidation of existing operations. Key sectors where such change has occurred include the banking and insurance sector and the legal services sectors
- Critical mass: some office-based firms, especially those providing support services to other businesses, seek a location that is at the heart of the region’s economic activity.
- Clustering: certain office-based sectors choose to locate close to similar firms. This may be for networking reasons and the interchange of ideas or it may simply be that their locational choice is based on the same or similar criteria to those of their competitors and that those criteria include a central location due to its proximity or easy access to clients.

The West Yorkshire Office Property Market Study states that Leeds is also the principal location for business parks. Sites with good access to the strategic road network and the motorways are likely to be in high demand from a market perspective, although clearly an absence of high quality public transport routes may be more problematic in policy terms.

Leeds has important links with the wider sub area and will complement and also compete with other centres for employment use.

5.3 Understanding the Portfolio of Supply

5.3.1 Supply of ‘Market Ready Sites’

The existing supply of employment land currently exceeds gross projected demand to 2016 (as established by Scenario B). However, only 30% of the current supply is actually classed as available or ‘market ready. There is currently 245.6 ha of employment land available and actively marketed compared to a projected gross requirement for 312.87ha to 2016. Therefore, this available land supply equates to just less than 8 years worth of projected demand. The available land supply includes UDP allocations, land from windfalls and ‘other significant sites'. Even just taking the available UDP allocations, at mid 2005 there is enough available land for 6 years. At face value this meets the draft RSS requirement to identify a five year supply of 'market ready sites'. However, based on our supply analysis there are several limitations associated with this 6 to 8 year available land supply.

- This land supply is skewed towards a small number of large sites (around 70% of the total employment land supply is made up of just 29 sites over 5ha in size);
- Some of the sites are not in locations of current market demand. On some of the more peripheral sites certain uses may not be suitable in both policy terms or to ensure a balanced portfolio of employment use (i.e. 38% B1a/b, 27% B1c/B2 and 35% B8);
- In some circumstances, the location of land does not meet either market demand or other policy objectives for employment use. Therefore, these may not be the 'best' sites.

5.3.2 Medium and Long Term Supply of Employment Land

This available supply is limited; there is a need to make land available in the medium and long term. To achieve this effectively:

- Choices will need to be made about which sites to bring forward as not all of the total supply is required;
- Intervention is required to remove constraints;
- The portfolio must be acceptable in policy terms; and
- It is necessary to monitor both take up and the effect of windfalls.

5.3.3 Recycling and Replacement of Existing Stock

There is still a high proportion of the existing office stock which is outdated; second hand stock that does not meet the needs of modern occupiers in Leeds MD. Although the majority of recent office development focuses on new build (and hence the older stock remains) and the net gain of office stock in Leeds is projected to be significantly positive, over the next 10 years some of the older stock may be consolidated. This may particularly be the case as the national and regional planning policy agenda seeks to located high user services in the city centres as they are perceived to be sustainable and accessible locations. This could lead to replacement and refurbishment (or change of use) of older stock to retain a prime location within the central core of the city centre. This is a trend which is beginning to occur, particularly in the city centre.

In terms of industrial and warehousing uses, on the ground there is a shortage of Grade A industrial and warehousing stock in Leeds that meets the market's requirements. The net employment land projection (Scenario B) for B1c/ B2 uses is negative but the gross projection is positive. This is because much of the B1c/ B2 development over the next 10 years is likely to be recycling or replacement of existing stock (this may not occur at the same location so could potentially release land for other development) therefore the net gain of stock may not be significant. This is considered to be due to both current land constraints and low market confidence.

5.4 Managing Competing Land Uses

5.4.1 Re- Use of Previously Developed Land

There is a national and regional policy direction to maximise the use of previously developed or brownfield land in sustainable locations for all types of land use. This is generally accepted by the market, but there is competition for the best located and easy to develop brownfield land. Some sites now demand a premium if they are well located and in order to make a return on investment developers are seeking high value land uses.

Conversely other brownfield sites are not considered viable by the market and remain derelict or vacant, particularly if significant investment is required to remove constraints.

5.4.2 Types of Use and Where - Policy Aspirations vs. Market Aspirations

The projected gross employment land requirement to 2016 indicates that 38% should be for B1a/b uses, 27% for B1c/ B2 uses and 35% for B8 uses. Review of the key sites from a market and planning policy perspective indicates that the city centre and some of the radial route sites are best placed to accommodate B1a/b uses (and potentially some B1c) and the Aire Valley is a location that could best accommodate B1c/ B2, B8 uses.

In terms of the city centre and radial areas, the actual amount of *employment* floorspace that can be delivered could be limited on sites under pressure to be developed for a mix of other uses. It is accepted that the potential to maximise this opportunity is facilitated by the ability to develop at higher densities. However on some sites the ratio of employment to other uses could be 40% or less.

Strategically, the Aire Valley is a good location for industrial and distribution uses as it is physically close to the motorway network and other areas where demand for such uses has been realised (i.e. Europort). However, the substantial land supply here is constrained and requires significant investment for it to be released. B2 and B8 uses may not be sufficient to lever the investment required. If the infrastructure can be delivered, the market viability of these sites will be more secure. The approval for East Leeds Link Road is a step in this direction. To help resolve this issue the potential to accommodate residential and office development in the Aire Valley is being considered. However, this raises a number of issues:

- Can the Aire Valley attract office development without providing supporting services (including public transport) for potential employees? Would the provision of support services undermine other district shopping centres nearby? Can the environmental improvements be achieved to transform the Aire Valley into an attractive and competitive office/business park location?
- Can an appropriate mix of uses be accommodated? Would B2 and B8 uses affect the amenity of potential residential development?
- Is there a risk that the market will gravitate towards the more deliverable sites for housing, thus further impairing the delivery of employment land?
- Should a ‘city centre first principle’ and a sequential approach for the location of main town centre uses (which include B1a Office) as advocated by PPS6 be strictly adhered to by Leeds City Council?

5.4.3 Implications of Safeguarding ‘Special Sites’

In order to manage competing land uses the draft RSS includes a policy enabling local authorities to safeguard ‘special sites’ exclusively for employment use. Alternatively specifying a proportion of a development which must be provided as employment use in a development plan is a similar policy tool to manage competing land uses.

There is evidence that allocated and existing employment land in the city centre and in the west of the MD has been lost to other uses, in particular housing. Key sites within or in close proximity to the city centre which are currently (or recently) in employment use are under pressure to be redeveloped for non B uses or a mix of uses including B uses.

The potential implications of this approach are thought to be as follows:

- In the city centre safeguarding a high proportion of sites exclusively for employment use could result in a ‘stalemate’ position and sites remaining undeveloped if the developer cannot achieve a return for their investment.

- Striking the right balance in the number of sites safeguarded in the city centre, or applying a specific percentage or ratio in mixed use developments could result in the delivery of greater proportion of employment in the city centre.
- Although not currently an area of development pressure, the Aire Valley is a location where competing land uses need to be planned for. Identifying and labelling key employment sites gives certainty, but there is a need to be realistic about the use and potential of the site.

5.5 Linking Opportunities with Disadvantaged Communities

The link between labour skills and employment opportunities is key from both a policy and market perspective as occupiers will require access to a skilled workforce. Employment opportunities could be within, physically adjacent to or very accessible to disadvantaged communities and still not be matched. There is also the 'choice' of attracting employment which in the short term matches the existing skill levels and provides jobs, but does little to improve theses skills versus attracting employment which exceeds existing skill levels in the short term (requiring an alternative labour source to operate) but in the medium to long term this could help to lift local skill levels. To this end, the potential to provide employment opportunities in the Aire Valley and improve accessibility to the city centre should be managed alongside wider social initiatives.

5.5.1 Matching Current Skills in the Short Term

Currently there is a limited supply of both the stock and land throughout the city to meet modern requirements for B2 and B8 uses which tend to lean towards limited or manually skilled opportunities. Facilitating transport access by a range of modes to potential opportunities might be the most realistic solution in the short term.

5.5.2 Linking Opportunities and Disadvantaged Communities in the Medium to Long Term

In the medium to long term opportunities could be delivered in the Aire Valley provided associated transport links are provided to adjoining residential communities. If this area becomes the focus for predominantly B2 and B8 uses in the Aire Valley this could be more realistic in terms of the skills gap but it is important to note that the number of jobs per floorspace is limited, particularly for B8 uses.

5.6 Non Employment Uses

There has been significant growth in public services employment, especially in health and education in the last five years. The *Yorkshire Futures* Econometric Model considers that these sectors will continue to grow. Leeds is an established and successful location for high level public service functions decentralised from London and the South East and is well placed to benefit from any further relocations associated with the Lyons Review. However, resulting job gains may be offset by efficiency savings in the public sector driven by the Gershon Review.

5.7 Distributing the Future Employment Land Supply

5.7.1 Leeds Wide

There is net projected requirement for 88.4ha and an indicative gross projected requirement for **312.87ha** of employment land in Leeds City MD to 2016 (Yorkshire Future Model, Scenario B). This gross requirement includes 118.35ha for B1a/b uses, 84.89ha for B1c/ B2 uses and 109.63ha for B8 uses.

This gross requirement includes an element of recycling and replacement of existing employment land and an allowance for loss to other uses, and (with the exception of B1c/B2 uses) results in an overall net gain of land in employment use. This process or recycling, refurbishment and loss to other uses may result in:

- A shift in the general location of employment uses – which could provide the opportunity to develop new clusters; and
- Release of brownfield land for development, which can enable the sustainable development of other uses.

There are several key questions relating to the spatial distribution of this indicative gross land requirement.

- Can and should the city centre accommodate the entire projected requirement for offices?
- Can and should there be a degree of office development in the Aire Valley either on the periphery of the city centre or as a motorway linked business park?
- To what extent could or should different parts of the MD be providing high quality industrial stock?
- Should the depletion and displacement of industrial stock be actively managed in policy terms? (e.g. use policy to try to safeguard losses or manage the displacement to alternative locations within the MD)

5.7.2 Leeds City Centre

Opportunities in the city centre are currently progressing quickly. This is reflected by the fact that 95% of the currently available land supply in the city centre is committed, which links with the significant amount of pipeline development coming forward. There are a small number of large sites that could come forward in the short to medium term. Higher densities are more acceptable in the city centre so it is possible that the entire B1a/b requirement to 2016 could be accommodated in the city centre on less land (if this were desirable in policy terms).

However, the challenge is to secure enough employment land on sites that are coming forward for development (alongside a mix of higher value uses that may also be acceptable in policy terms) and still ensure they are viable in market terms to keep this supply flowing smoothly. There is also a risk that there may not be enough land available in the long term. The commercial core of the city centre is fairly compact and its recent expansion southwards (City Walk) and eastwards (Clarence Dock) is constrained by the inner ring road/M621 and reasonable walking distance to the train station.

It is considered that the city centre should remain a focus for the majority of the B1a Office and B1b Research and Development employment land supply to 2016.

5.7.3 Aire Valley

The GVA Grimley Restructured Strategic Vision (2004) considers that the Aire Valley can be regenerated by providing 1.16 million sq.m. of new employment floorspace (comprising 415,937 sq.m. B1 space and 748,490 sq.m. of B2/B8 space), 2,700 new homes and create 49,386 new jobs in the next 15 to 20 years. These figures are based on a market demand assessment which considers current supply of office, industrial, residential and retail offer within Leeds and development proposals that are in the pipeline. It sets the current supply against current and projected demand and provides a view on the extent to which the Aire Valley can meet currently unmet and projected demand. However, it was not the brief of this Restructured Strategic Vision to explicitly consider whether other locations in Leeds MD were better suited to accommodate some or all of this development. If this level of development were to be taken forward in the Aire Valley Action Plan, Leeds City Council must be satisfied in national and regional policy terms (particularly PPS6) that this is acceptable.

A key issue for the Aire Valley is to decide what is the most appropriate mix and scale of future uses. There is a limited short term available supply but significant medium and predominantly long term potential in the Aire Valley. There is a need to focus on the delivery of constrained sites to the market and link this to a phased programme of release. This will help to co-ordinated related uses, facilitate clusters and is more likely to enable residential development (if desirable in policy terms) to be accommodated. The land supply in the Aire Valley exceeds requirements up to 2016 but due to the nature of the constraints, some land may not be available until after 2016. As part of the phasing strategy it is important to be realistic and prioritise sites for release prior to 2016, particularly if they will help to develop an identity for the Aire Valley and boost the market attractiveness of the area.

Realistically the Aire Valley has strong potential to meet demand for modern industrial and distribution uses in Leeds MD. B1a/b development associated with B2/ B8 uses could be beneficial but it should not be the focus for the majority of the B1a requirement.

5.7.4 Radial Sites

Isolated employment sites distributed throughout the suburbs of Leeds have the potential to accommodate low density, small scale B1a/ B1b and potentially some B1c/B2/ B8 uses, depending on the specific location. This enables localised employment needs to met and minimises the need to commute to the city centre or alternative locations.

However, there is a need to consider which radial sites are suitable and development should not be at the expense of the city centre (as a first priority) or the Aire Valley.

6 Monitoring

6.1 Introduction

Local Development Framework Monitoring: A Good Practice Guide (ODPM) states that 'Survey, monitoring and review are crucial to the successful delivery of Local Development Frameworks. A systematic and dynamic monitoring system will help authorities understand the wider social, environmental and economic issues affecting their areas and the key drivers of spatial change.' Monitoring is essential to establish what is happening now, what may happen in the future and enables comparison of these trends against existing policies and targets to determine what needs to be done.

This section seeks to provide realistic and practical proposals to monitor employment land supply and demand to provide a robust evidence basis for reviewing employment policies. It examines what Leeds City Council currently monitors in relation to its statutory requirements for employment land, the potential gaps and proposes (where possible) how to resolve these gaps. It also examines what would be both desirable and useful to monitor in order to understand employment patterns in Leeds MD.

6.2 ODPM Core LDF Indicators

6.2.1 OPDM Core Indicators

ODPM has set a series of Core Local Development Framework Indicators which should be monitored on an annual basis from 1st April to 31st March. The Core Indicators for Business Development and Local Services are relevant for monitoring employment land supply and demand. The indicators are:

- 1a Amount of land developed for employment by type (B1b & c, B2 and B8 in completed sq metres gross floorspace).
- 1b Amount of land developed for employment by type, which is in development and/or regeneration areas defined in the Local Development Framework.
- 1c Percentage of 1a, by type which is on previously developed land.
- 1d Employment land supply by type (total amount of employment land available for employment use in hectares).
- 1e Losses of employment land in (i) development/ regeneration areas and (ii) local authority areas (net loss of employment land (hectares) to non-employment uses).
- 1f Employment land lost to residential development
- 4a Amount of completed retail, **office (B1a)** and leisure development respectively (sq metres gross internal floorspace).
- 4b Percentage of completed retail, **office** and leisure development respectively in town centres.

6.2.2 Leeds LDF Annual Monitoring Report, December 2005

Section 35 of the Planning and Compulsory Purchase Act 2004 requires every local planning authority to produce an Annual Monitoring Report. The Annual Monitoring Report (AMR) for Leeds reports on performance from 1st April 2004 to 31st March 2005 and was submitted to Government Office for Yorkshire and the Humber in December 2005. It is the first AMR and covers a transitional period between the UDP and LDF systems so is limited in parts. In particular, as there are no LDF policies it focuses on saved UDP policies. The issues raised in the AMR include:

- Data definition – particularly for comparing and transferring information between local authorities;
- Spatial Differentiation –existing monitoring systems are not capable of providing data with sufficiently flexible grouping of data spatially; and
- Resources– cost and availability of resources to monitor the information.

The AMR primarily focuses on providing data required by ODPM and the Yorkshire and Humber Regional Assembly

6.2.3 Monitoring of the ODPM Core Indicators in the 2005 AMR

The 2005 Leeds AMR has sought to monitor all of the ODPM Core LDF Indicators, where possible. The table below sets out which employment related indicators have been monitored and the limitations involved in the approach taken.

ODPM Core Indicator	**Monitoring Limitations**
1a Amount of land developed for employment by type	The AMR includes data by B1 Office, B1 Other, B2 Industrial and B8 Warehousing. There is a need in the future to monitor B1a, B1b and B1c.
1b Amount of land developed for employment by type, which is in development and/or regeneration areas defined in the local development framework.	Spatial Differentiation achieved but there is a need in the future to monitor B1a, B1b and B1c.
1c Percentage of 1a, by type which is on previously developed land.	Achieved, but there is a need in the future to monitor B1a, B1b and B1c.
1d Employment land supply by type	Achieved, but there is a need in the future to monitor B1a, B1b and B1c
1e Losses of employment land in (i) development/ regeneration areas and (ii) local authority areas	Achieved but losses to uses are grouped in non UCO categories
1f Employment land lost to residential development	Achieved
4a Amount of completed retail, **office (B1a)** and leisure development respectively	Not monitored as data to monitor whole indicator (other than office development) is not available
4b Percentage of completed retail, **office** and leisure development respectively in town centres.	Not monitored as data to monitor whole indicator (other than office development) is not available

6.2.4 Steps Required to meet ODPM Core Indicator Requirements

If steps are put in place by 1st April 2006 then this will enable complete reporting in the December 2007 AMR for the period 2006/2007.

The key areas not currently being reported through the AMR are:

- Monitoring Use Class hereditaments (B1a, B1b and B1c);
- Resource difficulties have been identified with recording Gross Internal Floorspace; and
- Loss of employment land to other uses.

A Standard Planning Application Form to facilitate both e-planning and alignment with national and regional monitoring requirements is to be issued by ODPM this year. This will require applicants to record the use class hereditaments for which they are applying for consent. Current databases and monitoring systems should align and ensure that development within UCO's B1a, B1b, B1c, B2, B8 and sui generis are recorded.

In lieu of the Standard Planning Application Form, Question 21 of the current Leeds City Council Planning Application Form does ask the applicant to specify the 'Type of Business'. In most cases, the information supplied could be used to ascertain the intended use class hereditaments.

Question 22 of the current Leeds City Council Planning Application Form does ask the applicant to provide the gross internal floorspace in square metres. The City Council could, within reason, refuse to register an application without the gross internal floorspace being provided. This would enable the information to be logged into the UNIFORM database. It is important to note that schemes can change between registration and grant of permission. It is therefore important that amendments to applications are added to the UNIFORM Database.

Leeds City Council currently keeps good records of employment land lost to residential use, but records of losses to other types of use are not monitored in detail. It is therefore recommended that applications for new development and change of use, which result in the loss of employment land and premises to other uses, are recorded against the following categories:

- Retail (A1)
- Financial and Professional Services (A2)
- Food and Drink (A3, A4 and A5)
- Hotels (C1)
- Residential (C2, C3)
- Leisure (D2)
- Non Residential Institutions (D1)
- sui generis

It is noted that losses to some uses will be marginal compared to other uses.

6.3 Additional Monitoring – a Wider Annual Monitoring Report

6.3.1 ODPM Employment Land Review Guidance

It is desirable to monitor other contextual and output indicators beyond the Core Indicators required by ODPM to reflect specific issues or circumstances in the MD.

Employment Land Review Guidance Note (ODPM December 2004) lists the minimum recommended employment monitoring by LDF Authorities. This is predominantly based around employment land supply and local employment land demand information and does include information beyond that required by OPDM Core Indicator. These are:

1. Employment land and premises database (recording B1a, B1b, B1c, B2, B8 or sui generis);
2. Employment permissions granted by type;
3. Employment permissions developed by type, matched to allocated sites;

4. Permissions and development of sites and premises previously in employment use for non employment uses;
5. Employment land and premises available and recent transactions.
6. Employment premises enquiries (if the local authority has an estates or economic development team); and
7. Employer requirements and aspirations (from focus group/ forums or periodic surveys).

Leeds City Council already has systems to monitor the above (although with some limitations acknowledged in the earlier section about Core LDF Indicators).

The introduction of specific employment polices in the Core Strategy and related DPD's may result in the introduction of further monitoring indicators and mechanisms, particularly if the policy is very specific in nature or location.

6.3.2 Expanding the Scope of the Annual Monitoring Report

It is recommended that a wider view is taken of the monitoring of employment land and trends in Leeds, which will provide a mix of additional contextual and output information to complement that required by ODPM. This could take the format of an expanded Annual Monitoring Report that reviews and provides an update on the key variables discussed in this report, including:

- *Yorkshire Futures* Econometric Employment Projections;
- Monitoring employment densities and plot ratios;
- Market and investment trends;
- The local labour market;
- Understanding windfalls, recycling and refurbishment
- Progress towards delivering sites in the medium to long term;
- Delivery of interventions required; and
- The contribution of public sector employment.

The Yorkshire Futures Econometric Model

It is important to remember that the 2006-2016 forecasts form part of the total employment land review evidence base, but the figures are meant to act as a guide to inform policy choices, rather than as an absolute.

In order to secure more accurate forecasts beyond 2016, which is the current run of the Regional Model, it is necessary for the model to be updated. Experian Business Strategies have produced forecasts to the period 2020 but these have not yet been reflected in a new run of the Yorkshire Futures Model. Leeds City Council (along with other authorities in the region) should encourage Yorkshire Futures to update the module and when updating the employment land review evidence base ensure that they reflect the latest modelled position available.

Leeds City Council should monitor if new projections are have been released and revisit the evidence base accordingly.

Employment Densities and Plot Ratios

The Employment Land Review uses employment densities recommended by English Partnerships (2001) A Full Guide. In the future, when updating the employment land review evidence base, Leeds City Council may wish to use locally derived employment densities which may only be achieved through monitoring trends over time. The Business Investment

Team keeps records of the number of jobs created via successful inward investment enquiries. Matching this information at a site by site level to gross internal floorspace and the type of employer (in UCO terms) would allow Leeds City Council to gain an understanding of locally derived employment densities.

The Employment Land Review uses a standard plot ratio of 0.4 or 40% which assumes that the employment use/building occupies 40% of the total plot of land. This ratio is in line with the ODPM guidance and other ELR studies. In the future, when updating the employment land review evidence base or policies derived from this evidence base Leeds City Council may wish to use different plot ratios in different parts of the MD. This is essentially a policy choice and it is resource intensive to monitor (as it requires the logging of both the total site area and the net developed are for each planning application received). However a sample of the planning applications for developments in different parts of Leeds could be reviewed as a method of ascertaining locally derived plot ratios, if desirable.

Market and Investment Trends

Leeds City Council already collects statistical and qualitative information to provide contextual information to support monitoring of employment policies as part of the LDF. The City Centre Audit and the Leeds Economy Handbook are referenced in the 2005 AMR and should continue to provide a good source of contextual information.

The Inward Investment Enquiries Quarterly and Annual reports produced by the Business Investment Team at Leeds City Council provide a valuable insight into the types of business wishing to locate in Leeds and their requirements.

However, a crucial element of the evidence base for employment land review is an understanding of market trends. Donaldsons have provided commentary on the current market trends for this report. However, it is important that this is frequently revisited and kept up to date. It is recommended that the City Council seeks an annual market trends report to monitor this issue. King Sturge currently provides some property information to the City Council and may be able to provide information about recent transactions and land values. Donaldsons and other property agents could be approached to assist with this.

The Local Labour Market – Skills and Training

In 2004 the Aire Valley Leeds Skills Audit was produced. It provided a useful insight to skill levels in this part of the city. In addition, Best Value Performance Indicators provide a ready source of educational attainment and adult skill level data and indicators, and the Labour Force Survey provides data and indicators related to work based training.

It is recommended that the wider AMR includes a commentary relating to skills levels and training throughout the city.

Understanding Windfalls, Recycling and Refurbishment

A proportion of the employment development that will occur in the MD will not require planning permission and will therefore not be picked up through monitoring planning applications. This includes changes of use permitted under the Use Classes Order and refurbishment of existing stock that may be vacant or underused. This is difficult to monitor. It is recommended that the Council’s business rates information is used to supplement existing monitoring and provide an insight to this issue, as occupiers are obliged to inform the local valuation office of any change in the nature of the business (including size and type of business). This should be a feature of the wider AMR. The associated market analysis may be able to also give an insight into the upgrading of existing premises and stock as a comparison with new build.

When monitoring Core ODPM Indicator 1a 'Amount of land developed for employment by type' it would be useful to log in the same database the source of the land that has been developed (e.g. UDP allocation or windfall) to understand the contribution windfalls makes to employment land supply in particular parts of the MD.

Progress Towards Delivering Sites in the Medium to Long Term

Leeds City Council currently categorises the portfolio of employment land supply in terms of availability ('available and on the market', 'committed for development or the owner's use', 'available for expansion only' and 'constrained'). It is recommended that the 'available' category is aligned with the draft Regional Spatial Strategy's definition of 'market ready sites'. This will enable the City Council to successfully monitor a 5 year supply and the movement of sites through the categories over time.

The OPDM Core indicators focus on employment land that has been *developed*, but the amount of land in the pipeline (particularly in floorspace terms) can be fairly significant. Keeping records of land and amount of floorspace with planning permission, under construction and developed, including location (i.e. postcode), will hep to gain an understanding of:

- how much development is in the pipeline and where;
- the time it takes on average for a scheme to progress from grant of planning permission to completion (and this may vary depending on location); and
- provide an indication of how much development does not progress to completion (again this may vary depending on location).

The Contribution of Public Sector Employment.

The Annual Business Inquiry aligns with the Standard Industrial Classification (SIC) data and provides information including the number of employees within each SIC. Therefore it is a source of information to monitor change in public sector employment and other uses which provide employment in Leeds. This information will provide a useful commentary in the wider AMR.

6.4 Other Monitoring Recommendations

6.4.1 Beyond 2016 – Updating the Yorkshire Futures Econometric Model

Leeds City Council (along with other local authorities in the region) should encourage Yorkshire Futures to update the module to enable a more accurate evidence base when planning for beyond 2016.

6.4.2 Complete Approach to Monitoring – Enhancing Understanding and Forging Links between Development Control and Forward Planning

Monitoring is an integral part of plan production and Local Authorities are being encouraged to move away from traditional perception of monitoring as a distinct and separate task and view it more holistically. It is therefore important that all officers in Forward Planning get a grasp of the importance of monitoring and the systems that Leeds City Council uses to achieve this. Dividing responsibilities for the AMR (including an expanded version of an AMR) will help to raise importance of monitoring and develop understanding.

In order to receive accurate data as a sound basis for monitoring there is also a need to forge links with the frontline staff who log planning applications into the City Council's UNIFORM database. It is important that these staff are aware of the importance for monitoring purposes of the information entered, and a series of internal training events can help to raise staff awareness.

The initial application received may not be the resultant development granted consent, as amendments may have been negotiated through the application process. It is understood that amendments to planning applications (included the size of the potential development) are logged into UNIFORM by officers dealing with the application. Again, however, internal training events can help to raise staff awareness about the importance of this activity.

7 Conclusions and Recommendations

7.1 Introduction

The overall aim of this report is to draw together all of the analysis of the study to provide conclusions and make recommendations as to how Leeds City Council should consider employment land through the Leeds Local Development Framework.

The main conclusions outlined below reflect both the quantitative and qualitative research undertaken throughout this study and consider how this may affect the approach and policy direction that the Leeds LDF may take to employment land.

7.2 Main Conclusions

The projected employment land demand to 2016 should not be taken as an absolute figure. It is instead an indication of the likely land requirement and the proportion of each B Class hereditament that should be provided for in Leeds. The projections can be revisited if both contextual and output monitoring of employment in Leeds indicate that a higher or lower margin of choice should be applied, different employee densities assumed, or alternative plot ratios are appropriate at different spatial levels. We would recommend an element of caution is recommended here, however, as the dynamics of the commercial property market and often complex delivery and land ownership issues can constrain delivery in "real" terms. These factors present a compelling argument to retain a higher margin of choice.

Based solely on the quantitative analysis, there would appear to be an oversupply of employment land in Leeds when compared to projected demand to 2016. However, this needs to be viewed in the context of the constrained nature of a large proportion of the supply, and the difficulty, timescales and risks associated with bringing sites forward.

The short term picture is reasonably healthy, with a 6 to 8 year supply of market ready sites in Leeds MD. However, these sites may not be in ideal locations (in market terms) and as the city moves to the end of this period there will be less flexibility and choice. The picture for the medium to long term is currently less healthy as there is a lack of suitable market ready sites, and significant constraints to be overcome.

The issues in relation to the quality of supply of employment land points to a need for:

- A varied and wide ranging supply which has the scope and flexibility for market ready sites to be continuously bought forward providing a range of market choice;
- A spatial strategy that considers and seeks to resolve which employment uses are best located where in the MD;
- A clear understanding of the constraints to be overcome, interventions and investments required timescales for addressing them and implications this may have for phasing the release of land. This should be considered on both a site by site basis and also at a wider level to bring clusters of sites forward.

There is a need for market realism and a full review of the employment land supply portfolio. This should consider which sites are unlikely to come forward for employment use because of weak market interest or the due to inability to secure the level of public sector investment required to deliver sites.

The city centre is complex. It is performing well as an employment location with strong demand, particularly from growth sectors. However, it is difficult to specify exactly how much employment land should be allocated in the city centre. It is questionable how far beyond the current commercial core of the city centre that the market for B1a Office development will be strong. A location that is within 10 minutes walk of Leeds Train Station is key to many

B1a office occupiers in the city centre. Future years are likely to see refurbishment and recycling of existing, more outdated premises as employers seek to remain close to the commercial core.

However, the fringes of the current commercial core of the city centre are changing, through regeneration, and predominantly residential, leisure and hotel development. The development and intensification of these uses will increase the attractiveness of the fringes of the current commercial centre as an office location. But there is also strong market demand for these uses, which could, in market terms, reduce the likelihood of relevant sites coming forward for predominantly employment use.

The Aire Valley has the potential to be a successfully regenerated area of Leeds which can accommodate a mix of uses including employment. The key to delivering this regeneration is a clear implementation plan which is both certain and realistic about the role and market potential of each site, and the infrastructure improvements required. There is also a need to transform the wider image, environment, and amenity quality of the Aire Valley to enhance its attractiveness as an employment location.

Some of the radial or peripheral sites in the MD have the potential to meet localised employment needs though smaller scale development which complements the offer in the city centre and the Aire Valley. Other radial sites should be considered for alternative uses or de-allocated.

7.3 Key Policy Choices

Emerging from this study there are several policy choices that the Leeds LDF will need to consider.

Should the City Council promote a ‘city centre first principle’ for B1a Office development?

Currently, the market is supportive of locating in the city centre, demand is strong and it is a successful city centre so there is little need in market terms to use planning policy to facilitate change[9]. However, national and regional planning policy is supportive of a sustainable approach and city centres are a key element of this approach and also new development is important to maintain the profile of the city centre as a premier business location.

How strongly should the City Council hold the line of requiring a significant proportion of employment use on large potential future windfall sites on the edge of the city centre (e.g. Yorkshire Chemicals Site)?

There is a case for safeguarding potential sites for B1a use in the city centre but it is worthwhile considering that a mix of town centre uses is desirable in demand terms, as it can help with improving an image of an area and provides amenities for employees. Delivery can be restricted, for instance if a site is reserved for a single HQ office occupier. It is therefore necessary to consider this issue pragmatically and consider the role of and interaction with adjacent sites and the general mix of uses across the area as a whole.

If a pragmatic approach is adopted which enables a mix of town centre uses, how should the employment element be secured (i.e. via a policy specifying proportions or ratios, or an implementation strategy)?

In the Aire Valley there is a need for a realistic phased programme of investment and environmental improvements to bring forward market ready sites and stimulate demand. There are choices to be made about the amount, mix, and spatial distribution of sites within

[9] In other cities, such as Hull, planning policy (via advocating a city centre first principle) is being used as a mechanism to bring office uses back into the city centre and consequently facilitate economic regeneration.

the Aire Valley. A coherent strategy should also examine the interface between different uses – particularity employment and residential.

Should the City Council consider accommodating a significant element of B1a Offices in the Aire Valley (as detailed in the Strategic Vision)?

This would require a step change in both the amenity and environment of this area alongside improved public transport accessibility. As the Aire Valley is both large and diverse it is worthwhile considering what format a B1a product could take. At the western end of the Aire Valley, where it meets the fringes of the city centre, the product is more likely to be higher density city centre style offices. At the eastern end of the Aire Valley where it meets the M1, the product is more likely to be a 'Thorpe Park' style business park with good links to the strategic road network.

In both planning policy and market terms, could another large business park be supported in the Aire Valley?

Despite potential locational similarities it is considered that Thorpe Park has been a successful business park due to the additional amenities provided in proximity for employees. It is unlikely that planning policy would support significant retail and leisure uses in the Aire Valley to support an additional business park.

How should the forward strategy for the Aire Valley address the issues of risk and contingency?

It is important to monitor progress toward securing investment to deliver sites and clusters of sites in the Aire Valley. If sufficient investment is not secured and the implementation strategy is at risk, this should be reviewed (including the spatial implications in terms of which sites can come forward and the type of use they can accommodate) to reflect a more realistic approach.

What should be the approach for sites with weak prospects for development over the longer term?

There is a need to consider which sites will not come forward for employment use and are better suited to alternative uses throughout the city.

7.4 Recommendations and Proposed Way Forward

The recommendations below are mainly targets as to how this employment land review can be taken forward to inform the development of employment land policy and allocations in the emerging Leeds LDF.

7.4.1 Comprehensive Review of Existing Employment Land Portfolio

In macro terms this study has established that the gross total employment land supply in Leeds is significantly greater than the projected future requirement to 2016. This requirement includes a 50% margin of choice or flexibility, so there is no need to 'over-allocate'. In reality the available employment land supply equates to between 6 and 8 years of 'market ready' supply. The limitations of this supply have already been discussed. This study has provided an overall quantitative review of the entire portfolio and more detailed review of 21 key sites. It is recommended that a comprehensive review is undertaken of the entire portfolio to determine

- Which sites should remain allocated for employment (and which use are they most suited for);
- Which sites should be considered for alternative use;
- Which sites should be considered for employment post 2016; and
- Which sites should not be progressed.

7.4.2 Advocating a Sustainable Approach and Managing the Interface Between the City Centre and Aire Valley

There is a strong case in national and regional policy terms and from a market perspective to support the city centre as the primary location for B1a Office development in Leeds MD. In the medium to long term there may be merit in considering the area where the city centre and the Aire Valley interface as a potential B1a Office location, especially if a suitable alternative public transport option to Supertram is put in place, as this will reduce reliance on the '10 minute radius of Leeds Train Station requirement'. Office development within the western end of the Aire Valley is considered preferable (in policy terms) to large-scale business parks close to the motorway.

7.4.3 Spatial Distribution of Appropriate Densities

The density of development may vary depending on the locations selected for development or the type of use applied. A standard plot ratio of 40% has been used for the projections to 2016 to give a land requirement in hectares. This plot ratio can be varied to reflect the different circumstances of areas within Leeds where appropriate. Plot ratios can also be expressed as policy in the LDF. The city centre can accept higher densities than the residential suburbs or the Aire Valley and this can be applied to sites developed exclusively for employment use. Higher densities are also likely to be appropriate, for many city centre employment opportunities come forward as part of mixed use schemes.

7.4.4 Safeguarding 'Special Sites'

Consideration should be given to safeguarding the most strategically important sites for employment use, particularly in the context of ensuring five years of market ready supply. This will help to demonstrate why some sites are important if tested at appeal. However within the city centre this might be best expressed through a mix of actions including a) safeguarding entire sites exclusively for employment and b) safeguarding a proportion of a site to ensure that the market is still willing to bring the space forward.

Consideration should also be given to master planning those key sites where a mix of uses is envisaged. This would allow the City Council to influence the type, scale and mix of development through a comprehensive planning and development brief. With commercial advice, this approach should ensure that a true balance between developer / owner aspiration and planning realism is achieved at an early stage. It will also help to deliver clarity and certainty when the sites are brought to the market.

7.4.5 Clear Implementation Strategy

The market likes certainty. A clear implementation strategy, including phasing of development and actions to deliver required infrastructure will help to guarantee a continuous flow of sites to the market, particularly in the Aire Valley.

By setting out clearly the phasing of development, the situation regarding the limitations in current supply of market-ready sites (albeit in the context of an over supply of sites of all types) may be understood more clearly or widely. However there would be risks should progress with implementation fall behind schedule, or the infrastructure investment requirements be judged unrealistic.