



WYG on behalf of the Church Commissioners for England  
Representor ID – 844973 WYG Planning and Environment  
Comment ID - 354  
Matter 4 – Employment Land Allocations (HUME-1 and HUME-2)

# Statement for the North Lincolnshire Housing & Employment Land Allocations DPD

## Examination Hearing Sessions Matter 4

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## Statement for the North Lincolnshire Housing and Employment Land Allocations DPD

### 1.0 Introduction

1.1 This statement is made by WYG on behalf of the Church Commissioners for England ("Church Commissioners"). It is made in response to the Issues and Questions identified by the Inspector for discussion at the forthcoming hearing sessions for the Examination of the North Lincolnshire Housing and Employment Land Allocations DPD ("the Plan"). This statement supplements earlier submissions made on behalf of the Church Commissioners to the consultations on the *Housing & Employment Land Allocations DPD: Revised Submission Draft - April 2014*.

1.2 In particular the submission is made in relation to the Church Commissioners' 12 ha land holding ("the Site") to the west of draft allocation HUME-1 in the Plan as indicated on the accompanying site location plan (Appendix 1).

### 2.0 Matter 4 – Employment Land Allocations (HUME-1 and HUME-2)

2.1 This submission addresses the following Issues and Questions set out in the Schedule of Issues and Questions for Examination and relevant to Humberside Airport below.

***The Sustainability, Deliverability, Phasing, Implementation, Infrastructure Requirements, Biodiversity considerations and Constraints, including any necessary Mitigation measures, will be discussed – as set out in the Submission DPD for each site under "Proposed Development", "Policy" (e.g. Policy SHBE-1) and "Implementation". (Any proposed minor amendments that may be necessary to update the Plan will also be considered).***

***Questions that are pertinent only to a specific site are listed below, under the relevant site description.***

**• HUME-1 Humberside Airport (including text of Policy HUME-1)**

***- What is the context for this proposed allocation in the light of any masterplan or strategy for the long-term development of Humberside Airport?***

**• HUME-2 Land north of A18 at Humberside Airport (including text of Policy HUME-2)**

***- Is this proposed allocation compatible with the site's designation as both a Local Wildlife Site and a Local Geological Site, and does Policy HUME-2 provide sufficient guidance to address any necessary mitigation measures?***

***HUME-1 Response***

- 2.2 We do not consider the allocation proposed at HUME-1 in the Plan is based on any sound strategy or masterplan approach. Nor do we consider that the allocation provides sufficient land, in the right location, to accommodate the potential for long term growth opportunities at the airport and allow sufficient flexibility to respond to market factors, including changing markets. In this context there appears to be no clear evidence to justify the proposed allocation.
- 2.3 The basis for the allocation at HUME-1 is the Employment land Review (ELR) Update 2014. This maintains the position of the adopted Core Strategy (June 2011) which identified a requirement for 20 ha at Humberside Airport to help bolster airport operations and maximise freight potential. The ELR recognises that with direct access to air freight opportunities and reasonable proximity to the strategic road network, the airport is considered to be a desirable location for future business development.
- 2.4 The ELR states that circa 10 ha of the 20 ha requirement at the airport can be delivered from the unimplemented allocations in the North Lincolnshire Local Plan 2003 (IN1-12) and (CIN9). These are proposed to be carried forward in allocation HUME 1. The remainder of the 20 ha requirement is proposed to be accommodated north of the A18 in proposed allocation HUME-2. Notwithstanding our comments on the suitability of HUME-2, which is considered in paragraphs 2.18 to 2.23 below, HUME-1 (9.4ha) and HUME-2 (7.8ha) together only provide 17.2ha of employment land against the Core Strategy requirement for 20ha.
- 2.5 Consequently we consider that the proposed allocations at HUME 1 and HUME 2 are not only, cumulatively insufficient to meet the objectively assessed employment needs, but also fail to provide sufficient choice and flexibility of suitable employment opportunities at the airport, as required by the NPPF (paragraph 14), to allow adaption to rapid change and new markets.
- 2.6 On that basis we maintain our view that the Plan is not allocating sufficient employment land; not allocating land which is strategically well located to the existing airport function to maximise the potential to create a consolidated airport complex; and proposing to allocate a site (HUME-2) which is not considered suitable because it is not well related to the airport and has significant environmental / technical constraints. This has the potential to restrict future market opportunities and operators who wish to be located on the main airport campus and have a direct association with the airport. The potential site constraints, both in

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terms of its historic uses, site configuration and limited site access could also significantly increase development costs and therefore development viability and deliverability.

2.7 In coming to this view the Church Commissioners commissioned independent commercial market advice by CBRE. The CBRE report is attached as Appendix 2 to this Statement. The purpose of the report was to:

- Provide a general employment market overview on both a regional and local level;
- Provide a brief overview of the North Lincolnshire Local Development Framework – Employment Land Review (February 2014).
- Provide an assessment of occupier demand for airport related and / or logistical / operational activities;
- Assess the suitability of the Site from a market perspective for employment uses and airport related employment uses; and
- Comment on the Humberside Airport Growth Strategy.

2.8 Full details of the report findings can be found in Appendix 2. Overall it is considered to represent a balanced market overview of the existing and future employment markets at Humberside airport. The report findings make it clear the employment market is diversifying and whilst at present levels of demand for airport activities related to airside freight are relatively low there are other clear opportunities at Humberside Airport to supplement and, potentially exceed the airside freight market, over the next five to ten years.

### *Current Airport Markets*

2.9 CBRE confirms the airport services are diversified into 3 main areas as a helicopter hub, cargo and passenger flights:

- Helicopter Hub – Humberside is the UK's second busiest helicopter hub after Aberdeen Airport;
- Passenger Flights – The airport accommodates flights to a number of seasonal destinations however only Amsterdam is a fixed route via KLM; and
- Cargo – The airport has ample room to grow the cargo facility to meet the demands of importers and exporters from across the UK.

### *Future Markets*

- 2.10 CBRE confirm that whilst the short term future for the airport in terms of a defined growth strategy is a little unclear following the recent acquisition (60%) of the airport by Bristow Helicopters, the acquisition will provide opportunities for alternative areas of growth and expansion which could be required over the next 5 – 10 years. Overall the following opportunities are identified:
- Air Freight / Third Party Logistics - whilst the current climate and interest levels in and around Humberside Airport and more notably Manchester, Leeds / Bradford and Robin Hood is limited, the next 5 – 10 years could present an occupier opportunities related to wider airport growth.
  - Manufacturing / distribution – the airport would provide a suitable location for any manufacturer / distribution operating ideally seeking to export produce / products to mainland Europe or internationally.
  - Aviation education – the construction of the new £5m training facility by Resource Group and BAE Systems will provide 60 apprenticeship opportunities. The construction is supported with Regional Grant Funding and is planned to incorporate a hangar, single training aircraft, classrooms and practical training workshops and could lead to the airport becoming a significant aviation education site.
  - Aviation maintenance / parts – the recent 60% acquisition by Bristow could further establish Humberside Airports status as the UK's second busiest Helicopter Hub which is likely to result in an increased need for supportive maintenance functions.
- 2.11 Therefore, airside freight aside, there are clear opportunities related to aviation education, aviation maintenance and subsequent support activities following the recent acquisition by Bristow Helicopters. There is particular potential to focus on Helicopter Flights, in light of the increased activity within the off-shore Energy and Petroleum sectors.
- 2.12 Work is also planned to start on the new 100-bed hotel at Humberside Airport early next year following Planning Approval ref: PA/2014/0779 dated 13 October 2014. The Grimsby Telegraph reported the news on 15 October 2014 confirming the development is aimed at tourists and business travellers, just to the south of the A18, will supplement the airport's only existing hotel which caters for offshore workers in the oil, gas and renewable energy sectors.

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- 2.13 Other investments at the airport include a new improved roundabout entrance from the A18. This is a North Lincolnshire Council scheme which will support the growth of the airport and ultimately provide greater capacity for safe access from the A18.
- 2.14 The ELR does not fully recognise the expanding employment opportunities at the airport and consequently it is considered the Plan under estimates the level of suitable land that may be required over the Plan period i.e. to 2026. In this context the Plan needs to allocate sufficient employment land, in the right location, to maximise the opportunities that a consolidated airport campus will provide future expansion. The recent developments demonstrate the confidence major companies have in investing in North Lincolnshire and Humberside Airport in particular, and it is essential the Plan does not frustrate these opportunities.
- 2.15 On this basis we maintain our case that the Plan does not appear to be based on a sound strategy or masterplan which will have sufficient flexibility to respond to the evolving employment markets at the airport. We consider the allocation adjacent to the airport should be expanded to include the Site to the West of HUME-1 as an alternative to HUME-2. This view is shared by CBRE who confirm the Site to be ideal to accommodate and satisfy future airport expansion within the next 5 – 10 years. In comparison to Hume 2, the Site is:
- Strategically better located to the principal campus of the airport, creating a natural expansion solution;
  - The site is also regularly shaped in comparison to Hume 2 which will allow for greater efficiency and increased net developable area; and
  - The site has no existing buildings or physical landmarks which could create delay or compromise future development.
- 2.16 It is also important to highlight the airport campus already has key infrastructure in place, with plans to improve access from the A18. This will support the growth of the airport and ultimately provide greater capacity for safe access from the A18. This enhances the opportunity for a larger allocation in the Plan and a consolidated campus site. This is considered ultimately preferable to current proposal to develop a detached site to the north of the A18, which is neither well related nor has a satisfactory access to serve new development, amongst other environmental and technical constraints highlighted below.
- 2.17 As part of the market evidence work the Church Commissioners have engaged with the airport's Commercial Director and Chief Executive. There appears to be general consensus between the parties that a consolidated airport allocation will better serve the airport's future

## Statement for the North Lincolnshire Housing and Employment Land Allocations DPD

development needs and provides the opportunity to create a more integrated and serviceable facility. These discussions are ongoing but highlight that both parties are willing to work together to demonstrate that the Site is not only more suitable, but available and deliverable.

### ***HUME-2 Response***

- 2.18 In his further preliminary questions (Exam 4 - 09.09.14) the Inspector identified broad concern about the potential viability of a number of proposed Employment sites, and particularly those where there are significant existing environmental constraints such as contaminated land, or access constraints.
- 2.19 In response to those questions (Exam 5) the Council confirmed that the most up to date assessment of employment land in North Lincolnshire is the Employment Land Review (ELR) Update 2014 and is the key evidence base document which performs 4 main functions: assesses the suitability of sites for employment development, looks to safeguard the best sites in the face of competition from other higher value uses, identify sites no longer suitable for employment uses; and enable the Council to identify and an up to date and balanced portfolio of employment sites in the LDF.
- 2.20 We consider that this is a very generic response and does not consider the implications of viability and deliverability on a site specific basis. This is crucial in respect of HUME-2. The Inspector's Issues and Questions for HUME-2 focuses primarily on two environmental constraints but we consider the potential problems of deliverability are more fundamental than this and there is no evidence that some of the site's constraints, already identified in policy HUME-2, can be suitably addressed. This would tend to lead back to the point made in the further preliminary questions dated 09.09.14.
- 2.21 For example, notwithstanding the environmental designations (Local Wildlife Site and a Local Geological site), HUME-2 clearly has other environmental and technical constraints which are likely to have a significant impact on development viability and deliverability. In particular HUME-2's historic use as a quarry may create the potential for significant remediation works and additional development costs. Furthermore there are likely to be significant infrastructure costs associated with the creation of an acceptable access point from the A18. These alone raise question marks about the potential viability and deliverability of HUME-2 for employment use. There appears to be no clear evidence to support the allocation of HUME-2 in the Plan in this context.

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2.22 Notwithstanding these constraints any site needs to be suitably attractive to the market. As set out in the advice from CBRE from a market perspective HUME-2 is:

- Strategically poorly related to the principal campus of the airport and would not create a natural expansion solution; and
- Irregularly shaped which will inhibit building / site efficiency and increased net developable area.

2.23 On this basis we maintain our position that HUME-2 is not the most suitable allocation and has significant constraints which undermine its suitability, achievability and viability and in this context it is considered that there are more viable alternatives which are better related to the existing airport campus which should be considered for allocation in the DPD.

2.24 To conclude we consider that the DPD is unsound in that it is not positively prepared to ensure that it will meet its objectively assessed employment needs and not justified as it does not allocate the most appropriate sites suitable, available and deliverable to meet those employment needs. As a consequence it will not be effective over its period. It is also not considered consistent with the NPPF as it will not provide sufficient choice and flexibility of suitable employment opportunities at the airport allow adaption to rapid change.

### 3.0 Proposed Changes to the Plan

3.1 The text and policy wording of the Plan should be amended to ensure the Plan is positively prepared, justified, effective and consistent with National Policy. It is recommended that Policy HUME-1 is amended as follows:

Land at Humberside Airport 21.4 9.4 (ha) is allocated for employment use. The site will be developed in accordance to the following site specific criteria:

- The site should be developed for a mix of B1 (Business/Light Industrial), and B8 (Storage and Distribution) uses and **ancillary uses which support or are associated with the airport functions**. ~~Such uses should have an operational need to be located at the Airport.~~
- Vehicular access should be achieved from within the existing airport distributor road and will need to be agreed with the Highways Authority
- Improvements to the main A18 access junction may be required. No new accesses will be permitted directly onto the A18.
- Improvements to how the site can be accessed by sustainable modes of transport should be considered and reflect the aspirations of the Humberside Airport Surface Access Strategy and the Local Transport Plan
- A Flood Risk Assessment should be prepared as part of the application process to assess and mitigate the risk of flooding from surface water drainage. Where practical Sustainable Urban Drainage Systems should be incorporated into the development
- Local reinforcements may be required regarding provision of water and disposal of waste water and surface water dependent upon type/scale of development.
- A Transport Assessment and Travel Plan will be required.

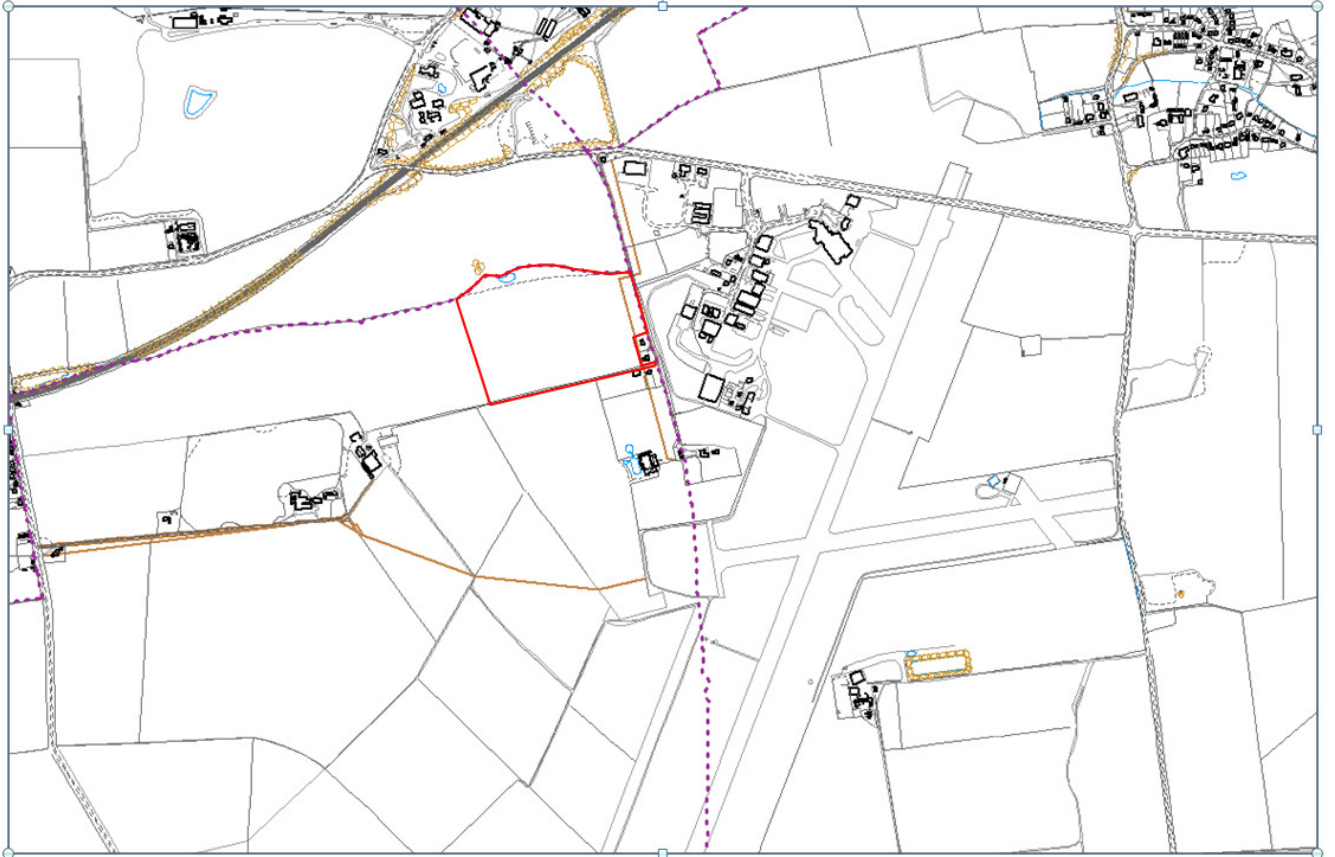


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- Infrastructure upgrade will be required to Kirmington sewage treatment works
- An Heritage Assessment will be required to demonstrate that the development will have no adverse impact on the historic environment. Particular regard will need to be given to the impact of the development on the setting of the extensive Iron Age and Roman scheduled monument.
- A Ecological Survey is required
- A comprehensive landscaping scheme, including biodiversity enhancement, is required
- Design must be in accordance with Core Strategy Policy CS5.

- 3.2 The accompanying text in paragraphs 4.91 to 4.98 will also require amendment to reflect the changes proposed in HUME-1 outlined. Paragraph 4.91 will need to confirm that the site *"forms the remaining undeveloped parts of North Lincolnshire Local Plan Allocations IN1-12 and CI19 plus a further 12ha of additional land immediately to the west"*. Furthermore it is considered the supporting text should be updated to acknowledge the recent developments at the airport and the wider range of employment opportunities that now exist (paragraphs 4.91 and 4.93) as set out in this statement.
- 3.3 The Policy also requires further clarification, if not directly in the Policy wording of HUME-1, at least in the supporting text, on other uses that may be considered suitable outside the general employment use category. The market evidence and more recent announcements and developments, including a 100 bed hotel approval, clearly demonstrate that the economic growth of the airport and its contribution to employment growth within the region is not solely reliant on traditional B1/B3/B8 uses. The Policy needs sufficient flexibility to accommodate other uses that can support sustainable economic growth at the airport. The wording of the Policy as stands is considered potentially restrictive and does not reflect the diversifying market at the airport as highlighted. We have also recommended HUME-1 wording changes in this context.
- 3.4 On the basis that the inclusion of the Site in HUME-1 would create the opportunity for a consolidated strategic allocation best placed to facilitate growth at the airport and better connected site to the airport i.e. sequentially preferable to HUME 2 in terms of creating direct physical relationships and creating a consolidated airport campus we consider HUME-2 should be deleted.

Appendix A – Site Location Plan



Appendix B – CBRE Market Report

# **LAND AT HUMBERSIDE AIRPORT**

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**Prepared on behalf of  
Church Commissioners for England**

November 2014

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# INTRODUCTION

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This report has been prepared on behalf of the Church Commissioners for England and outlines the potential development prospects and occupier demand for the subject site comprising circa 12 ha (26.65 acre) which is located just off the A18 adjacent to Humberside Airport situated at Kirmington in the Borough of North Lincolnshire.

The report will look to draw conclusions on the suitability of future employment uses by evaluating and considering the following subject topics:

- i. Provide general employment market overview on both a regional and local level;
- ii. Brief overview of the North Lincolnshire Local Development Framework – Employment Land Review (February 2014).
- iii. An assessment of occupier demand for airport related and / or logistical / operational activities;
- iv. Suitability of the Site for employment uses and airport related employment uses
- v. Comment on the Humberside Airport Growth Strategy

# THE SITE

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The subject site comprises a regular shaped greenfield parcel of land which measures approximately 12 ha (26.65 acres). We have not inspected the site but understand that it is largely flat and level.

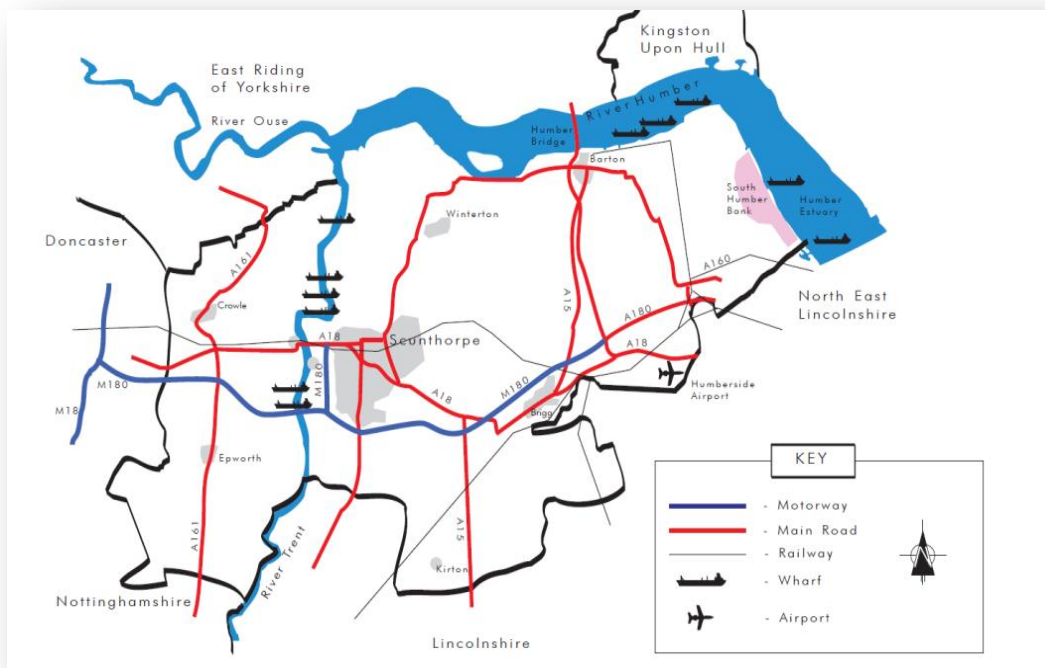


# LOCATION

The subject site is located in Kirmington within the Borough of North Lincolnshire. The 846 km<sup>2</sup> (327 sq m) council area lies on the south side of the Humber estuary and consists mainly of agricultural land, including land on either side of the River Trent. It borders onto North East Lincolnshire, Lincolnshire, South Yorkshire, Nottinghamshire and the East Riding of Yorkshire. The council's administrative base is at the Civic Centre in Scunthorpe.

The area has good road, rail, sea and air connections to the rest of the UK and Europe, with two international airports, the afore mentioned Humberside Airport within North Lincolnshire and Robin Hood Airport in Doncaster / Sheffield close by. North Lincolnshire is also home to the South Humber Gateway, which is the largest development site that fronts a deep-water estuary in the UK.

Map 1 below shows a geographic outline of North Lincolnshire.



(Source: North Lincolnshire LDA Employment Land Review 2014)

The Site itself is adjacent to Humberside Airport which is accessed off the A18 linking onto the M180 to the west. It occupies a somewhat isolated position with mostly rural land surrounding it. Grimsby is situated approximately 24 kms (15 miles) to the east with Scunthorpe some 24 kms (15 miles) to the west. Kingston upon Hull is located some 32 kms (20 miles) to the north, approached via the Humber Bridge.

The commercial activity in close proximity is principally linked to the airport. Grimsby, Scunthorpe and Kingston upon Hull provide the closest commercial centres.



# REGIONAL AND LOCAL EMPLOYMENT MARKET

Salient points	
<b>Regionally</b>	
•	The Humber is the largest trading estuary in the UK (by tonnage) and the fourth largest in Europe, handling almost 80m tonnes of cargo pa
•	The Humber estuary supports a petrochemicals / chemicals sector worth a reported £6bn per year
•	Nearly 90% of the Humber area is rural
•	Employment growth in the Humber slower at 3% vs 9% regionally and nationally
•	Public sector was the driver between 1998 – 2008 at 27%, while the private sector declined by 4%.
<b>Locally</b>	
•	Resident population of 167,400
•	An estimated 106,180 people are at working age (16-64 years)
•	Manufacturing sector is the largest for employment category at 22%
•	60% of floor space in North Lincolnshire are factories, compared to 40% & 30% regionally and nationally respectively

## Regionally – The Humber

- The Humber is the largest trading estuary in the UK (by tonnage) and the fourth largest in Europe, handling almost 80m tonnes of cargo per annum and experiencing strong year-on-year growth. As the UK’s most northerly port able to offer overnight services of less than 12 hours to and from continental Europe, the location of the Humber ports is nationally strategic.
- The Humber estuary supports a petrochemicals / chemicals sector worth a reported £6bn per year, which provides raw materials for much of the UK’s energy sector and offers international expertise in logistics. Approximately one million passengers travel through the port of Hull every year and 236,000 through Humberside International Airport.
- Nearly 90% of the Humber area is rural. Its main settlement and commercial centre is Kingston upon Hull, which together with its adjoining urban area has a population in the region of 300,000. Other major settlements including the sub-regional centres of Grimsby and Scunthorpe, Cleethorpes and Bridlington. The predominantly rural areas of the East Riding, North Lincolnshire and North East Lincolnshire look to the market towns of Beverley, Driffield, Brigg, Epworth and Barton.
- In 2011, there were approximately 32,500 businesses in the Humber (ONS).
- The business base of the area is characterised by small companies. Just over 80% of the Humber’s businesses have fewer than 10 employees (the vast majority of which have fewer than 5) and 96% have fewer than 50. This is similar to the profile across England as a whole. Alongside this micro-economy are some major multi-national enterprises such as Smith and Nephew, BP Chemicals and Tata Steel.
- According to the ONS, during the economy’s last growth cycle (1998-2008), employment growth in the Humber did not keep pace with regional and national

## REGIONAL AND LOCAL EMPLOYMENT MARKET

rates. Growth of 3% over that period was observed in the Humber, compared with 9% both regionally and nationally. Of note is that even prior to the financial crash in 2008, the Humber was experiencing employment decline, with a net loss between 2004 and 2008 of 4% while employment nationally continued to rise.

- It is also significant that between 1998 and 2008, the public sector was the driver of employment growth in the Humber. During this time, public sector employment grew by 27%, while the private sector declined by 4%.
- A further feature of the change in the Humber economy over the last growth period was the increase in part-time working. The vast majority (79%) of the new jobs created between 1998 and 2008 were part-time, which is linked closely to the public sector growth (60% of the public sector jobs created between 1998 and 2008 were part time). This is significant from the perspective of productivity, as a prevalence of part-time working (along with other factors such as wages and skills levels, both of which are relatively low in the Humber) can contribute to an area's productivity gap.
- Employment in the Humber was hit hard by the recession, with job losses on a more severe scale than across the Yorkshire and Humber region and England as a whole. Employment density is now considered a challenge, with an additional 31,000 jobs required in the Humber if parity with the rest of the country, excluding London, is to be achieved. This is roughly equivalent to another 10% of the workforce.

### Locally – North Lincolnshire

- North Lincolnshire is geographically large, although the population is small in comparison with some neighbouring unitary authorities. Sitting on the south side of the Humber estuary, it covers an area of 85,000 hectares, encompassing the major population centres of Scunthorpe and Bottesford, where almost half of the resident population of 167,400 people live. It also includes a number of market towns and rural communities, which have more scattered populations.
- According to the ONS (2013) there are an estimated 106,180 people of working age, (16-64 years) in North Lincolnshire. This represents a growth of 10% since 2001. The largest increase amongst this age group has been amongst people in their 20s, mid 40s and early 60s. In contrast the number of men and women in their 30s has fallen by 17%.
- North Lincolnshire has more businesses per 10,000 people than the region; it has fewer businesses per 10,000 than the national average, suggesting there is still further work to do to encourage enterprise in the area. Some of the main private sector employers by numbers in North Lincolnshire are:

# REGIONAL AND LOCAL EMPLOYMENT MARKET

Key North Lincolnshire Employers
Tata Steel
DSV Road Ltd
Two Sisters Food Group
Gardiner and Theobald LLP
Cape Industrial Services Ltd
ConocoPhillips
Bibby Distribution Services Ltd
C Spencer Ltd
Clugston Construction Ltd
Toal UK Lindsey Oil Refinery
PD Logistics
Tube City IMS

- According to the North Lincolnshire Local Review (2014) the manufacturing sector is the largest for employment, employing over 22% of employees in North Lincolnshire. This is a far higher proportion than elsewhere, in particular compared to the national rate of below 10%. North Lincolnshire’s second and third largest industries are retail, at 15.7%, a similar proportion, but slightly below the rate for retail regionally and nationally (17% and 16.7% respectively), and health, which accounts for 11.3% of employees, in line with national and regional figures. Whilst manufacturing remains the biggest employment sector employee numbers have fallen from 19,270 in 2001 to 15,736 in 2008, a fall of over 18%. During the same period the number of health and social work employees rose from 6,320 in 2001 to 7,925 in 2008, a rise of 25.4%. The service sectors, on the whole, show a steady increase in employment over the period. This includes not only professional services such as legal and accountancy, but also security, industrial cleaning and employment agencies.
- The characteristics of North Lincolnshire’s business accommodation are very different to other economic areas. For instance, almost 60% of all floor space in North Lincolnshire is taken up by factories, reflecting the area’s strong manufacturing and industrial base, compared to the regional figure of just fewer than 40% and the national figure of just under 30%. Retail floor space accounts for less than 10%, offices 7% and other commercial floor space just under 26%

# NORTH LINCOLNSHIRE LDF EMPLOYMENT LAND REVIEW (FEBRUARY 2014)

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- The Employment Land Review February 2014 provides an assessment of employment land in North Lincolnshire. It updates the Employment Land Review October 2011 and has been undertaken in order to include as up to date information as possible about existing sites and to consider new sites that could be included in the employment land portfolio.
- The key purpose of the report is to review the employment land portfolio within in North Lincolnshire. The main output being an assessment of the total quantity of new employment land and floor space needed in North Lincolnshire over the Local Development Framework period 2013 - 2026.
- The report further sets out to group the status and availability of existing employment land and employment sites into 3 categories;

1. Sites with planning permission
2. Sites allocated in North Lincolnshire Local Plan and are either committed or proposed for employment uses
3. Sites considered suitable for redevelopment for employment uses

Within these 3 categories:

## 1. Sites with planning permission

- 27 separate sites
- Gross total amounting to 122.7 (ha)
- 18 sites amounting to 42.87 (ha) are already developed
- 9 sites amounting 79.83 (ha) are partly developed or underdeveloped

## 2. Sites allocated in North Lincolnshire Local Plan and are either committed or proposed for employment uses

- 29 separate sites
- Gross total amounting to 1224.73 (ha)
- 94.31 (ha) has been developed
- 1131.42 (ha) is vacant

## 3. Sites considered suitable for redevelopment for employment uses

- 10 separate sites
- Gross total amounting to 164.28 (ha)

*\*\*For the purpose of this report, we have not considered the merits and deliverability of each individual site referred to within the LDA Employment Land Review (2014)\*\**

# NORTH LINCOLNSHIRE LDF EMPLOYMENT LAND REVIEW (FEBRUARY 2014)

- The report focuses on 4 key employment areas within North Lincolnshire taking into account location, current status, future potential and position within the areas employment hierarchy which are:
- South Humber Gateway (SHG) - is an expansive area of vacant flat land located on the southern bank of the Humber Estuary and is strategically considered the most important employment site in the Humber Sub Region. The SHG is part of a larger cluster of port-related activity along the south bank of the Humber, which includes the ports of Grimsby and Immingham.
- This employment site has distinct and unique features, making it particularly significant in terms of both the local and regional economies. It includes the UK's largest undeveloped employment land allocation fronting a deep water channel, ideally located for the extension of existing port-related industries and the creation of a new port along the bank between the Humber Sea Terminal and Immingham Port to the east. The opportunity for the SHG to become the UK's premier location for the manufacture of turbines for the expanding wind farm industry has also been presented by the Government's recent designation of offshore wind farm zones in the North Sea. Notably, Siemens recent announcement to invest £160 million alongside Associated British Ports (ABP) who are committing a further £150 million creating 1,000 jobs directly and more indirectly underlines its strategic and operational importance.
- This area will include ABLE Logistics Park (ALP) which will offer around a 497.5ha (1,229.5 acres) site with full planning permission in place for the creation of extensive warehousing (1,700,000m<sup>2</sup>), external storage and transportation depots. This area benefits from being well located with good access to M18, M1, A1, M62, M180 motorways.
- North Killingholme Airfield - This site covers a large flat area of land located in the open countryside to the west of North Killingholme village and the South Humber Bank. Although there is no direct access to the strategic road network from this area at present, it does benefit from being within close proximity to South Humber Gateway. As such, North Killingholme Airfield is arguably well placed as a location for businesses and facilities that support the estuary/port related industries sited on the South Humber Bank.
- At present a 44 hectare site is being advertised for lease and a 40-hectare site is being advertised for sale or lease with outline planning permission for employment uses (B1 and B8). At present, the quality of existing premises is mixed due to the piecemeal way in which development has accrued over many years. However, a 141-hectare site at North Killingholme Airfield is allocated for employment use in the current Local Plan and the majority of the site remains vacant.
- Despite this, North Killingholme Airfield is considered to be a good / average location for employment uses depending on future demand; particularly the warehousing, distribution, haulage and depot facilities associated with the existing and future estuary and port-related industries at the nearby South Humber Bank.
- Humberside Airport – As mentioned previously, Humberside Airport is located in the open countryside approximately 24 kilometres (15 miles) east of Scunthorpe near the

## NORTH LINCOLNSHIRE LDF EMPLOYMENT LAND REVIEW (FEBRUARY 2014)

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village of Kirmington. The presence of an international airport in North Lincolnshire does provide the opportunity to develop the surrounding area for related or unrelated employment uses. Arguably however it is best placed to serve as a location for airport-related businesses, with obvious convenient access to the rest of the country and to Europe.

- There are two allocated sites at the airport which together comprise 17.2 hectares of employment land although they are comparatively operationally poorer than the subject site.
- Sandtoft Airfield - Sandtoft Airfield is located in the Isle of Axholme to the west of the village of Belton and to the north west of Epworth. This flat expanse of land has subsequently been promoted as a suitable location for industrial and business development. It is considered by the local council to be a significant employment site with the potential to support the economies of both the South Humber Bank and Doncaster Robin Hood/Humberside Airports.
- Presently, almost half the airfield is developed with businesses generally clustered along the Sandtoft Road / Beltoft Road frontage and on the surviving runways and taxiways of the former airfield. The development that has accrued on this site over the years has taken place in an unplanned and piecemeal way, in a similar way to development at North Killingholme Airfield.

# OCCUPIER MARKET ASSESSMENT & AIRPORT RELATED EMPLOYMENT USES

Salient points
<b>Regionally</b>
<ul style="list-style-type: none"> <li>• Occupier demand has strengthened which has subsequently resulted in the absorption of existing warehouse / industrial supply</li> <li>• We have seen an improvement in net rentals and incentive levels</li> <li>• Headline rental growth expected throughout the remainder of 2014 and into 2015 in prime locations</li> <li>• General demand still focused on the sub 50,000 sq ft sector</li> <li>• The market is close to reaching a balance between the lack of available stock and the current supply indicating a return to speculative construction in prime areas</li> <li>• Several speculative schemes have commenced however they do benefit from grant funding and /or Enterprise Zone status.</li> <li>• Rental levels are still not high enough to justify speculative construction sub 100,000 sq ft without the assistance of grant funding / EZ assistance</li> <li>• Interest levels for accommodation over 100,000 sq ft still focussed on West &amp; South Yorkshire</li> </ul>
<b>Locally</b>
<ul style="list-style-type: none"> <li>• There are no existing requirements considering build to suit options in East Yorkshire / North Lincolnshire locations.</li> <li>• General demand still focused on the sub 50,000 sq ft sector</li> <li>• No airside specific requirements circulated within the last 12 months</li> <li>• Comparatively, Manchester Airport are generating low levels of airside specific related enquiries</li> </ul>

## Regionally

- With the economy now displaying consistent signs of stability and confidence, occupier demand has strengthened which has subsequently resulted in the absorption in supply of modern good quality accommodation within the Yorkshire region. Consequently, we have seen a reversal in the decline of average net rentals experienced over the past five years, albeit headline rentals have remained the same in non-prime areas, which has positively impacted occupier incentives to 6 months per five year term, and extended lease lengths in favour of landlords.
- Due to the continued low levels of supply, we expect incentives to move in further while we are also likely to witness the return of headline rental growth throughout the remainder of 2014 and into 2015 in key areas such as West Yorkshire in and around the M62 corridor, albeit incremental.
- Enquiry levels have steadily improved throughout 2014 with general demand focused on the sub 50,000 sq ft sector. We have seen a trend in well managed companies who cautiously navigated the recession, now taking on additional space either within a larger footprint or additional premises fuelling this demand.
- The market is sufficiently close to reaching a balance between the lack of available stock and the current supply and anticipated levels of demand, indicating that a return, albeit somewhat limited, to commercial development activity.

## OCCUPIER MARKET ASSESSMENT & AIRPORT RELATED EMPLOYMENT USES

- Indeed there are already several speculative schemes which have commenced or are commencing shortly. These do however benefit from grant funding and /or Enterprise Zone status:
- Harworth have begun development of 100,000 sq ft of industrial units on seven acres of land at the Advanced Manufacturing Park (AMP) in Rotherham.
- Wilton Developments will shortly start construction of 30,000 sq ft and 50,000 sq ft warehouse / distribution units in the Aire Valley, Leeds Enterprise Zone
- Muse Developments are also constructing an 80,000 sq ft warehouse / distribution unit in the Aire Valley, Leeds Enterprise Zone.
- Whilst market activity is increasing, we are finding that interest levels, especially for accommodation over 100,000 sq ft, is still largely focused in West and South Yorkshire in locations benefiting from very good motorway connectivity and good proximity to multiple populace conurbations.
- That being said, there are still no sub 100,000 sq ft planned developments without grant support or outside Enterprise Zones in these areas due to bank funding issues and competitively low rents and associated occupiers costs on the still existing remaining stock.
- We do however anticipate an increase in occupier led, new build activity in the West Yorkshire region over the next 9 - 12 months as the last available unit within the 100,000 – 150,000 sq ft (Latitude 135) is close to being let to WH Malcolm.
- Stoford Developments are close to confirming a speculative warehouse co 130,000 sq ft at Wakefield Europort J31 of the M62.

### Locally

- Specifically focusing on East Yorkshire / North Lincolnshire, requirements for large scale manufacturing premises / distribution premises are far lower than the rest of Yorkshire despite the obvious close proximity to Humber Sea Terminal and Immingham Port.
- Aside from the South Humberside Gateway and the recent announcement from Siemens, there are currently no location specific large scale requirements for East Yorkshire / North Lincolnshire which are seriously considering build to suit options.
- This may change within the next 12 – 24 months, particularly with the potential Siemens supply chain, however it is generally accepted that any associated small scale requirements will be easily catered for in the already surrounding regional industrial estates such as Queensway Industrial Estate, Eastgate Industrial Estate, Flixborough Industrial Estate, Sawcliffe Industrial Estate etc where rents, incentives and associated operational costs will be far more competitive than any new schemes.
- In terms Airside related requirements; there have been no specific requirements circulated within the last 12 months. This has been a common theme including the areas surrounding Leeds / Bradford and Robin Hood Airport.
- Comparatively, CBRE are instructed as marketing and development agents at Airport City Logistics South which is adjacent to Manchester Airport. Logistics South is a 70 acre scheme offering build to suit options from 20,000 – 250,000 sq ft. In the 18



## OCCUPIER MARKET ASSESSMENT & AIRPORT RELATED EMPLOYMENT USES

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months from initial marketing, they have only secured DHL Freight Forward within a 44,000 sq ft D&B despite the fact the Manchester Airport is the UK's second largest and third busiest. There are however ongoing discussions with two other interested parties for similar size properties however their uses are unrelated to the airport. It is worth noting that these discussions are in the early stages of negotiation and no terms have been agreed.

# HUMBERSIDE AIRPORT GROWTH STRATEGY & FUTURE POTENTIAL

Key facts	
•	Humberside Airport is a relatively small airport and is centrally located for the areas of Scunthorpe, Grimsby, Hull and Lincoln. The airport services are diversified into 3 main areas as a helicopter hub, cargo and passenger flights
•	Helicopter Hub – Humberside is the UK’s second busiest helicopter hub after Aberdeen Airport
•	Passenger Flights – The airport accommodates flights to a number of seasonal destinations however only Amsterdam is a fixed route via KLM.
•	Cargo – The cargo based operator was Icelandair Cargo / Anglia Cargo however we understand that they are no longer operating from this location

- Manchester Airport Group previously owned a majority stake in Humberside Airport which we understand was sold to the Eastern Group in 2012. Since then, Bristow Helicopters have purchased a 60% stake which completed in February earlier this year.
- We understand construction is starting on a new £5m training facility by Resource Group and BAE Systems at the airport which will provide 60 apprenticeship opportunities. The construction is supported with Regional Grant Funding and is planned to incorporate a hangar, single training aircraft, classrooms and practical training workshops.
- We understand that a planning application is also due to be submitted for a 100 bedroom hotel at the airport to cater for the increased helicopter traffic.
- We understand that the existing cargo facility previously operated by Icelandair Cargo / Anglia Cargo is vacant but still has an unexpired lease remaining.
- In numbers terms, the table below demonstrates the decline in commercial activity over the past few years. Noticeably, the amount in cargo (tonnes) has decreased from circa 94.33 tonnes per month down to circa 12.75 tonnes since the departure of Icelandair Cargo / Anglia Cargo.

# HUMBERSIDE AIRPORT GROWTH STRATEGY & FUTURE POTENTIAL

Year	Number of Passengers	Aircraft Movements	Cargo (Tonnes)
2003	517,692	39,318	945
2004	531,277	38,455	752
2005	460,930	36,839	114
2006	520,956	37,545	144
2007	468,522	38,797	144
2008	427,669	37,758	168
2009	336,649	35,060	241
2010	283,191	32,813	600
2011	274,609	26,599	1,132
2012	234,142	25,636	621
2013	236,083	27,178	153

(Source: CAA Official Statistics)

## Future Potential

- Whilst the short term future for the airport in terms of growth strategy is unclear due to the new ownership, we do consider the subject site to the West of HUME-1 to be an ideal parcel of land able to accommodate and satisfy future expansion within the next 5 – 10 years.
- In comparison to Hume 2, the subject site is:
  - Strategically better located to the principal campus of the airport creating a natural expansion solution;
  - The site is also regularly shaped in comparison to Hume 2 which will allow for greater efficiency and increased net developable area;
  - The site has no existing buildings or physical landmarks which could create delay or compromise future development.
- In light of the recent acquisition by Bristow Helicopters and the potential 100 bedroom hotel to accommodate increased future traffic, we would consider other alternative areas of growth and expansion which could be required over the next 5 – 10 years should the economy continue to grow at the current rate and the Humberside Gateway and relevant renewable energy sector gain an established foothold:

### Potential future uses

- Air Freight / Third Party Logistics - whilst the current climate and interest levels in and around Humberside Airport and more notably Manchester, Leeds / Bradford and Robin Hood are low, the next 5 – 10 years could present an occupier much like DHL Air Freight at Manchester Airport who has agreed to a 44,000 sq ft on a plot of circa 2.5 acres. An occupier of this nature would need assurance that a scheme of this type can be delivered within a maximum period of 18 – 24 months.
- Manufacturing / distribution – the subject site would provide a suitable location for any manufacturer / distribution operating ideally seeking to export produce / products to mainland Europe or internationally.

# HUMBERSIDE AIRPORT GROWTH STRATEGY & FUTURE POTENTIAL

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- Aviation education – the construction of the new by Resource Group / BAE Systems training academy is planned to include a hangar, single training aircraft, classrooms and practical training workshops. The academy is planned to accommodate 60 apprentices per year creating around 150 jobs over three years.

The academy will be modelled on Resource Group’s existing training operation at the Cotswold Airport, Kemble. By comparison Cotswold Airport is predominantly only an academy and flying club.

The academy planned for Humberside will pair up with Humber University Technical College where students will split their program also training RAF airfields focusing on military fighter jets. We understand training for commercial airplanes is not yet planned.

Should the airport become synonymous with aviation education, then there is real potential for training to expand into other aviation specialist areas such as helicopters especially given that Bristow are 60% owners.

- Aviation maintenance / parts – the recent 60% acquisition by Bristow could further establish Humberside Airports status as the UK’s second busiest Helicopter Hub which is likely to result in an increased need for supportive maintenance functions.

## CONCLUSION

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Taking into account our occupier assessment, we consider demand for airport related uses in and around Humberside Airport in the short term (12 – 36 months) to be limited.

However, whilst at present immediate levels of demand for airport related activities are low, we do feel the subject site along with HUME-1 provides suitable expansion at Humberside Airport to meet future economic growth within the medium to long term future (5 – 10 years). Additionally, we predict that the key areas for growth at Humberside Airport to be focused in and around aviation education as well as aviation maintenance and subsequent support activities.

It is considered that the subject site is strategically better located to the principal campus of the airport creating a natural and logical expansion solution for the future.