



# Redcar & Cleveland Submission Local Plan April 2017

## Economic Development Policies Topic Paper



## **1. Introduction**

1.1 This paper provides the background to support the proposed economic development policies set out within the Local Plan. The paper deals with industrial and business development (Use Classes B1, B2 and B8) and relates to the following policies:

- Policy ED 6 Protecting Employment Areas
- Policy ED 7 Cleveland Gate Mixed Commercial Development
- Policy REG3 Skelton

1.2 This paper takes account of existing policies contained within the Redcar & Cleveland Local Development Framework (LDF) (RC12/1 & RC12/2), relevant 'saved' policies contained within the Redcar & Cleveland Local Plan (1999) (RC12/5), the requirements of the National Planning Policy Framework (NPPF), and detailed background evidence studies which have been undertaken to establish the supply and demand for economic development uses.

1.3 Bringing together all of this evidence, this paper sets out how it has informed the approach taken within the Local Plan.

## **2. Background Evidence**

2.1 In order to ensure that the plan meets the full development needs of the borough over the plan period, it has been necessary for the Council to prepare its policies based on a robust and up-to-date evidence base.

2.2 Several background evidence reports have been prepared which support the economic development policies contained within the Local Plan. These are summarised in this section, with further detail available in the referenced source documents.

### ***Redcar & Cleveland Employment Land Review Update (July 2016)***

2.3 The Redcar & Cleveland Employment Land Review Update (ELR) (RC05/03/1) was prepared to assess the supply and demand for industrial and business floorspace (Use Classes B1, B2 and B8) within the borough up to 2032. The document updates previous ELRs published in 2013 and 2008.

### ***Market summary***

2.4 Redcar & Cleveland is viewed primarily as an industrial location, with demand for manufacturing and distribution/warehousing space considered to be markedly stronger than for offices.

- 2.5 Discussions with local agents and developers highlighted a clear consensus that a ‘two-tier’ industrial market operates within the borough:
- Demand for general industrial premises is dominated by local enquiries, with limited interest from beyond the borough; and
  - Demand from specialist users - primarily related to Teesport and Wilton International - is far less localised. Both sites were highlighted as key economic assets of the borough and major drivers of inward investment (both national and international).
- 2.6 In general terms, agents indicated that the market for industrial accommodation in the borough is strongest in locations – such as South Tees and Greater Eston – that benefit from proximity to the wider Tees Valley, as well as access to the A19/A66 interchange providing strategic connections to County Durham, Tyne and Wear and North Yorkshire.
- 2.7 Kirkleatham Business Park was identified as a focal point for the development of industrial stock in recent years, as well as one of the borough’s better employment locations. South Tees was also identified as a key industrial location, primarily in recognition of its strong relationship and excellent connectivity to large concentrations of industrial activity in Middlesbrough.
- 2.8 Skelton Industrial Estate was also recognised as one of the borough’s larger estates and benefits from the availability of significant areas of land. Nevertheless, it was suggested that the overwhelming majority of demand is from businesses that are local to East Cleveland and is expected to continue to be modest.
- 2.9 In terms of gaps in provision, the Council’s Business Growth Team have raised concerns that there is a need for additional employment land in the South Tees area, reflecting land held in expansion and difficulties experienced by general freight and logistics operators in securing available sites or premises within the Teesport estate. In addition, commercial agents were of the view that the provision of additional small scale, light industrial units at Kirkleatham Business Park are likely to be well received by the market. It should, however, be acknowledged that vacancy data appears to suggest an existing oversupply of space in the Redcar area.
- 2.10 More generally, discussions with a range of local stakeholders indicated a widely held belief that the Tees Valley as whole is currently suffering from a shortage of good quality industrial space in the 10,000sq.ft to 50,000sq.ft and the 50,000sq.ft plus size bands.
- 2.11 The demand for office space is primarily driven by local/indigenous business need and is considered to be strongest in South Tees/ Greater Eston and Redcar, with demand falling away as one moves further east through the borough. No particular gaps in office provision were identified.
- 2.12 Redcar & Cleveland’s offer with respect to the process industries is considered to be very strong. North East Process Industry Cluster (NEPIC) indicated that Wilton International is the best, most integrated location in the UK (and the second largest in Europe) with few competitors in relation to the production of large chemicals. Its ability to provide serviced sites and a simplified planning regime are considered to represent major competitive advantages, making it particularly attractive to high utility or energy users. The location of two

major, internationally renowned technical centres in close proximity to Wilton International is also considered to significantly strengthen the borough's offer.

- 2.13 Teesport, was also highlighted as a key positive differentiator of the Redcar & Cleveland (and wider Tees Valley) offer to the process industries. Teesport is the UK's second largest port in terms of tonnage handled and is 70% occupied with the bulk handling of process industry products.

#### *Future Requirements*

- 2.14 To ensure that both distinct components of need in the borough are adequately provided for, the ELR distinguishes between:

- Demand for land to meet the needs of the 'process' industries and the port. It is anticipated that this will be met primarily by land at locations such as Wilton, the Steel Corridor and Teesport; and
- Demand for general employment land. That is, demand arising from other sectors of the economy (manufacturing, business services, non-port related storage and distribution etc.) which will generate employment space requirements elsewhere in the borough.

#### *General Employment Land*

- 2.15 To assess the demand for new floorspace over the plan period, three different approaches were used in the ELR:

1. Using a jobs forecast model of employment growth in the main B sectors;
2. Projecting forward past take-up of employment land; and
3. Using a labour supply scenario, aligned to the work which has informed the Objectively Assessed Need (OAN), to understand the future demand for employment space that Redcar & Cleveland Borough Council's (RCBC) planned level of housing growth could support.

- 2.16 Based on this analysis the table below sets out the land requirements by scenario for general industrial land in Redcar & Cleveland (2015-2032).

Table 1: Land Requirement by Scenario (hectares)

	a. Baseline Job Growth	b. Past Take-up Rates	c. Labour Supply
Offices (B1a/b)	3.5	2.5	2.5
Manufacturing (B1c/B2)	-0.2	6.8	-4.4
Warehousing/Distribution (B8)	5.0	2.0	9.3
Total	8.3	11.2	7.4

Source: ELR Update (2016) - calculated by converting gross floorspace requirements (including safety margin and adjustment for losses).

- 2.17 Given the range of potential requirements implied by the three forecasting techniques, the ELR then applied sensitivity testing to examine how reasonable they were when considered against other factors and the potential needs for employment land that they could generate.

#### *Employment Growth*

- 2.18 The three scenarios presented in Table 1 assume that employment change in Redcar & Cleveland will be negative (under the baseline job growth scenario) or negligible (under the labour supply scenario).
- 2.19 It should, however, be noted that the Strategic Economic Plan (SEP) published by Tees Valley Unlimited (TVU – now Tees Valley Combined Authority) aims to deliver 25,000 new jobs across the Tees Valley over the period 2015-2025. Volume Two of RCBC's SHMA states that the TVU Management Group has considered the geographical distribution of the 25,000 new jobs targeted within the SEP. On the basis of this analysis, the Management Group estimates that the share of new jobs in Redcar & Cleveland would be in the order of 215 new jobs per annum. Assuming that employment growth in Redcar & Cleveland was to average 215 new jobs per annum over the duration of the 17 year Plan period, it is estimated that gross employment land needs would be in the order of 15.5ha.
- 2.20 Previous updates of the ELR also considered the ambitious jobs targets within the Regeneration Masterplan (14,000 new jobs) when calculating potential employment land needs, however this jobs target has not used in the latest ELR, recognising the changed economic outlook since the Masterplan was originally prepared.

#### *Gross take-up*

- 2.21 The past take-up scenario presented in Table 1 is underpinned by net development rates (albeit with an allowance subsequently made for the replacement of a proportion of anticipated future losses and the application of a safety margin).
- 2.22 An alternative assessment of future demand, therefore, would be to project forward past take-up on the basis of gross development rates. Using gross take-up of floorspace, projected forward over a 17 year Plan period would indicate a need for 13.7ha of employment land.

#### *Impact of Recession*

- 2.23 The data used in the ELR covers the period 2006/07 to 2015/16 and this was considered to be heavily skewed towards post-recession market conditions. It was suggested by stakeholders that the data could risk under-estimating the long term need for land premises in the borough. It is therefore instructive to consider the level of demand observed during the period prior to the recession. However, it is important to note that, due to the limitations of the data (principally the small sample size in respect of pre-recession take-up) this analysis must be interpreted with caution.
- 2.24 During 2006/07 and 2008/09, it is understood that approximately 12,330sq.m of general B class floorspace was delivered in Redcar & Cleveland. This corresponds to an average annual take-up of 6,165sq.m. Projecting this forward over a 17 year Plan period (and using the plot ratios outlined in the ELR) would generate an indicative need for approximately 26ha of employment land.

### *Replacement of Losses*

- 2.25 For each of the scenarios considered in Table 1, increasing the replacement of losses from 66% to 100% of past trends would see the total requirement rise by 3.6ha. This would see the range of requirements increase from between 7.4ha and 11.2ha to between 11.0ha and 14.8ha.

### *ELR workshop*

- 2.26 At the ELR workshop developers active in the borough were of the view that simply allocating land may not be sufficient to stimulate development. Available land being promoted often attracts little interest over a prolonged period of time, whilst speculative development in the same locations tends to be well received by the market. It was suggested, by the development industry, that mixed-use schemes, where appropriate, could help to cross-subsidise the speculative development of new space. This could help to stimulate economic growth in the borough.
- 2.27 The consensus view amongst attendees was that allocating 10-15ha of general employment land across all of Redcar & Cleveland (in order to align demand and supply in quantitative terms) could give rise to significant qualitative gaps in the portfolio. It was suggested that this could constrain the borough's growth potential and that a more generous portfolio of land is likely to be required. In particular, attendees highlighted the importance of ensuring that Redcar & Cleveland's future supply of land provides opportunities for new development in a range of locations across the borough. This would include sites in South Tees/Greater Eston and Redcar, as well as more modest levels of provision to meet the growth needs of the indigenous business base in Guisborough and East Cleveland.
- 2.28 Attendees also suggested that Redcar & Cleveland should look to allocate at least one site capable of accommodating a large, single user enquiry and that this would be problematic to achieve within a portfolio of 10-15ha. Representatives from the development industry felt that in order to be an attractive proposition to the market, such a site would need to be allocated for employment uses to provide some planning certainty and helping to de-risk the site. It was recognised that allocating a quantum of employment significantly in excess of projected future need could potentially leave the area vulnerable to planning applications for alternative, higher value uses. However, it was generally agreed that much of the employment land in the area is in locations that are unlikely to be attractive to residential developers and that the pressure to release land to alternative uses could therefore be less acute than in other parts of the North East.

### *Summary and conclusions*

- 2.29 The baseline job growth and labour supply scenarios, which are driven by the latest macroeconomic and demographic assumptions, indicate that future manufacturing (B1c/B2) demand will be negative. In contrast, the past take-up scenario, which reflects historical patterns of observed demand, indicates that future manufacturing demand will be positive – despite historic job losses in manufacturing sector being higher than those projected to occur over the Plan period. Given the potential for proposals such as York Potash to have a positive impact upon the demand for space in the borough moving forward, the ELR recommends that the Council may wish to avoid constraining future growth through an unduly pessimistic assessment of future industrial land needs.

- 2.30 A far greater degree of consensus between the scenarios exists in relation to future office requirements across the borough. All three scenarios identify a future need for between 2.5ha and 3.5ha of land.
- 2.31 Within the context of the NPPF requirement to plan positively for growth, the ELR considers that planning on the basis of the land requirements associated with the baseline job growth and labour supply scenarios risks under-estimating future demand from the manufacturing sector, which could in turn constrain the borough's growth potential over the Plan period.
- 2.32 An analysis of market signals, as well as consultation with local business representatives and other key stakeholders, indicates that future demand in Redcar & Cleveland will be driven by industrial occupiers. In addition, employment forecasts from Oxford Economics indicate that employment change in manufacturing is likely to stabilise considerably relative to past trends. Indeed, whilst manufacturing jobs in the borough declined – on average – by 190 per annum between 1997 and 2015, this is forecast to slow to a decline of just 30 jobs per annum to 2032. Given the scale of difference between the figures, it is difficult to envisage future demand for manufacturing land and premises being lower than previously observed.
- 2.33 This is particularly the case when one considers that a number of stakeholders have raised concerns that the time period over which take-up has been recorded is heavily skewed towards post-recession market conditions. The ELR therefore recommends that Redcar & Cleveland Borough Council should plan to accommodate a level of employment land demand in excess of the 8.3ha derived under the baseline job growth scenario.

#### *Existing supply and rationalisation*

- 2.34 Taking into account pipeline supply the ELR estimates an available supply of 99.37ha of developable general industrial land (excluding general employment land at Wilton). The ELR measures the available land supply on the basis of net developable area (recognising that land will be lost to road network and estate infrastructure).

Table 2: Available Employment Land

Location	Available Land (ha)	Pipeline Supply (ha)	Total Supply
East Cleveland	28.39	-1.24	27.15
Guisborough	4.76	0.00	4.76
Redcar	42.44	0.00	42.44
South Tees	24.20	+0.72	25.02
Total	99.89	-0.52	99.37

Source: Redcar & Cleveland Employment Land Review Update (2016) (note sites classed as reserved are not included in supply nor land at Wilton classed as suitable for general employment but considered separately under specialist uses).

- 2.35 Given the imbalance between the amount of employment land in the borough, and predicted needs over the plan period, the ELR recommends that the following sites are removed from the borough's portfolio of employment land, as illustrated on the Employment Land Review Maps (RC05/03/2).
- 2.36 **Skelton Industrial Estate Extension, East Cleveland (20.49ha):** the supply of infill development opportunities on the existing industrial would be sufficient to meet demand in the Skelton area, which is driven by the needs of the indigenous business base. The scale of

the extension site is such that it would distort the overall supply of land in East Cleveland and this is considered to remain the case. Since the previous ELR, an Asda foodstore has been developed on part of the site.

- 2.37 **Land West of A1053, South Tees and Greater Eston (19.26ha):** the site is not well located in relation to the general commercial areas of Redcar & Cleveland. It was considered that the land could be more suitable as a potential extension to residential development.
- 2.38 **Land North of Middlesbrough Road, Guisborough (2.58ha):** the site is subject to significant delivery constraints. Residential development has taken place on part of the site.
- 2.39 **Dormanstown estate (Trunk Road), Redcar (2.11ha):** plot was constrained and in use as part of the adjacent area of open space.
- 2.40 Removal of these sites (44.44ha) would leave the borough with a future supply comprising of 54.93ha of general employment land.
- 2.41 **Kirkleatham Business Park:** much of the adjusted supply figure comprises land at Kirkleatham Business Park (37.57ha of available employment land). Based upon past rates of development in the area, and projected future needs at the local authority level, the ELR considered that it was highly unlikely that all of this land would be required over the Plan period.
- 2.42 12.6ha of employment land at Kirkleatham Business Park forms part of the wider Tees Valley Enterprise Zone (EZ). The fiscal benefits on offer, as well as the high quality of the site and existing premises means that this represents an important element of the borough's employment land portfolio. Whilst there is little merit in de-allocating land designated as an EZ, 12.6ha is considered to be sufficient, in quantitative terms, to meet employment land needs in Redcar over the Plan period. The ELR therefore recommends that the Council should give consideration to the need to rationalize supply in this area.
- 2.43 Removal of these sites (and adjusted to account for pipeline supply) would leave 29.96ha of available employment land in the following locations as outlined in the table below and considered against indicators of demand.

Table 3: Supply and Market Demand

Location	Supply (ha)	B Class Floorspace	Jobs	Reported Level of Market Demand	
				Office	Industrial
East Cleveland	6.66	14%	20%	Low	Low/Moderate
Guisborough	2.18	3%	11%	Low/Moderate	Low
Redcar	15.36	11%	20%	Moderate	Moderate
South Tees	5.76	72%	49%	Moderate	High

- 2.44 From Table 3, it can be seen that the supply of employment land in East Cleveland appears high relative to projected future demand, and current level of B class floorspace and jobs. The ELR recommends the Council may wish to consider further opportunities to reduce the supply of available employment land in this area.



- 2.45 The supply of available employment land in Guisborough is modest in absolute terms, comprising of a series of small plots on Morgan Drive and Cleveland Gate. When benchmarked against a projected future need at the Local Authority level for between 7.4ha and 11.2ha, however, the supply is considered likely to exceed demand over the Plan period.
- 2.46 Available employment land in Redcar exceeds projected demand. This is largely driven by the impact of the EZ designation at Kirkleatham Business Park. In finalising the Local Plan, the Council should take into account the need to achieve a balanced portfolio of sites within the town with respect to size and quality. As such, there may be a qualitative rationale for retaining some land at Warrenby Industrial Estate and Dormanstown to meet the needs of small, cost sensitive, local businesses.
- 2.47 At present, 5.76ha of employment land is available in the South Tees market area. When benchmarked against supply in the other market areas this appears low. Particularly given that South Tees contains the majority of the borough's existing jobs and B class floorspace and is generally recognised as the strongest market area in the local authority. In part, however, this is a reflection of the quantitative oversupply in other parts of the borough, and a provision of 5.76ha in South Tees is likely to be sufficient in quantitative terms to meet projected demand of up to 8.3ha at the local authority level. Should RCBC decide to plan for a level of demand closer to the 11.2ha identified under the past take-up scenario, there may be a need for additional land in South Tees. It should also be recognised that consultation with stakeholders has identified a perceived qualitative gap in the provision of employment land in South Tees which merits further consideration by RCBC. It will be important for the Council to recognise, however, that any additional land allocations in South Tees would serve to increase the global oversupply of employment land in quantitative terms. Whilst the market areas do operate as separate entities in some respects, any increase in the supply may need to be offset by further deallocations elsewhere in the borough.

### *Specialist Uses*

- 2.48 The complex relationship between employment and land-take makes it difficult to estimate the future need for specialist use employment sites on the basis of labour demand and labour supply techniques. An assessment of past take-up rates is considered to represent the most appropriate approach to estimating future need. Annualising historic patterns of development and projecting forward on a pro-rata basis indicates a need for between 125ha and 163ha of land for specialist uses over the 17 year Plan period. The figures do not allow for the inclusion of a safety margin. In addition, it should be noted that consultees have expressed concerns that the take-up data is strongly influenced by post-recession market conditions and may risk understating demand.
- 2.49 An assessment of the borough's supply identifies 377.41ha of specialist use employment land when considered on the basis of current policy designations. This rises to 428.68ha if land allocated within Wilton International, but allocated for general industrial uses, is included:
- Tees Offshore Base: 16.66ha of available land for port-related development;
  - Teesport: 24.70ha of available land for port-related development;
  - Steel Corridor: 142.86ha of available land for use by Potentially Polluting and Hazardous Industries; and
  - Wilton International: 193.19ha of available land for use by Potentially Polluting and Hazardous Industries, with a further 51.27ha allocated for general industrial use.

- 2.50 The supply of specialist use employment land is, therefore, considered to exceed projected future demand. It is important, however, to recognise the critically important role that the specialist use sectors play in driving the Redcar & Cleveland economy driving inward investment enquiries and accounting for 92% of past take-up. This is recognised through the Enterprise Zone designations awarded to land at Teesport and Wilton International.
- 2.51 Stakeholders consulted as part of the ELR process (including TVU) have been clear in their view that locations such as Wilton International and Teesport should be protected at all costs. This primarily reflects the economic importance of the specialist use sites, as well as the difficulty and costs associated with identifying suitable additional land for such uses in the event that the existing supply is exhausted at some point in the future. In addition, it reflects stakeholder views that specialist use sites are viewed by the market as being distinct from the supply of general employment space. Specialist uses are unlikely to be suitable on, or attracted to, general employment sites and vice-versa. As such, it is unlikely that a generous supply of specialist use sites would skew the market for general land and premises.
- 2.52 Having regard to the above, the ELR recommends that RCBC should look to protect all remaining land at Teesport, Tees Offshore Base and Wilton International for specialist employment uses.
- 2.53 The situation with respect to the Steel Corridor, however, is considered to be more complex. At present, 142.86ha of land is available in an area that has traditionally been the focus of the borough's steel industry. The Lackenby and Skinningrove steel mills remain open and the MPI is understood to be exploring opportunities for small scale, bespoke steel manufacturing in the area. As a consequence, it is important that a supply of employment land is retained to support growth opportunities in a sector that has been so important, historically, to the local economy.
- 2.54 Notwithstanding the above, the closure of the SSI blast furnace in Redcar in late 2015 resulted in significant job losses in the local steel industry. Whilst the land is not currently available, a masterplanning and feasibility study has recently been commissioned in order to examine the scale of remediation works required and consider a range of possible alternative uses for the site. Given the likely scale of remediation required, it is considered unlikely that this site will be classed as part of the available supply in the short term.
- 2.55 The likely market positioning of the SSI site is currently unclear. However, given the existing availability of 142.86ha of land within the Steel Corridor, and within the context of the much publicised difficulties facing the industry at the national level, it is considered unlikely that further land for the steel industry is required within the borough. As such, it may be necessary for RCBC to consider whether scope exists to identify more productive uses for some of the land within the Steel Corridor. This could include establishing a dialogue with PD Ports in order to establish: whether any further land is required to meet the long term growth needs of Teesport; or whether some of the release of land in the Steel Corridor could help to address existing accessibility constraints at Teesport.

***Tees Valley Strategic Economic Plan: The Industrial Strategy for Tees Valley 2016-2026***

- 2.56 This document (RC05/13/1) refreshes the Strategic Economic Plan (SEP) first published in 2014. The refresh coincides with the establishment of the Tees Valley Combined Authority and associated new powers and funding. In 2015, a devolution deal worth £450 million over 30

years was signed. Equivalent to an additional £15 million per year, the deal also provides for the transfer of significant powers for employment and skills, transport and investment from Central Government to the Tees Valley. A new fund has been created to deliver a programme of investment in the region over the 30 year period, and the establishment of a Mayoral Development Corporation.

- 2.57 The plan sets out the growth ambitions and priorities over the period and provides a framework for economic development activities for the Tees Valley to become a high value, low carbon, diverse and inclusive economy.
- 2.58 The SEP is focused around six themes which reflect the main priorities and areas of activity over the period:
- **Business Growth:** further increase jobs and business density through attracting new companies and grow businesses/sectors with high growth potential;
  - **Research, Development, Innovation & Energy:** further enhance productivity of core sectors;
  - **Education, Employment & Skills:** ensure a labour market which meets needs of businesses and supports lifetime opportunities;
  - **Place:** promote Tees Valley as the preferred UK location for energy intensive indigenous firms and Foreign Direct Investment and create conditions to attract businesses and individuals;
  - **Culture:** change the external perceptions of Tees Valley and attract/retain business and people by increasing the attractiveness of the area; and
  - **Transport & Infrastructure:** facilitate local, regional, national and international road, rail and broadband connectivity.
- 2.59 The SEP recognises the need for public intervention to address the surplus of brownfield sites, which will not be developed by the market alone. Mechanisms include Enterprise Zones, Mayoral Development Corporation/s, the establishment of a Land Commission to capitalise on underutilised assets (including brownfield land), and the Tees Valley Patient Capital Investment Fund to coordinate public sector investment and act as a catalyst for further private sector support. The emphasis on brownfield and under-utilised public land not only aims to provide the space for business and housing growth, but also ensure such land is brought forward for development to support our priority in ensuring the whole of Tees Valley is an attractive and vibrant place.
- 2.60 The 'place' specific intervention identified includes the establishment of the South Tees Development Corporation which would use new powers to promote regeneration and economic growth of the South Tees area (including the former SSI site). This is covered in more detail at paragraph 2.73.
- 2.61 The SEP also recognises the importance of the port and logistics sector and the opportunities Teesport provides for economic growth and increased trade. Three specific opportunities have been identified:
- the expansion of the Port, taking advantage of new transport and connectivity improvements by road and rail;
  - the opportunity, following appropriate remediation, to use the former steel works at Redcar waterfront to open up new opportunities for trade, logistics, and manufacturing; and

- the provision of strategically located logistics sites to support both port related and other distribution opportunities, linked to road and rail investment.
- 2.62 The SEP also highlights the major contribution that the Tees Valley makes to the UK and Northern Powerhouse's industrial economy, notably through its advanced manufacturing and energy sectors. The circular economy is identified as an opportunity to support the UK's de-carbonisation commitment and to develop a Tees Valley fully integrated super-processing location which can be internationally competitive in the long run. Circular economies are most effective when based on integrated industrial locations, where industries producing heat, by-products and waste, together with agricultural production, combine with communities to provide opportunities for other industrial processes and enterprises, co-located to maximise collaboration. The SEP specifically recognises Wilton as one of only a limited number of super-integrated locations, capable of dealing with heavy production and managing the environmental issues.

### ***Redcar & Cleveland Regeneration Masterplan***

- 2.63 In 2010 Redcar and Cleveland Borough Council produced a Regeneration Masterplan that set out a 15 year framework for economic regeneration across the borough.
- 2.64 In 2012 the Regeneration Masterplan Delivery Plan 2012-17 (RC05/02/1) was prepared explaining how the Council proposed to deliver the next phase of the Regeneration Masterplan. The Masterplan aimed to establish a stronger, more diverse, economy primarily by proposing several transformational interventions aimed at achieving a strong and sustainable economic future for the borough.
- 2.65 The Regeneration Masterplan also includes area specific documents (RC05/02/2 to RC05/02/6).

### ***Redcar and Cleveland Growth Strategy (2016)***

- 2.66 After five years the Council made the decision to review progress of the Regeneration Masterplan, and to produce a Growth Strategy (RC05/01) to realign our approach to economic growth and to reflect the very different political and economic environment in which we all now operate.
- 2.67 The Growth Strategy builds on the Masterplan but places a greater emphasis on developing the workforce and economy, alongside the ongoing commitment to develop our economic infrastructure and improve our quality of place. In summary the Growth Strategy is not a project list, rather it identifies two Strategic Priorities that form the focus for our future programmes and projects.
- 2.68 Priority 1: Strengthening and promoting our economic assets by:
- a. Developing our land and infrastructure;
  - b. Developing business and enterprise growth; and
  - c. Raising our quality of place.
- 2.69 Priority 2: Building a Competitive Workforce by:

- a. Improving work readiness; and
- b. Raising skill levels.

2.70 The Growth Strategy states that sector development plans will be prepared for the sectors in which the borough has a competitive advantage. These include port & logistics, energy & low carbon, material processing and advanced manufacturing. Emerging local sectors include tourism, creative & digital industries and social enterprise.

### ***North and South Tees Industrial Development Framework (2009)***

2.71 In recognition that there is a limited supply of land within the North and South Tees area which can specifically be used for Potentially Polluting and Hazardous Industries (PPHIs), Tees Valley Unlimited commissioned the preparation of the North and South Tees Industrial Development Framework (RC05/12) in order to maximise the potential of the area through promoting land for specific uses.

2.72 This report identifies opportunities and the key challenges/constraints that will need to be addressed if current strengths can be safeguarded and investment prospects realised. Analysis of opportunities and constraints has been carried out to identify key priority projects and interventions that could make a difference in this strategically important area. The study covers both the Wilton and South Tees area.

### **South Tees Development Corporation**

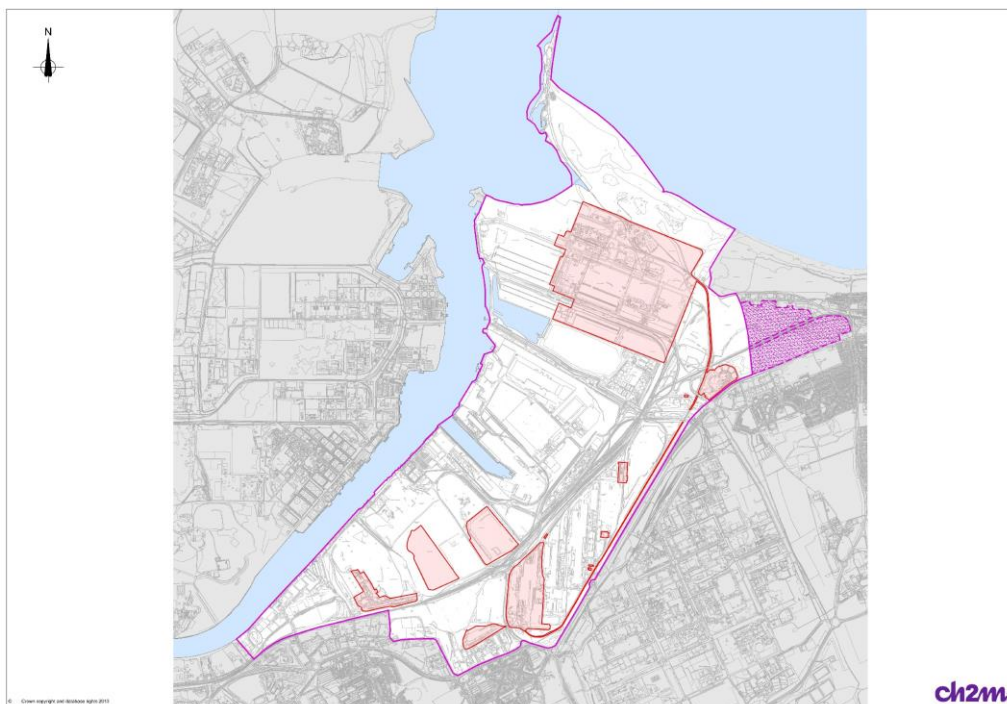
2.73 In the Tees Valley Devolution Deal, it was agreed that the Tees Valley should have the power to create locally-accountable Mayoral Development Corporations, able to accelerate economic growth by supporting the regeneration of key sites. Government have devolved powers through the Tees Valley Combined Authority (Functions) Order 2017 (RC17/8).

2.74 The South Tees Development Corporation (STDC) is being established to promote the regeneration of the South Tees area.

2.75 The Tees Valley Combined Authority have recently consulted on proposals. Powers are proposed to include responsibilities for planning, land assembly and acquisition, financial incentives and development of infrastructure.

2.76 The proposed area includes the former-SSI land and facilities which will need considerable work to remediate and bring back into economic use, including agreements with the creditors, and with national government. However, the Development Corporation is also intended to extend over a much wider area. Proposals cover 1,740 hectares of the South Tees area, including substantial areas of economic opportunity, access to a deep water port, excellent road and rail links, access to energy and utilities, and to a highly skilled and committed work force. It ranks amongst the best sites in Europe for export-orientated industrial production.

2.77 Proposed boundaries are illustrated in the map below and include land safeguarded for economic development at South Tees, Bolckow Road and South Tees Freight Park. Further details on powers and area covered by the STDC are expected to be confirmed later this year.



### ***Enterprise Zones***

2.78 The Tees Valley Enterprise Zone was created in April 2012 as one of the Government's first new wave of enterprise zones. It covers 12 individual sites across the five Tees Valley Authorities.

2.79 Within Redcar & Cleveland three sites have been included within the Tees Valley Enterprise Zone. These sites are identified on Tees Valley Enterprise Zone Map (RC05/04) and Appendix 2 of the ELR.

### ***Land at Kirkleatham Business Park, Redcar***

2.80 A total of 12.6 hectares of employment land at Kirkleatham Business Park is included within the Tees Valley Enterprise Zone. The site is targeted at the Advanced Manufacturing and Engineering, Chemicals and Renewable Energy sectors, with new businesses from the target sectors establishing on the site being eligible for business rate discounts of up to £55,000 per year over a five year period.

2.81 Several development sites within the business park have been included in the enterprise zone, including available parcels of land and vacant buildings.

2.82 A Local Development Order (LDO) has been adopted for the site which grants permission for certain types of development which fall into the target sectors, subject to meeting the schedule of conditions set out in the Order. The LDO was extended to March 2018, although to date no development has been permitted under the provisions of the LDO.

#### *Land at Wilton International*

- 2.83 Five developable plots, with a total area of 164ha, are available at Wilton International as part of the Tees Valley Enterprise Zone. The site is targeted at the Chemicals and Renewable Energy sectors.
- 2.84 Businesses within the target sectors setting up on the enterprise zone sites at Wilton International can benefit from 100% enhanced capital allowance on capital investment.
- 2.85 Planning Performance Agreements (PPAs) will be used for development proposals on the enterprise zone sites at Wilton International in order to establish a timetable for the decision making process and to offer certainty to investors.

#### *Land at South Bank Wharf*

- 2.86 A total of 80.7 hectares of employment land at South Bank Wharf is included within the Tees Valley Enterprise Zone. The site is targeted at the Renewable Energy and Advanced Manufacturing sectors.
- 2.87 Businesses within the target sectors setting up on the enterprise zone site at South Bank Wharf can benefit from 100% enhanced capital allowances in capital investment.
- 2.88 Planning Performance Agreements (PPAs) will be used for development proposals on the enterprise zone site at South Bank Wharf in order to establish a timetable for the decision making process and to offer certainty to investors.

#### ***Local Development Order for Skelton Industrial Estate***

- 2.89 In order to help stimulate investment and create jobs on Skelton Industrial Estate, the Council adopted a Local Development Order (LDO) for the site in May 2013, and amended in April 2017 (RC05/07/1). The LDO relates to the existing industrial estate, currently safeguarded under LDF Policy CS9, but does not cover the proposed extension to the industrial estate, currently safeguarded under 'saved' Local Plan Policy IND3 (as illustrated in RC05/07/2).
- 2.90 The LDO grants planning permission (subject to conditions) for any development falling within traditional industrial use classes (i.e. B1, B2 and B8).
- 2.91 The LDO has been extended until 31 March 2018. A review of the LDO will be undertaken following the adoption of the Local Plan and mixed-use allocation of the site. This will consider the area and type of development covered by the LDO and whether it is appropriate to extend its lifetime.

### **3. Approach taken in the Local Plan**

- 3.1 The ELR recommends that the Local Plan should provide for a general employment land requirement in excess of 8.3ha, with a projected need for up to 11.2ha based on past take-up rates, or 26ha based on pre-recession data. Following the de-allocation of approximately 30ha of land previously safeguarded for general employment (at Guisborough, Kirkleatham and Trunk Road, Dormanstown), and the re-designation of employment land at Skelton as a mixed use site, this leaves a proposed net available supply of 33.71ha of general employment land within the Local Plan over the plan period.
- 3.2 For specialist uses, the ELR identifies a need of up to 163ha of employment land over the plan period, although it recommends that the majority of land currently safeguarded for these uses should remain protected in the Local Plan. The Local Plan proposes a net available supply of 447.94ha of specialist employment land over the plan period, with no de-allocations proposed.
- 3.3 A site-by-site overview of the approach taken is detailed in the following sections, split between specialist and general employment sectors.

### **4. Heavy Industry and Logistics Sectors**

- 4.1 As highlighted in the evidence base, specialist industries such as heavy industry, processing, steel, chemical, waste and the port/logistics sector have been identified as being of significant importance to the future prosperity of the borough and the wider Tees Valley.
- 4.2 The Redcar & Cleveland Employment Land Review update 2016 (ELR) identified a need of up to 163ha of employment land for specialist uses over the plan period, however given the unique and critically important role these specialist use sites play in driving the economic growth of Redcar and Cleveland, it concluded that the majority of land previously protected for steel, chemical and port-related industries should continue to be protected in the Local Plan.
- 4.3 The Council's Growth Strategy also indicates that the port and chemicals sectors in particular will continue to generate significant investment in the local economy.
- 4.4 The Local Plan therefore safeguards the entire land at South Tees, Wilton and Skinningrove, with 447.94ha available for heavy industry and logistics sectors over the plan period under Policy ED6.
- 4.5 Paragraph 5.28, supporting text to Policy ED6, expands on the types of specialist heavy industry, port and logistics developments which the Council want to ensure that there is sufficient land to attract. These include developments such as the development, testing and



production of material and processes which would be restricted elsewhere including uses which may be potentially hazardous and polluting such as chemical, steel, energy, waste and recycling.

4.6 Whilst it is recognised that a substantial area of land would be allocated for specialist heavy industry sectors, this is justified on a number of factors:

- Development proposals in these key industries require large development sites. It is therefore imperative that the Council continues to retain supply of large development plots to accommodate any future development. This is demonstrated by the take-up of employment land within the borough which has fluctuated dramatically, primarily based on whether any new plant or warehousing was completed at Wilton International or Teesport within the year.
- Sites allocated for the development of these key industries often have key locational requirements. For example, there is a limited supply of land with river frontage, which would be able to accommodate port related uses. Due to the specific locational requirements of some operators, sites such as Wilton International are generally competing against rival sites in other countries rather than alternative locations locally, regionally or nationally. The North and South Tees Development Framework recognises that there is a limited demand for specific types of development and that the Council should seek to ensure that the land available is used effectively.
- There is a legacy of heavily polluting industries on a large proportion of the sites which are allocated for these key industries. The significant levels of ground contamination associated with these former uses would make many alternative forms of development unsuitable and/or unviable. In addition, their close proximity to existing heavy industrial users would make many alternative proposals inappropriate, especially those parcels of land which are located inside Health and Safety Executive (HSE) consultation zones.
- Any potential over allocation is considered to pose a significantly lower risk than an undersupply of land which would restrict economic growth and investment. Taking into consideration the uncertainties associated with the amount of land required for these key industries, as demonstrated through the ELR, it is sensible to maintain the areas previously safeguarded to guard against any undersupply. Furthermore, given the nature of these specialist sector sites, it is not considered that their retention would undermine the integrity of more 'general' supply.
- The boundary proposed at consultation for the South Tees Development Corporation includes land within the South Tees area. Given high priority plans to accelerate economic growth it is prudent to safeguard this area for economic development.

4.7 The Core Strategy previously safeguarded areas for specified specialist uses under Policy CS10. Wilton International was safeguarded for chemical related activities; Corus Steel Works in South Tees, Redcar and Skinningrove for steel related activities; and along the River Tees for

port related development. Wilton and the South Tees area were also identified as areas where energy and recycling industries will be centred under Policy CS11.

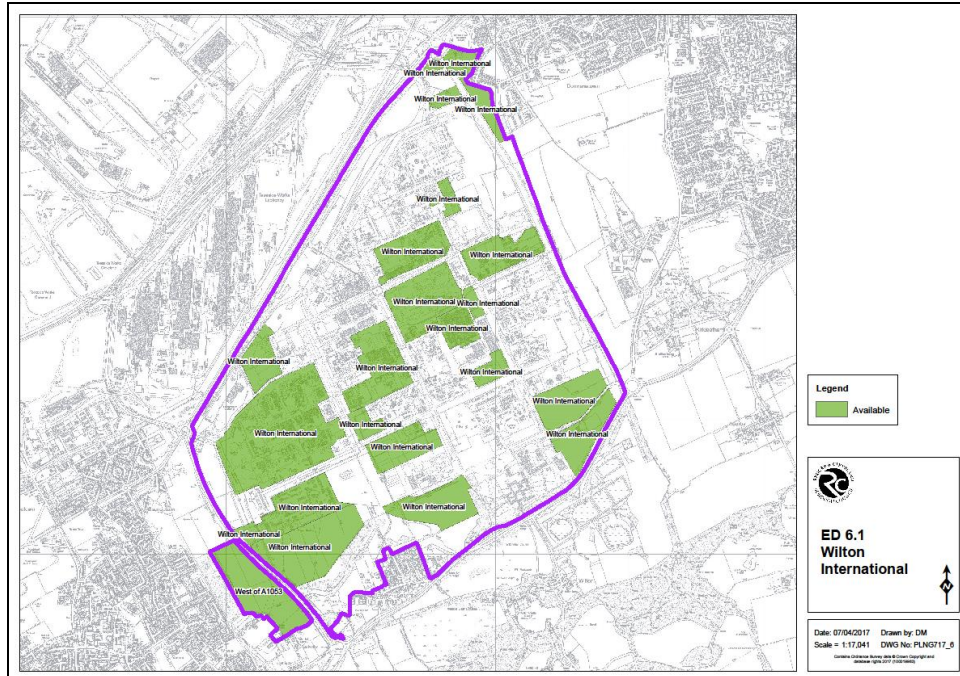
- 4.8 Recognising changes in the wider economy, the Local Plan moves to a more general approach of safeguarding these wider areas for heavy industry and logistics. In order to make the strategic approach to economic development clearer a number of main modifications to Policy ED6 are proposed. These include listing the area of land available for development on each of the sites over the plan period. These figures are based on land availability as included in the ELR 2016.
- 4.9 Each of the Local Plan allocations under Policy ED6 is summarised below.

#### **ED 6.1 Wilton International**

- 4.10 Site ED6.1 includes land at Wilton International and land to the west of the A1053.
- 4.11 The Tees Valley is an established location of global significance with respect to petrochemicals and renewables, centred on three major locations within the Tees Valley: Wilton International, Billingham and Seal Sands. These sectors continue to form an important part of the local economy, directly employing approximately 10,000 people within the Tees Valley and securing a total of £3bn of investment in the last five years. However, despite the continuing attractiveness of the Tees Valley as a global player for such industries, there have also been a number of large closures within the sector over recent years, due to a fall in demand as a result of the worldwide economic crisis and increasing competition from other plants throughout the world.
- 4.12 The Wilton International complex covers a total area of approximately 780 ha, making it the second largest integrated chemicals complex in Europe. The site was established in 1956 and was originally operated in its entirety by ICI. Since then, the site has become a multi-occupancy site managed by Sembcorp Utilities and is now home to a number of large multinational corporations including Sabic, Lotte and Huntsman.
- 4.13 The site also contains the Wilton Centre, which offers office, laboratory and pilot plant facilities on the complex and is an important centre for research and development. It is home to over 60 companies and a number of national and global leaders have their UK headquarters based at the Wilton Centre. Recent development at Wilton also includes construction of an energy-from-waste facility.
- 4.14 Despite Wilton International being a long-established chemicals complex, there remains a wide range of sites available for development, including some previously developed sites which have become available in recent years.
- 4.15 There is a long-standing 'Instrument of Consent' on the site dating back to 1946 which permits chemical and industrial development on the undeveloped parts of the site, without the need

to apply to the Council for planning permission. Planning permission is required as normal for parts of the complex which have been previously developed.

- 4.16 The Instrument of Consent only permits light industrial and storage uses on certain parcels of land at the north east and south of the site which are not considered to be appropriate for heavy industry due to their relative close proximity to residential dwellings at Dormanstown and Lazenby.
- 4.17 Land to the west of the A1053 Greystones Road is currently allocated as general industrial land under LDF Policy CS9. The ELR recommends that this site should be deallocated as employment land. However, despite being on the western side of the A1053 Greystones Road, the site is owned and managed by Sembcorp Utilities as part of the Wilton International complex, with access to the site also being gained through Wilton International. Whilst it is acknowledged that the site would not be suitable for heavy industrial plant and processes, due to its relatively close proximity to residential dwellings, light industrial uses and offices associated with the chemicals and energy sector would be acceptable. The Instrument of Consent also applies to this area. It is therefore proposed to retain this site as part of the Wilton International site.
- 4.18 A total of 263.72ha is classed as available, based on information from the ELR, as illustrated below. Approximately 70 ha of this available land is suitable for light industry, storage or offices only.

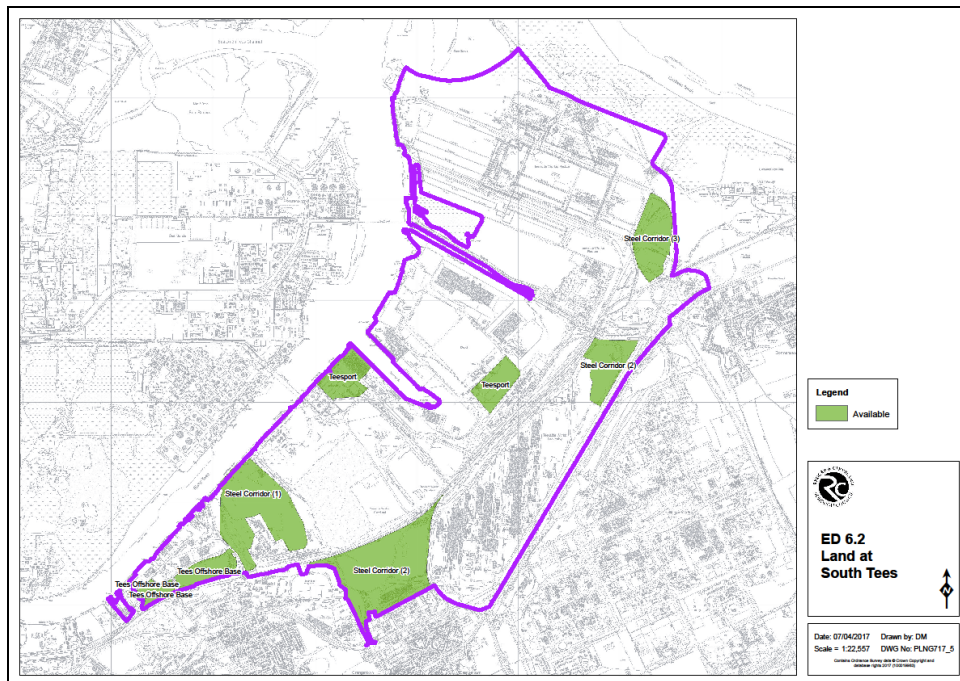


## **ED6.2 Land to the South of the River Tees**

- 4.19 Land at South Tees includes land at Teesport, Teesport Commerce Park (formerly known as Tees Offshore Base) and the land previously safeguarded for the steel industry between the riverside and Trunk Road / A66, referred to as 'Steel Corridor' in the ELR.
- 4.20 The area safeguarded for heavy industry and logistics sectors at South Tees, under policy ED6 falls entirely within the proposed STDC boundary. The STDC boundary also extends to include general employment area at South Tees Freight Park and Bolckow Estate, and areas designated for the environmental interest in the Local Plan around the coast. Given the significant economic aspirations for the area it is considered important to safeguard this land.
- 4.21 It is understood that the final decision in relation to the area, powers and functions of the proposed STDC will be made later this year. ED6 will be kept under review, and may require update, as the STDC progresses.
- 4.22 Teesport is located less than a mile from the mouth of the River Tees and provides a deep-water facility with a natural marine opening, providing lock-free access to the North Sea. The port is operated by PD Ports and is one of the busiest in the UK handling over 5,000 vessels per year and around 38 million tonnes of cargo.
- 4.23 Traditionally, the port operated as a bulk terminal, exporting the raw mineral resources exploited in the local area and the commodities produced by local industries. Whilst the bulk operations remain an integral part of the Teesport's operations, palletised freight is becoming an increasingly significant component of the business, allowing it to compete directly with large southern ports such as Felixstowe. Evidence of the increasing success of the port at attracting a wider diversity of users is demonstrated by the recent opening of large distribution centres in the port by two of the UK's leading supermarket chains.
- 4.24 PD Ports have signalled their intention to significantly increase the capacity of their port operations by implementing the first phase of their ambitious 'North Gateway Container Terminal' project. The first phase, completed in 2011, involved a £16.7m investment to expand one of their container terminals, allowing the port to handle up to 500,000 TEU (twenty foot equivalent units) per annum. Further phases of the Northern Gateway proposals involve dredging a channel 14.5m deep to allow 300m long deep sea container vessels to dock at a new quayside.
- 4.25 Despite PD Ports landholdings in the area covering over 300 ha, the availability of land within the retained port estate remains relatively limited. It is therefore imperative that the Council works closely with PD Ports and other neighbouring landowners to ensure that there is an adequate supply of land to support the growth of the port.
- 4.26 The expansion of the port is seen as key driver for economic growth within the borough and the wider Tees Valley economy over the coming years as recognised by the Redcar & Cleveland Growth Strategy and the Strategic Economic Plan.

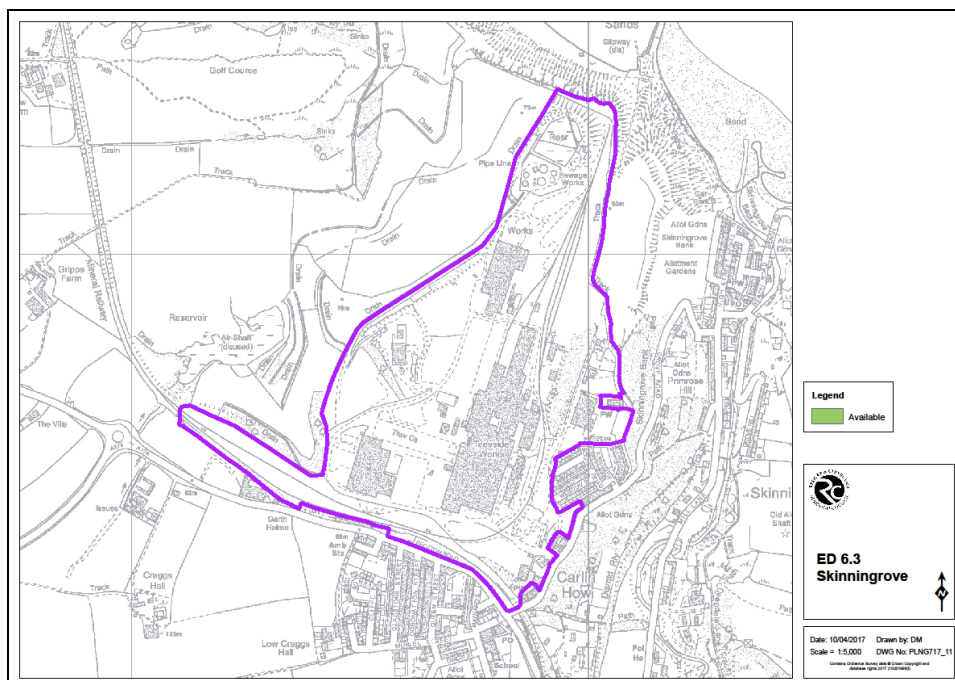
- 4.27 Land at Teesport Commerce Park (formerly known as Tees Offshore Base) was previously identified as land available to meet general employment needs, however it is considered more appropriate to identify this site alongside other specialist uses. Situated on the south bank of the River Tees, Teesport Commerce Park is nationally and internationally recognised within the marine support industry. Multi-national companies operating out of the Park provide a wide range of specialist services which include training; technology and research; ship repair and conversion; and heavy lift operations. There are also sub-sea pipe and cable laying operators.
- 4.28 Steel remains an important industry within the borough and operations include British Steel's Teesside Beam Mill and Service Centre at Lackenby. However, given changes within this sector, including the closure of the SSI steel works in Redcar, it is no longer considered appropriate to continue to safeguard significant areas of land in this area solely for the steel industry. The ELR recommends that the Council should consider identifying more productive uses for some of the land within the Steel Corridor. The Local Plan removes specific reference to safeguarding land for the steel industry, as while the importance of the remaining steel industry continues to be recognised, it is considered appropriate to safeguard the area for a wider range of heavy industry and logistics employment use. Former SSI land, although not currently classed as available, is also included within this safeguarded area.
- 4.29 Recycling industries are becoming an increasingly important part of the local economy and it is anticipated that the importance of this sector will continue to grow throughout the plan period. The Tees Valley Joint Minerals and Waste Core Strategy and Policies and Sites DPDs (RC10/1 and RC10/2) were adopted by the Council in September 2011 and set out the planning framework for minerals and waste development across the five Tees valley authorities up to 2026.
- 4.30 Under Policy MWP8 of the Policies and Sites DPD, South Tees Eco Park is allocated as a waste management site with the potential to manage up to 450,000 tonnes per year of municipal waste. The 27 hectares site was previously used for steel-making operations, but has since become surplus to requirements. Proposals were approved for 9 ha of land to be developed to provide a waste autoclaving plant and facilities to deal with the products of the process, however this permission has now lapsed. Community recycling facilities have also been approved as part of the initial development at the site, with a household waste recycling centre and facilities to receive trade wastes being proposed.
- 4.31 It is not intended to replace the policies contained within the adopted Tees Valley Joint Minerals and Waste DPDs through the emerging Local Plan and therefore the policies contained within the Minerals and Waste DPDs will continue to form part of the development plan alongside the emerging Local Plan. It is therefore important to ensure that the policies in the Local Plan are aligned with those in the Minerals and Waste DPDs and in particular support the allocation at South Tees Eco Park. The Minerals and Waste DPDs also safeguard transport infrastructure along the River Tees.

4.32 In total 184.22 ha of land is classed as available, as illustrated on the map, based on data in the ELR.



### ED 6.3 Skinningrove

4.33 Land at Skinningrove is currently occupied by British Steel and Catapillar Skinningrove, and was protected in the Core Strategy. It is proposed to continue the protection of this important employment area within East Cleveland. No land is currently classed as available.



## **5. General Employment Land**

- 5.1 There are a significant number of small and medium sized businesses already established on a wide variety of employment sites throughout the borough. It is important to ensure that the Local Plan supports these existing businesses to grow and prosper, whilst also providing appropriate support to new businesses establishing themselves within the borough.
- 5.2 The NPPF is clear that the Council's planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of the site being used for that purpose.
- 5.3 The ELR recommends that the Local Plan should plan for a level of employment land demand in excess of the 8.3ha derived under the baseline job growth scenario and identifies a total need of up to 11.2ha based on past take-up, or 26ha based on limited pre-recession data.
- 5.4 The Local Plan safeguards approximately 33.71ha of net available employment land for general employment uses over the plan period. Mixed-use allocations will also contribute towards meeting employment needs. Whilst it is acknowledged that this is above the projected needs identified in the ELR, it is considered that following the de-allocation of sites at Guisborough, Kirkleatham and Trunk Road, Dormanstown, and the re-designation of available land at Skelton as a mixed-use site, there are reasons to protect the remaining sites to meet local needs. These are discussed by area below.
- 5.5 In order to make the strategic approach to economic development clearer a number of main modifications to Policy ED6 are proposed. These include listing the area of land available for development on each of the sites over the plan period. These figures are based on land availability as included in the ELR 2016, updated to take into account proposed de-allocations.

### ***South Tees***

#### **ED6.4 South Tees Industrial Estates and Business Parks**

- 5.6 Site ED6.4 covers land at a range of industrial estates and business parks along the A66 corridor in South Tees, including Bolckow Industrial Estate, South Tees Freight Park, South Tees Imperial Park and Nelson Street Industrial Estate. These popular estates lie close to Middlesbrough and benefit from good transport links.
- 5.7 A total of 3.47ha is classed as available based on information from the ELR, as illustrated below. 11ha of land which was undeveloped was not counted as available in the ELR, as it was reserved for expansion and unavailable to the general market. Nevertheless this land is expected to contribute towards meeting needs of existing businesses over the plan period. Additionally it is understood that a change in land ownership may unlock some of this area for development.







Tees Freight Park may also unlock an area for development which has previously been unavailable to the general market.

- 5.10 South Tees Motorsports Park has also been identified as having the potential for employment uses for a number of years, due to its location within the existing heavily industrialised parts of the A66 corridor. This potential is recognised in the Regeneration Masterplan, which identifies redevelopment of the northern element of the Motorsports Park sites for employment purposes.
- 5.11 Land at South Tees Motorsports Park is safeguarded under Policy ED7 of the Local Plan for off-road motorcycle use. This is to allow the relocation of the Motorcross Park from land to the north of the A66. This northern site is currently under the ownership of the Council. Should the Motorcross Park relocate to the allocated site the Council will, in the future, consider options for its appropriate redevelopment for alternative uses.
- 5.12 Should further evidence of a deficiency in employment land in the South Tees area emerge this will be addressed in a future review of the Local Plan.

## ***Redcar***

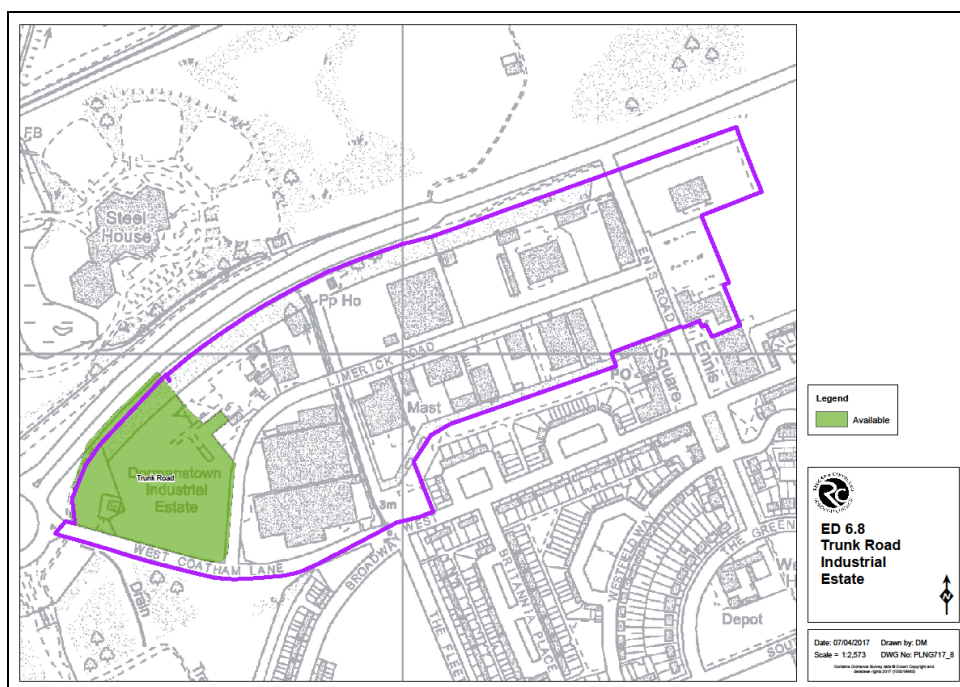
### **ED6.6 Kirkleatham Business Park**

- 5.13 Kirkleatham Business Park is a high quality employment site, with part of the area designated as an Enterprise Zone. Given the high level of available employment land, approximately 37ha, compared with predicted needs, the ELR recommended that there would be little merit in resisting emerging proposals from the Homes and Community Agency to develop some of the land for alternative uses. Part of the site was therefore allocated for residential development under Policy H3.17 West of Kirkleatham Lane, Redcar which has now received outline planning permission.
- 5.14 Recognising the importance and value of this prestige site, the Local Plan safeguards approximately 22ha of remaining available land for employment purposes, including 12.6ha of land within the Enterprise Zone. The Council will also support the development of other knowledge driven, creative or high technology companies on Kirkleatham Business Park, recognising its location as one of most attractive and high quality environments within the borough to act as the focus for such industries.



## ED6.8 Trunk Road Industrial Estate, Dormanstown

- 5.16 This estate in the Dormanstown area of Redcar is well connected to the surrounding road network and is located in close proximity to Wilton International. Following the recommendation of the ELR the small plot to the rear of the Aviva bus depot, previously safeguarded under 'saved' Local Plan Policy IND3 has been deallocated, and is now included within the open space designation under Policy N3. The remainder of the site remains safeguarded to meet local needs, including 2.51ha of land classed as available in the ELR.

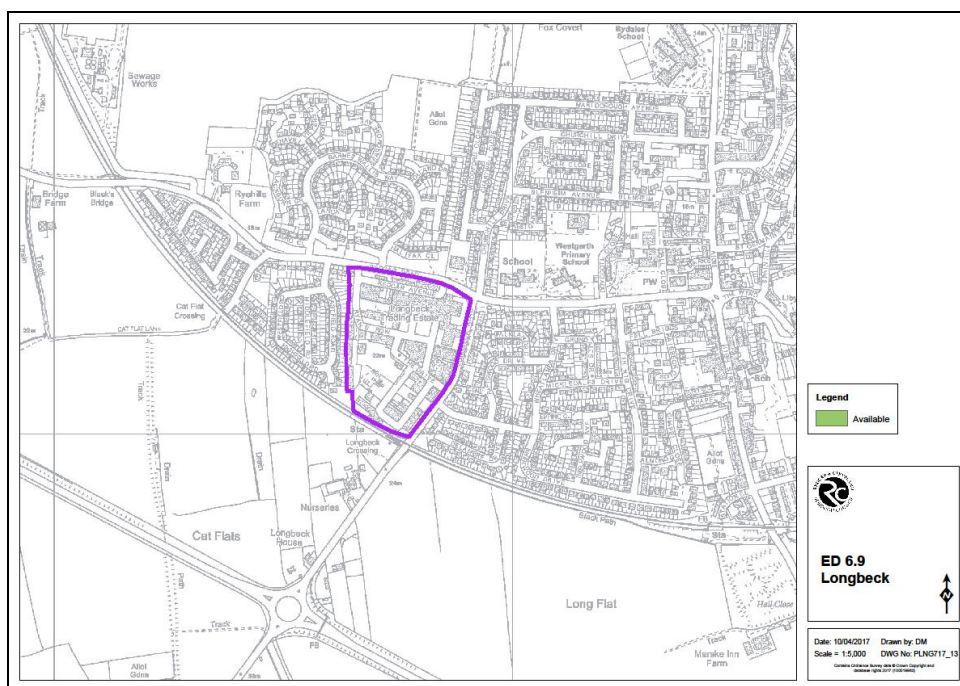


- 5.17 It is no longer proposed to safeguard the garden centre and Kirkleatham Street sites in Redcar, which are currently safeguarded for B1 employment use under 'saved' Local Plan Policy IND3, as these sites have now been completed in their entirety and fall within Redcar Town Centre.

## Marske

### ED6.9 Longbeck Industrial Estate

- 5.18 This is an established industrial estate located within Marske which extends to 7.3 ha and is in mixed ownership. No land is currently classed as available.



## East Cleveland

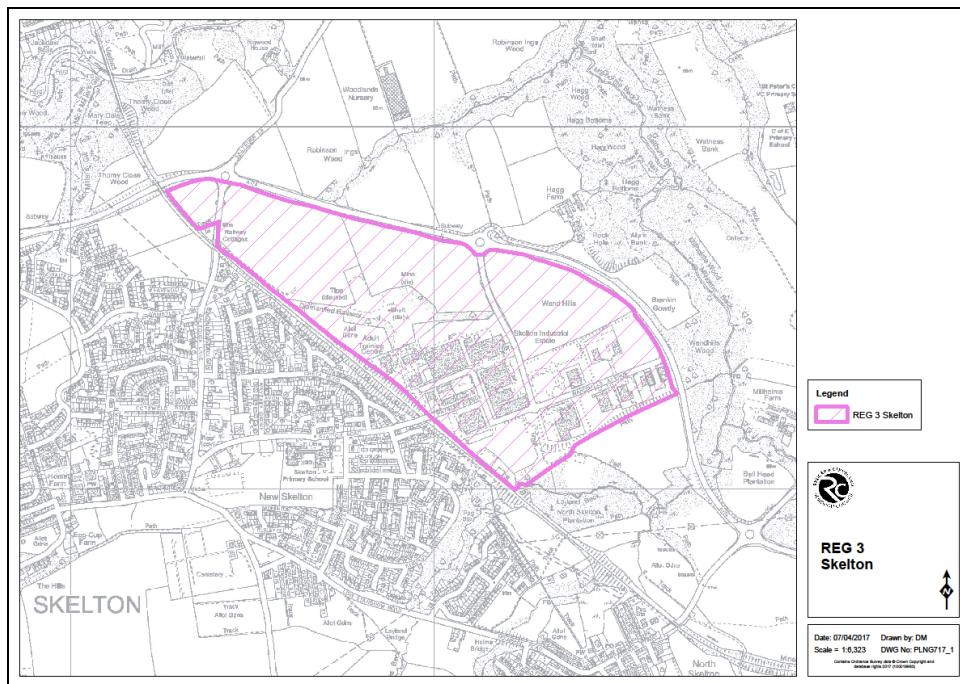
### REG 3 Skelton

- 5.19 The existing employment land at Skelton consists of the long-established industrial estate which is safeguarded for business and general industrial use under LDF Policy CS9, and a large extension to the industrial estate safeguarded for business and general industrial use under 'saved' Local Plan Policy IND3.
- 5.20 The estate is a well-established employment location and there are currently five parcels of land available ranging in size from 0.75ha to 1.82ha, with total available land extending to 6.08ha on the original estate. Much of the estate is characterised by large, older industrial units. Land north of Skelton Industrial Estate, is also available as a substantial extension. This greenfield land extends to 20.49ha. It is by far the largest available employment site in East Cleveland and is generally considered to meet demand from businesses that are local to East Cleveland.
- 5.21 The ELR recommends the de-allocation of the extension, concluding that the supply of infill development opportunities on the existing industrial would be sufficient to meet demand in the Skelton area, and that the scale of the extension site would distort the overall supply of land in East Cleveland. Part of the extension site has also been developed for retail.
- 5.22 However, it is recognised that there is a qualitative deficiency at Skelton which needs to be addressed. The existing industrial estate is dominated by large scale industrial buildings which were previously used by large scale manufacturing facilities which traditionally predominated on the site. Due to increasing competition from abroad, the vast majority of these manufacturing jobs have been lost leaving behind the large scale industrial units which are no

longer fit for purpose. Demand within the area is now at its strongest from small and medium sized businesses who want smaller modern units to meet their requirements. Whilst the Council has been supportive of the subdivision and conversion of these larger units into smaller premises, through grant funding to projects such as the 'BeeHive' and the relaxation of planning restrictions on the existing industrial estate through the introduction of a Local Development Order, investment on the existing industrial estate remains limited.

- 5.23 A large supermarket has recently been built on part of the extension site. Planning permission has also been granted for additional retail, including a small discount supermarket, and a pub and drive-through restaurant. This has demonstrated that the site offers the potential for significant job creation, albeit from a broader range of employment types than currently permitted through the existing policy framework. In order to build upon this recent investment, the Council has identified the existing Skelton Industrial Estate and the Extension site as a Regeneration Site through the emerging Local Plan as a focus for employment uses which would complement the existing supermarket. Working constructively with the landowner, the Council has established the potential for wide diversity of employment uses on the site, including the potential to provide modern purpose-built office and industrial units for small and medium sized businesses to meet the qualitative deficiencies. In order to deliver the development envisaged, the Council will work closely with the landowner to prepare a masterplan for the whole site to ensure that development is planned using a holistic approach rather than on a piecemeal basis. In order to help bring forward employment uses which may not otherwise be viable, it is proposed that some residential development will be brought forward in the longer term on the northern part of the site to help service the employment land to make it more marketable to prospective investors.
- 5.24 As this site has been designated for a range of commercial and residential development, the site was not listed under Policy ED6 in the Publication Local Plan. It is however proposed as a main modification to recognise the contribution which REG3 will make to meeting employment needs over the plan period within Policy ED6. Further detail on the housing element of this policy is included in housing evidence base documents.

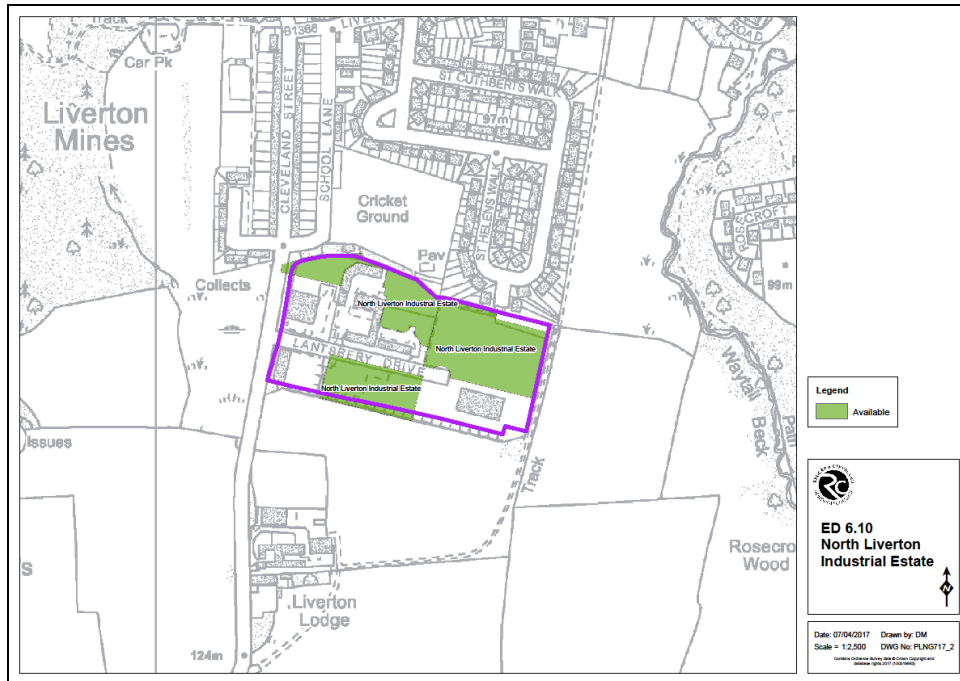




- 5.25 The remaining employment allocations in the East Cleveland spatial area are on small sites at Liverton Mines and Lingdale. These are considered to be important sites for local businesses and ensure that there are adequate opportunities for employment in some of the smaller and more remote settlements in the borough to ensure sustainable patterns of development and that residents are not required to undertake long commutes to other employment opportunities in other parts of the Tees Valley.

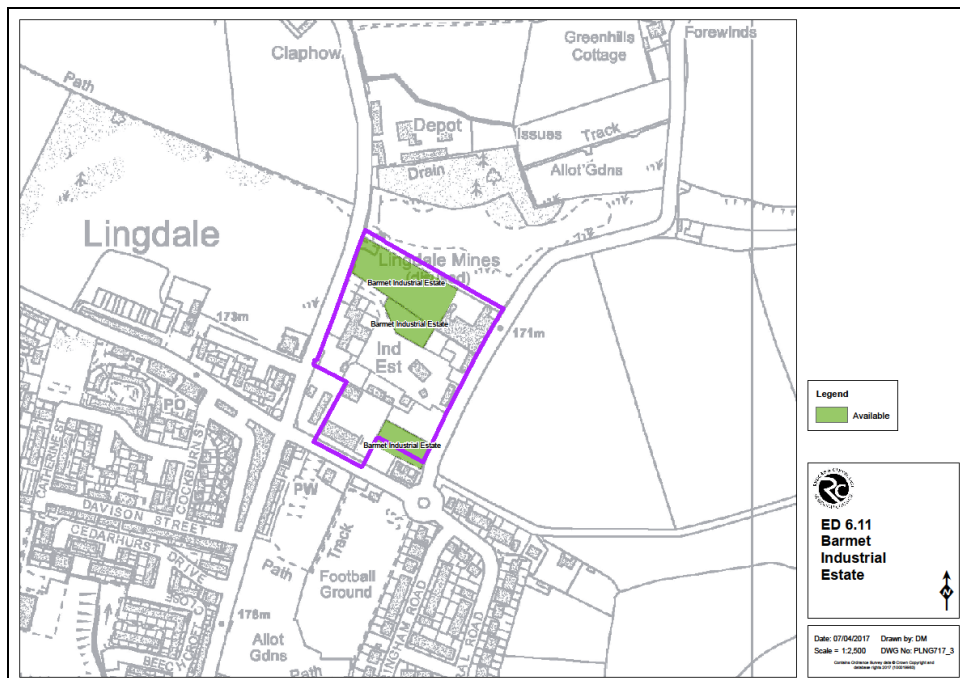
#### ED6. 10 North Liverton Industrial Estate, Liverton Mines

- 5.26 1.93ha of land is classed as available on this industrial estate. This is slightly above the area quoted in the ELR due to the mislabelling of an available site on North Liverton Industrial estate as being located on Barmet Industrial Estate.



## ED6. 11 Barmet Industrial Estate, Lingdale

5.27 0.80ha of land is classed as available on this industrial estate, again this reflects a minor correction to the ELR data.



## ***Guisborough***

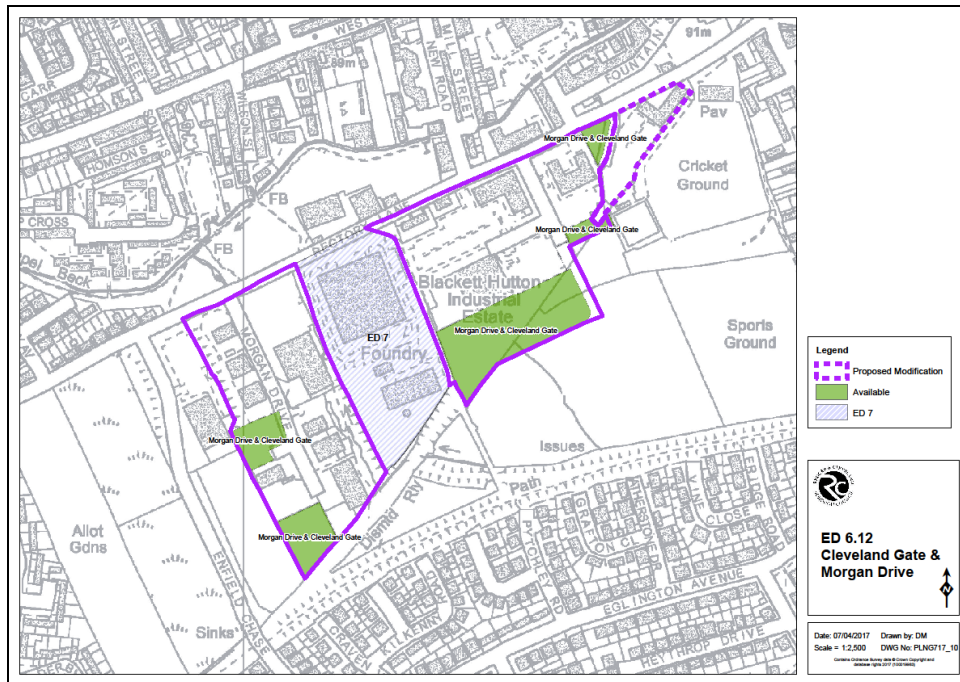
### **ED6.12 Cleveland Gate Business Park and Morgan Drive and ED7 Cleveland Gate Mixed Commercial Development**

- 5.28 Cleveland Gate Business Park is a small prestigious site located close to Guisborough District Centre. The adjacent Morgan Drive Estate is also a popular light industrial estate. The majority of this land was safeguarded for employment use under LDF Policy CS9, the southernmost part of Cleveland Gate Business Park was safeguarded under 'saved' Local Plan Policy IND3 for B1 uses only.
- 5.29 Following the closure of the former Esco Foundry site on the Cleveland Gate Business Park, proposals have been brought forward for a wider redevelopment of the area under an overall masterplan. These proposals include employment, retail and residential development. The component parts have been subject to a number of separate planning applications, with viability of the employment parts of the scheme dependent on necessary cross-funding.
- 5.30 The development seeks to move away from historic employment uses and promote smaller employment units which can be used by starter companies/entrepreneurs and smaller local businesses, for which there is local demand. On the former Esco site this will involve the construction of ten workshops for employment uses, along with the refurbishment and sub-division of the existing industrial unit on the site. This is expected to create flexible employment spaces that cater for a variety of employment space requirements. This employment development will be supported by the retail element of the scheme which is in a sequentially preferable location with links to Guisborough District Centre. This component of the scheme, on which construction has commenced, is covered by Policy ED7. It is also proposed as a main modification to recognise the contribution which Policy ED7 will make to meeting employment needs over the plan period within Policy ED6.
- 5.31 Permission has also been granted for the erection of a business park (use class B1a) on the remaining larger area of vacant land on site ED6.11 (adjacent to the area covered by ED7). Detailed permission has been granted for phase one which will involve the construction of two single storey buildings. Phase two has only outline permission at this stage, with all matters reserved save for access, and involves the provision of further employment space for B1 use.
- 5.32 A small area of land previously safeguarded under IND3 has been included as part of housing site H3.21 Cleveland Gate. This development has now commenced.
- 5.33 In addition to B use classes, both sites contain some retail uses and there is a doctor's surgery on the Cleveland Gate Business Park. In response to representation on the Publication Local Plan it is proposed to remove the Belmont View Care Home, which was previously converted from offices, from the area safeguarded by Policy ED6. This reflects the long-term use of the site for this alternative use. It is however proposed to retain the remainder of the Cleveland Gate Business Park and Morgan Drive under ED6 to protect existing employment uses and the remaining vacant sites to meet employment needs in the Guisborough area. Any proposals



would be assessed through the planning application process to ensure that any impacts upon residential amenity are acceptable

- 5.34 Cleveland Gate Business Park is also identified as a location for high-tech and knowledge driven development in ED6 recognising the higher quality of the site. 1.74ha is currently classed as available, as illustrated below (excluding land allocated under ED7).



- 5.35 The ELR recommends the de-allocation of the Middlesbrough Road site, previously safeguarded under IND3 for B1 office/research and development uses. This recommendation has been taken forward in the Local Plan. In recognition of issues of flood risk and access to the site, this land is not promoted for any alternative forms of development.