

YNYER LEP Board recently received a report outlining the estate optimisation plans of the Ministry of Defence (MOD) across the sub-region; whilst identifying opportunities to support sustainable development.

MOD estate rationalisation will free up land for affordable housing and economic development. To this end, 10 sites (across five localities) are planned for disposal within the YNYER LEP area - with circa 350 ha of MOD land potentially yielding 7,000 new homes.

The LEP has an opportunity to work with local authorities and other stakeholders in achieving local ambitions for disposal sites. In light of this, the Board felt it wise to share the report with LGNY.

LEP Board

BOARD MEETING: 17th March 2017
REPORT PRESENTED BY: Matthew Roberts
TITLE OF PAPER: **MINISTRY OF DEFENCE ESTATE OPTIMISATION IN YORK, NORTH YORKSHIRE & EAST RIDING: OVERVIEW & OPPORTUNITIES**

1.0 Purpose

1.1 To outline the estate optimisation plans of the Ministry of Defence (MOD) across the LEP area; whilst identifying opportunities to support sustainable development.

2.0 Background

2.1 The MOD estate is “too big, too expensive, with too many sites in the wrong locations: it covers 424,000 hectares, about 1.8 per cent of the UK land mass; it costs £2.5Bn a year to maintain; and 40 per cent of the assets are more than 50 years old”.

2.2 [A Better Defence Estate](#) (November 2016) sets out how concentrating investment around a significantly smaller estate will more efficiently and effectively enable military capability, whilst reducing whole life costs.

2.3 The revised estate will seek to move Defence personnel from remote, small sites and base them where more people live and train (e.g. Catterick Garrison). This will facilitate greater career opportunities both for Defence personnel and their families.

2.4 Concurrently, estate rationalisation will free up land for affordable housing and economic development – with a target of 55,000 new homes on MOD land during this Parliament. To this end, 10 sites (across five localities) are planned for disposal within the YNYER LEP area - with circa 350 ha of MOD land potentially yielding 6,000+ new homes.

2.5 In light of this, the LEP has an opportunity to work with local authorities and other stakeholders in achieving local ambitions for disposal sites that support the YNYER [Strategic Economic Plan](#) and [Housing Strategy](#).

2.6 Joint working, aligning objectives and a transparent disposal process will also speed up the release of land for sustainable development, whilst achieving value for money for the public sector.

3.0 Rationale & Progress to Date

3.1 The Defence Infrastructure Organisation (DIO) is responsible for the strategic management of the Defence Estate. Much of its current focus is on the ‘built estate’ and determining the geography for UK forces. However, they are separately examining the training estate (16 major training areas and 104 other minor training

areas) and reserves estate; the outcomes of which may also have implications for YNYER.

3.2 DIO examined the most expensive 300 sites which make up over 80% of running costs. Factors included:

- Proximity to other sites and other parts of the estate;
- Potential disposal value for the site and, where relevant, housing potential;
- Site utilisation compared to site size and accommodation potential;
- Recent capital investment to improve the site as well as any future capital requirements identified.

3.3 The following sites have been selected for disposal within YNYER (timescales are indicative and open to change):

- City of York:
 - Queen Elizabeth Barracks (Strensall) (2021)
 - Towthorpe Lines (Strensall) (2021)
 - Imphal Barracks (Fulford) (2031)
- Harrogate District:
 - Claro Barracks (West Ripon) (2019)
 - Deverell Barracks (West Ripon) (2020)
 - Dishforth Airfield (2031)
- Richmondshire - Catterick Garrison:
 - Duchess of Kent Psychiatric Hospital at Harden Barracks (2018)
 - Catterick Town Centre Parcel (2018)
 - Land at Harley Hill (2019)
 - Commander And Staff Trainer (2020)

3.4 However, it should be noted that Catterick Garrison will be undergoing a significant troop expansion – the details/provision of which have yet to be fully established. Therefore, disposal sites and timetables at the Garrison may be subject to change.

3.5 Relevant to all disposal sites, DIO are carrying out assessment studies over the next 12 months to fully establish and programme relocations. Following this work they will be better informed as to whether there is potential, in some cases, for the announced disposal dates to be brought forward.

4.0 Catterick Garrison (Richmondshire): Overview

4.1 One of Europe's largest garrison towns – the total population of 15,500 currently includes 6,000 regular soldiers and 3,000 recruits. MOD is seeking to concentrate uses and personnel into fewer, large garrisons in close proximity to training areas and with good supporting infrastructure. Catterick Garrison meets this criteria and, at present, MOD is estimating that an additional 2,900 military personnel and circa 1,900 accompanying dependants will be stationed there by 2031 (4,900 total).

- 4.2 A thriving town centre has, in recent years, benefitted from private sector investment, including a successful £25 million shopping and leisure complex. The LEP has also provided Growth Fund support for junction improvements along the A6136 to support development at the Garrison.
- 4.3 A review of the Catterick Long Term Development Plan (CLTDP) was completed in September 2016 by MOD. It proposes a land-use zoning framework to guide future development, whilst identifying:
- Opportunities for site disposal;
 - Requirements around health, sport, leisure and education (particularly the need for increased primary school provision);
 - Necessary utility infrastructure upgrades, including Colburn Waste Water Treatment Works;
 - Prospective strategic transport infrastructure improvements, including:
 - dualling a section of the A6136 from A1(M) to Colburn Roundabout;
 - a southern link road/by-pass between A6136 and Scotton Road via Harley Hill and Loos Road; and
 - Camp Centre roundabout signalisation.
- 4.4 Richmondshire District Council (RDC) has identified Catterick Garrison and Colburn (adjacent) as a primary growth area for new housing and employment in the district. In total, 22 individual housing sites have been identified by the MOD, with a total area of 120 ha and capacity for up to 2,500 dwellings – the largest site being Harley Hill (835 new homes).
- 4.5 However, comprehensive discussions with the planning authority (RDC) regarding the 22 sites identified by MOD have yet to take place. Consequently, suitability and deliverability of these sites has not yet been established. Only once detailed land supply assessments have been undertaken in conjunction with RDC can the quantity, mix and location of service family accommodation and market housing be confirmed (see 5.2).
- 4.6 In 2016, the median house price within Catterick Garrison was 5.8 times the median annual full-time workplace earnings across Richmondshire (19% below the YNYER average of 7.2). However, it should be noted that housing affordability is one of a number of factors taken into consideration when establishing objectively assessed housing need as part of a Local Plan process.

5.0 Catterick Garrison: Next Steps

- 5.1 A Strategic Group and Officer Working Group are to be formed encompassing North Yorkshire County Council (NYCC), RDC, the LEP and infrastructure providers as appropriate.
- 5.2 GVA Property Consultants has been reappointed to develop a Catterick Garrison Capacity Study (due April 2017). This will incorporate detailed, costed land use options. Including:
- Quantum of service family accommodation;
 - An implementation programme;

- Infrastructure solutions.
- 5.3 RDC and MOD will then Masterplan the Garrison once provision requirements have been established. This work will include Harley Hill and the next phase of the Town Centre.
- 5.4 Further engagement is planned to lever public/private sector funding and investment.
- 6.0 Catterick Garrison: Local Opportunities**
- 6.1 The expansion of the Garrison will coincide with new supply chain opportunities – for example, presented by a new dual civilian/MOD medical facility. However, local businesses are (generally) unsuccessful when contesting ‘first-tier’ MOD contracts. The LEP can communicate these opportunities through existing networks whilst providing support for companies hoping to [do business with the MOD](#) (e.g. it is now mandatory for MOD suppliers to be certified to Cyber Essentials). It is worth noting that the current Industrial Strategy Green Paper seeks to stimulate innovation through Government procurement and address the extent to which national and local procurement regimes align.
- 6.2 [Wiltshire's Military Civilian Integration Partnership](#) aims to maximise the economic and social benefits of its military presence. The work of the partnership includes Higher Futures - a Swindon and Wiltshire LEP initiative to assist service leavers and dependants in attaining new skills that will be valued by local employers. An innovative, partnership approach to post 16 skills provision at Catterick Garrison would support the LEP’s Inspired People priority as well as the [Richmondshire District Economic Action Plan](#).
- 6.3 In 2015, 35% of workplace employment at Catterick Garrison was within retail and food/drink service activities - and the imminent designer outlet at Scotch Corner will provide several hundred more jobs within these sectors. Additionally, in 2016 Richmondshire had the lowest full-time workplace earnings of all districts within YNYER. The LEP should seek to influence and support economic development at Catterick Garrison that delivers sustainable, higher-value employment.
- 7.0 Disposal Sites in the City of York: Overview**
- 7.1 DIO has identified three sites for disposal within the City of York: Queen Elizabeth (QE) Barracks and Towthorpe Lines (both Strensall) and Imphal Barracks (Fulford). City of York Council (CYC) recognise that if these sites are to be ‘reasonable alternatives’ within the context of their emerging Local Plan then they must be fully considered and subject to consultation. Furthermore, other local authorities have been challenged for not properly considering brownfield sites before greenfield release. Consequently, CYC has extended their Local Plan timetable by around six months, which will prompt a realignment of key milestones.
- 7.2 QE Barracks and Towthorpe Lines (Strensall, north-west of York) have been scheduled for disposal in 2021 by DIO. QE Barracks is 31 ha whilst Towthorpe Lines is

- 4.6 ha - although both sites include areas of designated open space and are part of or adjacent to Strensall Common Site of Special Scientific Interest (SSSI) and Special Area of Conservation (SAC). These factors could potentially reduce their size and impel a Habitat Regulations Assessment (HRA).
- 7.3 In 2016, the median house price within Strensall's locality was 10.3 times the median annual full-time workplace earnings across the City of York area (43% higher than the YNYER average of 7.2). However, it should be noted that housing affordability is one of a number of factors taken into consideration when establishing objectively assessed housing need as part of a Local Plan process.
- 7.4 Imphal Barracks (Fulford) has been scheduled for disposal in 2031. The gross site area is 29.6 ha – however, it includes sports pitches, public open space and part of a green wedge that is important in terms of the historic character of York. These factors could potentially reduce its size.
- 7.5 Established in 1725, Imphal Barracks represents a significant association to military activity in York. Accordingly, heritage value will play a leading role in determining future development.
- 7.6 The local area within which Imphal Barracks is situated has a large and desirable stock of office/research units. A rateable value (RTV) is based on a premises' probable annual market rent – whilst taking its size and usage into consideration. The average RTV per sqm of offices around Imphal Barracks is 25% above the YNYER average. Additionally, in 2015, 8% of workforce jobs were within the legal and accounting sector (1% across YNYER). The site could be considered ideally placed to advance the aims of [York's Economic Strategy](#).
- 7.7 However, it should be noted that Imphal Barracks site has been submitted by DIO for consideration for residential re-use (not commercial) and initial assessments by CYC have been based on this submission.
- 7.8 Since November's announcement, CYC Officers have conducted initial technical assessments for housing on all three MOD sites. This showed that QE and Imphal Barracks are potentially suitable for residential use (after passing the CYC Site Selection Criteria) whereas Towthorpe Lines currently fails on account of its existing access to services and transport – and is therefore not currently a 'reasonable alternative' in the context of the emerging Local Plan. Further technical work will be required to look at site boundaries in Strensall; including the potential for additional community facilities to be provided on-site.
- 7.9 The initial assessments also highlighted some potential impact on highways. Fulford Road (Imphal Barracks) is one of the City's most congested routes at peak hour and innovative solutions will be required to ensure existing congestion is not exacerbated. Separately, development at Strensall may (in combination with other potential sites) have cumulative impacts on local road networks - including the A1237 (York Outer Ring Road).

8.0 Disposal Sites in the City of York: Next Steps

8.1 DIO and CYC will carry out further technical assessments over the coming months, including archaeological, ecological and transport evaluations. Extensive consultation will then take place as per the Local Plan process

9.0 Disposal Sites in Ripon City (Harrogate District): Overview

9.1 Two adjacent sites at the north-western edge of Ripon were announced for imminent disposal within A Better Defence Estate: Claro Barracks (43.8 ha) and Deverell Barracks (11.9 ha). However, Harrogate Borough Council (HBC) first became aware of disposal plans in 2013; at which time the LEP funded a study to assess the economic implications of the Barracks' closure (found to be relatively benign).

9.2 Since this time, HBC has allocated both Barracks as sites within their Draft Local Plan. Simultaneously, a Neighbourhood Plan is also being prepared for Ripon City which allocates Claro and Deverell Barracks along with the adjoining Laver Banks (8.5 ha) – and it is hoped that a single, comprehensive Masterplan will enable the utmost sustainable development.

9.3 Claro Barracks contains a technical area with high quality engineering units. HBC believe that retaining the technical buildings would offer a significant employment asset to Ripon and facilitate higher-value job opportunities – a priority within its emerging Economic Growth Strategy. It is, however, recognised that further work is required to support this aspiration.

9.4 MOD disposal land in Ripon totals 64 ha. HBC's assessments have identified 39 ha of developable residential land that could potentially yield 736 new homes, along with 11 ha of employment land able to deliver 42,000 sqm of commercial floorspace. HBC's aspiration is for a mixed-use site that levers significant economic and community benefits to Ripon.

9.5 Development of Ripon Barracks may necessitate increased public transport, walking and cycling provision, a new primary school and extension of other services - these requirements will be outlined in the Infrastructure Capacity Study that accompanies the Local Plan.

9.6 In 2016, the median house price in the north-western half of Ripon City was 8.4 times the median annual full-time workplace earnings across Harrogate District (17% higher than the YNYER average of 7.2). However, it should be noted that housing affordability is one of a number of factors taken into consideration when establishing objectively assessed housing need as part of a Local Plan process.

10.0 Disposal Sites in Ripon: Next Steps

10.1 Further baseline studies are required to underwrite HBC's draft allocations; including ecological, ground stability and drainage appraisals. DIO intend to appoint a planning consultant to work with HBC/NYCC and commission these studies. A comprehensive

Masterplan for Deverell and Claro Barracks will then be produced in partnership with HBC, NYCC and the Ripon City Plan Team.

- 10.2 DIO expect full vacancy of Ripon sites by the end of 2018. By this time they aspire to have procured a development partner and be in a position to obtain an outline planning consent for the site. This timetable is unlikely to run ahead of HBC's Local Plan process.

11.0 Dishforth Airfield (Harrogate District): Overview

- 11.1 Dishforth Airfield has been provisionally allocated for disposal in 2031 by DIO. Prior to November's announcement, the Airfield was submitted to HBC as a potential site within their emerging Local Plan.
- 11.2 The Airfield lies immediately east of the A1(M) and is accessed from Junction 49. The proposed disposal site (indicative 108 ha) comprises part of the Airfield no longer required for operational purposes and contains several runways and other hardstanding areas. The remaining operational part of the site lies to the south-east; with Dishforth village to the north and agricultural land to the east.
- 11.3 The site lies along a strategic, arterial motorway and existing industrial floorspace in the locality totals 120,000 sqm. Furthermore, in 2016 the median local house price was 10.2 times the median annual full-time workplace earnings across Harrogate District (42% higher than the YNYER average of 7.2).
- 11.4 Initial HBC assessments of the site identified 54 ha of developable/deliverable land that could potentially yield 2,156 new dwellings and 40,000 sqm of employment floorspace. It could be considered that the provision of employment (as part of a mixed-use development) would encourage local business expansion and provide positive economic effects.
- 11.5 However, the site is not in accordance with the Draft Local Plan growth strategy and sustainability appraisal/site assessment work undertaken by HBC has also highlighted a number of issues; including significant environmental and transport/accessibility problems that would require substantial mitigation. Prospective residents would currently require the use of private cars in order to access almost all leisure, recreational, shopping and health facilities.
- 11.6 Additionally, at 2031, DIO's indicative timetable for disposal would be near the end of the Local Plan period (2035) meaning that the site would be very unlikely to deliver any housing/employment within the Plan's timescale.

12.0 Dishforth Airfield: Next Steps

- 12.1 The timetable and quantum of disposal at Dishforth Airfield is directly linked to the capacity and capability studies currently being undertaken by DIO; with a particular inter-dependency on plans at Catterick Garrison.
- 12.2 The Barracks at the Airfield act as a 'receiver site' for incoming troops and once its future capacity requirements are established an appropriate disposal boundary can

be drawn. DIO will then be in a position to begin working with HBC, NYCC etc. on defining potential development.

- 12.3 It is likely that the site will be assessed and considered again when HBC's Local Plan is reviewed (expected to be within 5 years of adoption).

13.0 MOD Site Optimisation: Potential Delivery Mechanisms

- 13.1 DIO are currently testing delivery mechanisms to agree a best approach to any partnership arrangement. They are being encouraged to be innovative in this regard and will have decided on a preferred model by late Spring 2017. However, different objectives and constraints applying to individual projects means a 'one-size-fits-all' approach to site disposals may not be appropriate.

- 13.2 [New Homes on Public Sector Land: Accelerating Delivery](#) was produced in 2016 by Savills and Telereal Trillium. The research highlighted a number of historical approaches taken by MOD to public land sales (depending on site-specific requirements). For large sites, broadly defined as those capable of delivering over 1,000 homes, the appointment of a "Land Sale Delivery Partner" is the preferred method. This involves a seven month OJEU process to procure the partner and the structure has successfully been used to dispose of six sites so far.

- 13.3 A less common approach is to transfer sites to the Home & Communities Agency (HCA), who will then undertake the sale, with the risk and reward shared with the MOD. The final option is a traditional site sale, preferably selling with outline planning and subject to overage and clawback clauses in order to maximise sale proceeds.

- 13.4 Many opportunities for the LEP to support delivery will depend on the approach taken to disposal (e.g. forming a Partner Panel). A full breakdown of delivery mechanisms (with associated advantages and disadvantages) can be found at Appendix A.

14.0 MOD Site Optimisation: Recommendations

14.1 Establish strategic objectives and priorities.

LEP funding and resources are finite and the geography of site disposals across YNYER comprises varying degrees of local housing affordability and economic conditions. Consequently, the LEP should define its objectives (as influenced by key strategic documents) its approach to appraisal and, subsequently, development priorities. Objectives could include:

14.2 Ensuring that land suitable for development is delivered as quickly as possible:

Translating land sales and planning consents into the delivery of new houses has often been a slow process in the sub-region; with capacity of the development/construction sector a constraint, as well as other market forces.

- 14.3 To illustrate the challenge, HBC's current target is to deliver 557 new dwellings each financial year. Yet in 2015/16, only 288 new homes were completed; whilst 232 new homes had been built by the end of quarter three 2016/17 – despite unimplemented planning consents totalling 4,000 dwellings. This position is reflected across the LEP area.
- 14.4 To expedite the delivery of sustainable development the LEP may choose to:
- Support upfront infrastructure/development requirements - sites that require major changes of use and infrastructure funding have often received support from the public sector, as significant infrastructure costs create a large front-loaded viability constraint. Related to this, RDC participated in the Public Land Auction Pilot. This involved successfully de-risking three surplus MOD sites at Catterick Garrison (i.e. all pre-development work, outline permission, marketing and sale) to speed up development. LEP support in this context not only improves development prospects but also increases land values returned to the MOD.
 - Assess YNYER Local Authority appetite for accelerating delivery through direct and speculative financial contributions.
 - Accelerate the work of YNYER Infrastructure and Joint Assets Board in forming a housing implementation team that provides increased public and private investor confidence and activity, working with public (e.g. HCA) and private delivery partners.
- 14.5 **Supporting employment land development:**
- A development scenario with significant residential development (especially where housing receipts are high (e.g. Strensall)) will improve viability relative to mixed-use options, which have a lower return on investment. Innovative public funding models can increase the viability of employment land (e.g. Enterprise Zone).
 - Large-scale military sites often lack market presence. Establishing occupier demand at scale requires investment to promote the location and to attract anchor uses and occupiers to establish focus and profile. The LEP could play a key role in securing this inward investment.
- 14.6 **Supporting new housing that meets the diverse needs of local populations:**
- The LEP may choose to support housing outcomes that increase the number and range of homes appropriate to local demographics; including the elderly, first-time buyers, working-age households and those with specific needs.
- 14.7 In the short-term, the YNYER Infrastructure and Joint Assets Board should engage with each Local Authority affected by closures to agree opportunities and timescales for potential LEP funding. In this regard, indications are that sites in Ripon and Catterick Garrison are closest to disposal.
- 14.8 Initial scoping and engagement can commence with a view to capitalising on the local opportunities identified at Catterick Garrison (see 5.1, 6.1-6.4).

- 14.9 DIO should be invited to the YNYER Infrastructure and Joint Assets Board once a delivery mechanism is established.
- 14.10 In the medium-term, the LEP should remain engaged with developments at sites in York and Dishforth.

15.0 MOD Site Optimisation: Conclusions

- 15.1 MOD estate optimisation will unlock an unprecedented amount of public land for development within YNYER to support LEP priorities - initial assessments suggest that over 6,000 additional new homes could be delivered.
- 15.2 The LEP is ideally placed to work with DIO, local authorities and other stakeholders in achieving local ambitions for disposal sites that support the YNYER [Strategic Economic Plan](#) and [Housing Strategy](#).

16.0 Recommendations

- 16.1 The LEP Board are asked to support the proposals identified in this paper and ask the YNYER Infrastructure and Joint Asset Board to:
- Establish a set of strategic objectives and priorities.
 - Work with Local Authorities to identify opportunities, timescales and funding mechanisms.
 - Invite the DIO to attend the Infrastructure and Joint Assets Board.
 - In partnership with RDC, explore the potential for a formal civil integration partnership similar to Wiltshire.

Appendix A - Potential Delivery Mechanisms for New Homes on Public Land
Appendix B – Supporting Data