

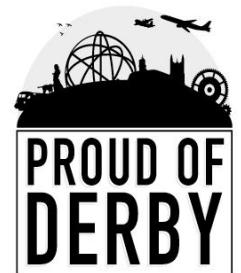
Local Plan, Part 1: Core Strategy

Position Statement: Delivering a Sustainable Economy

August 2015



Derby City Council



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All maps and diagrams in this document are indicative and have not been produced to a standard scale

1. Introduction:

- 1.1 This position statement provides an explanation of the rationale and context underpinning the economic development strategy as set out in the Local Plan Part 1 (Core Strategy). It is one of a number of similar statements that have been produced to support the examination of Derby's new Local Plan.
- 1.2 Importantly, the position statement seeks to demonstrate that the economic development policies contained in the Local Plan Part 1 are 'sound', specifically that they have been positively prepared, are justified, are effective and are consistent with national policy, as required by paragraph 182 of the NPPF. A copy of the full text of paragraph 182 is set out in the Appendix of this statement.
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- 1.3 It is crucial that Derby's economy remains strong, particularly in light of uncertain economic circumstances. The Council is therefore committed to doing everything within its power to secure sustainable economic growth during the Plan period.
- 1.4 The Local Plan Part 1 (Core Strategy) includes a number of policies that specifically promote economic development and job creation in order to ensure that Derby is well positioned to respond to a changing economic climate. The main 'Core Principle' (CP) policies that aim to do this include CP9, CP10 and CP11. These policies are complemented by a range of site specific policies in the 'Areas of Change' (AC) section of the Plan including AC11, AC12 and AC15. The combination of core principle policies and site policies create the overall strategy referred to in this statement as the 'Economic Development Strategy'. This is separate to, but includes elements of, the Council's 'Economic Strategy' published in 2011 and referred to elsewhere in this statement.
- 1.5 The economic development strategy set out in the Local Plan Part 1 can be summarised as follows:

'The overall economic development strategy promotes job growth in Derby by providing support to proposals that contribute to delivering the aims and objectives of the Council's / Derby Renaissance Board's Economic Strategy'

covering the period 2011-2016 and proposals that contribute to the achievement of the Councils' wider economic development aspirations.

In addition, the Council will continue to allocate 199 hectares (gross) of new employment land, currently identified in the City of Derby Local Plan Review (CDLPR, adopted 2006). This land will help to accommodate future employment growth in a range of sectors, but predominantly in the 'B use classes'¹ and allow the modernisation and re-use of existing stock. New land will be largely distributed across four broad locations, including the Central Business District (CBD), land south of Wilmore Road - including Infinity Park Derby (Sinfin), Derby Commercial Park (Raynesway) and the Derwent Triangle (Chaddesden).

Areas of existing stock that are important to the operation of the local economy will be retained for 'B uses' and where appropriate intensified and modernised. Areas of existing stock that no longer meet modern needs may be released for other beneficial uses where appropriate.

New office development will be focussed in the CBD in order to contribute towards the vibrancy of the City Centre. Office development outside of the CBD will only be permitted subject to considering its impact and the provisions of a sequential test, giving second preference to other allocated employment and regeneration sites.

The Council will continue to facilitate the construction of new office development within the CBD through the operation of the Derby Regeneration Fund and other funding mechanisms'.

- 1.6 The economic development policies contained in the Local Plan Part 1 have evolved over a number of years, during which time they have been influenced and informed by a range of documents including, evidence base, policy and guidance. A summary of the key documents that have influenced the economic development strategy are outlined in the Appendix.

¹ B1 Business (a) = Offices (other than A2), (b) = Research and Development, laboratories, studios (c) = light industry, B2 = General Industrial (other than classified within B1), B8 Storage and Distribution = Wholesale warehouses, distribution centres and repositories

- 1.7 This statement is structured around the main issues that are addressed in policies CP9, 10 and 11 including:
- The Council's economic vision and overall approach to promoting economic development (CP9):
 - The provision of sufficient employment land (CP10); and
 - The Council's approach to office development (CP11)
- 1.8 The statement provides an explanation of the specific requirements of the National Planning Policy Framework (NPPF) in the context of each of these policy areas. It then goes on to explain the Council's approach to each policy area, providing justification for the approach and an explanation of the alternative approaches considered where appropriate.
- 1.9 Although not specifically part of Derby's economic development strategy, this statement also provides an explanation of the Council's position in relation to the issue of strategic rail freight, due to its relevance within the wider Derby Housing Market Area (HMA).
- 1.10 It is acknowledged that many of the issues and considerations addressed under specific policy areas in this statement are interrelated and may have implications on more than one policy area.

2. The Council's Economic Vision (Policy CP9)

What Do the NPPF and NPPG Require?

- 2.1 The NPPF provides the national policy framework for plan making and decision taking. Section 1 of the NPPF addresses the issue of building a strong and competitive economy and is clear that the planning system should do everything it can to support sustainable economic growth. It states that Local Plans should be aspirational but realistic and should address the spatial implications of economic, social and environmental change. It goes on to state that Local Plans should set out the opportunities for development and contain clear policies on what will or will not be permitted and where.
- 2.2 Paragraph 21 of the NPPF specifically requires local planning authorities to set a clear economic vision and strategy for their area which positively and proactively encourages sustainable economic growth.
- 2.3 The NPPG does not provide any specific guidance relating to the formulation of an economic vision, although it does provide guidance relating to the assessment of need. This issue is addressed later in this statement.

What Is the Council's Approach?

- 2.4 Policy CP9 sets out a clear economic vision for Derby, reflecting that of the D2N2 Local Economic Partnership (LEP). The policy then mirrors the aims and objectives of the Council's Economic Strategy (2011-2016) and wider economic development aspirations. It is a clear statement of intent and places the Core Strategy at the centre of the Council's activities. Further information relating to the LEP and Economic Strategy is set out in the Appendix.
- 2.5 The Policy sets out the Council's overall strategic direction in relation to economic development and identifies various things that the Council will do in order to help achieve the vision including encouraging job creating proposals, identifying sufficient employment land, creating an enterprise culture and using public sector assets to facilitate economic growth.

- 2.6 It also identifies a number of criteria which the Council wish to see fulfilled by economic development proposals. Some of the criteria include supporting the continued success of companies in the D2N2 area, improving Derby as an investment proposition, contributing to the alignment of the supply and demand of skills and realising the potential of Derby's heritage and tourism.
- 2.7 Criteria 1-11 reflect the aspirations of Derby's Economic Strategy², whilst criteria 12-15 reflect wider aspirations of the Council that are not currently detailed in the Economic Strategy. This Policy relates to all forms of economic development, as opposed to policies CP10 and 11 which specifically relate to 'B' uses, otherwise referred to as 'employment uses'.
- 2.8 The combination of vision, interventions and criteria provide a clear strategy as to how economic growth will be encouraged and supported in Derby.

What Alternative Approaches Were Considered?

- 2.9 The only alternative approach would be to not include an overarching economic development policy and to rely on the content of CP10, CP11 and relevant site policies. This was not considered to be a reasonable or realistic approach as it would not provide the guidance needed to help drive Derby's economy forward during the Plan period and would not demonstrate alignment with the agendas set out by the LEP and Derby's own Economic Strategy. Inclusion of this policy also recognises that Derby's economy is no longer purely based upon traditional employment uses.
- 2.10 The SA has not considered any alternative approaches as no reasonable or realistic alternatives have been identified.

² The existing Economic Strategy will be updated throughout 2015 and a revised Strategy will be published in 2016. There are also proposals to combine Economic Development functions across Derbyshire as part of the consultation on the creation of a Combined Authority. The Economic Strategy for Derbyshire would be owned by this new body.

What Are The Reasons for the Council's Approach?

- 2.11 This approach aligns with the requirements of the NPPF by providing a clear vision and strategy which positively and proactively encourages sustainable economic growth.
- 2.12 The D2N2 LEP covers Derbyshire and Nottinghamshire including Nottingham and Derby. The vision of the LEP is to make the area more prosperous, better connected and increasingly competitive and resilient. Derby City Council is fully committed to contributing towards the realisation of this vision and has therefore adopted the same economic vision to provide a consistency in approach.
- 2.13 The interventions and criteria set out in the policy are based upon continuing assessment of Derby's economy to identify its strengths, weaknesses, opportunities and threats (SWOT). The Local Economic Assessment (LEA) and subsequent Economic Strategy (2011) provided the basis of this assessment, although the SWOT assessment has been updated to reflect the current position and has been informed by a wide evidence base referenced in the Appendix.
- 2.14 The interventions and criteria also directly relate to the achievement of a number of the Strategic Objectives set out in the Core Strategy – most notably Objectives 1,2,3,4, 15 and 16. A copy of all the Strategic Objectives is set out in the Appendix.
- 2.15 A broadbrush analysis of Derby's economy is set out in Table 1, which identifies the key issues facing Derby's economy in terms of strengths, weaknesses, opportunities and threats which have been identified through ongoing SWOT analysis. Further contextual information about the economy of Derby and the wider Housing Market Area (HMA) is provided in the Appendix and within a number of the supporting evidence base documents, including the Sustainability Appraisal (SA) Scoping Report.

Table 1: SWOT Analysis of Derby's Economy

Economic Strengths	Economic Weaknesses
<ul style="list-style-type: none"> • National leader in advanced manufacturing employment • Wealth-creating economy (GVA per head, 2013 - £27,849, ranked 7th in UK) • Highest GVA growth rate (22.4%) 2008-2013 in the UK • Presence of global firms such as Rolls-Royce and Bombardier within the City and Toyota and JCB just outside • Some of the highest workplace salaries outside of London (£599 per week (2014) compared to UK average of £501) • Multi million pound investments to bus and rail interchanges, Connecting Derby Inner Ring Road project, T12 link road, Infinity Park Derby and Derby Arena • 20 minutes from East Midlands Airport, one hour from international hubs (Manchester and Birmingham) • East Midlands Airport is an international freight hub, handling a significant proportion of UK air freight • Multi-cultural community – 172 languages spoken in the City • A younger than average demographic profile 	<ul style="list-style-type: none"> • Lower than average rate of business registrations and self-employment • Difficult for new enterprise to develop in well established sectors, such as advanced manufacturing • University of Derby is not presently well-placed to drive forward innovation • Higher paid workers live and spend outside the City • Lack of quality office space in City Centre • Higher than average number of residents with no qualifications and significant proportion of employers reporting skills gaps • Arboretum, Normanton and Sinfin wards in bottom 6% nationally according to Index of Multiple Deprivation • 64% of workers use car to get to work (and yet 55% of those who work in Derby travel less than five kilometres)
Economic Opportunities	Economic Threats
<ul style="list-style-type: none"> • Forecast need for new dwellings in excess of 33,000 across HMA (2011-2028), providing an increase of in excess of 21,000 working-age residents • Six million people live in 1 hour drive time of Derby • Council committed to Regeneration Fund to support physical development in the City • The Silk Mill site and Darley Abbey Mills form the southern gateway to a World Heritage Site • 4% of businesses in 'green industries' • Need to reduce carbon emissions by 34% by 2020 (national target) and by 80% by 2050 • Regional Growth Fund, European Regional Development Fund & Local Enterprise Partnership • The East Midlands was the fastest growing region in Q4 of 2013 and Q1 of 2014 	<ul style="list-style-type: none"> • Economic over-reliance on a handful of the biggest businesses • Low levels of enterprise and innovation • Manufacturing job losses – a continuing trend? • Lack of quality housing offer to attract highly-skilled employees • Public spending cuts – rail sector particularly dependent on Government spending • An increasing and ageing population and emerging number of retiring 'baby-boomers' • Population and business growth could lead to increased carbon emissions • Increased risk of City Centre flooding • Loss of big name brands in the City Centre • Reduction in regeneration budgets and loss of economic development programmes

- 2.16 The interventions and criteria set out in CP9 and the wider Plan seek to address many of the issues identified through the SWOT analysis by ensuring that new development builds upon existing strengths in the economy, helps to overcome weaknesses, exploits opportunities and makes the economy more resilient to the identified threats.
- 2.17 A more detailed justification of each element of Policy CP9 is provided in Table 1 below. The table breaks the content of CP9 down into the economic vision, economic interventions and economic objectives – with relevant extracts of the Policy text provided in the left hand column.

Table2: Justification of the Content of Policy CP9

Derby's Economic Vision:	
Vision	Explanation and Rationale
The creation of a thriving, sustainable economy that contributes to making the D2N2 Local Enterprise Partnership area more prosperous, better connected and increasingly resilient and competitive	<p>The creation of a thriving economy reflects the commitment of the Council to pursue this aspiration, as set out in the Council's previous Corporate Plan ('The Council Plan'). Whilst the revised Corporate Plan does not specifically refer to a 'thriving economy' it does emphasise the need to attract more businesses and create more jobs.</p> <p>The Council is committed to working in partnership with the D2N2 Local Enterprise Partnership (LEP) to realise their vision of making the LEP area more prosperous, better connected and increasingly economically resilient. Therefore the Council has adopted the same vision – reflecting the importance of working towards joint goals and providing consistency.</p> <p>Ensuring that Derby becomes more prosperous, better connected and increasingly resilient and competitive, will contribute towards the achievement of these aims in the wider D2N2 area and will help the LEP to deliver the private sector jobs target (55,000 by 2023) set out in the Strategic Economic Plan (SEP). Further information relating to the SEP can be found in the Appendix.</p>

Economic Interventions:	
In order to help achieve this vision, the Council will...	
Criterion	Explanation and Rationale
(a) encourage proposals that create new jobs and help to implement the Council's Economic Strategy, subject to the provisions of this Plan	<p>This is the key statement that underpins the economic development strategy as a whole. It fully aligns with the intentions of the NPPF, the wider aspirations of the government and Derby's Economic Strategy.</p> <p>It is important to ensure that opportunities for job creation are exploited wherever possible and therefore all job creating uses will be encouraged in principle, although it will be important to ensure that opportunities are not pursued where they would be at the expense of wider NPPF and Local Plan objectives.</p> <p>Increasing economic activity and participation rates in the City will have multiple benefits including driving regeneration, reducing deprivation and exclusion and generally improving the quality of life of residents.</p>
(b) identify sufficient land, of an appropriate quality and in appropriate locations to meet the needs of a thriving, sustainable economy	<p>One of the key interventions that the Council can directly make in order to promote economic development is to ensure that sufficient land is allocated for employment generating uses.</p> <p>The portfolio of land needs to be of an appropriate quality to meet future needs and allow for a mix of units, including starter / incubator units. This statement within the Policy seeks to directly address this issue and commits the Council to meeting market needs.</p> <p>If future monitoring reports demonstrate that demand is significantly outstripping supply then the Council will seek to address this through, further restricting the loss of existing employment land through the provisions of Policy CP10 and /</p>

	<p>or through the identification of additional land as part of a review of the Local Plan.</p> <p>The provision of employment land is set out in Policy CP10 and is discussed in the next section of this statement.</p>	Economic Criteria:
	More specifically, the Council will encourage proposals which...	
	Creating a culture where enterprise thrives	
(c) focus on creating a culture where enterprise thrives, ensuring that workforce skills match business needs and maximising quality of life for residents	<p>The Council's Economic Strategy (2011-2016) has three drivers that underpin it including:</p> <ul style="list-style-type: none"> • the need to create a culture where enterprise thrives, • ensuring that workforce skills match business needs; and • maximising quality of life. <p>These are the headline objectives that will need to be achieved in order to address the main weaknesses in Derby's economy whilst maximising opportunities to fully exploit identified strengths. Objectives 1-11 have been set in the context of these drivers.</p>	<p>1. contribute to an enterprise culture with innovation and creativity</p> <p>Derby suffers from low levels of self-employment and new business formation and survival rates fail to match competitors. Enterprise is a vital part of economic growth as it provides a source of new employment, helps to diversify the economic base and often enhances the level of innovation present in an area.</p> <p>Although there are some notable exceptions, our small and medium-sized businesses display a lack of innovation relating to product and service development for new markets, including overseas trade. Many enterprises within the supply chain of the City's major employers are totally dependent on their continued patronage.</p> <p>Therefore, CP9 seeks to encourage proposals that contribute to a culture of enterprise with innovation and creativity. The inclusion of this statement within the Policy helps to create a positive planning environment in which to do business.</p>
(d) use public sector assets to help facilitate economic development	<p>The Council is committed to using public sector assets to facilitate economic growth. This could include the use of the Council's Regeneration Fund, land ownership and / or compulsory purchase powers. Policy CP9 underlines the Council's intent to use such powers and provides the justification for using them where necessary.</p>	<p>Targeting innovative and high-growth businesses has the potential to generate direct employment, but could also create a trickle down effect for the rest of Derby's economy, supporting organic business creation and strengthening supply chains.</p> <p>The 'Connect' project and proposed Innovation Centre at Infinity Park Derby are examples of how the Council is directly supporting growth in enterprise, creativity and innovation and demonstrates how this Policy is already being implemented.</p>

2. support the growth and continued success of existing companies in the D2N2 area, particularly companies related to transport equipment manufacturing	<p>The D2N2 area is synonymous with the manufacture of transport equipment given the presence of global players such as Rolls-Royce, Toyota and Bombardier and their significant local supply chains. The sector is concentrated in Derby and South Derbyshire and along the A50 into Staffordshire where JCB are based.</p> <p>This sector forms the cornerstone of the local economy and is vital that it continues to be supported. The inclusion of Policy AC16 (Derby Aerospace Campus) is an example of how the Council will specifically support Rolls-Royce's operations in the south of the City.</p>		<p>an investment proposition</p> <p>attracting new investment and highly skilled workers, it is also necessary for the City to offer high-quality and affordable leisure and cultural services and a high-quality built and natural environment.</p> <p>The Local Plan Part 1 contains a number of policies that seek to improve Derby as an investment proposition, including policies that seek to boost the supply and quality of new housing, policies relating to the provision of new leisure and culture facilities and policies relating to increasing the attractiveness of the City Centre.</p> <p>By attracting new businesses and investment, more people will be attracted to live, work and spend leisure time in Derby, creating additional benefits in terms of the overall vitality and viability of the City Centre and the City as a whole.</p>
3. provide relocation opportunities, particularly where it would enable regeneration	<p>The needs of businesses can change over time meaning that there is a general churn in industrial accommodation as some businesses move out from an area in order to expand and new businesses move in. It is important that there is a sufficient supply and range of units within Derby to ensure that businesses are able to expand or downsize without the need to look outside of the City.</p> <p>Some areas of existing employment land no longer meet modern requirements and could be better utilised for alternative uses. Examples of such areas include the Castleward area of the City Centre and land at Sinfin Lane. These areas generally have relatively poor occupancy rates but do still accommodate some successful businesses. In the case of Castleward, existing employment land has specifically been identified for residential redevelopment and will require the relocation of some operational businesses. The Council is keen to ensure that these businesses are able to continue operating from within Derby and will therefore encourage proposals that would provide relocation opportunities for such businesses – helping to facilitate wider regeneration.</p>		
Ensuring workforce skills match business needs			
			<p>5. help to address barriers to employment</p> <p>Despite the high wage levels that exist in the Derby workforce there are pockets of long-standing deprivation, worklessness and low wages in some of the City's communities.</p> <p>Inter-generational worklessness is a major problem in the more deprived wards and contributes to continued lack of aspiration and low self esteem. These factors can prevent people from getting a job and engaging with the local economy. Proposals that help to address these issues will generally be supported.</p>
6. contribute to the alignment of the supply and demand of skills			<p>According to the National Employment and Skills Survey (NESS 2009), almost a quarter of businesses in Derby are affected by skills gaps.</p> <p>Derby businesses suffer more than those in the East Midlands and England as a whole. These skills gaps affect the competitiveness of firms and restrict innovation and</p>

	<p>productivity.</p> <p>The Demand for Skills in Derby and Derbyshire research highlighted the fact that skills and qualifications are different things. Businesses require both skilled staff as well as qualified staff.</p> <p>Proposals that help to provide people with new skills and contribute to the alignment of the supply and demand for skills will generally be promoted.</p>	<p>will be important first steps in improving the leisure offer in the City. The provision of new leisure and cultural facilities is reflected in the Local Plan Part 1.</p> <p>Provision of appropriate infrastructure such as roads, schools, public realm and green space are also important factors in improving the overall quality of life of people living in Derby and ensuring that Derby attracts and retains highly skilled employees. This in turn will help to ensure that Derby's most successful businesses are keen to stay within the City.</p>
7. positively influence young people's career aspirations	<p>In order to ensure that skills within the workforce align with the skills that local businesses need, the Council will generally support proposals that help to positively influence young people's career aspirations. For example, the Council fully supports the creation of the proposed Derby Manufacturing University Technical College (UTC) on Pride Park. This type of facility will help to ensure that local people are able to be employed within the key sectors in the City and provide local employers with a pool of local talent.</p>	<p>9. take advantage of opportunities in the low carbon economy sector</p> <p>As set out in the 2013 City-wide Derby's Climate Change Strategy, developing a low-carbon and efficient economy is a way of taking advantage of, and progressing, the need to reduce carbon emissions and reliance on increasingly expensive energy sources. Reducing greenhouse gas emissions can also contribute to improving air-quality which is an increasing issue in public health at national level.</p> <p>The Council has defined the low-carbon economy as 'economic activity that actively seeks to reduce carbon through products and services'. This has two key components. Making all business more efficient with resources and reducing their total impact through enabling access to products and services, and fostering a new sector of the economy that enables this transition to take place through innovation and technologies. This emerging and high-growth sector is known as the Low-Carbon and Environmental Goods and Services sector (LCEGS) and it is vital Derby can benefit from this.</p> <p>Globally, the LCEGS sector was estimated to be worth £3.3 trillion in 2010-11, with the UK's share £122 billion. Global growth figures were 3.7% and UK growth was 4.7 % (BIS, 2012). These figures show a well-performing sector in the midst of a global downturn, and this is why the Council, has a commitment to pursue a low carbon economy, create new jobs and enterprise opportunities and to realise the</p>
Maximising quality of life		
8. reinforce cultural / leisure facilities and the City's infrastructure	<p>The culture and leisure sectors are important in their own right in terms of employment growth potential. However, ensuring that Derby has a high quality offer in terms of leisure and cultural facilities is vitally important in attracting highly skilled workers to work and live in the City. Workplace earnings are significantly higher than those of people living in the City. This would suggest that many of the highly skilled employees that work in Derby's economy are not living in the City. The Council are keen to reverse this trend in order to ensure that money that is generated in Derby is spent in Derby. There are also clear sustainability benefits in encouraging people to live closer to where they work.</p> <p>The construction of the multi-use arena, including a velodrome</p>	

	environmental and economic opportunities associated with reducing energy usage.	
10. realise the potential of Derby's heritage and tourism assets	<p>Derby has an impressive array of heritage assets, including being part of a UNESCO World Heritage Site. The City's historic buildings, museum collections, history of innovation, and its critical roles in the development of railways and engineering provide a major resource for promoting the City and the World Heritage Site.</p> <p>There is significant potential to use historic buildings (some of which are empty) for economic use, with resulting benefits of expanding the business base, increasing employment and attracting visitors to the City. Policy CP20 (Historic Environment) specifically seeks to encourage opportunities to enhance the tourism potential of heritage assets within the City, particularly within the City Centre and the World Heritage Site.</p> <p>The UK has the fifth largest tourism industry in the world, attracting 32million overseas visitors a year. Domestic tourism offers significant opportunities for economic growth as the UK currently under-performs compared to other European countries. Tourism includes travel undertaken for leisure, for business and whilst visiting friends and relatives (VFR).</p> <p>Tourism spending is estimated to support 4,300 jobs in Derby and, due to the nature of the industry, benefits very many smaller businesses.</p> <p>Cities offer an enticing option for short domestic breaks and increasingly are a focus for international VFR trips, which are an expanding market. In the last three to four years, Derby City Centre has witnessed the development of almost 700 additional hotel rooms. Increasing competition has challenged traditionally strong mid-week occupancy levels. Significant opportunities remain to attract more business trade to Derby through conferencing and more leisure visits through the</p>	<p>trends for domestic short-breaks.</p> <p>Policy CP14 in the Core Strategy specifically commits the Council to elevating Derby's identity and reputation as a cultural and leisure destination. It seeks to enhance the quality of the City's offer and visitor experience, increase visitor numbers and increasing participation amongst Derby residents in cultural and leisure activities.</p>
11. contribute to the development of a vibrant City Centre	<p>A vibrant, exciting and attractive City Centre is crucial for any City. Derby's City Centre has experienced a period of rapid change over the last decade.</p> <p>Much of this change has been positive but more remains to be done. Several large development sites remain in a derelict state, the City's night-time economy is heavily dependent upon young people drinking and the quality of public spaces and thoroughfares is mixed.</p> <p>The Local Plan Part 1 includes a whole section relating to the City Centre and includes policies that will help to boost its overall vibrancy, vitality and viability and overcome some of the identified issues.</p> <p>Proposals that help to boost the overall vibrancy, vitality and viability of the City Centre will generally be encouraged.</p>	
In addition to the aspirations of the Economic Strategy, the Council will also encourage proposals which:		
12. help to make businesses more energy and resource efficient	<p>Reductions in greenhouse gas emissions require significant change in the way we do things and practical action by every community, business and individual throughout the country. Derby's businesses need to play their part at a local level by reducing the City's carbon emissions while at the same time preparing for the inevitable impacts of a changing climate.</p>	

	<p>By developing the low-carbon economy through energy and resource efficiency, businesses will reduce operating costs, retain more money in the local economy and extract maximum value from materials, for example by recovering and regenerating component parts and materials at the end of life (promoting a circular economy). There is then less dependency on energy and resources and the local economy is more resilient to changes and external shocks. It can also help the City be prepared for both a changing climate, with the impacts that extreme weather events bring, and increasing resource scarcity for a number of raw materials and commodities, including water, fuels and metals.</p> <p>Proposals that enable businesses to be more resource and energy efficient will generally be supported in principle.</p>	<p>opportunities to secure faster connection speeds for residents and businesses within the City.</p>
13. provide a range of new business premises including affordable workspace	<p>It is important to provide a variety of types of accommodation to support a diverse economy. Small scale, affordable units are just as important to the local economy as landmark developments as they can provide start-up / incubator space for new enterprises. The shortage of smaller / affordable units has been specifically identified as an issue by the development industry.</p> <p>The Council's 'Connect Derby' project seeks to provide affordable and flexible managed workspace for new and developing businesses. This is being provided through a number of projects and includes the construction of a new Enterprise Centre.</p> <p>Future proposals that meet this objective will be encouraged.</p>	<p>15. help to realise economic benefits of the expansion of the high speed rail network, electrification of the Midland Mainline and the ongoing success of East Midlands Airport</p> <p>Derby is at the heart of the UK rail network and is well placed to benefit from the planned electrification of the Midland Mainline and the expansion of the high speed rail network through the HS2 project. Plans for the new network currently identify a new HS2 station serving both Derby and Nottingham. The proximity of this station is likely to generate related economic growth within the City due to reduced travel times to London and to northern cities.</p> <p>East Midlands Airport (EMA) is located approximately 15 miles to the south-east of Derby. EMA and the City are connected by the A50 which provides an excellent link for freight and logistics. EMA was the second busiest freight hub in the UK in 2012 and carries in excess of 4 million passengers per year. The airport is currently undergoing a comprehensive £12 million improvement programme helping place it at the forefront of air travel and logistics. Derby is well placed to take advantage of the continuing success of EMA and the Council will generally support proposals that help the City to realise the economic benefits associated with proximity to EMA.</p>
14. enhance digital connectivity across the City	<p>Enhancing digital connectivity is a key priority, helping to make Derby's economy more competitive, attracting a greater range of businesses, facilitating modern work practices and reducing the need to travel. The Council will continue to pursue</p>	

3. Provision of Employment Land (Policy CP10)

What Do the NPPF and NPPG Require?

- 3.1 One of the core planning principles set out in the NPPF is to ensure that the planning system proactively drives and supports sustainable economic development to deliver business and industrial units and thriving local places that the country needs. The NPPF recognises at paragraph 7 that the planning system should be contributing to a strong responsive and competitive economy by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation. This is further reiterated at paragraph 20, which states that to help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st century. The NPPF goes on to state that every effort should be made to objectively identify and then meet business needs of an area, and respond positively to wider opportunities for growth.
- 3.2 Plans are required to take account of market signals, such as land prices and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the business community. The NPPF advises against the long term protection of sites allocated for employment use, where there is no reasonable prospect of a site being used for that purpose.
- 3.3 In terms of drawing up plans, the NPPF seeks to ensure that local planning authorities:
- set out a clear strategy and vision for the area which positively encourages economic growth;
 - set criteria for identifying strategic sites;

- support business sectors taking into account whether they are expanding or contracting and plan for new or emerging sectors and to build in flexibility to meet business needs not anticipated;
 - plan positively for the location, promotion and expansion of clusters of knowledge driven, creative or high technology industries;
 - identify priority areas for economic regeneration and infrastructure provision and environmental enhancement;
- 3.4 Also in relation to Plan making, paragraph 160 requires local planning authorities to have a clear understanding of business needs within the economic markets operating in and across their area.
- To achieve this, the NPPF requires LPAs to:
- work together with county and neighbouring authorities and with Local Enterprise Partnerships to prepare and maintain a robust evidence base to understand both existing business needs and likely changes in the market; and
 - work closely with the business community to understand their changing needs and identify and address barriers to investment, including a lack of housing, infrastructure or viability
- 3.5 LPAs are advised to use this evidence to assess:
- the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period, including for retail and leisure development;
 - the existing and future supply of land available for economic development and its sufficiency and suitability to meet the identified needs. Reviews of land available for economic development should be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land;

3.6 National Planning Practice Guidance (NPPG) was published in March 2014 and provides further detail in relation to the assessment of land requirements for economic development. Guidance in relation to this topic is comprehensive, but the key points that are stressed by the NPPG can be summarised as follows:

- The importance of understanding the market and need to consider patterns of employment land supply, market intelligence and infrastructure constraints
- The importance of analysing existing and future needs by market segment and property market sub-areas
- The importance of assessing quantitative and qualitative needs based on a range of data, including labour demand, labour supply and past take up scenarios – whilst acknowledging that national trends do not always translate to particular areas with a distinct employment base

3.7 Whilst the economic development strategy was conceived prior to the publishing of the NPPG, it is still relevant to the economic development strategy contained in the Local Plan Part 1.

What Is the Council's Approach?

3.8 The allocation strategy is in essence the continuation of existing CDLPR allocations. Policy CP10 makes provision for 199 hectares (gross) of new employment land, largely distributed across four strategic allocations, including the Central Business District (CBD), land south of Wilmore Road (Sinfin) including Infinity Park Derby, Derby Commercial Park (Raynesway) and the Derwent Triangle (Chaddesden). These strategic employment locations will contribute over 90% of the new gross supply with the remaining 10% identified through mixed allocations in the Local Plan Part 1 and saved non-strategic City of Derby Local Plan Review (CDLPR) allocations to be reviewed in the Local Plan Part 2.

3.9 The identified land will accommodate the needs of employment generating uses, predominantly, but not exclusively in the B use classes. The new land will

help to satisfy need generated within Derby but also needs generated by residential growth in the DUA outside of the administrative area of the City.

3.10 Site policies AC11, 12 and 15 provide guidance on how the strategic employment locations, outside of the CBD should be developed and make allowance for the development of uses outside of the traditional B use classes, subject to various criteria. Policies CP11 and AC1-2 provide guidance on the development of offices, placing a strong emphasis on directing new offices into the CBD, but also accepting that the CBD may not be an appropriate location for all forms of office development.

3.11 Policy CP10 also seeks to retain and intensify areas of existing employment land, particularly where land is important to the operation of the local economy. The Rolls-Royce Campus is specifically identified as an important employment location in CP10 and further guidance and support relating to the ongoing development and intensification of this area for employment uses is provided in Policy AC16.

3.12 CP10 also allows for the redevelopment of existing employment land subject to various criteria being met. Policy AC13 identifies the former Celanese site as a regeneration opportunity and acknowledges that there may be circumstances that would justify redevelopment of the site for non B uses. In addition, Policy AC17 identifies existing employment land at Sinfen Land as a regeneration opportunity and acknowledges that the Council has previously accepted its loss from the employment land supply.

What Alternative Approaches Were Considered?

3.13 A number of alternative options were considered relating to the scale and distribution of new employment land. More specifically, alternative options related to the level of potential need (demand) forecasted to be generated during the Plan period and the combination of sites (supply and distribution) required to satisfy the identified level of need. Clearly, the supply and demand options are closely related, with the different need scenarios informing which sites might be required.

3.14 Various forecast and projection methodologies and scenarios have been considered, providing a range of different outcomes, in terms of the scale of

future needs. The different methodologies and scenarios are explained in the next section.

3.15 Various combinations of sites have also been considered. However, the range of strategic employment site options is limited as the majority of land with employment potential in the DUA is located within a small number of large sites. The developable potential of each of the strategic sites combined with the scale of future needs indicated by the majority of the forecasts and the need to provide a wide portfolio of land to meet the needs different sectors has meant that site combination options are limited.

3.16 Following completion of the Derby Housing Market Area (HMA) Employment Land Review (ELR) in 2008, specific HMA scale and distribution options were consulted on at the 'Options' stage in 2010. Scale options included providing employment land across the HMA, above, below and in line with the recommendations of the ELR, whilst distribution options included basing HMA provision on existing supply, ELR distribution and provision based on new housing development. Further explanation of the options put forward at the Options stage is provided in the Appendix.

3.17 Due to the inter-related nature of the need and supply options, the Sustainability Appraisal (SA) considered three 'hybrid' options that combine different scale and site / distribution options available to the Council. Options included:

- Planning for higher growth in the City
- Planning to meet trends / maintain existing supply
- Planning for a reduction in employment land

The approach adopted by the Council generally aligns with the approach supported by the findings of the SA. The SA concludes that meeting trends / maintaining the existing supply would help to deliver a suitable level of employment land without putting undue pressure on housing, environmental quality or the economies of neighbouring authorities. Further explanation of the options considered by the SA is provided in the Appendix.

What Are The Reasons for the Council's Approach?

3.18 In order to explain the allocation strategy in more detail and provide justification, it is firstly necessary to look at the issue of scale. Understanding how much employment land could be required during the Plan period subsequently informs the selection of appropriate sites (supply). Supply and then the balance between need and supply is discussed after firstly looking at the issue of need.

How Much New Land Could be Needed?

3.19 Quantitative employment land requirements were not set out in the East Midlands RSS, meaning that local authorities have been required to calculate their own level of need from the outset of the Plan making process. The starting point for assessing future employment land needs in Derby and the wider Derby Housing Market Area (HMA) has been the Derby HMA Employment Land Review (ELR), produced in 2008. A link to this report is included in the Appendix.

3.20 The ELR calculated future needs for 'B' uses based on the extrapolation of past take up rates across the HMA. Calculations based on job forecasts were not favoured in this report as it was felt that they significantly underplay demand for industrial floorspace. Industrial demand has remained relatively strong within the HMA through the peaks and troughs of the economic cycle and is expected to do so in the future due to strong representation in the planes, trains and automobile sectors. As with all forms of economic projections and forecasting, the past take up rate methodology has its weaknesses. However, it was generally felt to be more robust approach than the job forecast methodology.

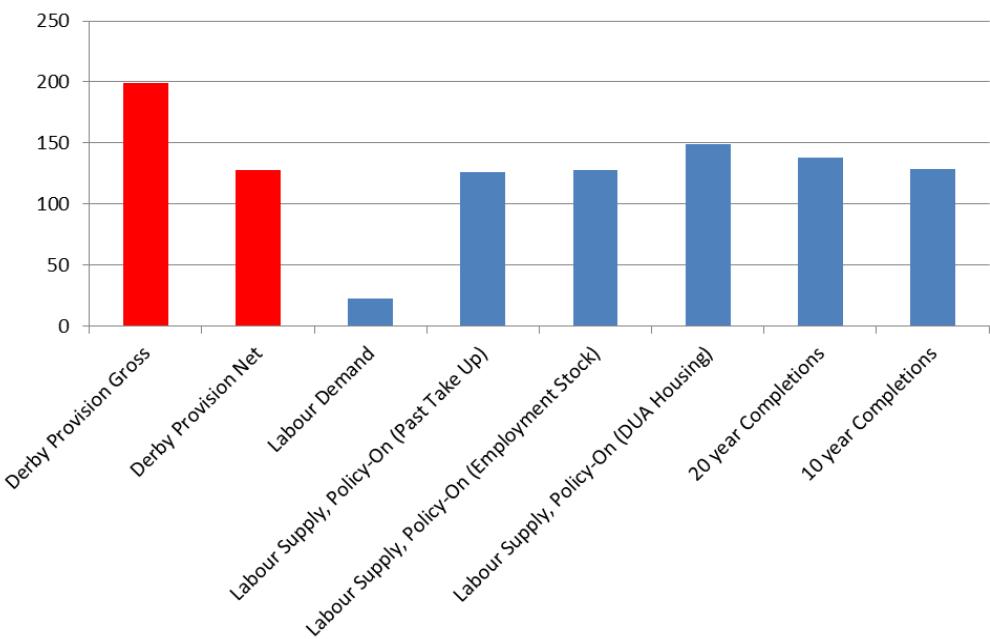
3.21 The 2008 Study concluded that, based on the extrapolation of past take up rates, there will be a need for in the region of 366 hectares of new employment land in the period 2008-2026 across the HMA as a whole. The requirement for Derby was thought to be in the region of 144 hectares, which includes a 25% buffer to allow for flexibility, choice and 'churn'³ within the market.

³ Churn is the general level of turnover in property requirements, generated by companies wishing to relocate within the same market area.

- 3.22 The findings of the ELR informed the production of the HMA options that were consulted on in January 2010 as part of the wider 'Options' consultation. A range of options were put forward relating to scale and distribution of new employment land in the HMA, as detailed in the Appendix. Consultation responses provided no clear consensus on the preferred approach to scale or location of employment growth, possibly demonstrating the complex nature of employment land forecasting and highlighting the limitations of quantitative assessment.
- 3.23 Updated employment land forecasts were then commissioned in 2012 to help inform the calculation of need across the HMA over the revised Plan period 2008-2028. The revised forecasts updated the forecasts set out in the ELR and allowed for changes in economic circumstances and the general economic outlook to be taken into account. The revised forecasts also allowed assumptions on expected housing growth consistent with the published Preferred Growth Strategy (PGS) to be considered. A link to this report is included in the Appendix.
- 3.24 The updated forecasts utilised three different techniques in calculating need, including:
- Labour demand - based on economic modelling (Experian Spring 2012), predicting changes in employment by sector
 - Labour supply, policy-on (LSPO) - based on demographic drivers and focus on specific growth sectors identified by the LEP and the Council's Economic Strategy
 - Past take up - rolling forward trends in past take up rates
- 3.25 The use of these different forecast and projection techniques is supported by the NPPG and the Employment Land Source Book produced by East Midlands Councils (EMC). The range of outcomes indicated by the different methodologies and the impact of applying different HMA distribution strategies to the LSPO approach is detailed in the Appendix and summarised in Figure 1.
- 3.26 The difficulties in determining a robust quantitative requirement are highlighted by the range of potential outcomes suggested by the different methodologies, particularly when some of the variables such as the flexibility

margin and projection period are amended. The Employment Land Forecasts Update Report provides further explanation of the different methodologies and distribution strategies and highlights some of the pros and cons of each approach.

Figure 1: The Range of Potential Quantitative Need Outcomes⁴:



- 3.27 Whilst it is acknowledged that all of methodologies have significant limitations, particularly over a long period, the Council and HMA partners consider that the LSPO approach provides the most logical outcome in the context of the Derby HMA and is the most bespoke methodology that takes account of local factors.
- 3.28 The LSPO approach has been informed by analysis of potential opportunities for enhanced economic growth in the HMA taking account of the areas of economic focus identified by the LEP's understanding of the economy and

⁴ Requirements based on Figure 4.35 in the Employment Forecasts Update minus completions 2008-2011

interrogation of the Experian baseline forecasts in this context. The Council has been and continues to be pro-active in trying to stimulate and support employment growth in identified key sectors and the LSPO approach is the only forecast that takes account of this ongoing work.

- 3.29 The LSPO approach assumes a much more positive outlook for the manufacturing sector. This is supported by various pieces of research, including research by Experian which indicates that Derby is the local authority in the UK with the strongest potential for industrial property growth between 2013 and 2017, whilst Derby has been ranked in the top 25 Cities in Europe in terms of investment potential. It also aligns with national policy which urges LPAs to plan proactively and positively to promote sustainable economic growth.
- 3.30 The LSPO approach as set out in the Employment Forecasts Update is predicated on the assumption that 33,700 new homes in the HMA will generate a need for 21,300 FTE jobs during the Plan period. This provides a HMA employment land gross requirement of 273.29ha for the period 2008-2028 once the replacement of losses and a margin have been accounted for.
- 3.31 This figure has been updated by the HMA authorities to reflect the revised HMA housing requirement set out in the Council's draft Plan (35,354) for the period 2008-2028, generating a need for 21,957 FTE jobs in the HMA. The revised housing requirement generates a HMA revised employment land gross requirement of 276ha for the same period. This figure has formed the basis of the Council's calculations and considerations.
- 3.32 It should be noted that following the initial examination of Amber Valley's Local Plan, the housing requirement for the HMA has been further increased to 36,828 (2008-2028) – although it was also indicated that the Plan period should be re-based to 2011. The additional revision to the HMA housing requirement equates to 1,474 homes to be found in the HMA in the period 2008-2028. This in turn equates to a very small increase in the amount of additional employment land to be found across the HMA. This scale of change is not considered to be significant enough to further amend the agreed HMA requirement indicated by this approach. The impact of re-basing the Plan period is discussed later in this statement.
- 3.33 Following agreement on the most robust forecast methodology, a number of different distribution strategies were considered. Options included distributing

the HMA requirement in proportion to past take up, in proportion to existing employment stock and in line with the housing growth distribution strategy. The impact of the different distribution strategies on Derby's / the DUA requirement can be seen in Figure 1.

- 3.34 HMA partners agreed that there are sustainability benefits in aligning the distribution of new employment land with the provision of new housing. This approach seeks to ensure that people living within the DUA will have the opportunity to engage in the local economy, potentially helping to reduce longer distance commuting. Derby is the economic driver within the HMA and therefore it is logical that the provision of new employment continues to be focussed on the DUA – particularly in light of the scale of supply that is considered suitable and available in the DUA and the proximity to existing large employers.
- 3.35 HMA partners have therefore agreed that the revised LSPO, DUA distribution approach is the most appropriate forecast scenario to use as a basis for aligning future employment land provision in the HMA. This approach indicates gross requirements for the three HMA authorities as follows:

Table 3: HMA Proportional Split Based on Revised HMA Requirement (276ha) for the period 2008-2028

DUA:	56%	154.5
Remainder in SDDC:	19%	52.5
Remainder in AVBC:	25%	69

- 3.36 In order to take account of the change to the Plan period it is necessary to take off completions that have occurred in the DUA in the period 2008-2011. Approximately 4 ha have been completed in this period generating a requirement to be found in the DUA in the Plan period (2011-2028) of **150.5ha**.
- 3.37 Since the apportionments in Table 3 were agreed, Amber Valley Borough Council has resolved to distribute an additional 90 homes into the DUA at Radbourne Lane. The overall outcome of the amendments to the housing provision figure, the Plan period and the number of new homes in the DUA is a

minor reduction in the proportion of the HMA housing requirement being met in the DUA. The overall change in the DUA proportion is not considered significant enough to take account of at this stage.

- 3.38 The Council recognise that the DUA forecast is purely a guide and is not an absolute figure as the relationship between population and employment growth is complex and influenced by economic participation rates and commuting dynamics. The UK continues to be subject to uncertain economic conditions and therefore predicting future levels of growth is fraught with difficulty. Translating this uncertainty into a specific land requirement for Derby adds a further layer of variables and assumptions. Ultimately the level of demand or need in the future will be largely determined by the investment decisions taken by individual companies. Therefore quantitative assessment can only ever provide an estimate of the potential magnitude of future demand.
- 3.39 The job growth forecasts generated by the LSPO forecast can be further interrogated to provide a guide as to how the anticipated job growth will be split up across different employment sectors. Whilst the job growth figures set out in the Employment Forecasts Update are based on the previous housing requirement of 33,700 (2008-2028), they still provide a guide to the magnitude of growth in each of the B use classes.
- 3.40 The key point to note from the analysis of the forecast is that in the region of 50% of new jobs in the HMA in the future are likely to be in non-B sectors, whilst 25% are likely to be in office uses (B1a/b) and the remaining 25% in B2 and B8. This has informed the strategy which allows for the development of non-B uses on the main strategic employment sites, subject to the criteria listed in each site policy.
- 3.41 As already acknowledged, the relationship between population growth and employment growth is complex. Relating these issues to the need for new employment land adds more complexity, whilst drilling down even further to specific floorspace requirements for individual uses takes us to a point where the robustness of any outcomes could be doubtful. Quantitative assessment can only ever be used as a guide and therefore setting floorspace requirements for specific uses is not considered to be appropriate. The Council is keen to encourage all forms of job growth and ensure that sufficient land is provided in order to cater for even the most optimistic of forecasts. Setting specific

floorspace requirements is considered to be overly constraining and provide an unnecessary level of detail.

How Much Land is Available?

- 3.42 The starting point for considering the supply of new employment land in Derby is to identify how much land is currently allocated, but yet to be developed. Table 4, overleaf provides a summary of how much allocated land is potentially available to accommodate future employment land needs.

Table 4: Supply Available for Employment Development at 2011 and 2014:

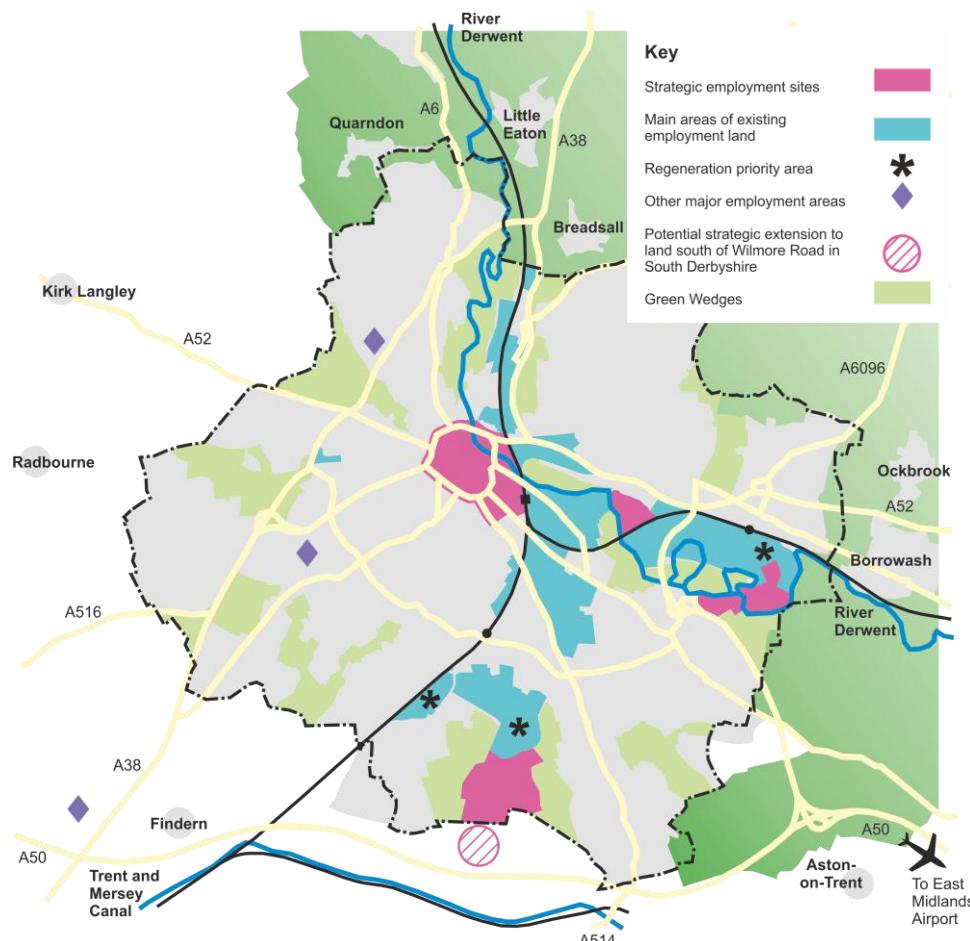
Allocation Reference	Site Name	Gross Area Available @ 2011 (ha)	Estimated Developable Area Available @ 2011 (ha)	Gross Area Available @ 2014 (ha)	Estimated Developable Area Available @ 2014 (ha)	Notes
EP1	Chellaston Business Park	86.8	50	86.8	50	Identified as Strategic Employment Site in Local Plan Part 1
EP2	Raynesway / Acordis	64.7	40	54.2	29.5	Identified as Strategic Employment Site in Local Plan Part 1
EP3	Pride Park	0	0	0	0	All plots now committed
EP4	West Raynesway	1.6	1	1.6	1	Small site to be reviewed in Local Plan Part 2
EP5	Bombardier	0	0	0	0	All plots now committed
EP6	Chaddesden Sidings, West	6.6	5	4.7	4.1	Small site to be reviewed in Local Plan Part 2
EP7	Chaddesden Sidings, South	28	23	28	23	Identified as Strategic Employment Site in Local Plan Part 1
EP8(a)	Chaddesden Sidings, East	0	0	0	0	All plots now committed
EP8(b)	Land south of Chellaston	0	0	0	0	Site committed for alternative use (residential)
H13	Rykneld Road	2.4	2	2.4	1.5	Identified as mixed use allocation in Local Plan Part 1
EP9(a)	Harvey Road	0	0	0	0	Site committed for alternative use (retail) – loss accepted
EP9(b)	Osmaston Park Road	0	0	0	0	All plots now committed
EP9(c)	Station Road, Spondon	0	0	0	0	All plots now committed
EP9(d)	Nottingham Road, Spondon	0	0	0	0	Site committed for alternative use (residential) – loss accepted
EP9(e)	Wilmore Road, Sinfen	1.3	0	1.3	0	Small site to be reviewed in Local Plan Part 2
EP9(f)	Station Road, Spondon	0	0	0	0	Site committed for alternative use (residential) – loss accepted
EP9(g)	Nottingham Road, Spondon	0	0	0	0	All plots now committed
EP9(h)	Mansfield Road	0	0	0	0	Site committed for alternative use (car showroom) – loss accepted
EP9(i)	Alfreton Road	0.6	0	0.6	0	Small site to be reviewed in Local Plan Part 2
EP9(j)	Sinfin Lane	0	0	0	0	Site committed for alternative use (waste treatment facility) – loss accepted
R4	Kingsway Hospital	5**	5	5	3.5	Identified as mixed use allocation in Local Plan Part 1
CC	City Centre Sites	2***	2	2	2	Various sites within the proposed CBD - identified as Strategic Employment Site
TOTALS:		199	128	186.6	114.6	

	Sites with potential to be identified as Strategic Employment Locations in the Local Plan Part 1
	Sites with potential to be identified as part of mixed use allocations in the Local Plan Part 1
	Non-strategic small sites with potential to be reviewed in the Local Plan Part 2
	Sites that have been lost from the supply or have been committed for alternative (non B) uses
	Sites that have been completed

**	Accounts for reduced area accepted in outline planning approval
***	Indicative figure representing potential land supply in the CBD

3.39 Having identified the extent of the existing supply, a ‘call for sites’ exercise was carried out to identify any additional land with potential to be developed for employment uses. This exercise was carried out in 2010 and no additional strategically important alternative locations were identified within the City. The only sites put forward were relatively small extensions to land already identified for employment uses. This suggests that the land identified in the CDLPR is towards the upper limit of what can realistically be identified for new development. While there may be opportunities for the recycling of existing sites for employment use, this would not add to the gross supply of land.

Figure 2: Location of Strategic Employment Sites:



3.40 Additional land, of strategic scale, just outside of the City (within South Derbyshire), but within the DUA was promoted to South Derbyshire District Council through a similar call for sites exercise. The land is to the south of the area within the City currently identified as EP1 and in the emerging Plan as AC15 and could potentially form an extension to the allocation if it can demonstrate that highways issues can be satisfactorily overcome. This was the only site that could have strategic importance within the DUA that was identified through call for sites exercises.

3.41 In terms of the existing supply of new land identified in Table 4, there are only four broad locations that can be regarded as ‘strategic’ in terms of scale and economic importance, EP1, EP2, EP7 and the City Centre / CBD. The general location of the four strategic employment sites is shown in Figure 2. Employment land identified as part of mixed use allocations is not considered to be strategic in its own right, but forms part of a strategic mixed use allocation, justifying inclusion within the Local Plan Part 1. A commentary on each of the strategic sites is provided in the Appendix.

Balancing Demand and Supply:

3.42 As already acknowledged, calculating demand for employment land during the Plan period is complex and relies on a number of variables and assumptions. The different forecast and projection methodologies all have significant limitations, but it is generally considered that the LSPO approach provides the most robust methodology for calculating need within the Derby HMA. There is also agreement across the HMA that there are significant sustainability benefits in distributing the HMA need based on the distribution of new housing, ensuring that the employment land is provided in close proximity to housing growth and the commercial centre in the sub-region.

3.43 The LSPO methodology distributed in line with housing growth in the DUA provides a DUA need requirement of in the region of 150.5 ha for the Plan period 2011-2028. This figure includes provision for the replacement of known losses and includes a flexibility margin to allow for choice and churn.

Table 5 – Calculation of Needs to be Met in the DUA

	Hectares
Indicative HMA 'Net' Need 2008-2028	98.4
Replacement of HMA Losses	98.1
Flexibility Margin (25% of plan period)	79.9
Indicative HMA 'Gross' Need 2008-2028	276.4
DUA Distribution @ 56%	154.5
New Land Completed 2008-2011	-4
Indicative DUA 'Gross' Need 2011-2028	150.5

- 3.45 The gross supply figure indicated in Table 4 (199 hectares) would suggest an oversupply of in the region of 48.5ha when compared to the DUA land requirement indicated in Table 5. The 'oversupply' is even greater when compared to the outcome of other forecast methodologies and distribution techniques that have been discounted.
- 3.46 Whilst the strategy appears to provide a significant oversupply of employment land, the Council is confident that the proposed supply is entirely appropriate, is in line with national policy and is the optimum strategy for securing economic growth in the DUA.
- 3.47 The main reason for this is that the three largest strategic employment sites have constraints such as flooding and will require new infrastructure, including areas dedicated to flood mitigation to enable them to be developed for employment uses. These sites will also require significant highways improvements to make them accessible. The provision of major new infrastructure will erode the gross area of the sites.

- 3.48 Many of these infrastructure works have already been completed, are about to start construction phase or are currently being planned. This has allowed us to estimate how much land may be lost due to flood mitigation and other major infrastructure work such as new link roads.
- 3.49 It is estimated that the net developable area of the three strategic sites, excluding the CBD, is actually closer to 113 hectares, whilst the overall developable (net) employment land supply within the City is in the region of 128 hectares. Table 4 provides a breakdown of the estimated net developable areas on each of the sites. The 'net' figures for the strategic sites only account for the major infrastructure that is unique to each site and is required to make the site developable. There will be further reductions to the 'net' land supply once more regular infrastructure such as access roads and car parking is accounted for. However, this type of 'loss' has been accounted for in the calculation of the land requirement through the use of appropriate plot ratios, as discussed further in the Employment Land Review: Forecasts Update.
- 3.50 In addition to the net developable supply figure being notably lower than the gross allocated area, there are a number of other reasons that justify the gross provision figure, including:
- Allocated employment areas are generally used to accommodate other employment generating uses that do not fall within the 'B' use classes. Such uses include leisure, education and sui generis uses, for example car showrooms. Requirements for these type of uses are not included in the overall forecast requirement figure, although job forecasts suggest that around 50% of job growth will be in non-B sectors. In reality, a significant proportion of the allocated land will be taken up by non-B uses, meaning that the actual land available for 'B' uses will be less, reducing any potential for significant oversupply.
 - The location and nature of the strategic employment sites mean that they are unlikely to be appropriate for alternative competing uses such as residential development. All three sites (not including the CBD) are not contiguous with areas of existing housing and are subject to flood risk. Employment uses are generally more compatible with areas of flood risk compared to residential uses, which are regarded as a 'more vulnerable use'. This further supports the strategy of maintaining existing allocations. Further justification for locating employment sites

within areas of flood risk, including information relating to the sequential test, is set out in the Water Position Statement.

- The Council has been working with landowners and other partners to help unlock the potential of the allocated employment land supply in Derby, including the strategic sites. There is now confidence that development could commence on all of the sites by the end of 2015. On this basis, it would be counterproductive to consider de-allocating any of the land on strategic sites within Derby, particularly in light of the drive in the NPPF to promote sustainable economic growth and the fact that the sites are considered to be of good quality. Furthermore, given the close functional economic relationships between authorities in the HMA, it is logical that South Derbyshire and Amber Valley would wish to take advantage of Derby's healthy employment land supply.
- 3.51 If the net developable supply figure at 2011 (128 ha) is compared to the level of need that is estimated to be generated in the Plan period (150.5 ha) using the LSPO DUA distribution approach, it would suggest that there could in fact be a deficit or undersupply of in the region of 22.5ha in the DUA.
- 3.52 In the absence of any additional strategic sites within the City itself, South Derbyshire District Council (SDDC) has identified and safeguarded a potential extension to the City's strategic employment site to the south of Wilmore Road, Sinfen. The extension into SDDC would contribute in the region of 30 hectares to the overall DUA gross supply, of which it is estimated that approximately 20 hectares could be developed. The safeguarded status of this land means that it could be released provided that transport impacts can be satisfactorily accommodated.
- 3.53 Identification of the additional DUA land in South Derbyshire provides a potential net supply figure of in the region of 148 hectares across the DUA. This is in very close alignment with the calculated level of need suggested by the LSPO forecast based on DUA distribution, past take up distribution and existing employment stock distribution, whilst is also in close alignment with the projections based on average past take up in the last 10 and 20 years.
- 3.54 Whilst there is an argument that the allocated supply in the DUA (not including the safeguarded land in South Derbyshire) falls short of meeting the indicative LSPO requirement, there are a number of factors that suggest that the

indicative requirement is actually overly optimistic, reducing any potential for undersupply. A summary of these factors is set out below:

- Quantitative economic forecasts are purely indicative and can only ever provide a guide to the magnitude of need likely to occur in a Plan period. The NPPG specifically states that the identification of future needs should be based on a 'range of data' – not specifically relying on quantitative outputs. The LSPO methodology, with proportional distribution in line with the housing strategy, provides one of the highest requirement figures for Derby and the DUA. The labour demand methodology produces a significantly smaller HMA requirement (95ha). This figure is made up of a negative need figure and only becomes positive through the inclusion of the buffer and the replacement of losses. Distribution of this requirement in line with the agreed housing strategy DUA proportion (56%) would generate a DUA requirement of in the region of 53 ha – well below the DUA net supply figure. Whilst the DUA allocation strategy is technically less than the LSPO figure, when compared to the labour demand scenario it is clearly a very positive and optimistic approach.
- The DUA allocation strategy will provide a range of sites that will be capable of accommodating job growth in a range of sectors that are likely see significant job growth in the Plan period. For example the CBD will be the focus for office based employment, whilst Infinity Park and land south of Wilmore Road will be a focus for hi-tech R&D and manufacturing, Derby Commercial Park will focus on distribution and warehousing and the Derwent Triangle will provide for a mix of employment generating uses. Consultation, including feedback from the market has highlighted a general level of support for the DUA allocation strategy. The Council is therefore confident that all needs can be accommodated by the strategy.
- A significant proportion of the overall HMA requirement is derived from the provision of a flexibility margin (29%) and the replacement of all anticipated losses from the existing supply (36%). The remaining 35% of the requirement is actually derived from job growth. The provision of such a significant flexibility margin is considered more than sufficient, particularly as recycling of existing land already contributes towards providing a buffer or pool of additional sites over

and above the allocation of new land. The nature and extent of the buffer can be debated, for example there is an argument that it should be proportional to the Plan period. Inclusion of a proportional buffer would reduce the overall HMA requirement. The extent of the buffer will also depend upon the take up period on which it is based. For example if the buffer was based on average take up in the last 5 or 6 years, the margin allowance would be significantly less than the one that has been used in the agreed LSPO forecast.

- Existing employment land continues to perform an important role in the economy of the DUA. Completions on redevelopment sites have contributed approximately 34% of all completed land since 1991. This trend is expected to continue in the future as older industrial sites are redeveloped for more intense employment uses, helping to soak up some of the anticipated job growth and related demand for employment land in the DUA.
- The HMA requirement makes provision for the replacement of all anticipated losses in the existing employment land supply. In the DUA context, this includes the replacement of existing employment land that has been allocated for alternative uses such as residential. Land at Sinfin Lane has been identified as a regeneration priority in Policy AC17. The policy promotes residential development, but also recognises that the site may be retained in employment use during the Plan period. Importantly, the supporting text recognises that the Council has previously accepted the loss of the land from the employment land supply, having resolved to grant planning permission for a residential redevelopment proposal, which was subsequently withdrawn. As the Council still wishes to see the site redeveloped for housing and having already accepted the loss of the employment land, the loss has been factored into the calculations. However, the land may also be maintained in employment use, consequently boosting the overall level of provision.
- Whilst lost land has been factored into the requirement on a like for like basis, it is generally accepted that modern industrial requirements are less land intensive than historic requirements meaning that employment densities are generally higher. Therefore it is unlikely that all of the land needs to be replaced in order to support the same

number of jobs. For example, the loss of the Rolls-Royce Main Works site in Osmaston has been accounted for in the forecast, even though the jobs previously accommodated on the site have been relocated to an existing employment area on Wilmore Road.

- The estimated losses from the 'gross' supply, to account for abnormal infrastructure requirements are generally worst case scenarios. It is possible that more land could be developed on each of the strategic DUA sites.
- A significant proportion of job growth in the DUA is likely to be in office based industries. Such uses have higher employment densities and are less land intensive. For example, the Central Business District (CBD) in Derby could accommodate in excess of 100,000sqm of new office space, providing accommodation for over 5000 jobs, but only taking up in the region of 2ha of land. Anticipated growth in office based jobs is likely to take some of the pressure off the allocated supply of employment land in the DUA.
- The Employment Forecasts Update report makes an assumption that from 2013-2028, losses in Derby will equate to an average of 3ha per year. Whilst this average accounts for some of the losses mentioned above (generated by housing allocations), loss rates over the past 5 years have been well below the assumed average rate. This means that more land could remain available for employment development.
- Development of 128ha throughout the Plan period would require an average completion rate of in the region of 7.5ha per year in the DUA. The completion rate of 'new' land over the first four years of the Plan period (2011-2015) has averaged around 4 ha per year. Therefore, completion rates will need to significantly increase (and also assume no completions on existing land) throughout the remaining Plan period if all of the allocated land is to be developed. Whilst economic conditions are likely to continue to improve throughout the Plan period and the relevant Local Plans plan positively for this uplift, the rate of economic improvement means that it is unrealistic to assume that average completion rates will consistently be in excess of 7.5ha in the DUA.

- 3.55 On balance it is considered that the provision of 128ha of developable land within the DUA is appropriate, is based on reasonable judgement and is sufficient to meet employment land needs during the Plan period. Importantly, the safeguarding of additional land within South Derbyshire provides further confidence that the economy will not be undersupplied.
- 3.56 The SA also supports this approach and concludes that maintaining the existing supply (Hybrid Option E2) would help to deliver a more suitable level of employment without putting undue pressure on housing, environmental quality or the economies of neighbouring authorities. The SA also suggests that whilst increasing the supply of employment land could help to diversify and strengthen the City's economic position and help to tackle deprivation, this could be at the expense of communities in neighbouring authorities, increased congestion, pollution and pressure to deliver housing. On the other hand, planning for decline in employment provision would lead to a widening of inequalities, weakening of the local economy and the need for longer commutes.

Existing Employment Land:

- 3.57 The majority of the existing employment land supply (identified by Policy EP11 in the CDLPR) continues to support the B1, B2 and B8 sectors. Within the area identified by EP11 there are a number of areas that are fundamental to Derby's economy and accommodate some of the City's largest employers such as Rolls-Royce and Bombardier.
- 3.58 Areas of the City that currently support the greatest concentrations of traditional employment uses and largest employers include:
- The Rolls-Royce Campus and surrounding area in Sinfon
 - Pride Park and Wyvern Business Park
 - The Railway Technical Centre and Bombardier land
 - Raynesway, including Rolls-Royce Marine Operations
 - Ascot Drive and surrounding area

- The Mansfield Road and Alfreton Road corridors
- 3.59 These areas are the cornerstones of Derby's economy. It is vital that they are protected from inappropriate development in the future in order to ensure that they continue to contribute to the economic well-being of the City.
- 3.60 Whilst the majority of existing employment land serves an important economic role, there are some areas where economic function has deteriorated over time. These areas have been generally identified by the ELR as being 'average' or below average' in terms of quality. Many of these areas have already been released from the employment land supply to be redeveloped for alternative uses, have planning permission / resolutions to grant where release has been accepted in principle and / or have been identified for alternative uses in the Local Plan Part 1. Examples of such sites include, the Castleward area, Derby Distribution Centre on Sinfon Lane and the former Bath Street Mill. Anticipated losses from the existing supply have been factored into the need forecasts as discussed earlier in this statement.
- 3.61 The former Rolls-Royce Main Works site in Osmaston is a strategically important area of existing employment land that has been assessed as being below average but is yet to be committed for redevelopment / alternative uses. The Local Plan Part 1 identifies this land for residential led regeneration on the basis that previous uses have been successfully relocated to the Rolls-Royce Campus on Wilmore Road.
- 3.62 Existing employment land at Derby Distribution Centre, Sinfon Lane was actively promoted by the landowner for residential development and the Council's Planning Committee resolved to grant an outline planning permission for the redevelopment of this large employment site. Whilst the ELR assessed the site as being of average quality, the landowner submitted additional information to justify the loss of the land, which was accepted by the Council. The planned regeneration of this site is reflected in the Local Plan Part 1.
- 3.63 As already noted, the planning application proposing the redevelopment of the Sinfon Lane site has now been withdrawn, which has led to uncertainties about the delivery of housing on this site during the Plan period. The uncertainty means that the Council can no longer rely on the site to contribute towards the housing target. On this basis the site is no longer proposed as a residential

allocation and instead is identified as a 'Regeneration Priority Site'. The revised designation continues to acknowledge that the site can be lost from the employment land supply and has therefore been factored into calculations of future need. Loss of this land will be the most significant loss in recent years.

- 3.64 In summary, the Council's strategy is to continue to protect important areas of existing employment land in order to enable the local economy to continue to thrive, whilst accommodating structural changes in the economy. Areas that no longer meet modern needs will generally be released where doing so would help to meet other strategic objectives of the Plan. The Council consider this to be a pragmatic and logical approach and is the only one that is considered to be reasonable.

4. Office Development (CP11)

What Do the NPPF and NPPG Require?

- 4.1 The NPPF requires local planning authorities to allocate a range of suitable sites to meet the scale and type of office development needed in town centres and stresses that office needs should be met in full and not be compromised by limited site availability.
- 4.2 The NPPF recognises offices as a main town centre use and maintains the Government's town centres first policy. It also emphasises that local planning authorities should promote the vitality and viability of town centres. Local plans should define the network and hierarchy of centres, giving priority to town centre locations followed by edge of centre sites and lastly accessible out-of-centre locations if required to meet any remaining need provided they are well connected to the town centre.
- 4.3 Paragraph 26 of the NPPF highlights the importance of considering the impact of out of centre office proposals when decision taking. Proposals over 2,500sqm are specifically required to submit an impact assessment, including an assessment of impacts on investment in centres and town centre vitality and viability.
- 4.4 The NPPG provides further guidance and clarification in relation to the implementation of the sequential and impact tests.

What Is the Council's Approach?

- 4.5 Policy CP11 sets out the Council's strategy for locating new offices within the City, including B1a development and some forms of D1 development where it functions in a manner akin to an office, such as vocational training establishments.
- 4.6 Rather than giving first preference to all defined centres (including the City Centre and local centres), as set out in the NPPF, the Council's approach gives first preference exclusively to the defined Central Business District (CBD) which also includes a buffer area to ensure that well related edge-of-centre sites also

form part of the defined preferable area. The Policy then gives second preference to allocated employment or regeneration areas and local centres.

- 4.7 The strategy in CP11 also reflects the NPPF in terms of the need to consider impact. CP11 requires all office proposals located outside of the CBD to be complementary to the development of offices in the CBD and not prejudice investment in other allocated sites.

What Alternative Approaches Were Considered?

- 4.8 In terms of overall locational strategy there are only two broad options:
- Adoption of the standard NPPF approach – giving preference to all defined centres, including the City Centre and local centres
 - Adoption of a more bespoke approach taking account of local economic development aspirations
- 4.9 In terms of adopting a more bespoke approach, a number of alternative strategy variations have been considered, including for example:
- only identifying the defined Central Business District (CBD) as an appropriate location for office development
 - giving first preference to some, but not all of the identified strategic employment sites, in addition to the CBD
 - giving first preference to all of the identified strategic employment sites, in addition to the CBD

What Are The Reasons for the Council's Approach?

- 4.10 The Council's preferred approach provides a local emphasis to the town centre first approach prescribed by the NPPF. The Council's approach seeks to place the City Centre, in the form of an identified Central Business District (CBD) at the top of the regeneration agenda by ensuring that all proposals for office development firstly consider site options in the CBD, before looking at alternative locations. This approach will help to maximise opportunities to

- direct investment into the City Centre, implement extant permissions, help to bolster City Centre vitality and viability and minimise opportunity costs.
- 4.11 The inclusion of vocational training establishments (D1) within the remit of this Policy acknowledges that many D1 developments function in a very similar way to traditional B1a offices and have the potential to contribute towards City Centre vitality and viability.
- 4.12 Whilst the Council's preferred approach gives the greatest priority to the CBD, it also provides sufficient flexibility to enable the development of offices at allocated strategic employment sites such as Infinity Park and the Derwent Triangle and at identified regeneration sites such as the Darley Abbey Mills complex, provided that site options within the CBD have been considered first and that investment within the CBD would not be prejudiced. Placing secondary preference on these identified locations elevates them above other locations ensuring that opportunities to invest in these priority locations are not missed. It also acknowledges that not all forms of office development can be satisfactorily accommodated within the CBD environment.
- 4.13 Focussing new office development within the City Centre, specifically within the identified 'Central Business District' (CBD) will support regeneration initiatives and raise the profile of the area as a sustainable office location. It will create a critical mass of City Centre employees, putting 'suits on the streets' and boosting the overall vitality and viability of the City Centre helping to offset some of the loss in activity that has occurred due to changes in retailing.
- 4.14 Developing a vibrant and successful City Centre is essential if Derby is to maintain and develop the City's position as the principal focus of economic and cultural activities. These activities are fundamental to its role as a regional centre, a tourist destination and a leading City in the 21st Century. There are a number of reports that point towards the need to stimulate the City Centre office market and the need for new 'grade A' office accommodation – supporting wider City Centre regeneration. In particularly a stakeholder workshop held in 2012 highlighted the need for a strong City Centre first policy, but also highlighted the need for new policies to acknowledge market differentiation between business park and City Centre floorspace.
- 4.15 In recent years, new office development has been focussed within the Pride Park / Wyvern Business Park areas. Whilst this has helped to successfully regenerate these areas of the City, it has been to the detriment of the City Centre, which has failed to offer viable alternatives to the out-of-centre locations. These areas are now predominantly built out and therefore there is an opportunity to refocus office development back to the City Centre.
- 4.16 The ongoing drive for regeneration in the City Centre has opened up new opportunities for new build office schemes. Several high quality office schemes have been permitted within the CBD area in recent years, totalling in excess of 100,000sqm (gross) of new floorspace. Issues with developer, occupier and investor confidence and the impacts of the global recession have acted as a barrier meaning that permitted schemes have not been built out. In order to address some of these issues, the Council have been operating the 'Derby Regeneration Fund' to support the delivery of new high quality commercial development in the City Centre. Phase 1 of the first project to take advantage of the Regeneration Fund, 'Friar Gate Square' has been completed and is expected to be occupied in the near future.
- 4.17 The construction of the first new office space in the CBD in recent times has provided the market with new confidence and it is hoped that more of the permitted schemes will take advantage of the funding opportunities available. Implementation of these schemes will also help to rebalance the spatial distribution of jobs within the City as a whole, where 75% of jobs are currently located outside of the City Centre.
- 4.18 The benefits of working in the City Centre are clear. Developments within the CBD are able to take advantage of the availability of public transport and the benefits associated with working in this location such as proximity to retail and leisure opportunities. The Council's 'Connect' project is already enabling businesses to exploit these advantages through the provision of flexible, serviced office space. Recent developments related to this project include Sadler Studios and Kings Chambers. Policies CP9, CP10 and CP11 would support further schemes of this nature.
- 4.19 The scope of the identified CBD is predominantly based on the extent of the area within the inner ring road, plus a notional buffer to include sites on the outer edge of the inner road but with frontage onto it. The CBD also includes the Castleward and former DRI sites, located between the Core Area and the railway station and areas contiguous with the inner ring road that already accommodate offices, such as the Cardinal Square office complex. All potential

- development sites located within the extent of the CBD are generally sustainable and will contribute to the ongoing regeneration of the City Centre.
- 4.20 Whilst Policy CP11 is a locational policy and does not specifically consider the scale of office needs likely to be generated during the Plan period, it is important to consider the issue of scale in justifying the locational strategy as the strategy needs to be capable of accommodating future needs.

Figure 3: Extent of the Proposed Central Business District (CBD):



- 4.21 Based on the level of extant and lapsed permissions within the identified CBD area, it is estimated that the CBD could reasonably deliver in excess of 100,000sqm of new office floorspace during the Plan period. There is scope for the CBD to accommodate even higher levels of office development if redevelopment proposals for vacant sites such as Becket Well include office development. Specific development sites within the CBD will be allocated through the Local Plan Part 2, although Policy AC2 identifies a number of development sites that could contribute to meeting needs. The site commentary for the CBD in the Appendix of this statement also identifies some of the sites providing capacity for future office development.
- 4.22 Labour demand forecast scenarios suggest a net need for offices (B1a/b) in Derby of in the region of 26,000sqm over the Plan period. However, this is a net forecast and does not account for the need to replace existing floorspace that is lost through change of use and redevelopment. As noted elsewhere in this statement, the labour demand forecasts are considered to be overly pessimistic and do not take account of Derby's growth sectors and world class brands. Recent changes to permitted development rights also mean that the likelihood of older office floorspace being lost to alternative uses is greater, whilst the conversion of redundant office space to residential use in the City Centre is being actively promoted by the Council through the City Centre Living Strategy. It is estimated that there is in the region of 90,000sqm of empty grade C and D office space that could be converted and therefore lost from the existing supply. There is also pressure from alternative uses such as student accommodation on some of the sites that have unimplemented office permissions. These issues potentially reinforce the need to provide new replacement floorspace, over and above the net level of need suggested by the forecasts.
- 4.23 The LSPO approach indicates a much higher net need figure of in the region of 40,000sqm if the HMA B1a/b floorspace forecast is distributed based on the DUA housing distribution. However, this is also a net figure and only indicates the uplift in office accommodation likely to be needed during the Plan period. Whilst the indicative net requirement of 40,000sqm is significantly more than the level of need suggested by the labour supply methodology, it is still well below the potential level of supply within the CBD and secondary office locations. This would suggest that the land allocation strategy is more than capable of accommodating office needs up to 2028 and is unlikely to compromise future needs being met.

- 4.24 Whilst the CBD is the clear priority for new office development, the Council recognises that not all forms of office development can be easily accommodated within a City Centre environment. The policy therefore provides flexibility to consider alternative options outside of the CBD. Development within the CBD will support regeneration and be attractive to occupiers with a requirement for client facing space; however it is likely that some business park development will also be needed in order to capture occupiers who need locations with good road and motorway access.
- 4.25 The policy seeks to ensure that proposals for office development outside of the CBD have considered sequentially preferable sites and demonstrated why none of the more desirable locations are appropriate for the proposed use. First preference is given to locations within the CBD, whilst allocated employment and regeneration areas and identified local centres are given second preference. The Council will only consider alternative locations once it has been demonstrated that opportunities within these areas are not suitable, available or viable. Allocated employment sites, regeneration areas and local centres are preferable to new out-of-centre locations on the basis that they have the potential to create a critical mass of activity, which in turn can provide sustainability benefits. Directing investment towards these locations can also help to meet wider strategic objectives, for example investment in Darley Abbey Mills can help to protect and conserve the historic environment.
- 4.26 When considering compliance with the sequential test, the Council will have regard to specific locational requirements such as identified need and the relationship of the new development to surrounding uses. For example, it may be logical for some forms of office development associated with existing manufacturing businesses to be located close to existing operations rather than within the CBD. In essence, the Council will take a pragmatic approach in order to ensure that investment continues to be directed into the DUA.
- 4.27 The policy also seeks to ensure that new office development outside of the CBD is complementary to it and would not undermine it as the primary location for office development within Derby. This will help to ensure that the impact of any out-of-centre office development will not undermine the vitality and viability of the City Centre – in line with the impact test set out in the NPPF.
- 4.28 The Council wishes to ensure that office development permitted outside of preferred locations will facilitate inward investment and is not purely speculative. It will be important to ensure that such development is located within sustainable areas of the City that are well served by public transport as well as being easily accessible by pedestrians and cyclists and that development would contribute to the wider aims of the Economic Strategy and Policy CP9.
- 4.29 In summary, the Council wishes to see the City Centre revitalised as a sustainable and vibrant location to do business. Directing investment in new offices into the CBD is an important part of the overall regeneration strategy of the Council. However, development of allocated employment sites and the regeneration of key areas, including local centres are also of importance and therefore office development that cannot be satisfactorily accommodated in the CBD will be encouraged towards these locations. The Council is keen to ensure that the office strategy provides sufficient flexibility to ensure that as much investment as possible can be captured within the DUA, providing local people with high quality job opportunities.

5. Strategic Rail Freight Facilities:

What Do the NPPF and NPPG Require?

- 5.1 The NPPF and NPPG do not make specific reference to strategic rail freight facilities. However, Policy 21 of the RSS did identify a need for local authorities, the Highways Agency, Network Rail and other organisations to work together to bring forward sites for strategic rail freight use. The RSS identified the Derby HMA as a preferred location for such facilities and stated that priority should be given to sites that can be served by rail and operate as inter-modal terminals. Whilst the RSS has now been revoked, issues relating to strategic distribution were specifically investigated to satisfy the requirements of the RSS.

What Is the Council's Approach?

- 5.2 No rail linked strategic rail freight sites have been identified within Derby, or the wider HMA.

What Alternative Approaches Were Considered?

- 5.3 Five HMA options were consulted on as part of the Options consultation in 2010. Options included:

- the allocation of land at the A38/A50 junction in South Derbyshire
- the allocation of land at the former Willington power station site in South Derbyshire
- the allocation of land at the former Drakelow power station site in South Derbyshire
- the allocation of land at Sinfin Moor in Derby
- do not allocate any sites in the Derby HMA

- 5.4 The majority of respondents favoured either land at the junction of the A38/A50 or not allocating any sites in the HMA. The only site option within Derby (Sinfin Moor) was particularly criticised by the development industry due to access and viability issues, although some members of the public supported it due to its links with Rolls-Royce.

What Are The Reasons for the Council's Approach?

- 5.5 Taking Policy 21 of the RSS into account, the Council and the other HMA authorities consulted on options relating to strategic distribution sites as part of the wider 'Options' consultation in 2010.
- 5.6 Following the publication of the Options consultation, the East Midlands Development Agency (EMDA) commissioned a strategic distribution study to help identify sites with the most potential to be developed for this specialist use. The study concluded that the only site with any potential within the Derby HMA is the land at the junction of the A38/A50 in South Derbyshire.
- 5.7 South Derbyshire District Council (SDDC) has not identified a strategic distribution site in their Local Plan, but has instead included a criteria based policy that such proposals could be assessed against. Whilst large scale infrastructure schemes such as rail freight terminals would be determined by the Secretary of State for Transport, the proposed policy identifies the criteria that SDDC wishes to be taken into account in determining any such application in the future.
- 5.8 In summary, in light of the findings of the EMDA study and the revocation of the RSS, no rail linked, strategic distribution sites have been identified in Derby or the DUA. However, Derby Commercial Park has been allocated which will provide a significant amount of new distribution and warehousing floorspace with excellent links to the A50, M1 and East Midlands Airport, but is not rail linked.
- 5.9 If a strategic rail freight facility is permitted in the vicinity of the DUA during the Plan period, the HMA authorities may need to review the overall employment land strategy, depending on the detail on any scheme.

Appendices:

Appendix A: Extract from the NPPF, paragraph 182

Appendix B: Overview of Derby and wider HMA

Appendix C: Explanation of HMA Land Options, Consulted on in 2010

Appendix D: Explanation of Hybrid Options Assessed by the SA

Appendix E: Strategic Site Commentaries

Appendix F: Summary of the D2N2 SEP and Derby's published Economic Strategy

Appendix G: Summary of Key Influences

Appendix H: Range of Potential Quantitative Needs in the HMA

Appendix A:

Extract from the NPPF - Paragraph 182

The Local Plan will be examined by an independent inspector whose role is to assess whether the plan has been prepared in accordance with the Duty to Cooperate, legal and procedural requirements, and whether it is sound. A local planning authority should submit a plan for examination which it considers is “sound” – namely that it is:

- **Positively prepared** – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;
- **Justified** – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with national policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

Appendix B:

Overview of Derby and wider Housing Market Area (HMA):

The Derby Housing Market Area (HMA) comprises the three local authority administrative areas of Amber Valley, South Derbyshire and Derby City. The economy of the area mostly centres on the administrative area of Derby City, being the centre for most office based industries with a high number of jobs within the public sector. The other two areas of Amber Valley and South Derbyshire have a high reliance on manufacturing.

The main economic drivers in the area are the transport links of the M1, A38 and A50 and this has meant an increasing amount of distribution related businesses in the area.

Both Amber Valley and South Derbyshire have net out-commuting. While the majority is into Derby, there is also out-commuting to other main urban centres such as Nottingham and Chesterfield.

The Derby HMA is one of the UK's most important centres for manufacturing in the transportation sector, with such companies as Toyota, Bombardier and Rolls-Royce. Toyota Motor Manufacturing (UK), the world's largest automotive company, has been based just outside of the City boundary for over 20 years, during which time it has built over 3.25 million vehicles and exported to more than 70 countries worldwide. Production includes the first mass-produced hybrid in Europe, the Auris Hybrid.

The south of the HMA benefits from the proximity of East Midlands Airport (EMA) which is a major employer and an attractor for businesses with the need for travel and overseas logistics. The 2005 survey of on-site employees at the airport indicated that there were a total of around 7,000 employees based on or near the airport site, employed by a total of 103 companies. Of these employees, over 1,500 lived in the Derby HMA. The airport is the UK's leading airport for express freight and is the main centre of UK operations for DHL, UPS and the Royal Mail. Express freight services are recognised not only as an increasingly important economic sector in their own right, but more importantly as an essential contributor to the capabilities and competitiveness of

other sectors of the HMA economy, as well as to both the East Midlands and the UK economy.

Derby is the UK's most central City with 6 million people living within a one hour journey, giving access to a substantial workforce living within a commutable distance. There is excellent connectivity by road, rail and air – London is just an 89 minute journey by train with excellent onward links to continental Europe, whilst East Midlands Airport is just 20 minutes away.

As a truly global business City, Derby is the world headquarters of Rolls-Royce's civil aerospace operations and is the centre of its nuclear activities, employing a 14,000-strong highly skilled workforce.

Derby also has Europe's largest cluster of rail technology companies and is where Bombardier Transportation designs and manufactures the only rail rolling stock in the UK. The cluster of advanced engineering companies and R&D consultancies in the supply chain of these global giants add to the vibrancy of the hi-tech City, where professional services and creative industries play a key supportive role.

More than 12 percent of Derby employees are in hi-tech roles which, at four times the national average and makes the City home to one of the highest skilled workforces in the UK. Not only is the City's workforce highly skilled in hi-tech functions, 38 percent of the workforce is employed in professional sectors – a major influencing factor when overseas companies look to invest in the City.

There are 17 universities within an hour of the City and the University of Derby and Derby College have established track records of working in partnership with local employers to help develop their future workforce through apprenticeships, employer-designed programs, and workforce development schemes

Appendix C:

HMA Employment Land Options – Consulted on 2010

How much new employment land across the HMA?

The future quantity of employment land in Derby is intrinsically related to the two spatial options that have been presented. Despite this it is still considered important at this stage to gather people's views regarding the principles of land supply to inform future stages in the process.

The Regional Plan does not set out any specific requirement for employment land needs. However, it does require councils and partner organisations to undertake employment land reviews to inform the allocation of a range of sites at sustainable locations.

A review of employment land in the Derby HMA area was published in 2008. This considered both the quality of employment land in the HMA and the amount of land that would be required in the future. This concluded that, based on past take-up rates and including a flexibility buffer, 366 hectares of land would be needed to meet the needs of the three authorities over the 2006-2026 period, compared to an existing supply of 376 hectares.

In Derby, this was translated into a requirement for 145 hectares of new land compared to a supply of 227 hectares. This suggests that there is a substantial oversupply in the City and that a reduction in land should be considered. However, the review also suggested that, as Derby is the economic driver for area it may be counterproductive to see a significant reduction in available land. Furthermore, given the close functional relationship between the local authorities, the review suggested that South Derbyshire and Amber Valley might be able to take advantage of Derby's supply to meet their needs.

The above figures only relate to land needed for office, industry and warehousing and distribution. It does not include employment generating uses in other categories,

though it is recognised that these other areas are important and will be addressed as the Core Strategy moves forward.

These options deal with 'how much' land ought to be identified across the HMA up to 2026. The following option considers how that total ought to be divided into the three authority areas.

G1 Provide a total amount of new employment land across the HMA in line the recommendations of the employment land review

This takes account of past trends and includes a 5-year 'buffer' to add an element of flexibility. At HMA level, this would equate to around 366 hectares of new land across. If all existing allocations and planning permissions were taken into account then this would generally meet the overall needs for the HMA. This would include all of the major employment allocations such as Chaddesden Sidings and Chellaston Business Park.

It could also mean, therefore, that any major reallocations or de-allocations would have to be compensated for through the provision of new sites in order to meet the overall requirements.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Would provide sufficient land to meet anticipated employment needs for the area ▪ Would provides for a choice of sites and allowing for continuing economic structural change ▪ Promotes development of accessible sites 	<ul style="list-style-type: none"> ▪ Potentially inconsistent with Spatial Option A if reallocation of proposed employment sites required to deliver housing growth and alternative sites not available or appropriate. ▪ Relies on past trends continuing into future across the HMA as a whole

G2	<p>Provide a total amount of new employment land [across the HMA] below that recommended in the employment land review or a reduction in overall supply</p> <p>This option is about providing for a lower overall supply of employment land than is currently identified. This could mean reducing the supply of currently proposed employment sites, even down to zero, or reducing the extent of developed employment land that is protected for employment use only. This option could be selected as a result of the HMA either having too much land or not needing as much as the employment land review suggests is required, perhaps owing to changes in the economy.</p> <p>The result of this may be that sites are reallocated for other uses or no longer identified for any form of development. In Derby this option could lead to the consideration of whether major strategic sites such as Chellaston Business Park or Chaddesden Sidings should continue to be identified for development.</p> <p>The provision of little or no new employment land would also mean that more of the HMA's need for new employment development would have to take place on existing brownfield sites. A shift toward office based development may facilitate this approach where there are less space requirements.</p>

re-use of brownfield land, particularly in terms of transport	allocations
<ul style="list-style-type: none"> ▪ Consistent with Spatial Option A, if employment land is required for housing growth 	<ul style="list-style-type: none"> ▪ Could limit the potential of obsolete employment sites coming forward for beneficial alternative uses
G3	<p>Provide a total amount of new employment land across the HMA above that recommended in the employment land review</p> <p>This option would mean providing more land across the HMA than recommended by the BE Group. More new land than the BE Group identified may be required if there is a need to accommodate significant employment uses that were not necessarily considered by the employment land review (for example, large scale strategic distribution or making provision for unanticipated inward investment). More 'new' land may also be required to compensate for any significant losses made through the development of alternative uses.</p>
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Potential to provide maximum flexibility and range of sites for all eventualities ▪ Potential to provide a better mix of uses on sites as not all land identified would necessarily be developed for 'employment uses' ▪ More potential to attract inward investment 	<ul style="list-style-type: none"> ▪ Potential to divert investment away from areas in most need ▪ Potential to jeopardise sites being bought forward by creating uncertainty ▪ Potential that land that could be better utilised for alternative uses could be blighted and remain undeveloped. ▪ Potential to jeopardise investment in regeneration initiatives ▪ Promoting excessive growth and development could have impacts on

	<p>traffic and congestion</p> <ul style="list-style-type: none"> ▪ May put additional pressure on Greenfield sites and the environment.
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How should employment land be divided across the HMA?

The previous set of options consider **how much** new employment land should be allocated to meet the needs of the HMA. The following options ask how this should be **divided** between the three local authorities. The two sets of options are very closely related. They will also be influenced by decisions on the Spatial Strategies of the three authorities and the relationship between the City, the PUA and the rest of the HMA.

At this stage it is difficult to identify the implications of these options as it will depend on the overall amount of development and the sites selected. This is something that will be considered more as the process moves forward.

H1 Divide provision based on existing distribution of supply

This option would distribute new land in accordance with the existing division of employment land supply (sites with planning permission or allocated in Local Plans). This would mean the following:

- Derby 60% of new land
- South Derbyshire 15% of new land
- Amber Valley 25% of new land

This reflects the fact that Derby is currently well provided for in terms of allocated land and permissions.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Would consolidate Derby as the focus for economic activity and commercial development ▪ Could allow Derby to address needs generated in the PUA 	<ul style="list-style-type: none"> ▪ May not reflect the actual need that each authority has for new development ▪ May divert investment from areas of need in South Derbyshire and Amber Valley

H2 Divide provision based on employment land review distributions

This option would be based on the distribution of land based on the recommendations of the Employment Land Review, in terms of each authority's requirements up to 2026. This would result in the following distribution;

- Derby 40% of new land
- South Derbyshire 38% of new land
- Amber Valley 23% of new land

This reflects a combination of past take up rates and business requirements in each area.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Based on evidence of actual 'needs' 	<ul style="list-style-type: none"> ▪ May limit options on development within PUA

H3 Divide provision based on distribution of new housing

The Regional Plan sets out the number of new dwellings that will need to be

accommodated within each district. One option would be to tie the proportion of new employment land provided to the relative levels of housing provision. This would result in the following distribution;

- Derby 39% of new land
- South Derbyshire 33% of new land
- Amber Valley 28% of new land

The main difference between Options 2 and 3 relate to the relative provision of new development in Amber Valley and South Derbyshire and may not effect Derby.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Ties employment to housing and population growth 	<ul style="list-style-type: none"> ▪ Would not redress any existing imbalance between housing and population

Accommodating Strategic Distribution (Logistics) Facilities across the HMA

The Regional Plan identifies a need for local authorities, emda, the Highways Agency, Network Rail and others to work together to bring forward sites for 'strategic distribution' use. Within the 'Three Cities' part of the Region, the plan states a preference for new sites in the Derby HMA, the Nottingham Core HMA and the Leicester/Leicestershire HMA. In allocating new sites in LDFs, the plan indicates that priority should be given to sites that can be served by rail and operate as inter-modal terminals. A number of other detailed criteria for selecting sites are also included.

Given the obvious relationships between such major employment sites, a key issue will be to ensure the right number of sites are provided to meet identified needs and in the right locations. It is clear that a co-ordinated approach between HMAs is needed.

To assist in this emda is to commission a 'Strategic Distribution Site Identification Study' on behalf of local partners. This will examine sites in the Three Cities area and take into

account existing and potential sites in neighbouring areas. In addition to considering the Regional Plan criteria, the emda study will look at the technical and economic viability of each potential site.

Until this study has been completed, we are unable to conclude whether any suitable sites will be identified. However, it is important at this stage to seek views as to whether such development could be accommodated within the HMA in the event of an allocation being necessary.

A number of potential locations based on submissions from landowners and the findings of the Employment Land Review have been identified. In the main, these are in South Derbyshire, though Option I4 is primarily within Derby but could expand into South Derbyshire. An analysis of Amber Valley did not identify any potential opportunities to be considered an option.

Another factor to consider in Derby is that a large amount of land has been granted permission for distribution uses on the Raynesway site in the east of the City. This development proposal may also be a factor in considering whether there is a need for an additional site in the HMA area.

I1 Allocate land at the A38/A50 junction with access to the Derby-Crewe railway line*

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Potential access to the A38 and A50 ▪ Potential rail access onto the Derby-Crewe line 	<ul style="list-style-type: none"> ▪ Potential loss of Greenfield land ▪ Potential contamination in parts relating to previous uses

I2 Allocate land at the former Willington power station site with access to the Derby-Birmingham railway line*

Advantages	Cons
<ul style="list-style-type: none"> ▪ Potential use of previously developed land ▪ Potential rail access onto the Derby-Birmingham line 	<ul style="list-style-type: none"> ▪ Poor access to trunk road system ▪ Some land subject to flood risk ▪ Potential contamination owing to its previous use ▪ Landowner has alternative aspirations for the site (gas fired power station)
I3 Allocate land at the former Drakelow power station site with access to the Burton-Leicester railway line*	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Potential reuse of previously developed land ▪ Potential rail access onto Burton – Leicester line 	<ul style="list-style-type: none"> ▪ Access to trunk road system very poor ▪ Potential flood risk issues ▪ Potential contamination issues owing to previous uses ▪ Potential alternative uses proposed (gas fired power station)
I4 Allocate land at Sinfín Moor, including Chellaston Business Park, with a spur providing access to the Derby-Birmingham railway line	
<p>This location is already allocated in the City of Derby Local Plan Review. Access to the site is already planned via a new link from the A50 via a planned connection at the A514</p>	

junction at Chellaston. Access to the rail network is poor and providing a connection may be prohibitively expensive and difficult to achieve. However, the site is large enough to be considered ‘strategic’ and meets most of the other criteria in the Regional Plan.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Already allocated for business and commercial uses ▪ Good access to labour ▪ Good access to road network after new planned road implemented 	<ul style="list-style-type: none"> ▪ Difficult to deliver adequate rail link ▪ Environmental constraints may limit suitable configuration ▪ Road link not fully implemented
I Do not allocate any sites in the Derby HMA	
<p>This option would rely on the ‘needs’ in the area being met in other HMAs or by the development of non-strategic sites for distribution uses within the HMA area.</p>	
Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Avoid potential environmental and community impacts ▪ Avoid potential growth in congestion on roads and railway lines ▪ Avoid potential loss of Greenfield land 	<ul style="list-style-type: none"> ▪ Loss of job opportunities and economic benefits ▪ Potential loss of opportunities to move freight from road to rail and associated sustainability benefits ▪ Potential that the Core Strategy would not be in conformity with the Regional Plan

Appendix D:

Explanation of hybrid options assessed by the SA:

Option E1 – Plan for higher growth within the City:

Following this approach would mean continuing to support the development of all of the sites and commitments in the current supply but also identifying additional land within the City.

This would assume a substantial increase in take-up rates and/or assume a great degree of focus on the City across the HMA (thus taking some of South Derbyshire or Amber Valley's growth into account). In practice, this would mean planning for more than the 199ha gross currently identified in the CDLPR.

Option E2 – Plan to meet trends / maintain existing supply:

The 2008 ELR recommendation for employment land requirements was based on an analysis of long-term take-up across the HMA. It also added a 25% buffer to allow for flexibility. An updated requirement would suggest a 'need' for **132.5 ha** between 2008-2028.

The Updated ELR in 2013 suggests a need for between **132.7 - 142.3 ha** for the period 2008-2028 based upon past completions. This figure is actually very similar to the LSPO figure for the City identified in the ELR 2008. In terms of sustainability, the implications are thought to be the same.

Maintaining the existing 'net' supply as identified in the CDLPR would provide for approximately 125ha of land (subject to the details of final development). While slightly below the ELR figure of 132ha, the strategic and sustainability implications are likely to be the same. This option would assume that long-term trends continue into the future.

Option E3 – Plan for a reduction in employment land:

This option would assume that the overall take-up of land would fall below recent trends. This could be as a result of the economic downturn and/or the restructuring of the economy to something more office based or other 'non-B' uses (such as retailing and healthcare).

This approach would mean the de-allocation of existing employment land sites (or promoting alternative uses for sites that currently have outline planning permission for employment uses).

However, it could mean a more significant reduction than needed to simply meet current trends. It would also lead to a strategy geared more toward office development, as opposed to manufacturing or storage and distribution. The geographic focus of employment would also be likely to shift toward the City Centre. Notwithstanding existing permissions, this approach would have to rely on the regeneration of existing sites for new industrial floorspace.

Following the ELR 2013, this option could see a reduction in employment land to as little as 26ha.

Appendix E:

Strategic Site Commentaries:

Land South of Wilmore Road, including 'Infinity Park Derby' (AC15)

This area lies between the built up areas of Chellaston and Sinfoin and has, subject to some variations, been a long standing allocation for employment uses in successive local plans. It has been previously been known as Chellaston Business Park (CBP) and the Global Technology Cluster (GTC). Until very recently, the land has been predominantly agricultural and included a number of mature hedgerows, small watercourses or drains and some mature woodland. The site is bisected by Sinfoin Moor Lane which runs east to west and provides pedestrian and cycle access to the adjoining residential areas. The draft Policy for this site seeks to protect many of the existing environmental and recreational features within the site to create a more sustainable form of development.

The majority of the site benefits from a longstanding outline planning permission for the development of B1, B2 and B8 uses that Planning Control Committee originally resolved to grant back in 1993. The permission includes 3 separate planning applications covering the land to the north of Sinfoin Moor Lane and reflects land ownership across the site, which includes Rolls-Royce. Planning Control Committee revisited the stalled applications in 2002, again resolving to grant subject to conditions. The applications were subsequently renewed again for a further 10 years in 2014.

In addition to the outline planning permission for the land uses, detailed planning permission also exists for the link road, known as T12, which will provide access into and out of the site, linking it to Wilmore Road and the A50. The Council has funding in place from the Regional Growth Fund allocation to deliver the T12 link road and construction has commenced. The road is due to be complete and open by November 2015.

The Council's Regeneration section is actively leading on bringing this site forward for development and has been working closely with the landowners, prospective

developers and other stakeholders to overcome the obstacles that have previously inhibited the site from being developed. Revised proposals for the land to the north of Sinfoin Moor Lane, known as Infinity Park Derby, are currently being drawn up the Council to update the land use parameters and bring the vision for the site more into line with the Council's aspiration for a high quality innovation and technology park. Further information relating to flood risk on this site can be found in the 'Water Position Statement'.

The first development at 'Infinity Park Derby' is now under construction following a design and build competition led by the Council. Plans include an Innovation Centre which will showcase R&D facilities, networks and support that will be offered to companies locating at the new innovation and technology park. R&D collaboration and commercialisation will be led by a consortium of Universities. Construction work on this project will be complete by October 2015.

Land to the south of Sinfoin Moor Lane is owned by Christchurch College Oxford and does not currently form part of the Infinity Park Derby proposals. However, the land provides a logical extension to the innovation and technology park and the landowners are keen to progress proposals on this basis.

Gross allocated land area: 86.8ha

Estimated net land area: 50ha

Indicative Number of Jobs to be Accommodated: 8000

Does the site have planning permission?: Yes

Employment Land Review Quality Rating: Potentially flagship

Are developers in place?: Yes – Wilson Bowden / Cedar House

When is development likely to commence?: October 2014 – Construction of Innovation Centre and T12 link road

Land to the east of Raynesway, 'Derby Commercial Park' (AC12)

This area lies between the south end of Raynesway / Alvaston bypass and the River Derwent and also includes land to the north of the river, previously occupied by the Celanese Acetate works. It is a mixture of greenfield and brownfield land.

The site has been a long standing allocation for employment uses in successive local plans. It also benefits from an outline planning permission for the development of B1, B2 and B8 uses that was granted in 2007. Since then, a number of reserved matters applications have also been approved for a range of units, including a single B8 unit of in excess of 100,000sqm.

The site as a whole is in the control of Goodman Logistics who have a track record of delivering business park and industrial developments of this nature. They have already implemented the required highway infrastructure works required to gain access to the site and have also constructed a bridge over the River Derwent providing access to the northern plots. Significant flood alleviation measures have also been put in place to protect the site from the potential river flooding.

The first unit measuring in excess of 50,000sqm has now been completed and occupied by logistics company Kuehne and Nagel. The plot fronting the A6 has also been occupied by a public house and plans have been submitted for another food and drink use to sit alongside the pub. These developments are likely to stimulate further construction in the near future.

Gross allocated land area: 64.7ha

Estimated net land area: 40ha

Indicative Number of Jobs to be Accommodated: 2500

Does the site have planning permission?: Yes

Employment Land Review Quality Rating: Potentially key employment area

Are developers in place?: Yes – Goodman Logistics

When is development likely to commence?: 2013 – Under construction

Land at the former Chaddesden Sidings, the 'Derwent Triangle' (AC11)

This area lies to the south of Wyvern Retail Park, between the railway line and the River Derwent. It was previously part of the former Chaddesden Sidings that occupied much of the land that is now known as Pride Park. The site has more recently been used for gravel extraction, but has now been re-filled and remediated.

The site has been a long standing allocation for employment uses in successive local plans, but does not currently benefit from planning permission.

The site as a whole has been under the control of Network Rail for a number of years; however they have recently signed an agreement with St Modwen to develop the site. A planning application for a range of B1, B2 and B8 units has now been submitted. St Modwen has a track record of delivering business park and industrial developments of this nature.

One of the most significant impediments to this site being developed in the past has

been the issue of flooding. Work on the 'Our City, Our River' (OCOR) programme has developed a solution that allows the site to be developed, whilst also benefitting flood conveyance.

The Council are currently working on proposals that will improve access and egress from the A52 into the Wyvern area, whilst also potentially benefitting development in this location. There is potential to provide wider improvements through the development of this site. Further information relating to flood risk on this site can be found in the 'Water Position Statement'.

Development of the site will also need to make provision for the future restoration of the Derby and Sandiacre Canal.

Gross allocated land area: 28ha

Estimated net land area: 23ha

Indicative Number of Jobs to be Accommodated: 3200

Does the site have planning permission?: No

Employment Land Review Quality Rating: /

Are developers in place?: Yes – St Modwen

When is development likely to commence?: 2015 – Planning application anticipated 2014

The Central Business District (CBD)

The CBD is made up of a number of sites that could deliver new office development, contributing to forecast needs for B1a development. Many of these sites have had or currently have planning permission. Schemes / sites within the CBD with the potential to accommodate new office development include:

- One Derby (North Castleward) - >40,000sqm
- Friar Gate Square Phase 2* (Agard Street) - > 3800sqm
- Citygate House (Cathedral Road) - > 7000sqm
- One Cathedral Green* (Full Street) - > 8500sqm
- Nightingale Quarter* (London Road) - > 3000sqm
- Cathedral Road* - > 1000sqm
- St Mary's Gate* - > 500sqm
- Sadler Square Phase 2 (Bold Lane) - > 2000sqm
- Riverlights Block D* - > 10,000sqm
- Former Friar Gate Station*- > 2000sqm
- Becket Well
- Conversion of space above shops

* = sites with planning permission

In total, it is estimated that the CBD has the capacity to accommodate in excess of 100,000 sqm of new office development. A number of these sites will be allocated through the Local Plan, Part 2.

Gross allocated land area: N/A

Estimated net land area: 2ha (approx.)
Indicative Number of Jobs to be Accommodated: 5000
Does the site have planning permission?: Yes / No
Employment Land Review Quality Rating: Potentially flagship
Are developers in place?: Various, including Derby Regeneration Fund
When is development likely to commence?: Friar Gate Square and Sadler Studios already completed.

Appendix F:

D2N2 Local Enterprise Partnership (LEP) and Strategic Economic Plan (SEP)

Derby and Derbyshire, Nottingham and Nottinghamshire are part of the D2N2 Local Enterprise Partnership (LEP). LEP's are locally-owned partnerships between local authorities and businesses. They play a central role in deciding local economic priorities and undertaking activities to drive economic growth and create local jobs. The purpose of the LEP is to support and encourage economic growth in order make the D2N2 area more prosperous and better connected, whilst making the economy of the area increasingly resilient and competitive.

In realising this vision, the LEP has produced a Strategic Economic Plan (SEP). The SEP sets a single target of creating 55,000 additional private sector jobs in the D2N2 area by 2023 and includes proposals for the use of Local Growth Funds (LGF) to help overcome market failure and tackle barriers to growth. The job target is not broken down by local authority area.

The SEP identifies a number of proposals set out in the Core Strategy, including the delivery of Infinity Park (Policy AC15), the Our City Our River scheme (Policy AC8) and junction improvements to the A52 (Policy CP24).

Derby's Economic Strategy (2011-2016):

Derby's Economic Strategy was published in 2011 and responds to the findings of the Local Economic Assessment (2010), the Planes, Trains and Automobiles report (2010), the Economic Futures Conference (2010), the Shifting Gears report (2010) and the Enterprise Growth Strategy report (2010).

The strategy sets out a range of interventions under three broad themes or drivers, with a delivery plan provided for each driver identifying how resources will be used to realise the strategy. The three broad drivers are:

- Creating a culture where enterprise thrives: Building on shared advantages in internationally competitive science, manufacturing, engineering and creative industries to drive productivity growth as we develop a low carbon economy.
- Ensuring workforce skills match business needs: Developing our skills, building on the strengths and reputation of our first rate FE and HE sector that will meet and drive up employers' current and future skills demands
- Maximising quality of life: Developing our distinctive cultural, leisure, sport and tourism offer to world class standards

The long term target of the strategy is to create 16,000 new jobs between 2009 and 2023. The original 16,000 figure was loosely based on forecast changes in population and demography. Population led forecasting is one of the methodologies used to assess future employment land needs and is discussed in Section 3 of this statement.

The Council intends to review the existing Economic Strategy throughout 2015 and publish an updated document in 2016. There are also proposals to combine Economic Development functions across Derbyshire as part of the consultation on the creation of a Combined Authority. The Economic Strategy for Derbyshire would be owned by this new body.

Appendix G:

Key Influences

National Planning Policy Framework (NPPF):	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/6077/2116950.pdf
National Planning Practice Guidance (NPPG):	http://planningguidance.planningportal.gov.uk/
D2N2 Strategic Economic Plan (SEP):	http://www.d2n2lep.org/write/Documents/D2N2_SEP_March_31st.pdf
Derby Economic Strategy (2011-2016):	http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/strategies/DerbyCityCouncil-Derbys-Economic-Strategy-2011-2016.pdf
Derby Local Economic Assessment:	http://www.derby.gov.uk/environment-and-planning/regeneration/economic-information/
Derby HMA Employment Land Review (2008)	http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/reports/localdevelopmentframework/DerbyCityCouncil-Final-report---march-2008.pdf
Derby HMA Employment Forecasts Update (2013)	http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/reports/localdevelopmentframework/Final%20Employment%20Land%20Forecasts%20Report%20(08-03-13)%20amended%2015%2007%2013.pdf
The Council Plan (Corporate Plan)	http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/policiesandguidance/DerbyCityCouncil-Council-Plan-2014-15-July.pdf
The Derby Plan (SCS):	http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/policiesandguidance/DerbyCityCouncil-the-derby-plan-v1-2011-2026.pdf
Annual Monitoring Reports (AMR):	http://www.derby.gov.uk/environment-and-planning/planning/local-development-framework/#amr

Regional Economic Strategy (RES) Evidence:	http://webarchive.nationalarchives.gov.uk/20100512150204/emda.org.uk/res/
Derby Office Market Assessment:	http://www.derbyregenerationfund.co.uk/documents/Office_Market_Assessment.pdf
East Midlands Land Provision Study (2006):	http://www.northamptonshireobservatory.org.uk/docs/docfinalreportdec2006[1]061212145402.pdf
Planes, Trains and Automobiles Study:	http://www.derby.gov.uk/media/derbycitycouncil/contentassets/documents/reports/DerbyCityCouncil-Planes-Trains-and-Automobiles-Research-Executive-Summary.PDF
Strategic Distribution Study:	http://www.nwleics.gov.uk/files/documents/strategic_distribution_site_assessment_east_midlands_study_final_report_may_2010/Strategic%20Distribution%20Site%20Assessment%20East%20Midlands%20Study%20Final%20Report%20-%20May%202010.pdf
East Midlands Councils Source Book:	http://www.emcouncils.gov.uk/write/ELS%20source%20bookV11final.pdf
Core Strategy Consultation Responses:	http://www.derby.gov.uk/environment-and-planning/planning/local-development-framework/
The Plan for Growth:	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31584/2011budget_growth.pdf
Housing Requirements Study 2012	http://www.derby.gov.uk/environment-and-planning/planning/local-development-framework/#housing
Strategic Housing Market Assessment (SHMA)	http://www.derby.gov.uk/environment-and-planning/planning/local-development-framework/#housing
Centre for Cities – City Outlook	http://www.centreforcities.org/research/outlook14.html
Shifting Gears: Safeguarding Derby's Economic Growth	http://www.centreforcities.org/assets/files/10-10-14%20Shifting%20Gears%20Derby.pdf

Climate Change Strategy (2013)	http://www.derby.gov.uk/environment-and-planning/climate-change-and-energy-management/climate-change-strategy/
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Appendix H:

Range of Potential Quantitative Need in the HMA and Derby (hectares):

	Forecast Take Up / Need	Replacement of Losses	Buffer / Margin	Total Requirement				
				HMA	Derby			
East Midlands Land Provision Study 2006 (Net Labour Demand 2003-2026)	-10	/	/	-10	/			
Employment Land Review 2008 (Past Take Up 2006-2026)	292.8	/	73.2	366	144.5			
Updated Forecasts 2012 (2008 – 2028)								
	HMA	Derby	HMA	Derby	HMA	Derby		
Labour Demand (Experian 2012)	-83	-57.7	98.09	48.8	79.9	35.6	95.0	26.6
Labour Supply, Policy On (Past Take Up Distribution)	95.3	45.8	98.09	48.8	79.9	35.6	273.3	130.1

Labour Supply, Policy On (Employment Stock Distribution)	95.3	47.7	98.09	48.8	79.9	35.6	273.3	132.0
Labour Supply, Policy On (DUA Housing Distribution)	95.3	45.8	98.09	48.8	79.9	35.6	273.3	153.0
10 Year Past Take Up (Gross, including redevelopment and losses)	/	/	/	/	/	/	312.5	132.7
20 Year Past Take Up (Gross, including redevelopment and losses)	/	/	/	/	/	/	196.8	142.3
Updated LSPO, DUA Distribution Forecast Based on HMA Housing Provision of 35,354 and Revised Plan Period (2011-2028)								
Labour Supply, Policy On (DUA Distribution)	98.4	/	98.09	48.8	79.9	35.6	276.4	150.5 (154.5-4 - Completions 2008- 2011)

Appendix I:

Core Strategy Strategic Objectives:

1. To enhance Derby as an attractive, vibrant and compact liveable City which has a strong City Centre of regional importance, regenerated older urban areas and locally distinct neighbourhoods.
2. To develop stronger, safer and more cohesive communities through the provision of quality housing, employment opportunities, education, health care, sport, recreation, leisure and community facilities to help ensure that everyone has equal life opportunities, feel they belong to their communities and are less likely to take part in anti-social behaviour or commit crime.
3. To reduce Derby's impact on climate change by promoting more sustainable forms of development, especially through the location and design of new development, the promotion of low carbon technologies, renewable forms of energy, recycling, the careful use of resources and minimising waste.
4. To strengthen Derby's economy by making the City an attractive location for major employers and inward investment, especially high tech and creative industries, by supporting businesses to start up, survive and grow, delivering new communications infrastructure and retaining wealth by ensuring people have the opportunity to obtain the skills necessary to match jobs available.
5. To give priority to making the best use of previously developed land and vacant or under used buildings in urban or other sustainable locations, including bring empty homes back into use.
6. To support the development of balanced communities by ensuring that new, well designed, sustainable residential development helps to

meet the City's housing needs, providing at least 11,000 new homes with a mix of types, sizes and tenures, including:

- affordable and social housing;
 - lifetime homes;
 - high quality homes that respect local distinctiveness and help make Derby a more attractive place to live and invest in;
 - homes to meet the needs of our diverse communities, including older people, and minority ethnic communities.
7. To protect and improve Derby's natural environment by developing a network of green infrastructure based around our parks and other green open spaces, wildlife sites and open corridors such as the River Derwent, the Derby and Sandiacre Canal, cycleways and walkways. These will improve biodiversity.
 8. To enhance the role of Derby's Green Wedges by recognising and protecting them in terms of their contribution towards creating a network of Green Infrastructure that improves access to open spaces and the countryside, brings the countryside into the City, defines the character of our neighbourhoods and providing opportunities for supporting education, sport, recreation, healthy lifestyles, biodiversity and adapting to climate change.
 9. To increase the opportunity for people to socialise, play, be physically active and lead healthy lifestyles through a network of high quality, safe and accessible green infrastructure, sporting facilities, walking and cycling routes to help Derby become one of the most active cities in the country and tackle the incidence of premature deaths and childhood obesity.

- 10. To protect and enhance Derby's character and heritage, its historic assets, public realm, older inner City neighbourhoods, established suburbs. All new development will be of the highest quality, accessible, have regard to local context and be appropriate in terms of scale, density and design.
- 11. To promote equality and community cohesion, healthy and active lifestyles and support improvements in community safety, particularly for children and young people.
- 12. To make the best use of existing infrastructure and to fully integrate and coordinate new development with investment in and provision of new infrastructure, taking into account changes to our population including the needs of older people, children and young people.
- 13. To enhance transport links and accessibility to and between different land uses such as housing, employment, shopping, education and leisure and to deliver an integrated transport system that improves travel choice and reduces car use, especially commuting.
- 14. To enhance the River Derwent corridor as the City's key environmental, cultural, ecological and historic asset, creating a more attractive and welcoming riverside area for Derby residents and visitors, recognising and enhancing the biodiversity value of the River to the City and working in partnership with the Environment Agency to implement the 'Our City, Our River' Masterplan to improve overall flood protection to surrounding areas.
- 16. To ensure a vibrant, accessible and attractive City Centre of regional importance that has a thriving daytime and evening economy , which supports the vitality of the St Peters and Cathedral Quarters and provides improved links to the railway station and new commercial and residential areas.
- 17. To strengthen the range and quality of Derby's cultural and learning opportunities and facilities by celebrating diversity, ensuring that the role of culture in the economy is better understood and that significant new developments always integrate public art.

We can give you this information in any other way, style or language that will help you access it. Please contact us on 01332 640870, Minicom 01332 640666.

Polish

Aby ułatwić Państwu dostęp do tych informacji, możemy je Państwu przekazać w innym formacie, stylu lub języku.
Prosimy o kontakt: **01332 640870** Tel. tekstowy: **01332 640666**

Punjabi

ਇਹ ਜਾਣਕਾਰੀ ਅਸੀਂ ਤੁਹਾਨੂੰ ਕਿਸੇ ਵੀ ਹੋਰ ਤਰੀਕੇ ਨਾਲ, ਕਿਸੇ ਵੀ ਹੋਰ ਰੂਪ ਜਾਂ ਬੋਲੀ ਵਿੱਚ ਦੇ ਸਕਦੇ ਹਾਂ,
ਜਿਹੜੀ ਇਸ ਤੌਰ ਪ੍ਰਤੀ ਵਰਨ ਵਿੱਚ ਤੁਹਾਡੀ ਸਹਾਇਤਾ ਕਰ ਸਕਦੀ ਹੋਵੇ। ਕਿਰਪਾ ਕਰਕੇ ਸਾਡੇ ਨਾਲ ਟੈਲੀਫੋਨ
01332 640870 ਮਿਨੀਮਾਮ **01332 640666** ਤੇ ਸੰਪਰਕ ਕਰੋ।

Urdu

01332 640870 میں اپنے اپنے سوالات کا حل اپنے آپ کی مدد سے
01332 640666 پر جو بھی ہے۔



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