



# Employment Land Assessment Update

Rutland County Council



Final Report

January 2016

# CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	<b>1</b>
<b>1.0 INTRODUCTION</b> .....	<b>7</b>
<b>2.0 STRATEGIC CONTEXT</b> .....	<b>12</b>
<b>3.0 SOCIO-ECONOMIC PROFILE</b> .....	<b>23</b>
<b>4.0 PROPERTY MARKET ASSESSMENT</b> .....	<b>33</b>
<b>5.0 STAKEHOLDER CONSULTATIONS</b> .....	<b>47</b>
<b>6.0 EMPLOYMENT LAND</b> .....	<b>53</b>
<b>7.0 FUNCTIONAL ECONOMIC MARKET AREA</b> .....	<b>64</b>
<b>8.0 OBJECTIVELY ASSESSED NEEDS</b> .....	<b>77</b>
<b>9.0 LAND NEEDS OF NON-B CLASS USES</b> .....	<b>99</b>
<b>10.0 CONCLUSIONS</b> .....	<b>104</b>
<b>11.0 RECOMMENDATIONS</b> .....	<b>119</b>

Appendix 1 – List of Consultees

Appendix 2 – Rutland Vacant Property Schedules for Industrial and Offices

Appendix 3 – Sites Appraisal

Appendix 4 – Employment Site Proformas

Appendix 5 – Site Scoring System

Appendix 6 – Site Scoring Results

Appendix 7 – Employment Completions

## EXECUTIVE SUMMARY

### Introduction

- i) This report assesses the supply, need and demand for employment land and premises (use class B) in Rutland. It has been carried out to “*assess the supply, need and demand for employment land and premises in Rutland over the 21-year period to 2036 and to make recommendations as to the Council as to the future approach to employment land provision in its Local Plan.*” The study updates and provides an addendum to the previous employment land evidence base document, the Employment Land Assessment (2013). There are five main elements to this study:
- To assess the latest Government Planning Practice Guidance
  - To update the 2013 report, bringing it into line where necessary with the latest Government Planning Practice Guidance and taking into account the latest information and data available
  - To extend the period of the study to 2036 in order to provide a basis for policies in the Council’s Local Plan Review
  - To carry out any other additional survey work or consultation that may be required to bring the evidence base up to date
  - To provide clear recommendations to the Council as to any policies on employment land that may be needed in its Local Plan Review and the amount and type of new employment land that may need to be allocated in the period to 2036.

### Methodology

- ii) A number of research methods have been used, including site visits and interviews with property market stakeholders such as developers, investors and their agents. Major employers in the Rutland have been individually consulted, as have the 58 parish/town councils/meetings of the County and key public sector agencies. The property market in the local authority areas adjacent to Rutland has been reviewed through desktop analysis of employment and planning strategies, and consultations with officers from those local authorities. Finally, the land supply has been assessed against forecast data to understand future land need. The methodology follows Planning Practice Guidance on employment land reviews.

### **Findings**

- iii) One of the least deprived local authority areas in England, Rutland is affluent with a highly skilled population and a low employment rate.
- iv) Despite recent national cuts to public spending, the public sector continues to be very important to Rutland's economy. It generates around 31 percent of all the jobs. However, this is driven by high levels of employment in the education sector which will include employment in Rutland's several large privately owned schools.
- v) Rutland also retains a strong local manufacturing sector, with 14.2 percent of the working population in manufacturing jobs, well above wider averages. In terms of service sectors, professional, scientific and technical followed by business administration and support services have the strongest roles.
- vi) Market commentary suggests that major development on Rutland's employment sites may still be several years away. However, there are also a strong desire for growth amongst the County's large businesses, which is generating land requirements of up to 7.5 ha and property requirements of up to 10,000 sqm. Needs of this size will be challenging to meet within Rutland.
- vii) Industrial need is for light industrial units of 0-100 sqm and basic terraced workshops. Demand is from local firms and rents of £55-65/sqm are being achieved. The first phase of Oakham Enterprise Park has been successful and is now nearing capacity.
- viii) The office market generally meets the needs of local service sector businesses. Demand is reasonable from such firms and improved on the 2013 picture. Office rents vary from £65-130/sqm.
- ix) A market for start-up accommodation exists, driven by need in Rutland's broad rural hinterland. Incubation space already exists at The Rural Business Community at Seaton, while smaller workshop/storage (and office) options are available at Oakham Enterprise Park and several other locations. Across the broader sub-region there is a reasonable supply of office start-up space but a lack of affordable, smaller industrial and storage options. This is likely to be particularly acute in Rutland now that Oakham Enterprise Park is approaching capacity.

- x) The defined functional economic market area for Rutland includes its immediate neighbours of South Kesteven, Harborough, Melton and Corby. Rutland also has good links with the nearby urban centres of Peterborough and Leicester.
- xi) Within that functional economic market area most of the local authorities feel they are able to meet their employment land needs on land within their own local authority area boundaries. In terms of competition, Rutland sits between two sub-regional office centres in Leicester and Peterborough. Along the A1 Corridor there are large scale industrial and logistics land allocations at Grantham and Stamford, as well as the existing stock of premises in these towns. Corby is a sub-regional focus for inward investment due to its links to London, rail freight provision and high quality industrial parks. However, Rutland has also successfully drawn some businesses away from Corby in the past.

#### **Employment Land Supply and Need**

- xii) At 31st March 2015 there was a headline supply of 20.87 ha of available employment land, made up of nine sites. This is not a significant change on 2013, when a baseline supply of 19.98 ha, in ten sites was identified. Almost half of this (9.71 ha) comprises Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North).
- xiii) Of this supply, 1.94 ha comprises sites unlikely to be brought forward for development or already developed. Excluding these gives a realistic land supply of 18.93 ha.
- xiv) To assess need three recognised methods of forecasting have been used:
- Forward projection of historic land take up trends – Short term (9-year)/Long term (19-year). Data has been recalculated for the period 2007/08-2011/12, on the 2013 Study, reflecting the latest monitoring information
  - Labour demand – jobs growth, as identified in East of England (2014) forecast modelling
  - Resident workforce forecast – examining growth in the local labour force.
- xv) This Study has also used a forward projection of 2011 Census figures on home based employment to estimate that some 498 (17.8 percent) of the 2,800 new jobs which are forecast in the East of England (2014) modelling to 2036, will be home based and not require B-Class accommodation. This finding allows a calculation of

the impact of homeworking on floorspace and land needs over the next 21 years, specifically that a deduction of 3.20 ha in the land need should be made to allow for homeworking.

- xvi) This deduction is applied to the Long or Short Term Take-Up projections only. It is not applied to the Employment Based or Resident Workforce models which incorporate their own assumptions about what proportions of jobs, in each sector, will be based in B1/B2/B8 accommodation and what proportions will be housed elsewhere, including home based employment.
- xvii) The outputs from all the models are outlined in Table ES1.

**Table ES1 – Land Forecast Models – Summary**

Model	Land Stock 2015, ha*	Land Need 2015-2036, ha	Buffer (five years take-up rate) ha	Deduction for Homeworking	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up	18.93	44.73	10.65	-3.20	(33.25)	Based on historic (19 years) take-up of 2.13 ha/pa. Exclusive of take-up at Oakham Enterprise Park
Short Term Land Take-up	18.93	41.37	9.85	-3.20	(29.09)	Based on last nine years take-up of 1.97ha/pa. Exclusive of take-up at Oakham Enterprise Park
Employment based on adjusted stock	18.93	+8.11 Growth +6.84 Change	+9.85 +9.85	N/A	1) 0.97 2) 2.24	Based on 1) projected growth sectors 2) projected employment change across sectors
Resident Workforce based on adjusted stock	18.93	+2.22 Growth -5.70 Change	+9.85 +9.85	N/A	1) 6.86 2) 14.78	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group 2015

\*Realistic land supply at 31<sup>st</sup> March 2015

- xviii) With regards the take up scenarios, it should also be noted that the average annual rates of take up exclude 29,000 sqm or 7.56 ha of completions at Oakham Enterprise Park recorded in Council monitoring for the year 2013/14. This is due to the inclusion within that figure that figure the entire former prison complex, including properties that were refurbished and premises now in D1 or D2 leisure, education or medical

uses. It may also include some new build development which has yet to be completed. Its inclusion is felt to provide an unrealistic picture of past development in Rutland and accordingly, exclusive of Oakham Enterprise Park the long term, 19-year, average take up rate is 2.13 ha/year while the short term, nine year, rate is 1.97 ha/year. It is these amended average take up figures which are projected forward in subsequent calculations of need.

- xix) If long term (19 year) take-up rates are used, then Rutland needs another 33.25 ha of land (see Table ES1). However, this scenario includes older take up data (pre 2006) which is derived from secondary data sources and cannot be independently verified as accurate.
- xx) The two jobs based forecast models (employment and resident workforce) suggest the County either has an oversupply of employment land. This indicates that some of the current land supply may be surplus to requirements and could be used for other activities. However, the market assessment and a review of the historic trends in employment change and land take up (see Section 8.0) suggest that these forecasts underestimate land needs significantly
- xxi) The preferred forecasting method is therefore a projection forward of short term (nine year) past take-up rates. An additional **29.09 ha** is required based on this model. The calculation by which this need figure was reached is summarised below:

**Short Term (Nine Year) Take Up Model**

1. Nine years of recorded take up 2006/07-2014/15, excluding take up at Oakham Enterprise Park = 17.72 ha
2. Average annual take up rate:  $17.72 \div 9 = 1.97$  ha/year
3. Forward projection of average annual take up rate 2015-2036 (21 years):  $1.97$  ha/year x 21 = 41.37 ha
4. Additional buffer, five years of further take up at 1.97 ha/year:  $1.97$  ha/year x 5 = 9.85 ha
5. Total need, inclusive of buffer:  $41.37$  ha + 9.85 = 51.22 ha
6. Less realistic land supply (18.93 ha) = 32.29 ha
7. Less an allowance of 3.20 ha for homeworkers, who will not need B-Class premises = **29.09 ha (remaining need)**.

- xxii) This measure of need is considerably higher than that recorded to 2031 in the 2013 Employment Land Assessment, when a need of only 4.74 ha (after the realistic supply was excluded) was identified under the Short-Term Take Up model and 23.46

ha under the Long Term Model. The reasons for this substantial change are discussed in Section 8.0, but can be summarised as:

- Revised (increased) Take Up figures provided from 2007 onwards
- An additional three years take up analysed – 2012/13-2014/15
- A longer period of forecasting – 21 years to 3036, compared to 14-19 years
- No accounting for homeworking in 2013.

### **Recommendations**

xxiii) This report has had full regard to the requirements of the NPPF and the PPGs to encourage and deliver growth through the planning system. The key recommendations are:

- That the Council should adopt the short term land take-up scenario. This suggests that the County needs an additional 29.09 ha of land to 2036.
- Rutland County Council needs to protect its employment sites from non-employment uses, such as housing or retail
- The Council should designate seven key employment sites and areas to be safeguarded for B Class Uses and other employment uses which achieve economic enhancement. These were defined in the 2013 Employment Land Assessment and associated recommendations remain unchanged
- There is an identified need for further start-up and micro business accommodation, particularly to meet workshop and storage needs. Such provision should be considered at key locations, particularly for further phases of development at Oakham Enterprise Park.
- The Council should work with neighbouring authorities on issues in which interests will overlap.
- Review and monitor the employment land and premises position and undertake the study again in about three years, as 2036 is a long time in the future and much will happen before then.

## 1.0 INTRODUCTION

- 1.1 This report provides an employment land assessment for the County of Rutland. It has been carried out on behalf of Rutland County Council District Council (the Council).
- 1.2 The study has been commissioned to *“assess the supply, need and demand for employment land and premises in Rutland over the 21-year period to 2036 and to make recommendations as to the Council as to the future approach to employment land provision in its Local Plan.”* It forms part of the evidence base to inform the next stages of the Council's Local Plan Review.
- 1.3 BE Group, economic development and property consultants, compiled this report during September-November 2015. The study updates and provides an addendum to the previous employment land evidence base document, the Employment Land Assessment (2013) which was also completed by BE Group.
- 1.4 The study has five main objectives:
- To assess the latest Government Planning Practice Guidance
  - To update the 2013 report, bringing it into line where necessary with the latest Government Planning Practice Guidance and taking into account the latest information and data available
  - To extend the period of the study to 2036 in order to provide a basis for policies in the Council's Local Plan Review
  - To carry out any other additional survey work or consultation that may be required to bring the evidence base up to date
  - To provide clear recommendations to the Council as to any policies on employment land that may be needed in its Local Plan Review and the amount and type of new employment land that may need to be allocated in the period to 2036.

### **Background**

- 1.5 Rutland County Council is commencing a review of its Local Plan in order to combine a number of existing Development Plan Documents into a single Local Plan, to update the plan and extend its time period to 2036.

- 1.6 As part of the Local Plan evidence base, an Employment Land Assessment Review was commissioned by the Council in May 2013. This covered the existing plan period to 2026 and also covered a further period to 2031. There is now a need to update that work in terms of the supply, need and demand for employment land and premises and to extend the period covered by the research to 2036. Also to reflect revised government guidance on the carrying out of employment needs studies issued in March 2014 as part of Government Planning Practice Guidance.

### **Methodology**

- 1.7 Research methods used include site visits, face-to-face and telephone interviews with property market stakeholders such as developers, investors and their agents. Consultations were undertaken with a number of the County's major private sector employers and key public sector agencies. The 58 local councils in the County (two town councils – Oakham and Uppingham, 26 parish councils and 30 parish meetings) have also been contacted by post and email. Desktop analysis of national, sub-regional and local reports and strategies has been undertaken.
- 1.8 The property market in the local authority areas adjacent to Rutland has also been reviewed. This has been undertaken through consultations with officers from the relevant Councils, combined with desktop analysis of the Employment Land Studies and Local Plans of those local authorities. Understanding the supply and demand of employment land and premises in neighbouring areas is important in assessing their impact on the County's land and property market.
- 1.9 Finally the land supply has been assessed against forecast data to understand the future need for any additional employment land. This is then developed into a series of economic development recommendations that cover not just land, but also premises.
- 1.10 Attached at Appendix 1 is a list of all consultees.

### **Employment Land Review Guidance**

- 1.11 A key reason for updating the Employment Land Assessment is to take account of recently published Planning Practice Guidance (PPG), which provides guidance on how local Authorities should approach both housing and employment land reviews.

Two guidance notes have been produced – *Housing and Economic Land Availability Assessment* which provides a methodology of reviewing suitable land, and *Housing and Economic Development Needs Assessments*, which provides guidance on how future needs can be determined. The assessment process takes the form of a five stage methodology under the following headings:

- **Stage 1: Identification of sites and broad locations** to provide an audit of available land of 0.25 ha and above. This will be a desk top review identifying as wide a range as possible of sites and broad location for development (including those existing sites that could be improved, intensified or changed). The outcome of this stage is to understand key employment land supply issues and generate a portfolio of potential employment sites to take forward for more detailed review.
- **Stage 2: Site/broad location assessment** to estimate the development potential. This will include a re-appraisal of the suitability of previously allocated land and the potential to designate allocated land for different or a wider range of uses. This stage entails a qualitative review of all significant sites and premises for their 'suitability', 'availability' and 'achievability' in order to confirm which of them are unsuitable for/unlikely to continue in B1/B2/B8 employment use; to establish the extent of 'gaps' in the portfolio; and if necessary, identify additional sites to be allocated or safeguarded. This exercise will help to inform whether a site is 'deliverable', 'developable' or neither. In assessing the portfolio, factors which need to be considered include:
  - *"The recent pattern of employment land supply and loss to other uses (based on extant planning permissions and planning applications). This can be generated through a simple assessment of employment land by sub-areas and market segment, where there are distinct property market areas within authorities.*
  - *Market intelligence (from local data and discussions with developers and property agents, recent surveys of business needs or engagement with business and economic forums).*
  - *Market signals, such as levels and changes in rental values, and differentials between land values in different uses.*
  - *Public information on employment land and premises required.*
  - *Information held by other public sector bodies and utilities in relation to infrastructure constraints.*
  - *The existing stock of employment land. This will indicate the demand*

*for and supply of employment land and determine the likely business needs and future market requirements (though it is important to recognise that existing stock may not reflect the future needs of business). Recent statistics on take-up of sites should be consulted at this stage, along with other primary and secondary data sources to gain an understanding of the spatial implications of 'revealed demand' for employment land.*

- *The locational and premises requirements of particular types of business.*
- *Identification of oversupply and evidence of market failure (e.g. physical or ownership constraints that prevent the employment site being used effectively, which could be evidenced by unfulfilled requirements from business, yet developers are not prepared to build premises at the prevailing market rents)."*
- **Stage 3: Windfall assessment** Not applicable as relates to housing only.
- **Stage 4: Assessment review** ascertaining the need for economic development uses. To understand the future quantity of land required across the main business sectors; to provide a breakdown of that analysis in terms of quality and location and provide an indication of 'gaps' in supply through economic forecasting, consideration of recent trends and/or assessment of local property market circumstances. Preferred forecast methods include:
  - Sectoral and employment forecasts and projections (labour demand)
  - Demographically derived assessments of future employment needs (labour supply techniques)
  - Analysis based on the past take-up of employment land and property and/or future property market requirements.

The outcome of this stage is to provide broad quantitative employment land requirements across the principal market segments covering Rutland's Local Plan period and an analysis of the likely 'gaps' in supply that need to be filled

- **Stage 5: Final evidence base**, the outcome of which will be the completion of the employment land review, to be taken forward in the Local Plan. The Review is prepared in line with this advice.

1.12 Table 1 shows how the Employment Land Assessment aligns with this Guidance. The link between the report and the PPG methodology is not always clear cut, with different sections overlapping, indeed certain steps overlap.

**Table 1 – Employment Land Reviews – PPG Guidance**

<b>Stage 1 – Site / Broad Location Identification</b>	
Step 1 – Determine assessment area and site size	Undertaken by Rutland County Council District Council
Step 2 – Desktop review of existing information	Covered in Sections 2, 3, 4, 5, 6
Step 3 – Call for sites / broad locations	Undertaken by Rutland County Council District Council in Sept-Nov 2015
Step 4 – Site / broad location survey	Covered in Sections 6, 10, 11
<b>Stage 2 – Site / Broad Location Assessment</b>	
Step 5 – Estimating the development potential in parallel with assessing suitability, availability, achievability – including viability	Covered in Section 6 and Appendices
Step 6 – Overcoming constraints	Covered in Section 6 and Appendices
<b>Stage 3 – Windfall Assessment</b>	
Step 10 – Determine housing / economic development potential of windfall sites (where justified)	N/A
<b>Stage 4 – Assessment Review</b>	
Step 11 – Review assessment and prepare draft trajectory; enough sites / broad locations?	Section 8
<b>Stage 5 – Final Evidence Base</b>	
Step 12 – Evidence Base and monitoring	ELS produced by BE Group and monitoring undertaken by Rutland County Council District Council

Source: BE Group 2015

## 2.0 STRATEGIC CONTEXT

### Introduction

- 2.1 This section focuses on national, regional and local reports and strategies that have a relevance to the allocation of employment land and premises. It updates the policy position from the 2013 Employment Land Assessment. However, where relevant policy documents remain unchanged from 2013 they are referred to but not repeated in detail here.

### National Planning Policy Framework – Department for Communities and Local Government (2012)

- 2.2 The NPPF sets out the Government's economic, environmental and social planning policies for England, articulating the Government's vision of sustainable development. It provides a framework for the production of local and neighbourhood plans.
- 2.3 The NPPF requires local authorities to set a clear economic vision and strategy based on an understanding of the existing business needs, likely changes in the market and any barriers to investment. This understanding should be achieved through working with the local business community, neighbouring local authorities and the Local Enterprise Partnership (LEP).
- 2.4 Paragraphs 18 to 22 of the NPPF establish that the Government is committed to ensuring that the planning system does everything it can to support sustainable economic growth, and that significant weight should be placed on the need to support economic growth through the planning system. It sets out a requirement for local planning authorities to plan proactively to meet the development needs of businesses and support an economy fit for the 21<sup>st</sup> Century.
- 2.5 In drawing up local plans, the NPPF requires local authorities to:
- Set out a clear economic vision and strategy
  - Set criteria or identify strategic sites for local and inward investment
  - Support existing business sectors and where possible identify and plan for new or emerging sectors likely to locate in the area
  - Plan positively for the location, promotion and expansion of clusters or networks of knowledge driven, creative or high technology industries

- Identify priority areas for economic regeneration, infrastructure provision and environmental enhancement
- Facilitate flexible working practices.

2.6 Paragraph 22 states that planning policies should avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Where there is no reasonable prospect of a site being used for the allocated employment use, applications for alternative uses of land or buildings should be treated on their merits having regard to market signals and the relative need for different land uses to support sustainable local communities.

2.7 Paragraphs 160 and 161 set out that local planning authorities should have a clear understanding of business needs within the economic markets operating in and across their area. To do this they should work with Local Enterprise Partnerships, the business community, county and neighbouring authorities to understand business needs, likely changes in the market and barriers to investment. They should use their evidence base to assess the land and floorspace for economic development, including the quantitative and qualitative needs for all foreseeable types of economic activity and the existing and future supply of land.

### **Local Plan**

2.8 The Local Plan sets out the strategy for managing future development in the County and comprises a number of Development Plan Documents (DPDs). These are:

- Core Strategy DPD – to outline the overall vision, objectives and strategy for the future development of Rutland
- Minerals Core Strategy and Policies DPD – a strategy for minerals planning, including criteria-based development control policies for minerals related developments
- Site Allocations and Policies DPD – identifies specific sites to be allocated for housing and other types of development as well as detailed planning policies for determining planning applications in Rutland.

2.9 Adopted in July 2011 the Core Strategy was reviewed in detail in the 2013 Employment Land Assessment. Of note is the settlement hierarchy of the County which comprises Oakham, Uppingham, Local Service Centres, Smaller Service Centres and Restraint Villages. *“The rest of Rutland, including settlements not*

*identified in settlement categories will be designated as countryside.”*

- 2.10 Oakham will be the key focus for new development mostly on land allocated to the north west of the town. Uppingham will be a focus for more moderate growth mostly on allocated sites to the west or north west of the town. *“The Local Service Centres can accommodate a level of growth mainly through small scale allocated sites, affordable housing sites, infill developments and conversion or reuse of redundant suitable rural buildings.”*
- 2.11 Policy CS14 states that 5 ha of new employment land will be brought forward in line with the location strategy in Policy CS4. The Site Allocations and Policies DPD will determine the exact location of this land. Furthermore, new higher value employment provision will be provided through the redevelopment of existing low density, underused or poor quality employment sites.
- 2.12 In addition, office development will be supported and encouraged in town centres, where appropriate. This is linked to Policy CS17, which includes supporting proposals for office development above shops and commercial buildings in order to maintain and enhance the vitality and viability of town centres.
- 2.13 Site Allocations and Policies DPD was adopted in 2014 with a draft (2012) version reviewed in the previous Employment Land Assessment. Table 2 shows how the 5 ha Core Strategy target has been met to 2012, with a need of 2.24 ha still to be provided in the period to 2026.

**Table 2 – Employment Requirement in Rutland**

Requirement	Ha
Core Strategy New Employment land requirement 2010-2026	5.0
Net completions (2010-2012)	0.9
Existing commitments at 1 <sup>st</sup> April 2012 (*)	1.86
<b>Remaining Requirement 2012-2016</b>	<b>2.24</b>

*\*Existing commitments including outstanding permissions and sites under construction as 1<sup>st</sup> April 2012 from Rutland County Council monitoring.*

*Source: RCCDC, 2014*

- 2.14 Land to meet this further need will come from the redevelopment of Ashwell Prison as well as a potential 1 ha allocation to the north of Uppingham, adjacent to the existing Uppingham Gate employment area. This site has been put forward to Uppingham Town Council for consideration through the Uppingham Neighbourhood

Plan. The Neighbourhood Plan also proposes a further 3 ha of employment land adjacent to this site (discussed below).

### **Supplementary Planning Documents**

- 2.15 Two Supplementary Planning Documents (SPDs) are of relevance to this study:
- Ashwell Business Park SPD
  - Draft Planning Obligations.
- 2.16 The Ashwell Business Park (now referred to as Oakham Enterprise Park) SPD was reviewed in the 2013 Employment Land Assessment. This clarified that acceptable uses at Oakham Enterprise Park are in the B1, B2, B8, D1 and D2 Use Classes, as well as some employment related Sui Generis uses (to be considered on a case by case basis). Housing development will not be permitted on the site.
- 2.17 A masterplan is included in the document, which shows the redevelopment of Oakham Enterprise Park on a phased basis. Redevelopment will initially focus on the western part of the site, offering existing buildings on a leasehold and freehold basis. This will be followed by new build development of the north west, as well as potential to relocate the Council's salt barn. The central parts of the site also provide new build opportunities, as well as options for infill development. The eastern part of the site offers longer term potential (at least ten years).
- 2.18 The Draft Planning Obligations SPD is focused towards developers, agents and stakeholders as well as the general public and should be read alongside the Council's proposed adoption of a Community Infrastructure Levy (CIL), discussed below.
- 2.19 The following planning obligation priorities have been established, *"to be taken in order, bearing in mind that CIL always has to be paid at the applicable rate.*
- *Priority One will be to provide for the physical infrastructure needed to deliver the project, as without this the scheme will not proceed.*
  - *Priority Two will be to provide for essential community needs and Affordable Housing – these would be a second call on developer contributions,*
  - *Priority Three will be to provide for the remaining Affordable Housing provision listed in the SPD – this would be a third call on developer contributions."*

**Community Infrastructure Levy Draft Charging Schedule – Rutland County Council District Council (2015)**

2.20 This document was adopted by the Council on 11 January 2016 and will be implemented on 1 March 2016. It sets out proposed levels of Community Infrastructure Levy (CIL) charging in Rutland. Rutland County Council’s infrastructure requirements are detailed in Table 3 below.

**Table 3 – Rutland’s Infrastructure Requirements to 2026**

Infrastructure Element	Required Infrastructure
Highway, Transport and Waste	Oakham Town Centre and other town centre improvements Car parking Various public and community transport initiatives New recycling facility
Health and Social and Care	Disabled, residential care and youth facilities New and expanded GP facilities
Education, Learning and Skills	Additional places for early year/childcare New build and expansion of existing Primary School facilities Expansion of existing Secondary School facilities Building infrastructure for additional post 16 needs
Emergency Services	Enhanced policing and community safety
Economic Development	Oakham and Uppingham public realm improvements Improved Broadband Connectivity
Culture and Leisure	Improvements to library provision outside Oakham Development of Heritage and Cultural facilities Indoor and Outdoor Sports and Playing Fields

Source: RCCDC, 2014

2.21 The Leicester, Leicestershire and Rutland Viability Report (2014) found that, in regards to commercial rates, viability does not change geographically across Rutland. *“Therefore one rate can be set for the County for each development type.”* Proposed CIL rates are detailed in Table 4.

**Table 4 – Schedule of Proposed CIL Rates**

Use Type	Proposed CIL Rate (£/sqm)
Residential	£100
Sheltered/Extra Care Housing	-
Distribution	£10
Food Retail (Supermarkets)	£150

Use Type	Proposed CIL Rate (£/sqm)
Retail Warehouses	£75

Source: RCCDC, 2014

### **Employment Land Assessment Review (2013)**

- 2.22 Undertaken by BE Group in 2013, this report analysed the supply, need and demand in regards to employment land and premises (use class B) in Rutland. Rutland County Council District Council commissioned the report in order to “provide robust evidence to underpin and inform its Local Plan for the period to 2026.”
- 2.23 At 31st March 2012 there was a headline supply of 19.98 ha of available employment land, made up of ten sites. Over half of this (10.54 ha) comprises Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North).
- 2.24 Of this supply, 1.1 ha comprised sites judged unlikely to be brought forward for development. If Local Plan Employment Site 1 is also excluded then the worst case scenario is that there is only 8.34 ha (7 sites).
- 2.25 As it is noted in Table 5 below, an additional 14.41 ha was required based on long term past take-up rates (16 years). This increased to 26.05 ha when measured against the worst case scenario. If short term, 6 year, take-up rates are used, then Rutland has sufficient land to meet its needs, but only if all existing employment sites are protected.

**Table 5 – Land Forecast Models Reflecting Perceived & Residual Supply**

Model	Land Need, ha 2012-2026 (including 5 years Buffer)	Perceived Surplus (Shortfall) to 2026 Headline Supply (19.98 ha)	Predicted Surplus (Shortfall) to 2026 Worst Case Supply (8.34 ha)
Long Term Land Take-up	34.39	(14.41)	(26.05)
Short Term Land Take-up	19.57	0.41	(11.23)
Employment Based	8.44/9.56	10.32/11.44	(0.20)/1.32
Labour Supply	12.40/12.79	7.19/7.58	(4.06)/(4.45)

Source: BE Group 2013

- 2.26 The other two forecast models (employment and labour supply) suggested that the County either has an oversupply of employment land or a very modest land

requirement of up to 4 ha. This indicated that some of the current land supply may be surplus to requirements and could be used for other activities. However these methods took no account of pent-up demand, failures in the property market or the land needs of existing large businesses and inward investors. They were frequently contradicted by empirical evidence generated by the study, i.e. consultations with major local employers, who identified land needs.

2.27 In recognition that the Council was to commence a review of the Core Strategy in 2014, forecasts were prepared to address the consequential revised plan period end date of 2031. These suggested a worst case scenario of a shortfall of 35 ha of employment land.

2.28 Relevant recommendations of the 2013 study included:

- That the Council should adopt the short term land take-up scenario. This suggests that the County does have sufficient land to meet its needs, but only if all existing employment sites are retained for B1, B2, B8 uses.
- Rutland County Council should therefore protect employment sites (including single standalone employment sites outside employment areas) from non-employment uses, such as housing or retail, unless wholly exceptional circumstances can be demonstrated. If employment sites are lost to other uses, then an equivalent amount of land should be identified elsewhere to ensure a sufficient overall land supply in Rutland.
- If take-up rates do return to the long term rate of around 1.88 ha/year then further land allocations will be needed. The projected requirement is 14 ha, rising to 26 ha if a significant portion of the existing land supply is lost to other uses.
- If further allocations are needed, the Council should explore the feasibility of bringing forward new allocations at Oakham Enterprise Park for B1, B2, B8 uses.
- Rutland County Council should also look to identify new long term land allocations in the County. Sites at Oakham and close to the A1, near Stamford, should be examined for their suitability.

### ***Neighbourhood Planning***

2.29 Existing Parish and Town Plans were reviewed in detail in the 2013 Employment Land Assessment and are not repeated here. However, the Localism Act (2011) introduced new rights and powers to allow local communities to shape new

development by coming together to prepare neighbourhood plans. Neighbourhood forums and parish councils can use new neighbourhood planning powers to establish general planning policies for the development and use of land in a neighbourhood, by preparing a Neighbourhood Development Plan. There are currently six designated Neighbourhood Development Plans being drawn up within the Borough:

- Barrowden and Wakerley – area designated April 2015
- Cottesmore – examination completed November 2015 and referendum to be held in March 2016
- Edith Weston – made June 2014
- Greetham – designated April 2014
- Langham – Draft completed Sept 2015
- Uppingham –made by Rutland County Council on 11<sup>th</sup> January 2016 (see Table 6).

2.30 Relevant employment policies in these Neighbourhood Plans are summarised in Table 6.

**Table 6 – Neighbourhood Plan Employment Issues**

Plan	Comment
<b>Cottesmore (2015)</b>	<p>In “<i>Proposal COT EC 1 - Employment generation and protection</i>’ it was noted that “<i>Employment generation and protection policies should have the following objectives:</i></p> <ul style="list-style-type: none"> <li>(i) <i>to support the further development of the superfast broadband and information and communications technology networks to support local businesses and flexible working,</i></li> <li>(ii) <i>to support the enhancement of existing tourist, overnight accommodation and visitor facilities in Cottesmore,</i></li> <li>(iii) <i>to support the provision of new overnight accommodation in the Village, subject to parking provision,</i></li> <li>(iv) <i>to allow new tourism provision and initiatives in Cottesmore where these would benefit the local community and support the local economy.”</i></li> </ul>
<b>Edith Weston (2014)</b>	<p>At present, there is little commercial or industrial development in Edith Weston. The surrounding area is predominantly rural with agriculture being the key commercial activity. The main business in the village is a haulage company situated on the former airfield behind the barracks.</p> <p>The Plan proposes that further commercial or industrial development should only be permitted if:</p> <ul style="list-style-type: none"> <li>• <i>“Any development complies with the County Council’s Core Strategy</i></li> <li>• <i>Any development is small scale and conforms to the [Core Strategy] Local Development Framework and Policy CS24 (Rutland Water)</i></li> <li>• <i>Infrastructure, such as car parking, access, increased traffic, and road safety must be satisfactorily addressed</i></li> <li>• <i>Existing buildings or previously developed land must be considered as a</i></li> </ul>

Plan	Comment
	<p><i>first option</i></p> <ul style="list-style-type: none"> <li>• <i>The Rutland Water Area is not adversely affected</i></li> <li>• <i>The character and integrity of the village is not adversely affected</i></li> <li>• <i>There is no increase in HGVs travelling through the village</i></li> <li>• <i>The environment and ecology of the area, particularly Rutland Water, is not adversely affected</i></li> <li>• <i>Tourism is not adversely affected.</i></li> </ul> <p><i>This Plan also proposes that the above criteria, and Policy CS6 of the Core Strategy, should be adhered to should the existing Ministry of Defence site become declassified as an MOD facility and alternative development be proposed."</i></p> <p>Policy EW2 (Commercial and Industrial Development, including tourism and recreation) states that new development, in support of economic growth, will be expected to adhere to the planned limits of development for the village, as well as be sited on previously developed sites or existing buildings. Overall, it should <i>"be of a size and scale which will not adversely affect the character, infrastructure and environment of the village itself and the neighbourhood plan area."</i></p>
<b>Langham (2015)</b>	<p>A number of community objectives have been established. These include 'Objective CE3: Economy' which aims to encourage local investment in local businesses and to <i>"improve the effectiveness of homeworkers through the provision of shared expenditure and shared ideas via a business hub."</i></p> <p>There are three principal sites of business activity in the parish. Mickley Lodge Business Centre, Rutland Village Centre and Oakham Enterprise Park collectively accommodate about 25 businesses.</p>
<b>Uppingham (2016)</b>	<p><i>Following the dismissal of the legal challenge to the Neighbourhood Plan in the Supreme Court in November 2015, it was made by Rutland County Council on 11<sup>th</sup> January 2016.</i></p> <p>Neighbourhood Plan 'Policy 6 - Industry and Employment - Site D - Uppingham Gate' supports the approval of Site D as an extension of the existing employment offer at Uppingham Gate. Development B1, B2, B8 and waste related uses would be supported, including:</p> <ul style="list-style-type: none"> <li>• <i>"A Data Centre, Techno Hub or other high tech employer(s)</i></li> <li>• <i>Light industry start up units</i></li> <li>• <i>A garage with fuel and a small shop</i></li> <li>• <i>Office units</i></li> <li>• <i>Light electrical</i></li> <li>• <i>Health Care Product related employment</i></li> <li>• <i>Environment friendly start ups</i></li> <li>• <i>Transport/coach interchange with public car parking."</i></li> </ul> <p>The Plan does not support heavy industry, housing, or uses which would generate excessive noise at night. Site D is considered further in Section 6.0.</p> <p>'Proposal 7 - Industry and Employment - Uppingham Gate' supports a bid to the Local Enterprise Partnership for development funding for Site D.</p>

Plan	Comment
	<p><i>'Proposal 8 - Industry and Employment - Station Road'</i> supports the following changes and improvements to Station Road Industrial Estate:</p> <ul style="list-style-type: none"> <li>• <i>“Undertake a safety audit with emergency services</i></li> <li>• <i>Explore public ownership of all the highway and upgrade of road surface</i></li> <li>• <i>Modernise and increase quantity of street lighting</i></li> <li>• <i>Surface water drainage improvements</i></li> <li>• <i>Improved access by limiting car parking at the entrance to Station Road</i></li> <li>• <i>Introduction of a pressure pad/sensor warning light system at the junction with London Road</i></li> <li>• <i>Improved signage on the London Road and at the entrance to Station Road</i></li> <li>• <i>Fibre Broadband connections</i></li> <li>• <i>Securing winter salt/gritting status with County Council</i></li> <li>• <i>Better traffic management and improved parking.”</i></li> </ul> <p>Again a bid for Local Enterprise Partnership funding is supported to finance these changes.</p>

## Summary

- 2.31 It is a responsibility of local government to support and encourage economic growth. This includes the provision, initially through planning policy, of sufficient employment land and premises. This must be of the right scale, type, location, be readily available for development and be well related to the strategic or local highway network according to the nature of the site and the function of the settlement. One of the most important issues to consider is that the land must be allocated in sustainable locations and be readily capable of development. The employment land portfolio needs to be balanced and to adequately cater to all sectors of the economy, i.e. small and large businesses, offices and industrial, high and low quality operations.
- 2.32 Strategies prioritise development in the main settlements of Oakham, and to a lesser extent Uppingham. Local and smaller service centres also have potential to accommodate a small amount of development, predominantly on previously developed land or through the re-use of rural buildings.
- 2.33 The Rutland Core Strategy identifies a further employment land need of 5 ha, this was reduced to 2.24 ha in the Site Allocations and Policies DPD, less 2010-2012

completions and commitments. Land to meet this need will likely be found at Oakham Enterprise Park. An allocation of 3 ha for employment purposes at the Uppingham Gate employment area is made in the Uppingham Neighbourhood Plan.

- 2.34 The 2013 Employment Land Assessment identified a land need of 19.57 ha to 2026 based on a short term, 6 year, take-up rate. Rutland's headline land supply, as of April 2012 (19.98 ha) is sufficient to meet this need, but only if all existing employment sites are protected.
- 2.35 In recognition that the Council was to commence a review of the Core Strategy in 2014, forecasts were prepared to address the consequential revised plan period end date of 2031. These suggested a worst case scenario of a shortfall of 35 ha of employment land.
- 2.36 There is some interest in growing employment opportunities in the Neighbourhood Plans. However, with the exception of the Uppingham Neighbourhood Plan, the proposals generally relate to growth in home based businesses, retail/leisure or tourism options or the improvement of existing employment areas. No significant proposals for major new B-Class developments are put forward.

## 3.0 SOCIO-ECONOMIC PROFILE

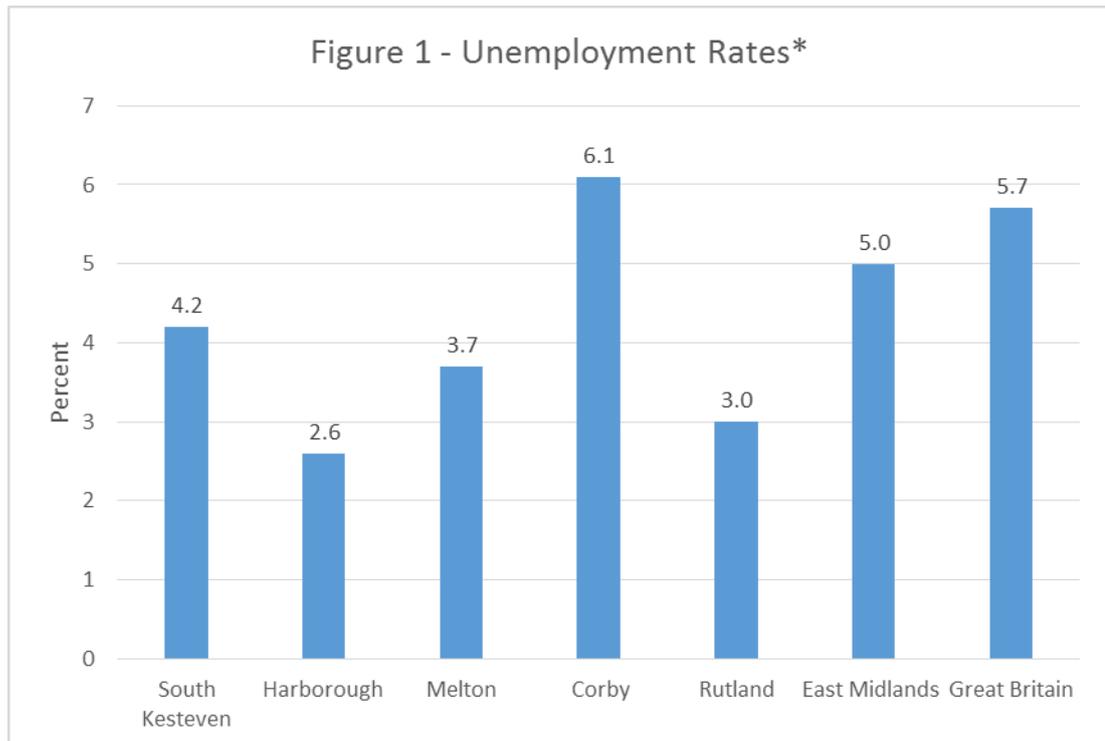
### Introduction

- 3.1 This section provides a summary profile of the prevailing social and economic conditions in Rutland. It aims to provide the socio-economic context which shapes employment land demand and supply factors in the study area to facilitate sustainable growth. Where relevant, comparisons are made to similar findings in the 2013 Employment Land Assessment although in some cases revised data sources have been used which are not directly comparable.
- 3.2 Reflecting both NPPF and PPG guidance, local planning authorities should have a clear understanding of needs and stronger indication of performance against neighbouring areas, as well as sub-regional and national averages. A functional economic market area for Rutland, reflecting PPG, is defined in Section 7.0. This comprises the neighbouring authorities of South Kesteven, Harborough, Melton and Corby. Where relevant, comparisons are made between Rutland and these locations.
- 3.3 The Rutland functional economic market area also includes Peterborough and Leicester. However, it is less meaningful to compare Rutland to these large urban settlements.
- 3.4 Finally, it should be noted that commuting patterns are discussed in Section 7.0 where they help to define the functional economic market area.

### Demographic Assessment

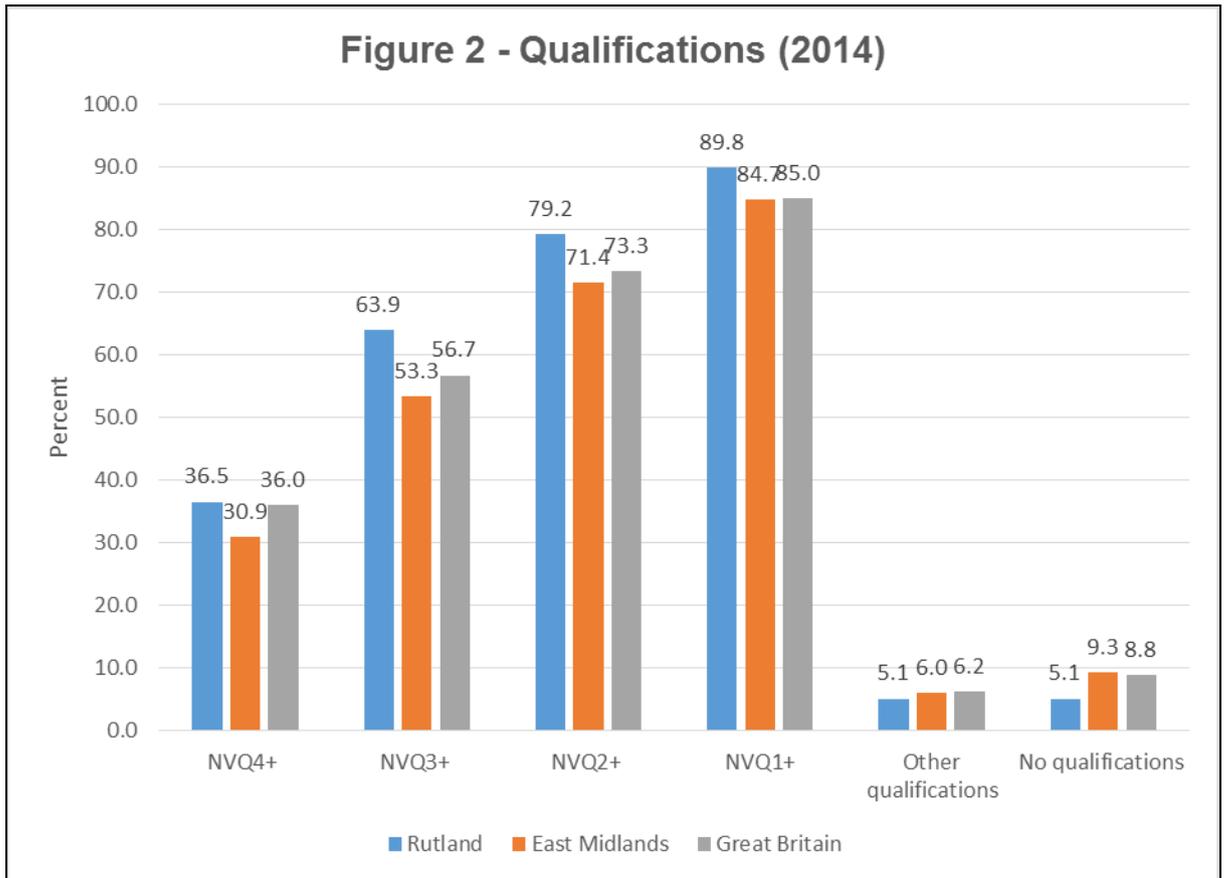
- 3.5 The population of the County as of the 2011 Census was 37,369 residents, which was 0.8 percent of the East Midlands total (4,533,222). Within that population the following can be noted:
- As of spring 2015, 78.3 percent of Rutland's working age population was in employment (16,400 residents). This is above the East Midlands (73.4 percent) and national (72.7 percent) averages
  - Also in spring 2015, Rutland had a low unemployment rate (3.0 percent, increased slightly from 2.4 percent in the 2013 Study) compared to all of its neighbours apart from Harborough (see Figure 1). Unemployment was also low in the regional and national contexts, a position seen in the 2013 Study

- Deprivation is not a significant issue in Rutland. In the national Index of Multiple Deprivation (IMD) 2015, the County is ranked as the 299<sup>th</sup> most deprived local authority area in England (out of 326 local authority areas). Thus there are only 27 local authority areas in England with a lower rate of deprivation. This is a slightly weaker position than in the 2010 IMD when Rutland was ranked the 305<sup>th</sup> most deprived local authority area in England.



Source: ONS Annual Population Survey, 2015  
\*Percentage of economically active population.

- Two thirds of Rutland's LSOAs were in the 20 percent least deprived in England. These include most of the main settlements of the County, with the areas of lowest deprivation generally found in the northern and southern suburbs of Oakham
- Figure 2 shows that, as was the case in 2013, the National Vocational Qualification (NVQ) level attained by the working age population of Rutland is above wider averages
- The proportion of residents with no qualifications (5.1 percent) is lower than the regional (9.3 percent) and national (8.8 percent) averages.



Source: ONS Annual Population Survey 2014

### Employment by Occupation

3.6 Table 7 measures local economic activity using Business Register and Employment Survey (BRES) data. This data source is not directly comparable with the 2011 Census information used in the 2013 Study. BRES provides details of the number of jobs within differing industry sectors within a local authority area. The figures show that:

- Rutland's dependence on public sector employment is slightly above average with 30.8 percent of the County's workforce employed in public administration, education and health, in 2014. However, this is driven by high levels of employment in the education sector focused around Rutland's schools, including those which are actually privately operated. Public administration and defence is above average at 5.8 percent, although not excessively so given the range of Ministry of Defence and HM Prison Service facilities operational in the County
- The local manufacturing sector accounted for 14.2 percent of jobs locally in 2014, above the regional averages and most notably the national average of

8.4 percent. Within the general manufacturing sector, some key local sub-sectors include:

- Manufacture of rubber and plastic products, which employed 567 or 4.2 percent of the total labour force in 2014
- Manufacture of other non-metallic mineral products, which employed 358 or 2.6 percent of the total labour force in 2014
- Manufacture of electrical equipment, which employed 261 or 1.9 percent of the total labour force in 2014.

**Table 7 – Economic Activity**

	Employment Structure			
	Rutland		East Midlands	Great Britain
	No.	Percent	Percent	Percent
1 : Agriculture, forestry & fishing*	49	0.4	0.9	0.8
2 : Mining, quarrying & utilities	182	1.3	1.5	1.3
3 : Manufacturing	1,921	14.2	12.8	8.4
4 : Construction	502	3.7	4.4	4.5
5 : Motor trades	198	1.5	2.4	1.8
6 : Wholesale	374	2.8	4.5	4.0
7 : Retail	1,547	11.4	10.0	10.0
8 : Transport & storage (inc postal)	374	2.8	5.0	4.5
9 : Accommodation & food services	1,439	10.6	5.8	7.1
10 : Information & communication	394	2.9	2.3	4.1
11 : Financial & insurance	88	0.7	1.7	3.7
12 : Property	189	1.4	1.3	1.6
13 : Professional, scientific & technical	1,015	7.5	6.8	8.1
14 : Business administration & support services	484	3.6	9.8	8.7
15 : Public administration & defence	778	5.8	4.0	4.6
16 : Education	2,474	18.3	9.8	9.2
17 : Health	900	6.7	12.8	13.4
18 : Arts, entertainment, recreation & other services	620	4.6	4.1	4.4
<b>Total</b>	<b>13,527</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Source: Business Register and Employment Survey 2014

\*Excludes farm based agriculture.

- The strongest office-based sectors are professional, scientific and technical followed by business administration and support services. The proportions of the latter however, are notably below wider averages
- Financial and insurance has a comparatively weak role in the County

- Transport and storage (logistics) employed only modest numbers locally, 2.8 percent, compared to an East Midlands average of 5.0 percent.

### Numbers and Sizes of Businesses

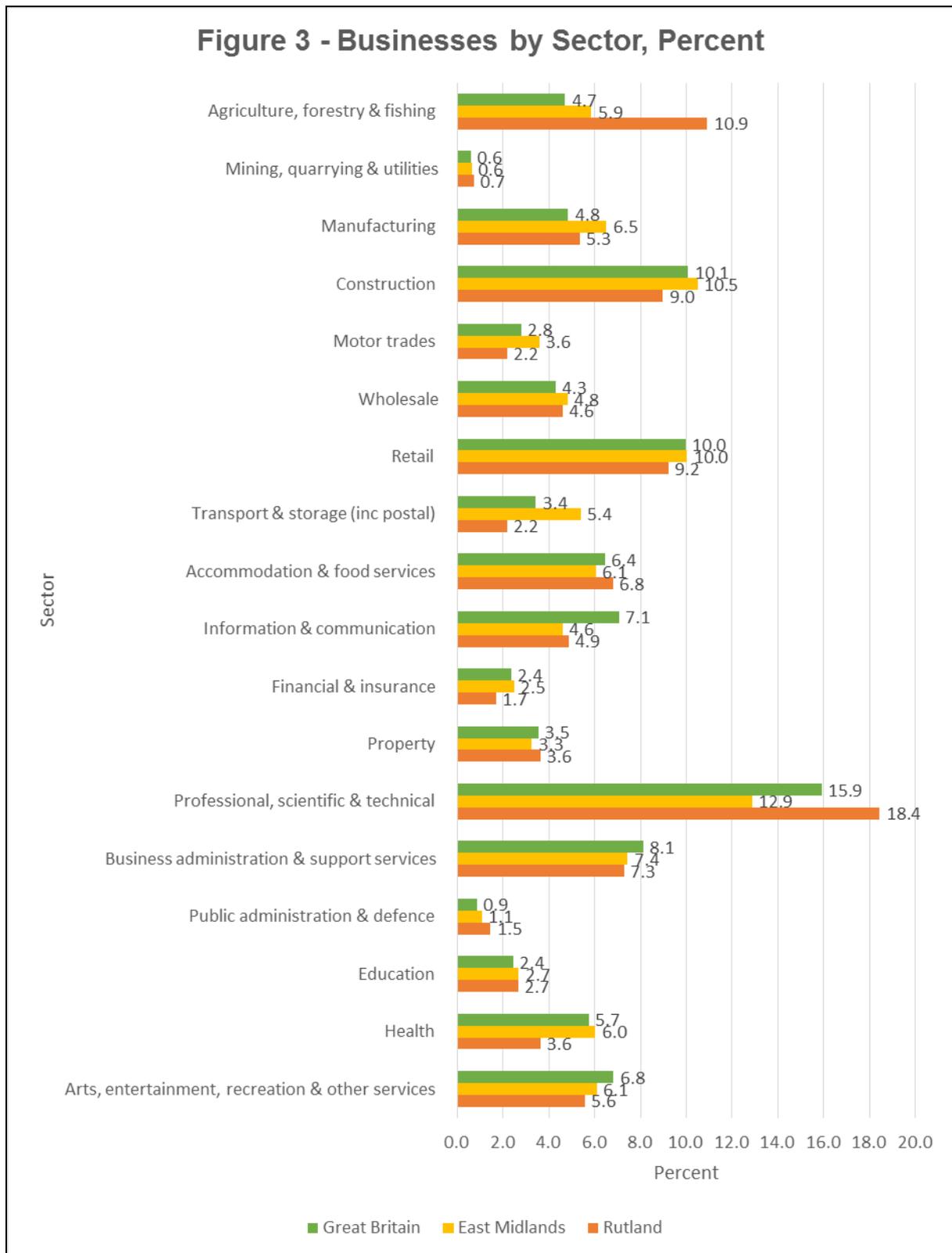
- 3.7 ONS data identifies that there were 2,060 VAT and PAYE registered businesses operating in the County in 2015. This is increased from 1,910 VAT registered businesses operating in the County in 2011, as identified in the 2011 Census, a growth rate of around 8 percent in four years.
- 3.8 83.6 percent of businesses in Great Britain employ less than ten people (micro businesses), and overall 96.9 percent of all businesses are classified as small (up to 49 employees). In Rutland, the micro and small business sectors are even more pronounced. As Table 8 shows, 98.1 percent of businesses in Rutland employ less than 50 employees, while the proportion employing less than ten is 86.7 percent. Over three quarters employ only 1-4 staff. Only five local businesses are identified as having more than 250 employees. These proportions are similar to those seen in the 2011 Census data, in the 2013 Study.

**Table 8 – Business Sizes**

Area	Number of Employees						
	1-4	5-9	10-19	20-49	50-99	100-249	250+
Rutland	75.9	11.7	7.0	4.4	1.2	0.5	0.2
East Midlands	68.6	14.3	8.3	5.6	1.9	1.0	0.4
Great Britain	69.4	14.1	8.1	5.2	1.8	0.9	0.4

Source: ONS UK Business Counts – Local Units, 2015

- 3.9 The total number of businesses can be broken down further by industry sector. Again the data source differs from that in the 2013 Study. Figure 3 shows that:
- The highest proportion of businesses in Rutland is in the office based professional, scientific and technical sector. This includes a range of professional uses such as architects and solicitors, alongside research and development businesses
  - Another 10.9 percent of local firms are in the agriculture, forestry and fishing sectors, roughly double wider averages. This illustrates the strength of the traditional rural economy in Rutland



Source: ONS UK Business Counts – Local Units, 2015

- Construction is a reasonably strong sector locally, although the proportion is slightly below wider averages
- Rutland also has a reasonable proportion of business administration and support services firms. However, the proportions of information and communication and, most notably, financial and insurance businesses are, in most cases, low when compared to wider averages
- The local manufacturing sector comprises a 5.3 percent of businesses, slightly below the regional average of 6.5 percent but comparable to the national average of 4.8 percent. As employment in this sector (from Table 7, above) is high, this indicates that the local manufacturing sector does include a number of larger employers
- The proportion of transport and storage businesses locally is negligible at 2.2 percent, particularly when compared to an East Midlands average of 5.4 percent.

### Premises Supply

3.10 Table 9 shows the supply of office and industrial premises (hereditaments identified by the Valuation Office for the purposes of business rates collection) by unit. The most recent Valuation Office data available at the local authority level is 2012, so will not include any very recent development.

**Table 9 – Distribution of Premises, Number of Units**

	<b>Factories/ Warehouses</b>	<b>Offices</b>
Corby	690	270
Harborough	760	620
Melton	530	150
<b>Rutland</b>	<b>300</b>	<b>200</b>
South Kesteven	1,190	590
East Midlands	42,060	21,890
England and Wales	450,910	355,990

Source: ONS Commercial and Industrial Floorspace, 2012

3.11 In 2012, Rutland had 300 industrial/warehouse units, 8.6 percent of the functional economic market area total stock of industrial/warehouse units and 0.7 percent of the regional stock. Rutland also had 0.9 percent of the of the regional office supply, some 200 units. Rutland's stock of industrial/warehouse and office premises is modest compared to most of its neighbours although the County does have a larger stock of offices than Melton.

- 3.12 Table 10 shows the supply of office and industrial premises by floorspace. In 2012, Rutland had 209,000 sqm of industrial/warehouse space, 0.6 percent of the regional floorspace. Rutland also had 0.5 percent of the region's office floorspace (26,000 sqm) and 1.0 percent of the regional floorspace.

**Table 10 – Distribution of Premises, Floorspace, Sqm**

	<b>Factories/ Warehouses</b>	<b>Offices</b>
Corby	1,352,000	51,000
Harborough	1,248,000	86,000
Melton	494,000	48,000
Rutland	209,000	26,000
South Kesteven	1,085,000	86,000
East Midlands	37,787,000	4,991,000
England and Wales	323,101,000	92,720,000

*Source: ONS Commercial and Industrial Floorspace, 2012*

- 3.13 The spatial distribution of premises can be analysed by Middle Super Output Areas (MSOAs). Rutland comprises only five such MSOAs, and two of these (MSOA 001 and 004) cover almost two thirds of the County. However, the most recent Valuation Office data available at the MSOA level is only for 2008, which pre-dates the recession and is unchanged from the 2013 Employment Land Assessment. It is not repeated in this Update Assessment.

### **Homeworking**

- 3.14 In Rutland, homeworking accounted for 17.2 percent of the working age population in employment in the 2011 Census (increased from 13.1 percent in 2001), which remains the key data source for assessing homeworking. This is more than double homeworking levels across the East Midlands (6.3 percent) and England (10.6 percent). High proportions of people work from home in the rural MSOAs of Rutland, notably in northern parts of the County and in, and around, Uppingham.

### **Earnings**

- 3.15 Pay levels in Rutland are reasonable when compared to wider averages (see Table 11). In 2014, average weekly pay in Rutland was £384.8/week when measured by place of work and £429.7/week when measured by place of residence. By place of residence at least, local weekly pay was above all other averages apart from the rate

in Harborough. By place of work the Rutland rate is close to the East Midlands norm and compares well to most neighbouring authorities, again with the exception of Harborough. It is below the national average however.

- 3.16 By place of work, average weekly pay in Rutland has increased by some £27/week on the 2012 average used in the 2013 Study (£358.0/week), evidence of some improvement in wages since the end of the recession. By place of residence, however, there has been a very modest reduction in average wages, by some £6/week. Generally this indicates limited movement in local residential wages since 2012.

**Table 11 – Average Weekly Earnings**

Area	Gross Median Weekly Pay, £ (Analysis by place of work)	Gross Median Weekly Pay, £ (Analysis by place of residence)
Corby	383.3	370.1
Harborough	419.6	447.0
Melton	324.9	351.9
<b>Rutland</b>	<b>384.8</b>	<b>429.7</b>
South Kesteven	351.5	396.8
East Midlands	387.6	373.4
England	421.6	421.6

Source: Annual Survey of Hours and Earnings 2014

### Summary

- 3.17 Rutland has a population of 37,369, comprising an economically active, well-educated and skilled workforce. Unemployment is low compared to most of the County's neighbours, and is well below regional and national averages. Rutland is the 27<sup>th</sup> least deprived local authority in England according to the latest IMD data.
- 3.18 Rutland's dependence on public sector employment is slightly above average with 30.8 percent of the County's workforce was employed in public administration, education and health, in 2014. However, this is driven by high levels of employment in the education sector which will include employment in Rutland's several large privately owned schools.
- 3.19 Rutland also retains a strong local manufacturing sector, with 14.2 percent of the working population in manufacturing jobs, well above wider averages. This includes large numbers of people employed in the manufacturing of rubber and plastic products, non-metallic mineral products and electrical equipment.

- 3.20 In terms of service sectors, professional, scientific and technical followed by business administration and support services have the strongest roles. The former also accounts for a high proportion (18.4 percent) of local businesses. Employment in the financial and insurance sector was more modest, and below wider averages.
- 3.21 There were some 2,060 businesses operating in the County in 2015, increased by 8 percent since 2011. Most of those businesses employ less than 10 employees (86.7 percent). Over three quarters employ only 1-4 staff.
- 3.22 As Tables 9 and 10 showed, in 2012, Rutland had 300 industrial/warehouse units, 8.6 percent of the functional economic market area's total stock of industrial/warehouse units and 0.7 percent of the regional stock. Rutland also had 0.9 percent of the regional office supply, some 200 units.
- 3.23 In 2011, 17.2 percent of the economically active population of the County, in employment worked from home. High proportions of people work from home in the rural parts of Rutland, notably in northern parts of the County and in, and around, Uppingham. Pay levels in Rutland are reasonable when compared to wider averages, and by place of work wages have improved slightly since the end of the recession.

## 4.0 PROPERTY MARKET ASSESSMENT

### Introduction

4.1 This section begins our consideration of the demand for land and property in Rutland. It first provides some brief comments on national and regional market trends which will impact on the local demand for land and premises. The local market is assessed through a quantitative review of the local supply of vacant premises alongside up to date market intelligence derived from consultations with a range of developers, scheme managers and property agents.

4.2 It should be noted that, as was the case in the 2013 Employment Land Assessment, data on property enquiries for Rutland is not available.

### National and Regional Property Markets

4.3 BE Group has long experience operating in the commercial property market across the UK, as well as in the East Midlands, and understands market perceptions and the conditions facing the industrial, logistics and office sectors, along with the wider investment market. Some brief comments on the wider market are therefore provided below.

#### ***Industrial Market***

- The national and regional picture is one of improving demand against a reducing stock of premises. There is a dearth of good quality existing buildings in prime locations across all size parameters
- As a consequence, occupiers are having to make compromises to identify a building that works for them or satisfy their requirements by design and build solutions, with the resultant time delays for their operations and additional costs
- In terms of leasehold schemes, increased demand, relative to supply has not yet led to a significant upward pressure on rental values, but this is likely to happen as supply reduces
- At the start-up and micro business level, companies still want flexible terms and short lease lengths reflecting their inability to predict the longer term future for their company
- Owner occupiers are becoming more prevalent with the increase in business confidence encouraging firms to expand and review their occupational requirements. This is leading to greatly strengthened freehold demand, but local markets frequently lack the freehold stock to meet needs.
- This may encourage firms to relocate from areas with limited options for owner occupancy, once those businesses reach a certain stage of maturity. However, this is dependent on the nature of the business. For example, high value and high technology sectors will require a high grade of space which can only be found in certain locations.
- With renewed interest from occupiers, pension funds and larger national investors, and reducing stock, it is expected that 2015/16 will see the growth of speculative development at the smaller end of the market.

**Warehouse Market**

- Growth prospects for the warehouse/distribution property market appear strong, as general economic conditions improve and consumers continue to embrace online retailing
- As one measure of demand, the 2014 Strategic Distribution Sector Study covering Leicester and Leicestershire only, forecast a need for 115 ha of new land at rail-served sites to 2036, across the county, once existing consents and development proposals are accounted for. A further 153 ha of new land at non rail served sites will also be required.
- However, the market generally is being constrained by a national lack of prime logistics sites.
- In the East Midlands, the logistics market is focused on the M1 Corridor, moving south from Nottinghamshire, through Leicestershire (Castle Donnington, East Midlands Airport and Kegworth, to the North; Leicester, Lutterworth and Hinckley to the south), through Rugby, Daventry and on towards Milton Keynes.
- Of more relevance to Rutland, a secondary market for sub-regional scale space can be seen along the A1 corridor extending south from Newark and Grantham, through Peterborough and onwards towards Bedford. A local example of this is the Woolfox Depot which provides premises of 2,000-6,000 sqm to logistics occupiers such as C S Ellis Group
- Within these market areas, while there are a range of potential logistics sites 'oven ready' locations which have completed premises can deliver options quickly are limited. In Leicestershire for example, existing larger (50,000 sqm plus) warehousing can only be found around Lutterworth (Magna Park), west of Leicester and in Coalville
- Despite this lack of currently available space, it is anticipated that take-up will continue to increase throughout the next few years.
- So far speculative development has concentrated on established logistics locations, but it is expected that activity will move out to secondary locations as demand encourages developers/investors to look at higher risk locations and occupiers seek relief from prime rent rises.

**Office Market**

- Generally the office market in regional locations in the UK has been more subdued, with a slower recovery from the recession than the logistics or industrial property markets.
- However, 2014/15 has seen a growing confidence on the part of investors to invest outside of London and this has been led by the UK institutions, particularly for the office sector. A recent report by Lambert Smith Hampton identifies the East Midlands as the third strongest performing region in the UK for office investment, behind the South East and West Midlands with total transactions of £507 million in Quarter Two 2015.
- In the East Midlands, Leicester is the dominant office market, followed by Nottingham and Derby. In the East of England Peterborough is a strong secondary location but more distant Cambridge is dominant. However, there is a severe lack of available stock, in particular Grade A stock, at all these locations. Around Leicester for example, Grade A space is only available at Watermead Business Park in Charnwood. This is encouraging organisations to look at assets in strong secondary locations
- Occupier demand is also growing. As office based businesses traditionally keep a smaller amount of space 'surplus' at any one time than industrial firms, this is likely to lead to increased levels of premises demand.
- Generally, property stakeholders believe that the development pipeline is approximately 18 months behind the current demand curve.
- In the short term, this will mean reduced choice for occupiers, while in the long term it is likely to encourage development. So far in 2015 speculative development levels increased 42 percent over 2014 (Savills, 2015)
- At present, most office development still requires an element of pre-let or public sector funding to secure a start. However, this may change over 2015, at least for schemes in the strongest locations
- However, while there is a shortage of high grade space, there remains a significant regional stock of second hand offices. In the short term this stock will actually grow as companies seek to upgrade to better options. A growing market will encourage refurbishments, but it is not clear if increased pressure for office to residential conversions is also likely. Pressure for changes of use may be an issue in Oakham and Uppingham town centres but is unlikely to significantly impact on the broader office supply of the County.

### Property Supply

- 4.4 A schedule of the vacant floorspace being marketed in the study area (as at October 2015) has been compiled mainly from physical survey, a trawl of commercial property agents' websites and consultations with agents. The marketed space is taken to be a reasonably close approximation to that which is vacant – although there may be occupiers waiting for interest in their property before moving, and empty units not actually being marketed. The schedules for industrial (including warehouses and workshops) and offices have been included in Appendix 2.

### Industrial

- 4.5 Table 12 shows that there is 1,974 sqm of vacant industrial floorspace in Rutland, made up of seven properties. Both Oakham and Uppingham have an equal share, with 3 premises each. 886 sqm of vacant floorspace can be found in Uppingham and 876 sqm can be found in Oakham – virtually an identical supply in each of the two market towns.

**Table 12 – Amount of Marketed Industrial Property**

Area		Size Band, sqm						Total
		0-50	51-100	101-200	201-500	501-1,000	1,001+	
Oakham	Floorspace, sqm	-	-	111	216	549	-	<b>876</b>
	Number of Properties	-	-	1	1	1	-	<b>3</b>
Uppingham	Floorspace, sqm	37	-	130	-	719	-	<b>886</b>
	Number of Properties	1	-	1	-	1	-	<b>3</b>
Market Overton	Floorspace, sqm	-	-	-	212	-	-	<b>212</b>
	Number of Properties	-	-	-	1	-	-	<b>1</b>
<b>Total</b>	<b>Floorspace, sqm</b>	<b>37</b>	<b>-</b>	<b>241</b>	<b>428</b>	<b>1,268</b>	<b>-</b>	<b>1,974</b>
	<b>Number of Properties</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>7</b>

Source: BE Group 2015

- 4.6 1,974 sqm across seven units is only a third of the floorspace recorded in 2013 (5,800 sqm) and half the premises (14). This illustrates that Rutland's main employment areas are better occupied than they were in early 2013, when the

market was only beginning to emerge from recession. In particular, the reduced floorspace figure today reflects the fact that four large industrial properties, on the market in 2013, are now occupied, at least in part. These were – 33-35 Pillings Road, Pillings Road Industrial Estate, Oakham (1,208 sqm); Units 1-6, Station Approach, Oakham (903 sqm); 1 Old Station Yard, Station Road, Pullman Trading Estate, Uppingham (890 sqm) along with a 731 sqm unit at The Woolfox Depot off the A1.

- 4.7 As of October 2015 there were no industrial premises over 1,000 sqm being marketed. Indeed, the largest available is Signal House, a 719 sqm unit in Station Road Industrial Estate, Uppingham. This is closely followed by the 549 sqm unit, 27 Pillings Road in Oakham.
- 4.8 There is a modest offer of smaller space available to lease in Rutland. Namely, the 37 sqm Old Forge in Uppingham and two further options under 200 sqm. Nothing of 51-100 sqm is being marketed at this time. Marketed industrial premises at Oakham Enterprise Park, which was still being refurbished when the 2013 was underway, is presently limited to one 216 sqm unit (Unit 18c – as of the October 2015 base date for this research).
- 4.9 Table 13 shows that 71 percent of vacant industrial premises are of a moderate quality. The remaining 29 percent are of a good quality (two properties, both located in Oakham). There are currently no vacant budget premises. The conclusions drawn from this table broadly mirror the findings of the 2013 report in which the majority of marketed industrial properties were also of a moderate quality.

**Table 13 – Quality of Marketed Industrial Property**

Area	Quality		
	Good	Moderate	Budget
Oakham	2	1	-
Uppingham	-	3	-
Market Overton	-	1	-
<b>Total</b>	<b>2</b>	<b>5</b>	<b>-</b>

Source: BE Group 2015

- 4.10 Table 14 below shows that the majority (71 percent) of properties are available on a leasehold term. There are no properties available on purely freehold terms (there were three in 2013). However, the two largest properties – Signal House, Station

Road, Uppingham (719 sqm) and 27 Pillings Road, Pillings Road Industrial Estate, Oakham (549 sqm) – are available for sale or to let.

**Table 14 – Tenure of Marketed Industrial Property**

Area	Tenure		
	Leasehold	Freehold	Either
Oakham	2	-	1
Uppingham	2	-	1
Market Overton	1	-	-
<b>Total</b>	<b>5</b>	<b>-</b>	<b>2</b>

Source: BE Group 2015

### Office

- 4.11 Table 15 shows that there is currently 2,434 sqm of vacant office floorspace, made up of 34 properties. Oakham and Uppingham hold the largest share (83 percent collectively), but there are a number of properties available in the smaller areas of Ridlington, Seaton and Glaston (none larger than 100 sqm). The smallest available property can be found in Seaton (Office 2, The Rural Business Community, 7 sqm) and the largest can be found in Oakham (Unit 20, Oakham Enterprise Park, 280 sqm).

**Table 15 – Amount of Marketed Office Property**

Area		Size Band, sqm						Total
		0-20	21-50	51-100	101-200	201-300	300+	
Oakham	Floorspace, sqm	36	204	275	494	280	-	<b>1,289</b>
	Number of Properties	2	5	4	3	1	-	<b>15</b>
Uppingham	Floorspace, sqm	39	170	280	-	456	-	<b>945</b>
	Number of Properties	2	5	4	-	2	-	<b>13</b>
Ridlington	Floorspace, sqm	-	46	84	-	-	-	<b>130</b>
	Number of Properties	-	1	1	-	-	-	<b>2</b>
Seaton	Floorspace, sqm	24	27	-	-	-	-	<b>51</b>
	Number of Properties	2	1	-	-	-	-	<b>3</b>

Area		Size Band, sqm						Total
		0-20	21-50	51-100	101-200	201-300	300+	
Glaston	Floorspace, sqm	19	-	-	-	-	-	19
	Number of Properties	1	-	-	-	-	-	1
<b>Total</b>	<b>Floorspace, sqm</b>	<b>118</b>	<b>447</b>	<b>639</b>	<b>494</b>	<b>736</b>	-	<b>2,434</b>
	<b>Number of Properties</b>	<b>7</b>	<b>12</b>	<b>9</b>	<b>3</b>	<b>3</b>	-	<b>34</b>

Source: BE Group 2015

- 4.12 The supply of office space, on the market in October 2015, is lower by floorspace than in 2013, when 3,261 sqm was on the market. However, the number of premises being marketed has increased from 29 in 2013, to 34 in 2015. The reduction in floorspace reflects the fact that 743 sqm of surplus office space at Agriculture House, Ayston Road, Uppingham (NFU building) which was on the market in 2013 is now occupied by a pharmacy.
- 4.13 Compared to the figures reported in 2013, however, there is an increase in smaller vacant offices on the market (0-50 sqm), up from 12 to 19. In both reports, this is where the majority of vacant offices can be found.
- 4.14 906 sqm (37 percent of the total floorspace) comprised of 11 properties is located at Uppingham Gate Business Park. Of the space available here, all are of a good quality and 82 percent are being offered on a leasehold only basis.
- 4.15 Overall, there are a reasonable number of offices available in Oakham and Uppingham, in size ranges up to 100 sqm (200 sqm for Oakham). The offer in rural areas is, unsurprisingly more limited, although The Rural Business Community at Seaton currently has three small suites on the market of 7-27 sqm.
- 4.16 Both Oakham and Uppingham are the only two locations to have both good and moderate properties. As in the 2013 report, Uppingham has a larger amount of good properties than moderate properties, whereas the opposite is true for Oakham. Space at The Rural Business Community, Seaton is classed as good.

- 4.17 In 2013, leasehold office properties accounted for 79 percent of the total. As Table 16 shows with the 2015 findings, leasehold office properties account for 91 percent. The three properties available for sale or to let are at Pillings Road Industrial Estate in Oakham and Uppingham Gate Business Park.

**Table 16 – Quality of Marketed Office Property**

Area	Quality		
	Good	Moderate	Budget
Oakham	2	13	-
Uppingham	12	1	-
Ridlington	-	2	-
Seaton	3	-	-
Glaston	-	1	-
<b>Total</b>	<b>17</b>	<b>17</b>	<b>-</b>

Source: BE Group 2015

**Table 17 – Tenure of Marketed Office Property**

Area	Tenure		
	Leasehold	Freehold	Either
Oakham	14	-	1
Uppingham	11	-	2
Ridlington	2	-	-
Seaton	3	-	-
Glaston	1	-	-
<b>Total</b>	<b>31</b>	<b>-</b>	<b>3</b>

Source: BE Group 2015

### Valuation Office Data

#### **Industrial**

- 4.18 According to the latest Valuation Office (VO) statistics (2012) there are 300 industrial hereditaments in the County, totalling 209,000 sqm. Out of all this space there are only seven marketed premises totalling 1,974 sqm (see Table 12 above). This suggests an overall 'occupancy rate' for Rutland of 99.1 percent by floorspace. By premises numbers, the 'occupancy rate' is 97.7 percent. This is improved on the 2013 occupancy rates of 97.7 percent by floorspace, 94.8 percent by premises numbers. It is also higher than in neighbouring Melton, where occupancy rates,

analysed in spring 2015 for an Employment Land Study, were 95.0 percent by floorspace and 97.5 percent premises numbers.

- 4.19 Generally, occupancy rates of 90-95 percent can be considered high and suggest that, subject to the natural churn of business expansion and relocation, most schemes in the County are fully occupied.

### **Offices**

- 4.20 There are 200 office hereditaments in the County, totalling 26,000 sqm. Out of all this space there are 34 marketed premises totalling 2,434 sqm (see Table 15 above). This suggests an overall 'occupancy rate' for the study area of 90.6 percent by floorspace. By premises numbers the overall 'occupancy rate' is 83 percent. Again this is an improvement on the occupancy by floorspace figure since 2013, when it was 86.4 percent. By premises numbers, the overall occupancy rate is little changed on 2013, when it was 83.9 percent. Compared to Melton, where the floorspace occupancy rate is 86.4 percent, space in Rutland is better occupied. By premises numbers the overall 'occupancy rate' in Melton was 83.9 percent, similar to that in Rutland.

### **Property Market – Stakeholders**

- 4.21 This section provides qualitative evidence of the demand for industrial and office property within the study area, through consideration of the comments of stakeholders active in Rutland's property market, developers, scheme managers and their agents.
- 4.22 Six private sector stakeholders were contacted by telephone for an informal discussion of the property market. To protect anonymity of individuals and organisation, names of commentators are not revealed.
- 4.23 These are stakeholders who are actively engaged in the sale and/or lease of industrial and office premises 'on the ground' and so have good first hand knowledge of the market in Rutland. The views they give provide useful practical input which balances the higher level evidence provided by forecasting and policy analysis.
- 4.24 These views are the opinions of the representatives of the consulted organisations at the time of the consultation. They are not the views of Rutland County Council.

4.25 Their views have been summarised in a series of tables. Table 18 provides a breakdown of the general comments received with regard to industrial and office land in Rutland.

**Table 18 – Property Market Comments – Land**

Contact	Comment
National Agent	In general, they are seeing a lot more development land in Rutland being eyed for residential properties, rather than employment premises.
Regional Agent	Marketing development land in Ketton. This limited interest has centred on residential requirements. This is due to the nature of the location which does not appear to suit industrial premises. Indeed, this is a constraint on many plots of development land in the wider County.
Regional Developer	Ongoing interest for land at Lands End Way, Oakham. Demand in the area proves a real need for quality employment space in Rutland at present.
Sub-Regional Agent	As far as can be perceived, there is enough development land available, but there is some doubt as to how long this supply could last. For at least the next five years, supply should suffice, based on the enquiries they have received. There is a need to push development on these sites, however, particularly to deliver the light industrial units (sub-100 sqm) which the local market requires. After this period, Green Belt land may have to be looked at in order to supplement the shortage in Oakham. Many businesses and the main schools are landlocked in their current premises and are having to consider acquiring land on the outskirts of town. However, this option has been deemed logistically unworkable by many schools who cite the transport of students as a major constraint.
Local Agent	Marketing development land at Oakham Enterprise Park, Ashwell, which has only been available for a couple of months yet has seen a good amount of initial interest. In general, a strong level of interest in the site demonstrates a need (from all sized companies) for quality employment land.

4.26 Table 19 provides a summary of the comments received from stakeholders with regards to the local industrial property market.

**Table 19 – Property Market Comments – Industrial**

Contact	Comment
Sub-Regional Agent	Strong demand for light industrial units of up to 90 sqm. In neighbouring Melton Mowbray units of this size can let in two weeks. Larger units can be much slower to let.
Local Agent	Industrial enquiries tend to come in from smaller businesses based in rural locations.

Contact	Comment
	Larger employers tend not to gravitate towards the area. Partially this is due to the lack of variety in the vacant stock, but also because Rutland is not perceived as an industrial location. It is deemed that these larger employers would find it hard to raise employment in the area due partially to a seemingly low availability level of skilled workers.
Local Agent	At Oakham Enterprise Park, Ashwell, the current occupancy rate is 92 percent by units and 95.6 percent by floorspace. Demand remains very strong for the remaining space. The site managers have the flexibility to sub-divide units to create more space as needed. Average industrial rents are around £45/sqm to £55/sqm.

4.27 Table 20 provides a summary of the comments received on the local office property market.

**Table 20 – Property Market Comments – Office**

Contact	Comment
Local Agent	Reasonably successful local office market focused on a number of rural schemes and Oakham Town Centre. Driven by demand from within Rutland, from local micro firms. Office premises tend to let from £65/sqm to £130/sqm, depending on size and quality. Interest on the small scale remains busy, however there is a limited amount of quality stock on the market. Certainly there is limited to no large-scale office options outside of the more prestige office parks.
Regional Developer	Phase One of Oakham Office Park saw a good amount of interest and a positive current tenancy figure.
Local Agent	Office rents are on average £90/sqm at Oakham Enterprise Park, which is considered to be competitive in comparison to other high street options. As with industrial, demand is mainly local and remains strong.

4.28 From the above Tables, it is the view of property market stakeholders that Rutland has sufficient land in the short to medium term. There don't appear to be immediate prospects of new development although ongoing interest for Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) is noted. However, there remains a need to provide new premises options, particularly light industrial space, while over the longer term improving demand may lead to land shortages.

4.29 In terms of industrial demand, comments vary but the general view is that, as was the case in 2013, demand is primarily for light industrial units of less than 100 sqm. A

good portion of that demand is sourced from Rutland's sizable rural hinterland and primarily comprises micro and small businesses, who have recently focused their interest at Oakham Enterprise Park, which is now nearing capacity. Stakeholders are not seeing much interest from larger businesses at present although they will not necessarily be aware of the growth aspirations of local businesses, discussed in Section 5.0. Industrial rents are £55-65/sqm.

- 4.30 The office market generally meets the needs of local service sector businesses. Demand is reasonable from such firms and improved on the 2013 picture. Interest from outside the County and from larger firms, who might occupy space at Uppingham Gate or in a second phase of Oakham Office Park is more limited however. Again Oakham Enterprise Park is highlighted as a successful scheme. Office rents vary from £65-130/sqm, with the Enterprise Park offering a reasonably competitive average of £90/sqm.

#### **Business Start-Up Accommodation**

- 4.31 The business start-up and managed workspace sector operates separately from the wider office and industrial property markets. Demand for such space can exist even in flat property markets. New businesses are attracted to the quality of facilities and services provided and can be drawn from a comparatively limited catchment area. Business of all sizes are adapting to a more mobile workplace, and workspace providers who are willing to adapt to this – by providing facilities such as drop-in business lounges; shared space and co-working locations; touchdown and hot-desking space; part-time, serviced and managed facilities – can do well.
- 4.32 A key strength of Rutland is its large rural catchment area for new and established micro businesses, which extends into neighbouring Melton, Harborough and South Kesteven. This was highlighted by several stakeholders and is also evidenced by the success of rural business schemes in the County.
- 4.33 The most prominent such scheme in Rutland is 'The Rural Business Community' at Seaton which provides a good example of how a successful incubation and micro business facility operates in a rural environment. The Rural Business Community offers hot desk (from £197/month) or monthly desk rental options (from £247/month) aimed at sole traders, particularly those working on a part time basis, and those moving up from homeworking. Private offices (from £495/month) are available, offering 2-4 desks, for micro firms. Options for larger firms are possible and The

Rural Business Community specifically markets itself as a location for established companies, headquartered elsewhere, to set up a satellite office in the County. A range of services and facilities are provided including meeting and conference rooms, manned reception, training, ICT and marketing support. The Rural Business Community is well occupied at present, with three private offices currently on the market.

- 4.34 Across the wider catchment area, similar schemes include Burrough Court, Burrough-On-The-Hill, Melton which offers good quality space, a range of services and ample parking while remaining accessible to Melton Mowbray and the strategic road network.
- 4.35 Such schemes do meet a range of needs but tend to market themselves towards the higher end of this market and cater strongly for office occupiers. Research completed for this study and for the Melton Employment Land Study in 2015 indicates that if there is a market for further start-up accommodation it is for budget-moderate quality workshop and storage units, of less than 100 sqm each. In Rutland this is evidenced by the success of workshop/storage options at Oakham Enterprise Park over the last three years, as well as the neighbouring Ashwell Business Units, Glen Industrial Estate at Essendine and Pit Lane Business Park in Ketton. However, as Phase One of Oakham Enterprise Park is nearing capacity there is a need to ensure an ongoing continuation of supply for start-up/micro business space locally particularly in the industrial/storage sectors.
- 4.36 It is less clear if there is a lack of start-up space to meet the specific needs of Oakham and Uppingham. As noted, there is a County-wide need for smaller workshop and storage options which may be focused in the towns, while serving a wider catchment area. However, micro business space does exist at Pillings Road/Station Road in Oakham and at Station Road Industrial Estate in Uppingham. In terms of offices, the general view of stakeholders is that Oakham Town Centre provides a reasonable offer of affordable offices for new and micro firms which want a more central location.

#### **Hybrid Units**

- 4.37 This Study has not identified any demand for hybrid office facilities in Rutland. Nationally such hybrid properties can be difficult to market as they are a relatively specialist product with high build costs and correspondingly higher rents/sale prices. Locally demand appears to be for traditional industrial and warehouse options, of

budget-moderate quality, sub-100 sqm in size, to meet micro business needs. As is discussed in Section 5.0 the established businesses of the County have a range of individual expansion needs, which are primarily for bespoke industrial and warehouse facilities, with only modest office facilities associated. The market for larger offices across the County remains constrained, as evidenced by the lack of recent activity at Oakham Office Park and Uppingham Gate.

### **Summary**

- 4.38 Nationally, prospects for the industrial market are of rising demand against a reducing supply. The later part of 2014 saw a return of speculative development in the 'big box' market for B8 logistics and B2 larger manufacturing which high projected needs in the core 'Golden Tringle' area of the East Midlands. While focused on the M1 Corridor, away from Rutland, a strong secondary market is identified along the A1 from Newark and Grantham, through Peterborough and onwards towards Bedford.
- 4.39 It is expected that 2015 will see a resumption in speculative development for smaller industrial units. The freehold market is strengthening but there is little space available to meet needs.
- 4.40 In terms of the regional office market Leicester, followed by Nottingham and Derby will remain the market centres of the East Midlands (with Peterborough a strong secondary location in the East of England). However, the severe lack of available stock, in particular Grade A stock, is encouraging organisations to look at assets in strong secondary locations.
- 4.41 As of October 2015 there was 1,974 sqm of industrial floorspace on the market, comprising seven properties. Both Oakham and Uppingham have an equal share, with 3 premises each. 886 sqm of vacant floorspace can be found in Uppingham and 876 sqm can be found in Oakham. Supply is limited elsewhere. There are no large industrial premises over 1,000 sqm on the market and no budget options. Freehold options are limited although the two largest properties on the market are available for sale or to let.
- 4.42 There are 34 offices on the market at present, slightly more than was the case in 2013. Most are less than 100 sqm in size and the largest is 280 sqm. Oakham and Uppingham hold the bulk of the available space, but there are a number of properties

available in the rural areas of Ridlington, Seaton and Glaston. All of the space is of good or average quality, and there are three units available for sale or to let.

- 4.43 Industrial need is for light industrial units of 0-100 sqm and basic terraced workshops. Demand is from local firms and rents of £55-65/sqm are being achieved. The first phase of Oakham Enterprise Park has been successful and is now nearing capacity. There do not appear to be immediate prospects of new development on the employment sites although demand for further light industrial space exists.
- 4.44 The office market generally meets the needs of local service sector businesses. Demand is reasonable from such firms and improved on the 2013 picture. Office rents vary from £65-130/sqm.
- 4.45 A market for start-up accommodation exists, driven by need in Rutland's broad rural hinterland. Incubation space already exists at The Rural Business Community at Seaton, while smaller workshop/storage (and office) options are available at Oakham Enterprise Park and several other locations. Across the broader sub-region there is a reasonable supply of office start-up space but a lack of affordable, smaller industrial and storage options. This is likely to be particularly acute in Rutland now that Oakham Enterprise Park is approaching capacity.

## 5.0 STAKEHOLDER CONSULTATIONS

### Introduction

- 5.1 This section provides commentary about Rutland, drawn from consultations with the public sector and other stakeholders – primarily the major businesses, major landowners and parish and town councils. It should be noted that each organisation’s comments are their perception of the situation, and may well reflect their role and involvement, rather than being the complete picture.
- 5.2 The Council provided a list of the top 33 employers in Rutland, including some public sector organisations and landowners. All have been contacted by BE Group and 20 responses have been secured, from one landowner and 19 other organisations. Some declined to participate or did not respond to attempts to contact them.
- 5.3 To protect the anonymity of those contributing to this study, the details of individual companies are not, as was the case in the 2013 study, repeated in the Main Report. The only exceptions are organisations such as Parish Councils which made written representations to this study or where an organisation is referenced in a publically accessible document such as a planning application/planning consent (see Section 6.0). Comments from a range of County Council officers are also summarised, and anonymised, below.
- 5.4 The five main schools and colleges of Rutland have also been contacted and details of those discussions are summarised in Section 9.0.

### Rutland County Council

- 5.5 Council officers note that enquiries for both office and industrial space primarily come from smaller businesses already located in Rutland, rather than larger, outside companies. The emphasis on a degree of inward investment, noted in similar comments for the 2013 Study, was not repeated in comments made for this research.
- 5.6 Oakham Enterprise Park is well placed to meet these local requirements and has been successful by offering small, affordable spaces to local companies wanting good-quality options without the rentals level of prestige accommodation. Tenants enjoy the security that the site offers, the onsite support, free parking, high speed broadband and diverse range of flexible accommodation available. It has filled a notable gap in local supply for affordable start up space, achieving 96 percent

occupancy in just over 2 years of marketing. Rents here are highly competitive at around £80/sqm for offices, £30-40/sqm for industrial space.

- 5.7 There is currently a significant waiting list for space at Oakham Enterprise Park, with ongoing requirements. This is evidence of further demand for small business space, both in the office and industrial sectors. One point to note is that, contrary to previous expectations, both offices and industrial have been equally popular across all size ranges.
- 5.8 Some 4 ha of external space exists at Oakham Enterprise Park. Council officers' report that they are keen to see this developed to provide additional premises for larger businesses and growing-on space for smaller companies as they expand.
- 5.9 Elsewhere Rutland has a range of mid and larger companies with growth aspirations. In the short term most retain some expansion land, but longer term growth will generate additional land requirements, including the possible need for multiple sites in the County. It also noted that there remains limited interest for development on the main employment sites.
- 5.10 Officers also expressed concerns about the long term labour supply in the County, especially service jobs at the lower end of the pay scale. As neighbouring areas like Corby and Peterborough expand, they may take from Rutland's available labour pool leading to local skills shortages.

#### **Parish/Town Councils**

- 5.11 All the Parish and Town Councils/Parish Meetings in the County have been contacted by letter. Many have not responded with any issues with respect to the economy or the employment land and property market. Relevant comments provided are summarised in Table 21. Of the responses Greetham Parish Council identify a need for micro office space to support local residents expanding from homeworking. It is argued that this should comprise: "*shared office accommodation for up to 10 persons with office facilities such as printing.*" Greetham Parish Council is not aware of any suitable property for conversion locally and assume that any development would be new build.

**Table 21 – Parish and Town Council Comments**

Council	Comment
Belton-in-Rutland Parish Council	<p><i>“There is no land in the village owned or controlled by the Parish Council unless you wish to consider the cemetery which would certainly not be appropriate.</i></p> <p><i>While the [Parish] Council is sympathetic to the need for the creation of employment in Rutland, Belton is a very small village in a conservation area which for the most part is Article 4 and which would not lend itself to office development or warehousing. [The] Council wishes to ensure our protected green spaces which are small and few, continue to be protected and are not lost in any forthcoming changes that may be made.”</i></p>
Cottesmore Parish Council	<p><i>“Cottesmore is designated as a Local Service Centre in RCC’s Core Strategy (Policy CS3 – The Settlement Hierarchy). As such, it is anticipated to be a focus for ‘small scale development’, which we consider means employment opportunities as well as dwellings. Cottesmore embarked on the preparation of a Neighbourhood Plan in October 2013. It is currently under consideration by an independent Inspector, with the referendum anticipated within the next 2-3 months.</i></p> <p><i>The Neighbourhood Plan is firmly committed to the principles of sustainability. One of the most important objectives is to increase the number of people who have the opportunity to live and work closer together. Whilst there is no large groundswell of local support for significant amounts of new light industrial or office units, it is acknowledged that more people are seeking to work from home. To this end, the Plan policies include objectives to support development of superfast broadband and other information and communication technology networks.</i></p> <p><i>There is considerable support for monitoring and enhancing the various service facilities that exist in the village and provide employment opportunities, including shops, the pub and the school. There is also support for increasing the provision of tourist-related overnight accommodation.</i></p> <p><i>Cottesmore is unique amongst Rutland Villages in that it has two centres. A mile to the north-east of the centre of the village is the Kendrew Barracks (formerly Cottesmore RAF base). This Ministry of Defence facility is occupied by the army and has a population of over 2100 (as August 2014) servicemen and women and their families. It is predominantly a logistics and support operation, with a considerable workforce on the base. Overall it is seen as important to Cottesmore, as personnel living on the Base provide additional spending power to help support village businesses. It is considered important to ensure that opportunities are taken to harness these economic benefits from the Base still further. Closer integration and co-operation between Kendrew Barracks and the rest of the parish is an important aspiration at the heart of the Neighbourhood Plan and the economic aspects are seen as central to progressing this.”</i></p>
Greetham Parish Council	<p><i>“Greetham Parish is in the process of preparing a Neighbourhood Plan and have undertaken a number of consultation exercises with residents, including one to identify business requirements.</i></p> <p><i>The need has been identified for office accommodation for persons primarily working from home, but have the need for small office accommodation nearby. We envisage that this would be shared office accommodation for up to 10 persons with office facilities such as printing. We are not aware of any suitable property for conversion, but believe suitable sites for a new build would be available.</i></p> <p><i>This also fits in with one of Rutland County Council’s Core strategy policies of</i></p>

Council	Comment
	<i>promoting sustainable communities, by obviating the need for persons to travel long distances to other office accommodation. It is intended that the draft Neighbourhood plan will include reference to such a provision."</i>
Ryhall Parish Council	Ryhall Parish Council wish to prioritise the protection of the Parish from unwanted development. It was also noted that <i>"At present there are no significant relevant issues or opportunities in the parish that have emerged in the last two to three years since the completion of the 2013 research."</i>
South Luffenham Parish Council	<p><i>"South Luffenham is a small rural parish but has a number of existing business enterprises in the parish, including the industrial estates at Linecross and Wireless Hill where the major haulage company of CS Ellis Ltd. is situated, the premises of the Institute of Credit Management at The Old Mill, the equine establishment at the top of Barrowden Lane, until recently, the offices of a publishing company in the outbuildings of a big house on the A6121 and two pubs in the village itself. There are also two garages about a mile and half from the village on the major A47 trunk road and a forestry (pines) enterprise about 2 miles toward North Luffenham, where there is also the military base. "</i></p> <p>To quote one Councillor <i>"... I am fully supportive of any new business enterprise and associated premises but it should be appropriate for the environment and not cause any hardship or inconvenience to existing residents and businesses where none exists already."</i></p> <p><i>The general perception is that there are sufficient employment facilities in and around South Luffenham, with the major sites well sited in the landscape and the smaller enterprises in keeping with the rural character of the village. We can see no sites which would offer potential development opportunities."</i></p>

5.12 With this in mind it should also be noted that during the course of this study a submission was received from a private landowner regarding a parcel of greenfield land in the adjacent Parish of Stretton. The site, which currently comprises agricultural land and extends to 5.3 ha, sits north west of the A1 Stretton Junction and is accessed off Hooby Lane, at the roundabout with the B668 Greetham Road (LE15 7NX). The owner wishes it to be considered for warehousing or commercial uses.

### Key Businesses

5.13 One to one consultations have taken place with 19 businesses, and associated organisations, located in Rutland. Six of these were contacted for the 2013 study, and contacted again for this study to determine how their land and property needs have changed as the national and local economy has moved from recession to recovery.

5.14 As was the case in 2013 there remains a strong desire for further growth amongst the County's business base. 12 of the 19 businesses (63 percent) expressed a desire

to expand in the future. This compares to half of the 20 organisations contacted in 2013.

5.15 Seven of those already have the land they need to grow under their control, although finance and planning issues may still be barriers to change. This includes several businesses with requirements in 2013, which are now being met. Other companies report unmet requirements for land and property. Not all could clearly define their land and property needs, but they included:

- Larger offices – Potentially up to 10,000 sqm
- Warehouse units on main road locations – 5,000 sqm or larger.
- Industrial expansion sites of 0.6- 7.5 ha.

5.16 Local businesses requirements are clearly diverse and for the most part will be challenging to address within Rutland's current land and property offer.

5.17 Seven of the 19 businesses report difficulties recruiting staff. Several businesses highlight difficulties in sourcing semi-skilled workers locally. This is unsurprising as Rutland's workforce, as noted in Section 3.0, is focused towards higher skilled occupations. However, others record difficulty in obtaining higher skilled and even managerial/professional workers. In part this is felt to reflect high levels of employment locally and hence a limited number of appropriately skilled workers looking for employment. However, it remains a barrier to local growth and one business consulted reports that has actively had to move operations out of the County due to skills shortages.

5.18 Broadband access was highlighted as a concern for several businesses. This is unsurprising given the rural nature of much of the County, but it was also identified as a concern by businesses at Oakham Office Park. They felt that connections here are inferior to those found in adjacent residential areas.

### **Summary**

5.19 In addition to Rutland County Council; 20 key businesses, associated organisations, and major landowners were consulted on a one to one basis as part of the study.

5.20 Council officers highlighted the success of Oakham Enterprise Park, and the ongoing requirements for premises being received here. This is evidence of further demand for small business space, both in the office and industrial sectors. Some 4 ha of

external space exists at Oakham Enterprise Park, which could be developed for B-Class employment uses

- 5.21 Rutland's Parish Councils were also consulted. These included a response from Greetham Parish Council who identify a need for shared micro office space in the Parish to support local residents expanding from homeworking. A submission was received for a 5.3 ha site, off the A1 at nearby Stretton. The owner wishes the site to be considered for warehousing or commercial uses.
- 5.22 Amongst the 19 businesses and related organisations consulted there is a strong desire for growth which exceeds that observed in 2013. Many local businesses have taken steps to secure the land and property they need, but five still have requirements which can extend up to sites of 7.5 ha and premises of up to 10,000 sqm. These are requirements which are difficult to meet locally.
- 5.23 Sourcing appropriate labour locally can be challenging for businesses and at least one firm contacted has had to move operations out of the County due to local shortages.

## 6.0 EMPLOYMENT LAND

### Introduction

- 6.1 This section looks at the existing portfolio of potential employment land in the study area, not only how much there is, but also its quality, type, suitability and availability. Rutland needs a balanced portfolio of land to accommodate a sustainable, growing economy that can respond to dynamic market conditions, changing business needs and working practices. By initially establishing how much land there is, the second task is to consider how much land is needed in the future (to 2036), which is picked up in the forecasting section later in the report.

### Land Supply

- 6.2 The start point for the supply side assessment is the Council's Employment Land Monitoring Schedule, dated 31<sup>st</sup> March 2015. However an assessment of the 12 sites included in this schedule indicates that most are to be excluded on the basis that they are below the 0.25 ha of land or 500 sqm of floorspace threshold (contained paragraph 10 of the PPG '*Housing and Economic Land Availability Assessment*'), or refer to building conversions, changes of use or rebuilds rather than being sites. In most cases the proposed employment floorspace has been given an equivalent employment land figure using a multiplier of 3,900 sqm/ha. This equates to a typical industrial estate/business park development density for both office and industrial schemes. Appendix 4 outlines the assumptions made about sites included in the Council's monitoring records, explaining why certain sites have been deleted or why revised site areas have been used.
- 6.3 The land supply assessment includes three undeveloped sites, in Oakham, Uppingham and Ketton. These were originally allocated under Proposal EM2 of the 2001 Local Plan and have been retained as 'Safeguarded Employment Land' under Core Strategy Policy CS13. These total 13.76 ha. Within the largest site, Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) (9.71 ha), the distinct development plot Oakham Office Park Phase II, Saddlers Court, Oakham (0.63 ha) is considered separately.
- 6.4 One change from 2013 is the identification of a 3 ha extension site to Uppingham Gate, 'Site D', which is designated in the Uppingham Neighbourhood Plan and accepted as a potential source of employment land in the Site Allocations and Policies DPD. The Uppingham Neighbourhood Plan was made by the Council on 11<sup>th</sup>

January 2016 following dismissal of the legal challenge to the Plan by the Supreme Court in November 2016.

- 6.5 Finally, it is necessary to include available land at the former Ashwell Prison site (Oakham Enterprise Park). The Prison was acquired by the County Council in late 2012 for redevelopment/refurbishment as a mixed-use scheme, including employment uses. Phase I has included the demolition of 6,000 sqm of former cell blocks to create serviced development plots which are currently on the market. The currently available area is some 1.54 ha in size. As is indicated in paragraph 6.2.5 of the Ashwell Business Park SPD, land in the east of the area may be released for B1/B2/B8 uses in the longer term (10 plus years). However this would *“need to be considered in the context of the latest national and local planning policies operating in the area”* at that time.
- 6.6 Table 22 schedules the employment sites (of 0.25 ha or larger) in Rutland. It outlines their sizes; provides comments on current status (e.g. owner intentions) together with an assessment as to when they might come forward for development or use. This assessment of timescale is based upon a number of factors – market demand, overview (from discussions with stakeholders and site owners), planning status, infrastructure and services required. Proformas for each site (which include plans) are provided at Appendix 5.

**Table 22 – Employment Sites Schedule**

Name	Size, ha	Comment/Update	Availability, years
<p>Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North)</p>	<p>9.71</p>	<p>Key employment site for Rutland Agricultural land, trees on site Greenfield Outline permission for B1/B2/B8 uses. Extension of time to develop, for up to nine years, to 2023 was secured in 2014 (2013/0598/FUL). Part of a larger landholding, the bulk of which is being developed for housing (Leighfield Park) The owner has land agents in place for the pockets of free land around the site. This space sees a decent amount of interest, with the overall number of enquiries having picked up slightly in recent months. Some 1.80 ha of land to the north west, fronting the Burley Park Way, has consent for, or has been developed for, non-employment uses:</p> <ul style="list-style-type: none"> <li>• Petrol filling station – developed</li> <li>• Foodstore – a 1,420 sqm foodstore with 990 sqm of net retail space on 0.59 ha was consented in 2014 (2014/0258/FUL). A planning application for a larger Aldi foodstore was submitted in October 2015 (2015/0829/MAJ). If approved the larger store would comprise a gross area of 1,743 sqm on a site of 0.71 ha. The net A1 retail area would be 1,254 sqm, combined with 489 sqm of B8 storage space associated with the store. 20 full and 20 part time staff would be employed here. The new store's alignment differs from that in the previous application, offering greater A606 frontage</li> <li>• Pub/restaurant – developed ('The Old Buttercross')</li> <li>• Hotel – outline permission secured on 0.38 ha (APP/2010/1216). The owner is in talks with an operator and accordingly a revised outline planning application was submitted in October 2015 (2015/0968/OUT), which seeks a C1 hotel of 1,509 sqm comprising some 80 rooms. The size of the site remains unchanged at 0.38 ha.</li> </ul> <p><i>N.B. Completed developments in the above list have been deducted from the total site size. If the current consents were approved a further modest employment land loss of 0.12 ha would take place at the Aldi site.</i> Interest for a D1 day nursery has also been recorded. Office/industrial</p>	<p>5+</p>
<p>Rutland Local Plan Employment Area 3, Land to the East of the A6003, South of the A47, Uppingham</p>	<p>2.12</p>	<p>Sloping site Trees on site, some land in use for open storage Greenfield Full planning permission for 1,187 sqm of B1(a) offices Remaining land is on the market, for sale, as a development opportunity site. Office</p>	<p>3-5</p>

Name	Size, ha	Comment/Update	Availability, years
Site D, Uppingham Gate, Uppingham	3.00	<p>Agricultural land Sloping site Trees on site Electricity substation on the site Greenfield (primarily) Proposed for Employment under 'Policy 6 - Industry and Employment - Site D - Uppingham Gate' of the Uppingham Neighbourhood Plan. This Plan supports the approval of Site D as an extension of the employment offer at Uppingham Gate for B1, B2, B8 and waste related uses including:</p> <ul style="list-style-type: none"> <li>• "A Data Centre, Techno Hub or other high tech employer (s)</li> <li>• Light industry start up units</li> <li>• A garage with fuel and a small shop</li> <li>• Office units</li> <li>• Light electrical</li> <li>• Health Care Product related employment</li> <li>• Environment friendly start ups</li> <li>• Transport/coach interchange with public car parking."</li> </ul> <p>The Plan does not support heavy industry, housing, or uses which would generate excessive noise at night. Following the dismissal of the legal challenge to the Neighbourhood Plan in the Supreme Court in November 2015, it was made by Rutland County Council on 11<sup>th</sup> January 2016. This will allow development to progress on this site although there are no proposals for delivery here, at this time.</p> <p>Land could be linked to the adjacent Rutland Local Plan Employment Area 3 to deliver a larger development although this would require co-ordination of a number of landowners. The Uppingham Neighbourhood Plan supports a bid for Local Enterprise Partnership (LEP) for development funding for this site.</p> <p>Industrial/office</p>	5+
Rutland Local Plan Employment Area 4, Land North East of Pit Lane, Ketton	1.93	<p>Formerly allotments, now partially in use for open storage by owners Cement works and housing adjacent Trees on site, site may include areas of ecological or archaeological value (further assessments are underway) Brownfield The land has been on the market since 2010. Industrial</p>	5+
Land at Oakham Enterprise Park, Ashwell Road,	1.54	<p>Part of the former Ashwell Prison complex, now known as Oakham Enterprise Park Brownfield Change of use permission for a change from a C2A Secure Residential Institution to B1, B2, B8 employment (with associated</p>	1-3

Name	Size, ha	Comment/Update	Availability, years
Oakham		<p>D1 (Non-residential), D2 (Assembly and Leisure) and Sui Generis uses)</p> <p>The site presently comprises cleared land (former cell blocks) in the centre of the complex.</p> <p>On the market as either a large single serviced plot or a number of smaller serviced plots available on long lease terms for B1, B2 or B8 redevelopment.</p> <p>The Council has only been marketing land for a couple of months, but already had a lot of strong interest. Head of Terms were recently presented to a potential occupier on the central 0.12 ha of the site. A proposal for a 2,323 sqm warehouse development for another potential tenant has also been put forward.</p> <p>Office/industrial</p>	
Meadow Park Industrial Estate, Glen Industrial Estate, Essendine	1.40	<p>Land adjacent to railway line, let to multiple tenants for open storage</p> <p>Brownfield</p> <p>Full planning permission for a 1,544 sqm B8 warehouse (on 0.40 ha). In 2011 an extension of time (APP/2010/1158) was secured which lapsed in 2014.</p> <p>Previously proposed for a B8 warehouse, with a second industrial unit proposed to accommodate an existing tenant.</p> <p>Development has now occurred elsewhere in the industrial estate, accommodating Herbs in a Bottle. This site is now in use for open storage and the development, as currently envisaged, may not take place.</p> <p>Industrial</p>	5+
Oakham Office Park Phase II, Saddlers Court, Oakham	0.63	<p>Outline planning permission for ten B1(a) office units</p> <p>Marketed, for sale, for design and build offices of 163-2,323 sqm.</p> <p>The owner is undertaking a range of confidential discussions with parties on the future of this site</p> <p>Office</p>	3-5
Warehouse No. 5, Wireless Hill, South Luffenham	0.41	<p>Land within an existing secure industrial estate</p> <p>Brownfield</p> <p>Full planning permission for a 1,589 sqm extension to an existing B8 warehouse (primarily a canopy for a HGV loading area) has now lapsed</p> <p>Industrial</p>	5+
Linecross Plastics, Station Road, South Luffenham	0.13	<p>Brownfield</p> <p>Full planning permission for a 525 sqm extension to an existing warehouse</p> <p>Development complete</p> <p>Industrial</p>	0-1

Source: BE Group/RCCDC, 2015

- 6.7 There are nine sites totalling 20.87 ha. This is not a significant change on 2013, when a baseline supply of 19.98 ha, in ten sites was identified. The difference is primarily accounted for in changes to the Council's Employment Land Monitoring Schedule over the last three years along with modest losses, some 0.79 ha, to non B-Class employment uses on Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North). Losses are offset however, by the introduction of Site D, Uppingham Gate, Uppingham (3.00 ha) as a new potential employment site.
- 6.8 The remaining land on Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) (9.71 ha) still comprises almost half the supply. This land has outline permission for B1, B2, B8 uses, which was renewed for a maximum of nine further years in 2014. All recent development here has been for non B-Class employment uses and all consented/prospective future development is for similar.
- 6.9 The other two Local Plan allocations – Rutland Local Plan Employment Area 3, Land to the East of the A6003, South of the A47, Uppingham and Rutland Local Plan Employment Area 4, Land North East of Pit Lane, Ketton – remain long term options as land owners continue to hold onto the land pending a strong offer. There is no suggestion that the two sites can never be developed for B-Class employment however. Prospects for development at Site D, Uppingham Gate, Uppingham's (3.00 ha) are also improved following the making of the Uppingham Neighbourhood Plan in January 2016.
- 6.10 Discussions with the landowners of other employment sites suggest that three sites, included in Table 22 above, are unlikely to be brought forward for development or have recently been completed:
- Meadow Park Industrial Estate, Glen Industrial Estate, Essendine (1.40 ha) – Development not expected to take place as currently envisaged in the planning consent
  - Warehouse No. 5, Wireless Hill, South Luffenham (0.41 ha) – Planning permission for an extension to an existing B8 warehouse (primarily a canopy for a HGV loading area) has now lapsed
  - Linecross Plastics, Station Road, South Luffenham (0.13 ha) – Development complete.

- 6.11 Therefore, in Table 23 scenarios are presented for Rutland’s land resource, considering the total supply initially and then adjusting it according to the various assumptions made above.
- 6.12 As Table 23 shows, in a best case scenario, Rutland has 20.87 ha of employment land at the base date of 31st March 2015. If sites unlikely to be brought forward for development, or now developed are excluded then the supply drops to 18.93 ha (very similar to the same scenario in 2013, when the reduced figure was 18.88 ha).

**Table 23 – Rutland Land Supply Scenarios**

Scenario	Cumulative Total Land Supply, ha	Comments
Baseline	20.87	Allocated and existing consented employment sites.
Baseline less land unlikely to be brought forward for development or now developed (Realistic Scenario)	18.93	Meadow Park Industrial Estate, Glen Industrial Estate, Essendine (1.40 ha) – Development not expected to take place as currently envisaged in the planning consent Warehouse No. 5, Wireless Hill, South Luffenham (0.41 ha) – Planning permission for an extension to an existing B8 warehouse (primarily a canopy for a HGV loading area) has now lapsed Linecross Plastics, Station Road, South Luffenham (0.13 ha) – Development complete.

Source: Rutland CCDC and BE Group 2015

- 6.13 57 percent of the land supply is located in Oakham (see Table 24). 9.71 ha of this comprises the allocated local plan site ‘Land North of Pillings Road’. In Uppingham and Ketton, the land supply is limited to the existing Core Strategy allocations, which total 2.12 ha and 1.93 ha respectively, with the prospect of a further 3 ha at Uppingham Gate under the Uppingham Neighbourhood Plan.
- 6.14 Outside of these key settlements there are outstanding planning permissions in Essendine and at South Luffenham in the south. In theory these add another 1.94 ha to the baseline supply, although as noted above, in practice these have been developed or are unlikely to be brought forward in their present form.
- 6.15 In Table 24 there is an analysis of the existing land supply at 31st March 2015 by

location and availability. The 0.13 ha at Linecross Plastics, Station Road, South Luffenham has now been developed.

- 6.16 Around 21 percent is likely to be available within 1-5 years, with Oakham Enterprise Park showing the strongest short-medium term development prospects. The Council is at an advanced stage of negotiations with one potential occupier and is progressing other large requirements.
- 6.17 The three large Core Strategy allocations remain, as was the case in 2013, longer term options. In Uppingham and Ketton land is still largely being banked by developers. Development has taken place on Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) since 2013 and further take up is expected in the next few years. However, development has been for non B-Class employment uses and the outstanding planning consents here are for further such uses. B1/B2/B8 development remains a longer term prospect although the owner, and its agents, continue to receive land and property requirements for this site.

**Table 24 – Location and Availability Assessment**

Location	Availability, years				Total, ha
	0 - 1	1 – 3	3 – 5	5+	
Essendine	-	-	-	1.40	1.40
Ketton	-	-	-	1.93	1.93
Oakham	-	1.54	0.63	9.71	11.88
South Luffenham	0.13	-	-	0.41	0.54
Uppingham	-	-	2.12	3.00	5.12
<b>Total, ha</b>	<b>0.13</b>	<b>1.54</b>	<b>2.75</b>	<b>16.45</b>	<b>20.87</b>

Source: BE Group 2015

### Sites Quality

- 6.18 All sites have been graded using a standard scoring system that consists of objective measures (as far as possible). Each site is scored out of a 100, made up of ten individual measures, each scored out of ten. These are: proximity to the strategic highway network, prominence, access to public transport, sequential testing, planning status, access to services, constraints, environmental setting, flexibility and availability. The scoring system and the detailed scores are provided in Appendix 6 and 7.

- 6.19 Two scores are provided in Table 25 a total score and a market-led score, which reflects the locational strengths and weaknesses of each site. The market-led score is made up of just strategic highway proximity, prominence, sequential testing, environmental setting and flexibility. These are the characteristics that are very difficult to improve. The other five aspects (public transport, planning status, services, constraints and availability), which combine to make up the total score, are easier to improve and hence provide the ability to raise the quality of a site.
- 6.20 As was the case in 2013, the highest scoring sites (by total and market-led criteria) are the two Local Plan allocations in Oakham and Uppingham. These are large, good quality, flexible sites, prominently located on the main A roads in the County. Both could be developed immediately for high quality employment schemes, although discussions with owners suggest that neither site will be brought forward in the short or medium term. Site D, Uppingham Gate has a largely identical score to the neighbouring Rutland Local Plan Employment Area 3 site.
- 6.21 Other sites in Oakham also score well, including Phase II of Oakham Office Park. This reflects the (reasonably) high quality of the land on offer, which is within the main settlement of Rutland and close to public transport options. Land at Oakham Enterprise Park, which is well outside the Oakham settlement boundary, has a lower score.

**Table 25 – Employment Sites Scoring**

Name	Location	Size, ha	Score, max 100	Market - led Sub-total	Land Type
Local Plan Employment Site 1, Land North of Pillings Road	Oakham	9.71	80	47	Greenfield
Rutland Local Plan Employment Area 3, Land to the East of the A6003, South of the A47,	Uppingham	2.12	77	46	Greenfield
Site D, Uppingham Gate	Uppingham	3.00	75	46	Greenfield
Oakham Office Park Phase II, Saddlers Court	Oakham	0.63	72	28	Greenfield
Linecross Plastics, Station Road	South Luffenham	0.13	66	34	Brownfield

Name	Location	Size, ha	Score, max 100	Market - led Sub-total	Land Type
Land at Oakham Enterprise Park, Ashwell Road	Oakham	1.54	64	25	Brownfield
Warehouse No. 5, Wireless Hill	South Luffenham	0.41	59	24	Brownfield
Rutland Local Plan Employment Area 4, Land North East of Pit Lane	Ketton	1.93	49	29	Brownfield
Meadow Park Industrial Estate, Glen Industrial Estate	Essendine	1.40	45	17	Brownfield

Source: BE Group 2015

- 6.22 Meadow Park Industrial Estate, Glen Industrial Estate is the worst scoring overall. This reflects the low quality and backland nature of the identified land. It also reflects the reality that development here is unlikely to be brought forward as it is currently envisaged.
- 6.23 The scoring is intended to give a reasonably objective, transparent appraisal of the overall quality of the land resource. This scoring system is just one method to use when assessing sites. There will be exceptions that prove the rule. However it gives general guidance, and those sites scoring well are the ones to be protected – at least more so than those scoring poorly. However low scoring sites can still have a role to play in satisfying the needs of all sectors of Rutland’s businesses. For example, sites in Essendine and Ketton could have a role in providing budget workshop and storage accommodation to local firms. Also, though low scoring, some sites represent the only supply for some locations.

### Summary

- 6.24 An update of the County Council’s recorded employment land availability schedule confirms that there are nine sites totalling 20.87 ha. This represents sites safeguarded in accordance with Core Strategy Policy CS13, as well as unimplemented planning permissions, Site D in the Uppingham Neighbourhood Plan land at Oakham Enterprise Park and other vacant land in the County’s employment areas. However, an assessment of this supply, excluding land now developed or unlikely to be brought forward, suggests a more realistic figure of 18.93 ha.

- 6.25 The land supply is dominated by provision in Oakham, including Oakham Enterprise Park. In Uppingham and Ketton, the land supply is limited to the existing Local Plan allocations, which total 2.12 ha and 1.93 ha respectively, plus Site D in the Uppingham Neighbourhood Plan. The supply elsewhere is limited to a number of planning consents, 1.94 ha of which (three sites) is unlikely to come forward or has already been developed.
- 6.26 Realistically, only about 21 percent of the land supply is likely to come forward in the short or medium term (0-5 years). The remainder comprises longer term options.

## 7.0 FUNCTIONAL ECONOMIC MARKET AREA

### Introduction

- 7.1 This section defines and reviews the functional economic market area of Rutland. It also looks in more detail at some of the neighbouring local authority areas, in Leicestershire, Lincolnshire and Northamptonshire, which may compete with the County for strategic level property requirements. This is undertaken in recognition that the Rutland economy does not operate in isolation, but rather it has intricate and important relationships with neighbouring areas.

### Functional Economic Market Area – Quantitative Evidence

- 7.2 The guidance for Housing and Economic Development Needs Assessments produced by the Department for Communities and Local Government includes guidance for the definition and consideration of a functional economic market area. The guidance states:

*“The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply – often referred to as the functional economic market area. Since patterns of economic activity vary from place to place, there is no standard approach to defining a functional economic market area, however, it is possible to define them taking account of factors including:*

- *Extent of any Local Enterprise Partnership within the area*
- *Travel to work areas*
- *Housing market area*
- *Flow of goods, services and information within the local economy;*
- *Service market for consumers*
- *Administrative area*
- *Catchment areas of facilities providing cultural and social well-being*
- *Transport network.”*

- 7.3 All definitions of a functional economic market area are approximations of the interrelationships of a local economy with areas outside the local authority. The functional economic market area cannot account for all relationships in the economy, rather it is a representation of the key economic, workforce and consumer flows for the local economy.

- 7.4 Rutland's economy clearly does not operate in isolation. The quantitative evidence base that influences the definition of the County's functional economic market area is considered here.

*Local Enterprise Partnership*

- 7.5 Rutland falls within the Greater Cambridgeshire and Greater Peterborough LEP, which covers much of East Anglia, outside of Norfolk and Suffolk, and is home to some 1.3 million people. This definition is of limited help in defining the County's functional economic market area as it includes more distant locations such as Uttlesford and the North Hertfordshire, which evidence suggests do not have particularly strong links to Rutland. Conversely, it excludes adjacent parts of Leicestershire and Lincolnshire which may have linkages.

*Travel to Work Area*

- 7.6 The commuting patterns of the working residents of Rutland and the workforce employed in the Country are important in understanding the housing and employment role of Rutland in the context of the broader region. This has implications for the definition and understanding of Rutland's functional economic area.
- 7.7 Table 26 summarises the in and out commuting patterns of Rutland as at the time of the 2011 Census. The net flows to and from each area are also summarised and show that Rutland has a positive net flow of workers (i.e. many more workers commuting into the County than out of it to/from a particular area) with neighbouring South Kesteven and to a lesser degree Melton. Unsurprisingly the largest negative flows (i.e. more local residents going out of the County to work than coming in) are with the nearby urban areas of Leicester and Peterborough.
- 7.8 A long distance commuter flow to Westminster and the City of London is also noted, with 123 local residents travelling to this area to work in 2011.
- 7.9 Overall, some 54.5 percent of Rutland's workforce also reside in the County. Conversely, 55.6 percent of the employed residents of Rutland's also work in the County.

**Table 26 – In and Out flows of Rutland Commuters**

	<b>Work Locations of Employed Residents of Rutland</b>	<b>Origins of Rutland Workers</b>	<b>Net Flow of Workers into Rutland</b>
Rutland	7,378	7,378	n/a
South Kesteven	1,244	2,301	1,057
Peterborough	1,015	414	-601
Leicester	640	229	-411
Melton	484	1,036	552
Corby	450	372	-78
Harborough	209	298	89
Blaby	201	123	-78
East Northamptonshire	178	179	1
Charnwood	145	139	-6
Huntingdonshire	138	70	-68
Kettering	130	112	-18
Westminster, City of London	123	5	-118
Elsewhere in UK	942	888	54
<b>Total</b>	<b>13,277</b>	<b>13,544</b>	<b>267</b>

Source: ONS 2011 Census

- 7.10 In terms of defining the functional economic market area, it can be seen that that Rutland has strong economic linkages – which can be defined as more than 500 commuter movements, in and out of the County, to or from that location – with most of its immediate neighbours in Lincolnshire and Leicestershire, as well as Corby in Northamptonshire. Only neighbouring East Northamptonshire appears to have weaker economic connections. Links to Leicester and Peterborough are also strong.

#### *Housing Market Area*

- 7.11 The 2014 ‘Peterborough Sub-Region Strategic Housing Market Assessment’ as well as the 2015 Update defined a housing market area which covered Peterborough, Rutland, South Holland and South Kesteven. This was felt to be a reasonably defined market area, but only up to a point. Commuting and relocation links were identified between this housing market area and a number of external locations, from South Holland to Boston, from Peterborough to Yaxley in Huntingdonshire, Whittlesey in Fenland, and towards Wisbech; and between Rutland and Corby.

*Market Comments*

- 7.12 Property market stakeholders identify a primarily local property market, but larger businesses in the County clearly look beyond Rutland's boundaries to meet their labour, land and property needs as well as for trade. Larger firms in the east of the County look to Peterborough to fill their further labour requirements while businesses also report strong links with Leicester.

*Services and Infrastructure*

- 7.13 The A1 passes through the east of Rutland providing links north into Lincolnshire and south to Peterborough and Huntingdonshire. However, the main Rutland settlements of Oakham and Uppingham are somewhat detached from the A1 area. Links from these locations are at least as strong along the A606 to Melton Mowbray and Nottingham or along the A47, west to Leicester, or east to Peterborough. This is also something indicated in the above commuting data, which shows good linkages with Melton, Leicester and Peterborough.
- 7.14 In terms of services, higher order retail facilities available for Rutland residents will be focused in Leicester and Peterborough. Corby will be a strong secondary centre as will Melton Mowbray, Oakham itself and Stamford.
- 7.15 Based on the above evidence, the functional economic market area for Rutland clearly includes its immediate neighbours of South Kesteven, Harborough, Melton and Corby. Rutland also has good links with the nearby urban centres of Peterborough and Leicester.
- 7.16 The other areas of Leicestershire, Lincolnshire, Northamptonshire (including East Northamptonshire), Cambridgeshire and Huntingdonshire have been excluded due to their lower relationships with Rutland. As mentioned previously, the functional economic market area should incorporate the key relationships, rather than all relationships. Rutland has a relationship with all these locations and there would be individual businesses within the County that would consider at least some of them as part of their core client base. However, overall the relationship is weaker than with the other locations shown above.

**Neighbouring Areas**

- 7.17 Para 160 of the NPPF states that local planning authorities should have a clear understanding of business needs within their local economic markets, by working

with county and neighbouring authorities to prepare and maintain a robust evidence base about business needs and likely market changes.

- 7.18 Having initially defined the functional economic market area for Rutland, the remainder of this section considers each of the districts which fall within that area on an individual basis. Accordingly, discussions have been undertaken with stakeholders in relation to these adjoining market areas, specifically South Kesteven in Lincolnshire; Leicester, Harborough and Melton in Leicestershire; Corby in Northamptonshire and Peterborough.

## **Lincolnshire**

### ***South Kesteven***

- 7.19 South Kesteven adopted its Core Strategy in 2010. Reflecting the findings of an earlier employment land review, this proposes extensive employment land allocations (205 ha) to 2026, primarily in the settlements of Grantham, Stamford, Bourne and the Deepings.
- 7.20 Individual site allocations are set out in a Site Specific Allocations and Policies DPD which was adopted in April 2014.

### ***Grantham***

- 7.21 Grantham is identified in the Core Strategy as a 'Sub-Regional Centre' and 90 ha of employment land is proposed in the town over the next 13 years. 25 ha of this will be delivered as part of the 'Southern Quadrant' SUE, which will also provide 4,000 homes. A logistics park (King 31) is also proposed which will provide three warehouses of 7,693-87,408 sqm.

### ***Stamford***

- 7.22 The Site Specific Allocations and Policies DPD allocates some 27 ha of employment land in Stamford. This comprises three sites to the west of the town:
- Land North of Barnack Road – 8 ha
  - Land South of Uffington Road – 2 ha
  - Land adjacent to the A1 off Empingham Road (part of a wider urban extension) – 14 ha.
  - Land east of Ryhall Road – 3 ha

*Bourne/Market Deeping*

- 7.23 Some 51 ha in five sites is proposed in Bourne. 20 ha, in two sites, is proposed in Market Deeping.
- 7.24 Stakeholder consultations suggest that Rutland has relatively strong links with South Kesteven and specifically the Grantham-Stamford A1 Corridor area. Certainly Stamford provides a range of existing industrial estates and employment sites on the boundary with Rutland that will serve both local authority areas. Businesses in the east of the County, such as Herbs in a Bottle, Essendine, also highlight that they draw a large part of their labour force from Stamford, as well as Peterborough.
- 7.25 This is also reflected in commuting statistics above, which show that that Rutland imports a large proportion of its external labour from South Kesteven. At the time of the 2011 Census at least, 2,301 South Kesteven residents commuted into the County to work, over a third of in commuting that year.

***Leicestershire Authorities***

**Harborough**

- 7.26 In contrast to other parts of Leicestershire, no Strategic Employment Sites or SUEs are proposed in Harborough. However a strategic development area is proposed to the north west of Market Harborough. This is linked to the 5.2 ha Airfield Farm employment site, which could be extended, if necessary.
- 7.27 The majority of Harborough's key employment areas are located around Market Harborough and Lutterworth. This includes the 200 ha Magna Park. Europe's largest dedicated distribution park, Magna Park is largely full, bar one remaining plot, providing some 700,000 sqm of warehouse and distribution space. It presently accommodates 28 major distribution operators including Asda, Nissan, Toyota, Argos, DHL and Lidl.
- 7.28 The owners are seeking to further expand Magna Park into the surrounding countryside. A representation has been made to Harborough District Council to expand the site by 225 ha, north west along the A5. This development will include a 100,000 sqm logistics unit for DHL. Barwood Estates is also proposing a second expansion site to the south, extending to some 100 ha.

7.29 The eastern portion of Harborough, which bounds Rutland, is strongly rural in character with no large settlements, industrial estates or significant employment allocations. Employment locations in Oakham and Uppingham will draw labour from eastern Harborough and likely Market Harborough, and this is shown in the modest net inflow of commuters into Rutland, recorded in the 2011 Census. However, Harborough District Council argues that the main economic focus of the Borough is to the west along the M1 and A5 Corridors.

### **Leicester**

7.30 BE Group completed the City's most recent employment land study, in January 2006 although a revised study is now being prepared. Key findings of the 2006 study were:

- The lack of readily available employment land in accessible locations was a major issue. Just over 51 ha was available, although up to half already had potential occupiers. After adjustment and expected short-term take-up, the land supply could reduce to as little as 16.33 ha
- Based on historic take-up rates the City has a shortage of employment land for B1 industrial, B2 and B8 uses to 2016. About 55 ha was required for this period
- The well-located sites on the periphery of the City are subject to intense demand, and likely to be developed in the short term, leaving the smaller, poor quality in-fill sites for the medium term
- The study did not directly address office demand as it was assumed this would be catered for through the regeneration of the City Centre and development of the New Business Quarter
- Future land needs reflect the approximately 30 ha generated by Leicester Regeneration Company's planned relocation of companies to be displaced by its regeneration projects.

7.31 Leicester's land supply shortfall has been most recently defined in the 2013 Leicester and Leicestershire Housing Market Area Employment Land Study. This report forecasts demand to 2031 for 52,500 sqm of offices; 51.50 ha of industrial land and 19.20 ha of strategic warehousing land. It comments that set against the supply there is a small shortfall in the planned provision for offices (some 7,600 sqm), but substantial shortfalls in the provision of industrial use land (32.16 ha) and strategic warehousing land (19.20 ha).

- 7.32 The report states the industrial and strategic warehousing land deficits will need to be accommodated elsewhere within the HMA. Inevitably schemes within (or close to) the Leicester PUA will have the strongest role in meeting this shortfall, specifically the North East Leicester SUE, Broadnook Garden Suburb and Watermead Direction of Growth in Charnwood along with Glenfield Park and the New Lubbethorpe SUE in Blaby. There is no expectation that Leicester will have to look as far east as Rutland to meet shortfalls although the County may be in a position to benefit by attracting companies who wish to be in the Leicestershire market area but cannot find the land and property they need in Leicester itself.
- 7.33 The City's Core Strategy was approved in 2010, a revised version was adopted in July 2014 which proposes at least 50,000 sqm of new grade 'A' office development will be provided in the City Centre. Land will also be retained within the Abbey Meadows Science and Innovation Park for research, development and technology based business, an Innovation Centre Building (of which Phase I is now complete) and Associated Research Institutes. This will further cement Leicester's position as the dominant office centre of Leicestershire, and will draw in service sector workers from surrounding locations such as Rutland.
- 7.34 Rutland is a net exporter of labour into Leicester. Some 640 travelled into the city in 2011, to work.

### **Melton**

- 7.35 The latest employment land review for Melton Borough was completed by BE Group in summer 2015. This study identified a local land resource of 32.39 ha in 18 sites. However, almost two thirds of this is found in just two locations at Asfordby Hill, west of Melton Mowbray, with most of the rest of the supply focused around Melton Mowbray and nearby Old Dalby. That supply could be reduced to 19.46 ha if sites unlikely to be brought forward are excluded.
- 7.36 Against this supply a need of 50.70 ha (inclusive of a five year buffer) was identified to 2036. Against the 2015 realistic supply, a further 31.24 ha is therefore required. Further employment land provision, to meet this need, will be focused to the west of Melton Mowbray along Leicester Road and at Asfordby Hill Business Park. Although locations here are expected to attract some inward investment a high proportion of the land is likely to be taken up by existing large local businesses looking to grow.

- 7.37 Like Rutland, Melton has a strong manufacturing sector which accounts for almost a quarter of employment in the Borough. However, Melton's local manufacturing industry is strongly focused towards food production which, if animal feeds are included, employed 2,521 people locally in 2013 – 13.2 percent of the workforce. Stakeholder consultations with major food producers such as Samworth Brothers indicate that they do import large amounts of labour from outside of the Borough to meet their needs. However, the bulk of this tends to comprise skilled/semi-skilled production workers from surrounding urban centres such as Leicester, Nottingham and Corby. Indeed despite its manufacturing strengths, Melton is a large net exporter of workers into Rutland. 1,032 people travelled into Rutland, from Melton, to work in 2011. This compares to only 484 who commuted from Rutland to Melton.
- 7.38 Linkages between Melton and Rutland are also likely to be found in a shared rural economy. The Melton Employment Land Review identified a healthy market for employment schemes, in both the industrial and office sectors, in the rural east and south of the Borough, which adjoins Rutland and Harborough. Burrough Court, Burrough-On-The-Hill is identified as a particular success – attracting a range of micro, small and mid-sized businesses from across a broad, cross boundary, catchment area.
- 7.39 Industrial schemes in this shared rural area tend to be of a budget nature, but are well occupied and generally accommodate a good mix of larger established businesses and micro firms. There appears to be a reasonable appetite for further rural development although a concern raised by stakeholders in the Melton study was that recent developments or conversions have been for very high quality (primarily) office schemes. More affordable options for office and industrial businesses are not being brought forward, which may provide market opportunities in Rutland.

## **Northamptonshire**

### ***Corby***

- 7.40 Corby is a sub-regional focus for inward investment due to its links to London, rail freight provision and high quality industrial parks. Investors see Corby as an emerging business location, with a strong land and property offer. However, the town remains a cheaper place to locate than Northampton or many other parts of Northamptonshire.

- 7.41 Major developments, which will be brought forward in Corby over the next 15 years include The UK Centre for Future Vehicle Technology which will be built on a 70 ha site adjacent to the Rockingham Motor Speedway. The development will include a technology park and will be at the forefront of encouraging public take up of new vehicle technology.
- 7.42 A SUE is also proposed in West Corby on the Rockingham Castle and Great Oakley Estates. The proposals aim to deliver at least 4,000 new homes over the next 15 years, supported by new employment, local shops, schools and open space. A second SUE is proposed in the north east at Priors Hall. This scheme has planning permission for 4,365 dwellings and will deliver around 13.8 ha of employment land.
- 7.43 Gretton Estates have plans for a Resource Recovery Park at the Brookfield Plantation, Gretton, close to the boundary with Rutland. The Park will comprise seven development plots, 1-13 ha in size, totalling 39 ha, although it has yet to secure full planning. Linked to this is a new energy-from-waste plant consented in the same area.
- 7.44 The Borough's employment land supply is focused around Rockingham and the Stanion Lane Plantation. The latter extends to some 70 ha and is owned by Stanion Properties. A 325,000 sqm rail served distribution centre (extending Corby Eurohub) has now been partly delivered on the site.
- 7.45 All these locations will draw in labour from surrounding areas, including Rutland. They will also attract inward investment that might otherwise have gone to neighbouring areas. However, stakeholders commenting for both the 2013 Employment Land Assessment and this Update noted that the high quality of life and attractive working environment of Rutland has historically proved attractive to more footloose businesses from within Corby. It was also noted that little of the labour supply for Corby's more traditional heavy industries is likely to come from Rutland.
- 7.46 In terms of commuting, data from the 2011 census suggests a relative balance in flows between Corby and Rutland with 450 commuting out to Corby, while 372 commute from Corby to Rutland.

## **Cambridgeshire**

### ***Peterborough***

- 7.47 A large city in North West Cambridgeshire. Employment is focused in the public sector along with a range of service industries including insurance, publishing, travel, retailing and logistics. Manufacturing still has a significant place in the economy, and a local strength is in environment-related activities.
- 7.48 Urban growth will be provided through a range of ongoing and proposed extensions, including completion of the Hampton Township (3,563 dwellings committed, with further growth options at Great Haddon), expansion of the urban area at Stanground South, Paston Reserve, and with the identification of the Norwood area as a location for an urban extension for approximately 2,300 dwellings.
- 7.49 The City has a large employment land requirement of 214.5 ha between 2007 and 2026, of which 95.1 ha (44 percent) will be on new sites. The focus of future employment development will be in the above extensions rather than in the inner urban area including 43 ha proposed at Hampton and 65 ha at Great Haddon. Proposals at Stanground include options for a rail freight logistics facility (Magna Park) on 135 ha to the south east of the City, under the control of Gazeley.
- 7.50 In comparison, 3.5 ha is proposed within the City Centre primarily to support office sector growth. However, stakeholders also note that the City Centre office market has also struggled in the face of competition from a range of out of town business parks with little new development since 2000.
- 7.51 In terms of linkages with Rutland, Peterborough, despite some weakness in the office market, remains a major centre for service sector industries within Rutland's functional economic market area. Stakeholders also note healthy demand for logistics uses along Peterborough's share of its two key transport corridors, the (north-south) A1 and (east-west) A47. Logistics development in Peterborough, combined with similar options in South Kesteven, along the A1, will likely limit demand for such uses on Rutland's strategic transport routes.
- 7.52 Rutland is a net exporter of labour to Peterborough with 1,015 commuting out of the County to Peterborough in 2011. However, large businesses within Rutland, such as Herbs in a Bottle, Essendine also highlighted Peterborough as a source of

manufacturing and distribution workers who cannot be readily sourced locally.

### **Summary**

- 7.53 Based on a mix of market evidence and commuting data, the functional economic market area for Rutland includes its immediate neighbours of South Kesteven, Harborough, Melton and Corby. Rutland also has good links with the nearby urban centres of Peterborough and Leicester. The other areas of Leicestershire, Lincolnshire, Northamptonshire, Cambridgeshire and Huntingdonshire have more limited relationships with Rutland. This includes East Northamptonshire, despite its geographic boundary with Rutland.
- 7.54 Within that functional economic market area most of the local authorities feel they are able to meet their employment land needs on land within their own local authority area boundaries. The exception is Leicester, which has a significant, and long established, shortage of employment land and will be looking for support from its neighbours within the Leicester PUA to fill the gaps. More distant Rutland may be in a position to benefit by attracting companies who wish to be in the Leicestershire market area but cannot find the land and property they need in Leicester itself.
- 7.55 In terms of competition, Rutland sits between two sub-regional office centres in Leicester and Peterborough. Along the A1 Corridor there are large scale industrial and logistics land allocations at Grantham and Stamford, as well as the existing stock of premises in these towns. This supply, combined with further large scale development proposals around Peterborough is likely to draw strategic level demand away from Rutland.
- 7.56 Corby is a sub-regional focus for inward investment due to its links to London, rail freight provision and high quality industrial parks. Investors see Corby as an emerging business location, with a strong land and property offer. Several major employment schemes are proposed in Corby over the next 15 years, including UK Centre for Future Vehicle Technology at Rockingham Speedway, two SUEs, a Resource Recovery Park at Gretton and the expansion of rail freight facilities in the west of the town. However, Rutland has also successfully drawn some businesses away from Corby in the past.
- 7.57 Linkages between Rutland, Melton and Harborough are more limited, but the three authorities do share a large and prosperous rural hinterland, with successful rural

business schemes that show prospects for further growth.

- 7.58 In terms of labour Rutland is a net exporter to Leicester and Peterborough, while the County draws high proportions of its labour from Melton and South Kesteven. In and out flows to Corby are somewhat more balanced.

## 8.0 OBJECTIVELY ASSESSED NEEDS

### Introduction

8.1 Planning Practice Guidance states that the assessment of future land needs should be determined by looking at both past trends and future forecasting methods, and highlights that these should include historic land take-up and future employment and population change. The methodology employed in this study uses three models. None provide a definitive answer, but they provide influences to be understood. Trends and forecasts must also reflect market signals and therefore they are considered in the context of the market overview undertaken as part of this study.

8.2 The three models are:

- Historic land take-up forecast

This reviews the actual take-up of employment land in the County over a period of time. The method is not wholly reliable as there will be peaks and troughs and also different time periods taken can also result in different outcomes. For example a period of sustained growth may show a high average take-up whereas looking over a recessionary period could well reflect low or even nil take-up.

- Employment based forecast

This relies on the econometric forecasts which use a model that projects the likely jobs growth in different industry sectors. The jobs from figures are then translated to land using a formula based on a jobs to floorspace density, which in turn can be translated into the projected land need. For Rutland, the East of England (2014) forecast modelling, created by Oxford Economics, has been used which is consistent with forecasts used in the 2013 Study.

These forecasts have a number of limitations. They are based on national and regional trends with some local adjustments for some industry sectors, which means, at a local level economic activity is not always accurately represented. Also, merely translating jobs to land needs will not always reflect local property trends. Therefore, sensitivity testing against actual land take-up is undertaken to assess how the two trends in Rutland are related.

The econometric forecasts are useful in that they analyse each industry sector and, in conjunction with other market data, the forecasts can identify where sectors may be growing, or shrinking which in turn can inform land and property needs.

- Resident workforce forecast

This uses the same method of forecasting as the employment based method but takes forecast changes in the working population i.e. labour supply, rather than jobs – labour demand.

We have found in other recent studies that labour supply figures do not accurately predict future land needs. The relevance of the figures are more related to evaluating the relationship between economic and housing needs. Therefore, there is more reliance on the other two methods.

8.3 The method adopted in this Study brings together all three forecasts, and compares them with historic trends through the sensitivity testing. To do this, actual land take-up and building completions over a period from 1996 to 2015 are compared with land needs that would have been generated from jobs change during the same period. The resultant land figures show that actual take-up is four times the assumed need compared with the jobs calculation for that period. Thus it is considered that the most reliable method of forecasting needs is to assume a historic take-up basis.

8.4 Finally, this Section uses 2011 Census data to identify the percentage of the workforce in Rutland that work from home by relevant industry sectors. Those percentages are then applied to the labour force growth projected, to 2036, by the East of England (2014) forecast modelling to estimate what proportions of those new jobs are likely to be home based and will not therefore require B-Class accommodation. As in the Employment Based Forecast, the resulting figures for new home based jobs to 2036 are then translated to floorspace using a formula based on a jobs to floorspace density. This, in turn, can be translated into a projected land figure which can be deducted from the wider land needs to allow for homeworking in the County.

8.5 The three methods, and calculations, are considered in turn.

#### **Differences to the 2013 Study**

8.6 This 2015 Employment Land Assessment updates the 2013 Rutland Employment Land Assessment. However, the assessment of need completed here is distinct from that in Section 9.0 of the 2013 Study. In the case of the Historic Land Take Up Model (Model 1), the Council has provided revised take up figures for the years 2007/08 – 2011/12. A further three years of take up 2012/13-2014/15 have also been provided to account for development since the completion of the 2013 Employment Land

Assessment. Revised take up figures mean revised annual average take up rates and accordingly different levels of need when those figures are projected forward over the Local Plan period. Finally this study assesses need over a longer period, 21 years (2015-2036), compared to 14 (2012-2026) and 19 years (2012-2031) in the 2013 Study. These differences explain why the needs identified in this study vary significantly from those in 2013. The two sets of calculations therefore cannot be readily compared although the methodology used to calculate that need is the same.

- 8.7 In terms of Employment Based Forecasts (Model 2), the East of England Forecast Model has been used in both studies. However, the model data used in this research is from 2014, which updates the 2012 modelling used in the 2013 Rutland Employment Land Assessment. In recent years, forecasters nationally have been increasing their forward projections of jobs and GVA growth as the recovery from recession gained pace. The East of England model is no exception and accordingly the projected jobs growth, over the Plan period, is higher today than was the case in 2013.
- 8.8 Reflecting revised national planning guidance, this 2015 study includes a Resident Workforce Model (Model 3) which was not undertaken in 2013. Consideration of the impact of homeworking is also a new element for 2015.

#### **Model 1: Historic Land Take-up**

- 8.9 Employment land take-up annually is recorded by the County Council. This is recorded through building completions for B-Class employment uses, and the data, broken down by parish and use class, is outlined in Appendix 8 for 2007-2015. The building completions are provided on a sqm basis and then a land area is calculated using a formula that assumes buildings occupy land on a ratio of 3,900 sqm/ha.
- 8.10 Table 27 shows the schedule of completions between 1996 and 2015 based on this data. In total, over that period 48.08 ha of land has been developed and that equates to an average of 2.53 ha per year.

**Table 27 – Employment Land Take-Up 1996-2015**

<b>Completion Period</b>	<b>Total (ha), 2015 Calculation</b>	<b>2013 Study Data, Where Different</b>
1996/97 to 2005/06	22.80 <sup>1</sup>	Unchanged
2006-2007	0.19 <sup>2</sup>	Unchanged

<b>Completion Period</b>	<b>Total (ha), 2015 Calculation</b>	<b>2013 Study Data, Where Different</b>
2007-2008	0.10	0.00
2008-2009	3.03	2.75
2009-2010	1.33	0.35
2010-2011	3.02	1.88
2011-2012	5.48	1.03
2012-2013	1.26	-
2013-2014	9.99 <sup>3</sup>	-
2014-2015	0.88	-
<b>Total (exclusive of Oakham Enterprise Park)</b>	<b>48.08 (40.52)</b>	-
<b>Average Annual Take-up, ha/year – 19 years</b>	<b>2.53 (2.13)</b>	-
<b>Average Annual Take-up, ha/year – 9 years (exclusive of Oakham Enterprise Park)</b>	<b>2.81 (1.97)</b>	-

Source: RCCDC/BE Group, 2015

1 From 2008 Rutland Employment Land Study

2 From Rutland CCDC Annual Monitoring Report

3 2.43 ha excluding Oakham Enterprise Park

- 8.11 However, the figures prior to 2006/7 must be treated with caution, as they are derived from a secondary data source, the 2008 Rutland Employment Land Study. It is not possible to independently validate this figure or to provide a breakdown on an annual basis, although the annual average for this ten year period, 2.28 ha/year, is not dissimilar to the average for the next nine years (2.81 ha/year). To allow for a degree of uncertainty in this older data both short term (the last nine years) and long term (the whole period from 1996) take up figures are provided. This same approach was used in the 2013 Employment Land Assessment. As noted in Table 27, the short term take up average is 2.81 ha/year.
- 8.12 A second point to note is that, as noted, figures for 2007/08-2011/12 have been recalculated from the 2013 Study. This reflects work undertaken by the Council to more thoroughly include all completions which occurred over this period, the result of which, as can be seen in Table 27, is that the year on year take up figures have increased. This change, combined with the addition of a further three years of take up in this 2015 Study explains why the average take up rates have increased from 1.03-1.81 ha/year in 2013 to 2.53-2.81 ha/year in 2015.
- 8.13 Finally, when considering the post 2006 data, where year by year records are available, the figure for 2013/14 (9.99 ha) stands out as being unusually high. This is

due to the inclusion of 29,000 sqm or 7.56 ha of completions at Oakham Enterprise Park for that year. However, that figure incorporates the entire former prison complex, including properties that were refurbished and premises now in D1 or D2 leisure, education or medical uses. It may also include some new build development which has yet to be completed. Its inclusion is felt to provide an unrealistic picture of past development in Rutland and accordingly average annual take up rates are provided in Table 27 which exclude that take up. **Exclusive of Oakham Enterprise Park the long term, 19-year, average take up rate is 2.13 ha/year while the short term, nine year, rate is 1.97 ha/year. It is these amended average take up figures which are projected forward in subsequent calculations of need.**

- 8.14 2011/12 also saw an above average take up rate of 5.48 ha. However, this is accounted for by the completion of a sizable 8,145 sqm/2.09 ha of B2 factory floorspace in Oakham (comprising expansions of three separate factory complexes, of 1,300-3,600 sqm each) and 6,732 sqm/1.73 ha of B8 warehouse space at Wireless Hill Industrial Estate, South Luffenham. While above average for Rutland they remain part of the County's recent development history and are reflective of the fact that larger B-Class space is occasionally brought forward. Therefore they are not excluded from calculations.
- 8.15 Conversely, 2006/07 and 2007/08 saw very low take up rates of less than a quarter of a hectare per year. This is reflective of the wider national market which saw the end of a period of economic boom and the onset of recession at this time.
- 8.16 Using the long term, 19-year, take-up rate, exclusive of Oakham Enterprise Park, and applying it to the period 2015-2036 (21 years), Rutland requires 44.73 ha of land to 2036, i.e.

$$2.13 \text{ ha/year} \times 21 \text{ (years)} = \mathbf{44.73 \text{ ha}}$$

- 8.17 Using the short term, nine year, take-up rate, exclusive of Oakham Enterprise Park, reduces the need to 41.37 ha, i.e.

$$1.97 \text{ ha/year} \times 21 \text{ (years)} = \mathbf{41.37 \text{ ha}}$$

- 8.18 The County should also have a buffer of five years supply to reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of

the 2036 period. This also makes some allowance for the loss of further employment land to non B-Class uses over the period to 2036. Finally, it also allows for the possibility that some active employment locations may be lost to other uses. Tim Norton Motor Services, Oakham is an example of a developed employment property which, in accordance with Local Plan policy, could be redeveloped for non B-Class uses. Based on the historic take-up trend this would generate the following further land needs:

Long Term Take Up Trend: 2.13 ha/year x 5 (years) = **10.65 ha**

Short Term Take Up Trend: 1.97 ha/year x 5 (years) = **9.85 ha**

8.19 Added to the 2036 need figure, this increases the requirement as follows:

Long Term Take Up Trend: 44.73 ha + 10.65 ha = **55.38 ha**

Short Term Take Up Trend: 41.37 ha + 9.85 ha = **51.22 ha**

8.20 This compares to needs of 24.72 ha-43.44 ha, identified to 2031 in the 2013 Study. The reasons for this variation are discussed above.

8.21 Overall need of additional land can then be assessed through a comparison of current supply set against these figures.

8.22 At 31st March 2015 there was 20.87 ha of available land in the County (Section 6.0. However, as noted in Section 6.0, a more realistic land supply scenario is 18.93 ha. This could require the Council finding a further 32.29 ha-36.46 ha to 2036, i.e.

Long Term Take Up Trend: 55.38 ha – 18.93 ha (realistic supply) = **36.45 ha (further need)**

Short Term Take Up Trend: 51.22 ha – 18.93 ha (realistic supply) = **32.29 ha (further need)**

#### **Accounting for Homeworking**

8.23 Workers who predominately work from home or are based entirely from home will not require B-Class employment floorspace, while hot-desking allows increased job densities. As noted in Section 3.0, some 17.2 percent of the working age population in employment worked from home in Rutland at the 2011 Census, well above regional and national averages. To account for these trends, this study uses 2011

Census data on the percentages of Rutland's workforce that work from home in each relevant industry sector and applies those percentages to the labour force growth predicted in the East of England (2014) forecast modelling. The resulting proportions of new jobs, created by 2036, which are estimated to be home based, can then be converted to a floorspace and land figure using the same methodology as the Employment Based Forecast. A realistic deduction to the overall land requirement, to account for homeworking, can thus be identified.

- 8.24 The assumptions on homeworking by sector, derived from 2011 Census data are summarised in Table 28.

**Table 28 – Homeworking Assumptions**

Industry Sector	Employees		
	Number Economically Active and in Employment in the 2011 Census	Number Working from Home	Percentage Home Based, Percent
Agriculture, Utilities	371	255	68.7
Manufacturing	1,787	251	14.0
Construction	653	238	36.4
Transport , Distribution	454	68	15.0
Financial & Business	2,101	729	34.7
Government & Other Services	5,697	598	10.5

Source: Census, 2011

- 8.25 The percentages identified Table 28, are applied to the predicted labour force growth in Table 29, and then converted to floorspace and land figures. This is applied only to sectors predicted to grow in the East of England (2014) forecast modelling.

**Table 29 – Employment Based Forecast 2015-2036 – Proportion Home Based in the Growth Sectors**

Sector/Jobs	Workforce Growth	Workforce Proportion (%) Home Based	Net Number of Jobs	Floorspace per job, sqm	Floorspace Reduction, sqm
Manufacturing - chemicals only	100	14.0	14	47	-658
Manufacturing -	100	14.0	14	47	-658

Sector/Jobs	Workforce Growth	Workforce Proportion (%) Home Based	Net Number of Jobs	Floorspace per job, sqm	Floorspace Reduction, sqm
electronics					
Construction	300	36.4	109	47	-5,123
Land transport	200	15.0	30	70	-2,100
Publishing & broadcasting	100	34.7	35	12	-420
Real estate	100	34.7	35	12	-420
Professional services	600	34.7	208	12	-2,495
Education	400	10.5	42	12	-504
Other services	100	10.5	11	12	-132
<b>Number of New Jobs Likely to be Home Based</b>			<b>498</b>		
<b>Total Floorspace sqm</b>					<b>-12,510</b>
<b>Divided by Development Floorspace per ha</b>					<b>3,900</b>
<b>Equivalent Employment Land Reduction, ha</b>					<b>3.20</b>

Source: BE Group, 2015

8.26 Table 36 shows that of the 2,800 new jobs which are forecast, 498 (17.8 percent) are likely to be home based and will therefore not require B-Class accommodation. Using standard floorspace and land conversion rates this translates into a need for 3.20 ha **less** land to 2036.

8.27 It should be noted that this deduction can only be applied to the Historic land take-up forecast models above. The Employment Based or Resident Workforce forecasts incorporate their own assumptions about what proportions of jobs, in each sector, will be based in B1/B2/B8 accommodation and what proportions will be housed elsewhere, including home based employment. Those assumptions are outlined in Table 33 below.

8.28 The results of a further deduction of 3.20 ha to the historic take up models are as follows:

Long Term Take Up Trend: 36.45 ha – 3.20 ha (homeworking deduction) = **33.25 ha (further need)**

Short Term Take Up Trend: 32.29 ha – 3.20 ha (homeworking deduction) = **29.09 ha (further need)**

8.29 This modelling assumes that the proportion of employment which is ‘home based’ by sector remains consistent to 2036. This is unlikely to be the case and indeed

comparison of 2001 and 2011 Census data shows an increase in the proportion working from home locally over that decade of 4.1 percent (0.41 percent/year) from 13.1 percent in 2001 to 17.2 percent in 2011. However, there is an absence of data as to how homeworking may grow, by sector, over the next 21 years. The picture is further complicated by the fact that some homeworkers may still require occasional office space for meetings, undertake desk sharing or use storage/workshop space on an ad hoc basis.

- 8.30 As an indicative only exercise, if the total percentage of Rutland residents working from home increased at the same rate over 2011 to 2036 as it did over 2001-2011 (0.41 percent/year) then, by 2036, 27.45 percent of economically active population would be working from home by 2036. The likely reduction in land need, resulting from this increase in homeworking would be closer to 4 ha, but without a sector breakdown of the projected growth it is impossible to gauge an exact figure.

***Split by Use Class***

- 8.31 Whilst overall need is important, further analysis can evaluate what the potential needs will be in the different use classes. Table 30 splits the 2007/08-2014/15 take up by the main employment use classes (B1 (a, b, c), B2, B8). As Table 28 shows, over the eight year period, 27 percent of take up was for B1(a) offices, 4.4 percent was for B1(c) light industry, 18.8 percent was for B2 general industry and 43.0 percent was for B8 storage or distribution. The remaining 6.8 percent was for a mix of uses.

**Table 30 – Employment Land Take-Up 2007-2015, by Use Class**

Completion Period	Use Class						Total (ha)
	B1(a)	B1(b)	B1(c)	B2	B8	Mixed	
2007-2008	0.10	-	-	-	-	-	0.1
2008-2009	1.73	-	0.48	-	0.65	0.18	3.03
2009-2010	0.18	-	0.02	0.57	0.35	0.21	1.33
2010-2011	1.66	-	-	0.07	1.32	-0.03	3.02
2011-2012	0.41	-	0.27	2.34	2.12	0.34	5.48
2012-2013	0.23	-	-	-	1.03	-	1.26
2013-2014	0.37	-	-	0.24	1.45	0.37	2.43
2014-2015	0.06	-	-	0.07	0.62	0.13	0.88
<b>Total (percent)</b>	<b>4.74</b> <b>(27.0)</b>	-	<b>0.77</b> <b>(4.4)</b>	<b>3.29</b> <b>(18.8)</b>	<b>7.54</b> <b>(43.0)</b>	<b>1.20</b> <b>(6.8)</b>	<b>17.53</b> <b>(100.0)</b>

Source: RCCDC/BE Group, 2015

\* Excludes Oakham Enterprise Park Take Up

- 8.32 Therefore projecting the historic split of land need forward for the period to 2036, Table 31 shows the anticipated need for the different use classes.

**Table 31 – Residual Need, Split by Use Class\***

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (27.0)	B1(b) (0.0)	B1(c) (4.4)	B2 (18.8)	B8 (43.0)	Mixed (6.8)	
Long Term Take Up Trend	8.98	-	1.46	6.25	14.30	2.26	33.25
Short Term Take Up Trend	7.86	-	1.28	5.47	12.50	1.98	29.09

Source: BE Group, 2015

\*When measured against realistic supply

### **Model 2: Employment Based Forecast**

- 8.33 This scenario uses as its base the East of England (2014) forecast modelling, referred to above. The forecasts project employment change through to 2031, and include annual employment figures for the County from 1991. This study has then extrapolated the jobs growth patterns forward to 2036. Therefore the forecasts can be used to calculate the future need, and also the past jobs change can be used to calculate the assumed land need over that period for comparison with the historic take-up over the same period.
- 8.34 This section deals with calculation of future needs.
- 8.35 The forecasts break down employment to the level of 31 industry sectors (Tables 32-33), although not all are relevant to this Employment Land Assessment Update. It should be noted that for this model the forecasts reflect “policy off”, a non-intervention scenario, in that no account is taken of any planned or emerging investment programmes or strategies in Rutland.
- 8.36 The East of England modelling indicates that whilst Rutland’s employment has been impacted by the recent recession, the economy is now starting to grow again in a number of sectors.

**Table 32 – Employment Change by Employee Numbers 2015-2036**

Sector	Jobs 2015	Jobs 2036	Jobs Total Change	Jobs Change (percent)
Agriculture	500	500	0	0
Mining & quarrying	0	0	0	0
Manufacturing - food	200	200	0	0
Manufacturing - general	400	300	-100	-25
Manufacturing - chemicals only	1000	1100	+100	+10
Manufacturing - pharmaceuticals	0	0	0	0
Manufacturing - metals	200	200	0	0
Manufacturing - transport equipment	200	200	0	0
Manufacturing - electronics	200	300	+100	+50
Utilities	100	100	0	0
Waste & remediation	100	100	0	0
Construction	800	1100	+300	+37.5
Wholesale	800	800	0	0
Retail	2000	2500	+500	+25
Land transport	500	700	+200	+40
Water & air transport	0	0	0	0
Accommodation & food services	1400	1600	+200	+14.3
Publishing & broadcasting	200	300	+100	+50
Telecoms	0	0	0	0
Computer related activity	200	200	0	0
Finance	100	100	0	0
Real estate	200	300	+100	+50
Professional services	1100	1700	+600	+54.5
Research & development	0	0	0	0
Business services	300	300	0	0
Employment activities	100	100	0	0
Public administration	2400	2300	-100	-4.2
Education	2900	3300	+400	+13.8
Health & care	1300	1400	+100	+7.7
Arts & entertainment	400	600	+200	+50
Other services	800	900	+100	+12.5
<b>Net growth/decline</b>	<b>18,400</b>	<b>21,200</b>	<b>+2,800</b>	<b>+15.2</b>

Source: Oxford Economics, 2014

8.37 Total employment is forecast to increase by 2,800 jobs to 2036, equivalent to a rise of 15.2 percent from 2015. It is important to understand that this is a net increase overall. During the period 13 of the 31 sectors are predicted to grow, producing 3,000

jobs to 2036, but two sectors, general manufacturing and public administration are forecast to each see a reduction of 100 jobs, totalling 200 overall.

- 8.38 As noted the 2014 East of England model is forecasting higher levels of jobs growth than was the case in the 2012 model. The 2012 forecasting, for example suggested an increase of some 1,825 jobs over 2012-2031.
- 8.39 The highest growth sector, of direct relevance to this study, is professional services. Rutland is forecast to gain 600 professional services jobs by 2036, 21.4 percent of the net jobs growth forecast over 2015-2036.
- 8.40 In percentage terms professional services is showing the greatest growth with a predicted 54.5 percent increase to 2036. This is closely followed by the manufacturing of electronics goods, publishing and broadcasting, real estate and arts and entertainment – all of which are predicted to grow by 50 percent.
- 8.41 In terms of future employment land requirements, only certain sectors will translate jobs into a requirement for employment land. The model assesses what percentage of jobs in each sector translates to floorspace. For example in transport and storage a percentage of jobs will be warehouse based, whilst the remainder will be drivers not operating on site. Thus this model is likely to be affected by a number of key factors:
- The future mix of activities in respect of office, manufacturing and warehousing employment within different sectors. It is not possible to predict the impact of evolving technical change over the period to 2036, and we have therefore assumed that this mix will not change over the period
  - The percentage of employees in each sector that will translate to floorspace  
The proportion of people in each industry sector that occupy B1, B2 or B8 space conforms to those ratios used in other studies and accepted in comparable locations and are sourced from the South East Regional Planning Conference's 'The Use of Business Space'
  - The average space each employee occupies – the employment density. We have assumed no variation in the density rates through to 2036, and have used those densities identified in the HCA 2010 published Employment Densities Guide 2<sup>nd</sup> Edition
  - The average development floorspace per ha for office, manufacturing and warehousing activities. We have applied the uniform amount of 3,900 sqm per ha.

8.42 These assumptions are summarised in Table 33.

**Table 33 – Model Assumptions**

Industry Sector	Employees		
	Percentage of staff Occupying B1, B2, B8 Floorspace (percent)	Floorspace occupied per person (sqm)	Other Comments
Agriculture	5	12	Managerial, admin
Manufacturing	100	47	Higher density reflects largely B2;a lower density can be applied to B1 light industry
Utilities	26	12	Managerial, admin
Construction	26	12	Managerial, admin
Distribution	48	70	Warehouses, offices-non large scale/high bay facilities
Transport	48	70	Warehouses, offices-non large scale/high bay facilities
Financial & Business	100	12	
Government & Other Services	22	12	Local Government, Public Administration

Source: SERPLAN and HCA, 2010

8.43 Using the adjustments shown in Table 33, the net job figure for each sector is calculated to reflect the proportion of jobs occupying “B” floorspace. That figure is then multiplied by the floorspace per person to give total floorspace for each sector.

8.44 Once a total floorspace is calculated, the figures are then translated to a land requirement using the ratio of 3,900 sqm per hectare. This applies to all use classes. Table 34-35 show these calculations. Sectors showing jobs growth resulting a positive land requirement are shown separately from jobs reductions, which assumes that these will be a negative land requirement.

**Table 34 – Employment Based Forecast 2015-2036 – Growth Sectors**

Sector/Jobs	Workforce Growth	Workforce Proportion (%) Occupying B1/2/8 Space	Net Number of Jobs	Floorspace per job, sqm	Floorspace Required, sqm
Agriculture	0	5	0	12	0
Manufacturing - food	0	100	0	47	0
Manufacturing - chemicals only	100	100	100	47	4,700
Manufacturing - pharmaceuticals	0	100	0	47	0
Manufacturing - metals	0	100	0	47	0
Manufacturing - transport equipment	0	100	0	47	0
Manufacturing - electronics	100	100	100	47	4,700
Utilities	0	26	0	12	0
Waste & remediation	0	26	0	12	0
Construction	300	26	78	47	3,666
Land transport	200	48	96	70	6,720
Water & air transport	0	48	0	70	0
Publishing & broadcasting	100	100	100	12	1,200
Telecoms	0	100	0	12	0
Computer related activity	0	100	0	12	0
Finance	0	100	0	12	0
Real estate	100	100	100	12	1,200
Professional services	600	100	600	12	7,200
Research & development	0	100	0	12	0
Business services	0	100	0	12	0
Employment activities	0	100	0	12	0
Education	400	22	88	12	1,056
Other services	100	100	100	12	1,200
<b>Total Floorspace sqm</b>					<b>31,642</b>
<b>Divided by Development Floorspace per ha</b>					<b>3,900</b>
<b>Equivalent Employment Land Needed ha</b>					<b>8.11</b>

Source: BE Group, 2015

**Table 35 – Employment Based Forecast 2015-2036 –Sectors in Decline**

Sector/Jobs	Workforce Losses	Workforce Proportion (%) Occupying B1/2/8 Space	Net Number of Jobs	Floorspace per job, sqm	Floorspace Reduction, sqm
Manufacturing - general	100	100	-100	47	-4700
Public administration	100	22	-22	12	-264
<b>Total Floorspace sqm</b>					<b>-4,964</b>
<b>Divided by Development Floorspace per ha</b>					<b>3,900</b>
<b>Equivalent Employment Land Reduction ha</b>					<b>-1.27</b>

Source: BE Group, 2015

8.45 When the land needs from both jobs growth and jobs reduction are bought together the net land requirement based on change can be calculated:

- From sectors predicted to grow: 31,642 sqm of extra floorspace ÷ development floorspace per ha (3,900 sqm/ha) = 8.11 ha
- Less those sectors predicted to decline: -4,964 sqm less space ÷ development floorspace per ha (3,900 sqm/ha) = -1.27 ha
- Gives a net need of **6.84 ha**.

8.46 Based on the net change in jobs, this suggests Rutland's net land need to 2036 is 6.84 ha (compared to no more than 4.42 ha in the 2013 Study). When measured against the realistic land supply, 18.93 ha, this gives Rutland a supply surplus of **12.09 ha**.

8.47 These figures fall significantly below the forecast based on historic take-up (shown above).

8.48 In reality the employment change does not translate to land provision in this way. There are a number of factors that will influence the land requirement and it is necessary to understand the market signals to predict a more accurate employment land requirement. These factors include:

- To what extent the growth in office employment takes place in a town centre locations, at higher densities, rather than in low-density business parks. It is more likely to be the latter in view of the County's characteristics, which do not include extensive supplies of town centre office schemes. Where growth

is predicted in town centres different densities would be applied, closer to 100 percent site coverage

- Will the decline in jobs actually lead to the release of land? Past experience suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate
- Land take-up/property needs can be for different reasons such as modernisation or geographic relocation, or land banking for future needs
- Expansion may also be within existing premises or on expansion land not accounted for in land allocations.

8.49 Therefore, to test how closely jobs change translates to land take-up, historic trends have been compared. Using the same methodology, the land needs based on employment change has been calculated for the period 1996-2015, and compared to the actual land take-up during that period (see Table 36).

**Table 36 – Employment Land Take-Up/Employment Change Comparison**

Employment Change	Total Jobs	Land (Ha)
Growth	4,100	7.06
Decline	3,200	11.09
Net growth	<b>900</b>	<b>-4.03</b>
Historic land take-up	-	<b>40.52*</b>

Source: Oxford Economics, RCCDC, BE Group, 2015

\* Exclusive of Oakham Enterprise Park

8.50 The trend shows that net jobs growth is not an accurate method of calculating land with some ten times the amount of land being developed against the land calculated from the jobs prediction. **Even adjusting the historic take-up to the more accurate recent period and discounting any decline in jobs, there is still a large difference in the figures and this calculation reinforces the view that historic take-up is the most appropriate method.**

### **Model 3: Resident Workforce**

8.51 This scenario is based upon the ONS 2012-based sub-national population forecasts, released in 2014. It uses an analogous methodology to Model 2 above to translate to employment land need.

- 8.52 It is important to understand that this model forecasts the demand for employment land based on the growth of the residential working population. Due to out-commuting, not all of the working residents would be working in the County and therefore not all of the employment land need should be provided within Rutland.
- 8.53 The ONS projects that the Rutland population will increase from 37,000 persons in 2015 to 40,600 persons in 2036, an increase of 3,600 persons or 10 percent. By comparison, the East Midlands region is anticipated to increase by 12 percent over the same timeframe and the UK population is projected to increase by 13 percent. Critically, the working age population (15-64 years) is projected to decline in Rutland from 21,800 persons in 2015 to 20,300 persons by 2036, with the main driver of population growth in the County being the 65+ years cohort, increasing from 9,100 persons to 14,000 persons of the planning period.
- 8.54 The Annual Population Survey data compiled by the ONS reveals that some 79.8 percent of the working age population was in employment and 9.8 percent of the 65+ population was in employment in 2015. Assuming these percentages remain constant to 2036, the working population residing in Rutland will be 17,600 workers, a decline from 18,300 in 2015. However, given the tightening of the local labour supply market in Rutland, due to the declining working age population and overall ageing population, it is reasonable to assume that the percentages in employment in these cohorts will increase. Assuming 84 percent of the 15-64 age cohort and 12 percent of the 65+ age cohort are in employment results in the working resident population increasing to 18,700 persons by 2036, an increase of 400 persons.
- 8.55 It is possible to apply a similar methodology used for the employment forecasting to the population figures, as increasingly the Planning Inspectorate (reflecting NPPF guidance) is seeking to understand the link between population growth and employment growth. Population growth represents labour supply, whereas the employment figures represent labour demand. Whilst the jobs created through economic growth is the most important test for determining land needs for industry, the third test is still applied.
- 8.56 Table 37 summarises the projected employment changes by industry sector between 2015 and 2036 for the residential workforce. The employment changes by industry sector incorporate assumptions as to the likely relative performances of the sectors to

2036.

**Table 37 – Employment Change by Employee Numbers of Resident Population  
2015-2036**

<b>Sector</b>	<b>Jobs Total Change</b>	<b>Jobs Change (percent)</b>
Agriculture and fishing	-180	-32
Energy and water	-30	-15
Manufacturing	-640	-28
Construction	560	98
Distribution, hotels and restaurants	600	18
Transport and communications	-20	-1
Banking, finance and Insurance	150	6
Public admin, education and health	60	1
Other services	-20	-2
<b>Net growth/decline</b>	<b>+400</b>	<b>2</b>

Source: ONS, BE Group, 2015

- 8.57 It is noted that the projected increase in the number of working residents (400 workers) is less than the projected increase in workers working in Rutland over the same period (900 workers, see Model 2). For these projections to both be realised, there would need to be a small adjustment in the net commuting patterns in Rutland.
- 8.58 Using the methodology for employment change, the net growth in employment land hectares has been calculated from the growth in resident workers. Due to the small overall employment growth and the decline in land intensive industries such as manufacturing, there is a projected overall decline in the required employment land generated by the working residents of Rutland using this methodology. It is projected that there would be a net decline of 5.7 ha of employment land demand. It should be noted that this net change is due to the resident workforce. As some of this workforce will be working outside of Rutland, some of the change in demand would also be met outside of the County.
- 8.59 Again, there are sectoral differences in the workforce, with some sectors projected to increase and some projected to decline. Further analysis shows that:
- From sectors predicted to grow, there is a need for a further 2.2 ha
  - From those sectors where the employment land requirement is forecast to reduce there will be a potential loss of 7.9 ha.

8.60 **Thus by this measure Rutland needs 5.7 ha less land than it has already.**

8.61 The implication of comparing the resident worker generated land requirement to the labour demand generated land requirement is that there would be an increasing requirement for in-commuters to meet the labour demand. The labour demand projections consider changes in the industry sectors of Rutland businesses and their subsequent requirements for labour. The residential worker projections consider the changes in employment behaviour of the local residents, regardless of whether they work within the district or commute elsewhere. **Therefore the labour demand projections are more directly linked to land requirements in Rutland than residential workers projections. For this reason the roll forward of historic take-up remains the most appropriate method for forecasting the County's B-Class employment land needs to 2036.**

#### **Summary**

8.62 The four alternative forecast options have been produced and considered for the period of 2015-2036. The calculations for each are summarised in Table 38 and show varied outcomes.

8.63 The figures allow for a five year buffer to allow for choice and potential change in needs during the Plan Period as well as accounting for further possible losses in the supply. For reasons discussed at the start of this Section, the need figures are uniformly higher than those recorded in the 2013 Employment Land Assessment.

8.64 This Section has also used a forward projection of 2011 Census figures on home based employment to estimate that some 498 (17.8 percent) of the 2,800 new jobs which are forecast in the East of England (2014) modelling to 2036, will be home based and not require B-Class accommodation. Notwithstanding some of the critiques made elsewhere in this Section regarding forecast growth figures this finding allows a calculation of the impact of homeworking on floorspace and land needs over the next 21 years, specifically that a deduction of 3.20 ha in the land need should be made to allow for homeworking.

8.65 This deduction is applied to the model outputs in Table 38 which relate to Long or Short Term Take-Up projections only. It is not applied to the Employment Based or Resident Workforce models which incorporate their own assumptions about what

proportions of jobs, in each sector, will be based in B1/B2/B8 accommodation and what proportions will be housed elsewhere, including home based employment.

8.66 The scenarios outlined in Table 38 are based on the adjusted land availability where sites considered undeliverable (or deliverable only for specific companies), or already developed, are excluded (realistic land supply – 18.93 ha). When both the realistic land supply and a deduction for homeworking are excluded then there is a potential shortfall of 29.09 ha to 2036 if the short term, nine year, historic land take-up trend is applied.

8.67 If the long term, 19-year, take up trend is applied the shortfall increases to 33.25 ha. However, the long term take up scenario includes take up data from the period 1996-2006 which was taken from a secondary data source, the 2008 Rutland Employment Land Study, and cannot be independently validated. For this reason the long term take up scenario is felt to have a greater risk of error than the short term scenario, where all take up data which informs the figures can be cross checked.

**Table 38 – Land Forecast Models – Summary**

Model	Land Stock 2015, ha*	Land Need 2015-2036, ha	Buffer (five years take-up rate) ha	Deduction for Homeworking	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up	18.93	44.73	10.65	-3.20	(33.25)	Based on historic (19 years) take-up of 2.13 ha/pa. Exclusive of take-up at Oakham Enterprise Park
Short Term Land Take-up	18.93	41.37	9.85	-3.20	(29.09)	Based on last nine years take-up of 1.97ha/pa. Exclusive of take-up at Oakham Enterprise Park
Employment based on adjusted stock	18.93	+8.11 Growth +6.84 Change	+9.85 +9.85	N/A	1) 0.97 2) 2.24	Based on 1) projected growth sectors 2) projected employment change across sectors
Resident Workforce based on adjusted stock	18.93	+2.22 Growth -5.70 Change	+9.85 +9.85	N/A	1) 6.86 2) 14.78	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group 2015

\*Realistic land supply at 31<sup>st</sup> March 2015

- 8.68 Both the long and short term take up scenarios use data which excludes 7.56 ha of recorded completions at Oakham Enterprise Park in 2013/14. As noted, this figure (29,000 sqm of completed floorspace), incorporates the entire former prison complex, including properties that were refurbished and premises now in D1 or D2 leisure, education or medical uses. It may also include some new build development which has yet to be completed. Its inclusion is felt to provide an unrealistic picture of past development in Rutland.
- 8.69 If employment based forecasts are taken then there will be a modest oversupply of employment land of 0.97-2.24 ha to 2036, the former reflecting that where employment declines there is a corresponding reduction in land needs. From the market assessment and also reviewing the historic trends in employment change and land take up, this approach suggests that employment land needs are underestimated. When a comparison of past employment changeover the period 1996-2015 is made, actual land take-up is around ten times more than the estimate put forward by the growth only approach.
- 8.70 The resident worker forecast suggests that there is a sufficient surplus in the existing realistic supply to meet the employment land needs to 2036. However, as discussed above, this analysis is not as targeted or directly applicable to the assessment of employment land in Rutland in comparison to the labour demand assessment.
- 8.71 In conclusion, it is considered that the most appropriate forecast is the short-term take-up rate based on the adjusted stock, suggesting a shortfall of 29.09 ha to 2036.
- 8.72 The preferred model can be summarised as follows:

**Short Term (Nine Year) Take Up Model**

8. Nine years of recorded take up 2006/07-2014/15, excluding take up at Oakham Enterprise Park = 17.72 ha
9. Average annual take up rate:  $17.72 \div 9 = 1.97$  ha/year
10. Forward projection of average annual take up rate 2015-2036 (21 years):  
 $1.97$  ha/year x 21 = 41.37 ha
11. Additional buffer, five years of further take up at 1.97 ha/year:  $1.97$  ha/year x 5 = 9.85 ha
12. Total need, inclusive of buffer:  $41.37$  ha +  $9.85$  = 51.22 ha
13. Less realistic land supply (18.93 ha) = 32.29 ha
14. Less an allowance of 3.20 ha for homeworkers, who will not need B-Class premises = **29.09 ha (remaining need)**.

8.73 Rutland’s previous take up can be split by the main employment use classes – B1(a, b, c), B2, B8. Table 39 applies the same proportionate split to Rutland’s projected supply shortfall, to 2036.

**Table 39 – Residual Need, Split by Use Class\***

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (27.0)	B1(b) (0.0)	B1(c) (4.4)	B2 (18.8)	B8 (43.0)	Mixed (6.8)	
Short Term Take Up Trend	7.86	-	1.28	5.47	12.50	1.98	29.09

Source: BE Group, 2015

\*When measured against realistic supply and allowing for homeworking.

## 9.0 LAND NEEDS OF NON-B CLASS USES

### Introduction

9.1 Reflecting a wider definition of economic development this section considers, as far as is possible, future requirements for land from non-B class sectors that are also employment generators. Whilst retailing falls into these sectors it is noted that in 2013 the Council separately commissioned a 'Rutland Retail Capacity Assessment', updating a 2010 study, that examines future need.

9.2 For this study the following broad sectors have been identified:

- Retail
- Accommodation and food service activities
- Education
- Human health and social work activities
- Arts, entertainment and recreation.

9.3 It must be recognised that the job and space requirements associated with these sectors are estimated and planned for in a different way to B-Class uses. For example, health facilities will have quite specific land needs that are not linked directly to job numbers; education facilities are planned based on forecasts for pupil roll numbers and capacity in existing schools/colleges. Retail or leisure operators will often locate in town centres, within mixed-use schemes or in locations of their choice, rather than on specifically allocated sites.

9.4 A key factor relating to many of these sectors is the likely level of population and housing growth in the County. The East of England forecasting model, which informs this study, estimates that the overall population will grow from 38,200 in 2015 to around 43,000 by 2036. The Peterborough Sub-Region SHMA (2015, Update) assesses that households will increase in the County to 18,413 by 2036. Much of this growth is likely to be directed to Oakham and to a lesser degree Uppingham, to be delivered in sites separate from those designated for employment.

### Retail

9.5 As stated above future retailing requirements are separately considered in the Rutland Retail Capacity Assessment. The Report suggests that there is need for additional comparison retail floorspace of up to 3,500 sqm up to 2026. This is an

'increasing retention' scenario, which assumes that centres in the County 'claw back' some of the expenditure which is currently being lost to centres outside the County.

- 9.6 Under the same scenario a maximum convenience floorspace need of 1,300 sqm was identified to 2026. This takes into account identified over-trading in the Tesco foodstore in Oakham, and consequently the majority of the convenience goods requirement arises in the short-term to 2016. Since this Capacity Study was completed, consent for an Aldi foodstore was achieved on 0.59 ha of land at Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North), close to the junction of Lands End Way and the A606 Burley Park Way. A planning application for a larger Aldi foodstore was submitted in October 2015 (see Section 6.0). If approved the larger store would comprise a gross area of 1,743 sqm on a site of 0.71 ha. With a net sales area of 1,254 sqm, combined with 489 sqm of B8 storage space, this store would meet most of the identified convenience need.
- 9.7 Since 2013, plans have been put forward by Tesco, Sainsbury and Waitrose for foodstore expansions and developments in Oakham. Prospective development sites have included that currently occupied by Tim Norton Motor Services on Long Row. However, at the time of writing, it appears that none of these options will now be progressed. The East of England model forecasts that growth in retail sectors will generate some 500 further jobs to 2036.
- 9.8 In terms of market demand, stakeholders report difficulties in attracting new national retailers to Oakham and Uppingham with Fat Face being a rare example in the last few years. This is likely to be because of size of catchment area compared to centres such as Stamford, Nottingham, and Leicester. The local stock of larger retail units, which could meet the needs of national multiple retailers is also limited. The list of national retailers interested in market towns in general has reduced (with some chains now bankrupt) and supermarkets are now reviewing their expansion plans.
- 9.9 On Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) some 2.56 ha of land, fronting the A606 Burley Park Way, is now developed, or consented, for non B-Class employment uses including a pub/restaurant, hotel, petrol filling station (with M&S Simply Food) and Aldi foodstore.

- 9.10 Within Oakham, the Tim Norton Motor Services garage, Long Row (0.69ha) is allocated for comparison retail in 'Policy SP3 - Sites for retail development' of the Site Allocations and Policies DPD.

### **Accommodation and Food Service Activities**

- 9.11 The sector covers employment generated by hotel, bed and breakfast self-catering accommodation, as well as bars and restaurants. This sector currently employs 1,400 and is expected to grow by 200 jobs up to 2036.
- 9.12 Demand for this sector is generated from both domestic, and to a lesser extent overseas tourism (hotels and restaurants), as well as spend by the County's residents (most likely to be restaurants and other catering). Future growth depends on visitor numbers and business activity. In the case of the latter, many business parks now include three or four star hotels as part of their offer of support services for occupiers. Accessibility and prominence are locational factors that will determine where hotels locate.
- 9.13 Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) retains outline consent for a hotel. The owner is in talks with an operator and a revised outline planning application was submitted in October 2015, which seeks a C1 hotel of 1,509 sqm comprising some 80 rooms on 0.38 ha.
- 9.14 The 2010 Rutland Retail Capacity Assessment (but not the 2013 Update) looked at demand for leisure uses in Rutland. It argued that improving the food and drink offer in Oakham and particularly Uppingham town centres should be a priority. Scope to grow other aspects of the leisure economy was felt to be more limited.
- 9.15 There is a demand for pub restaurants in out of town locations. Prominently located business parks are targeted, and indeed a pub restaurant has now been developed on Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) which will provide a complimentary function for business users as well as recreational diners. A typical site for such a use will be up to 0.5 ha

### **Education**

- 9.16 This sector incorporates primary and secondary schools, further education colleges as well as commercial nurseries. In 2015 the sector comprised 2,900 jobs in the

County, and the East of England forecasting model estimate an increase of 400 jobs by 2031.

- 9.17 The five main schools and further education colleges of the County were contacted for this study. Several have growth aspirations, primarily for further sports facilities which would require the take up of (primarily) greenfield land. One school is seeking agricultural land for temporary parking and to develop a plant nursery. None are looking to deliver such uses on land currently in B-Class employment use.

### **Human Health and Social Work Activities**

- 9.18 Included within this sector are hospitals, medical centres, GP and dental surgeries, private or specialist healthcare (e.g. physiotherapy), veterinary practices and residential care homes. The East of England model forecasts a growth of 100 jobs from the current total of 1,300.
- 9.19 Although there will inevitably be changes to local clinics, surgeries, dentists, etc. over the Plan period, no major healthcare facilities are proposed at the moment. Significant expansion of Rutland Memorial Hospital, Oakham is also not proposed a present.
- 9.20 Despite a slowdown in Government spending on health, the increasing numbers and longevity of the elderly population and possible growth in demand for private health care may lead to further provision of residential care homes. Nevertheless in general employment sites are inappropriate locations for care homes, due to amenity considerations.
- 9.21 There is evidence elsewhere of veterinary practices, GP and private or specialist healthcare operations being accommodated on employment sites, or through a change of use of existing office buildings. The informal health sector, with its many micro-business practitioners, tends to operate from dwellings, converted retail premises or community buildings. Whilst they can contribute to local job growth, they do not require significant amounts of floorspace.
- 9.22 Consequently it is considered the growth in employment from this sector will be limited in terms of requirements for new space (more probably existing buildings will be occupied through changes of use) and there will be very little requirement for additional land.

### **Arts Entertainment and Leisure**

- 9.23 This sector includes, amongst other activities, forms of commercial leisure such as cinemas, theatres, bowling alleys, bingo halls and nightclubs. 2010 Rutland Retail Capacity Assessment did not foresee much scope for growth for these larger leisure uses. Multiplex cinemas and bowling facilities, serving the Rutland population, can be found in Kettering, Peterborough or Leicester. Rutland currently has two small theatres, the Uppingham Theatre and the Queen Elizabeth Theatre in Oakham.
- 9.24 The growth in health awareness has seen an increase in demand for private health clubs and gyms and these are uses that will look to locate on business parks, either through new build or conversion of existing industrial space. Such facilities can range in size from 500 sqm to 2,000 sqm, which could translate to up to 1.5 ha of land with car parking. The jobs forecast is modest for the recreational sector predicting an additional 200 jobs to 2036.

### **Summary**

- 9.25 The non B-Class uses could provide some 1,400 more jobs in Rutland by 2036. In terms of land needs, employment land at Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) has been lost to a number of non B-Class employment uses in the past.
- 9.26 Modest losses of developed employment land to other uses are also a prospect, with the most significant, identified at this time, being the Tim Norton Motor Services garage, Long Row, Oakham which is now proposed for retail uses in the Local Plan. Assuming a further large scale loss of land at Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) does not occur then the general loss of employment land to non B-Class uses is not likely to exceed 3 ha of allocated B-Class land over the plan period.
- 9.27 Elsewhere, Rutland's schools and colleges have a range of land needs, primarily for greenfield sports facilities, parking and plant nursery facilities which are unlikely to be accommodated on employment land.

## 10.0 CONCLUSIONS

### **Introduction**

- 10.1 This study has included a wide-ranging look at the factors affecting Rutland's economy, with particular reference to those that are likely to affect the future need for land and property within the County. This section draws together the main issues that will need to be addressed as a preliminary to the more detailed recommendations set out in Section 11.0.
- 10.2 The study has been undertaken in line with both the National Planning Policy Framework and relevant Planning Practice Guidance. It updates the 2013 Rutland Employment Land Assessment.

### ***The Functional Economic Market Area***

- 10.3 In the view of this study, the functional economic market area for Rutland includes its immediate neighbours of South Kesteven, Harborough, Melton and Corby. Rutland also has good links with the nearby urban centres of Peterborough and Leicester. The other areas of Leicestershire, Lincolnshire, Northamptonshire, Cambridgeshire and Huntingdonshire have more limited relationships with Rutland. This includes East Northamptonshire, despite its geographic boundary with Rutland. All the local authorities within this functional economic market area have been consulted.
- 10.4 Most of the local authority areas that neighbour Rutland have additional employment land needs, but indicate they are able to meet these needs through a mixture of existing and proposed additional land allocations. As a consequence they do not expect to have to look to Rutland to meet any shortfalls in employment land or premises supply.
- 10.5 The exception is Leicester, which has a significant, and long established, shortage of employment land and will be looking for support from its neighbours. However, it is likely that most cross-boundary requirements will be met on the large strategic allocations currently proposed within the Leicester PUA, which mostly fall within Charnwood and Blaby. More distant Rutland may be in a position to benefit by attracting companies who wish to be in the Leicestershire market area but cannot find the land and property they need in Leicester itself.

- 10.6 In terms of competition, Rutland sits between two sub-regional office centres in Leicester and Peterborough. Along the A1 Corridor there are large scale industrial and logistics land allocations at Grantham and Stamford, as well as the existing stock of premises in these towns. This supply, combined with further large scale development proposals around Peterborough is likely to draw strategic level demand away from Rutland. Corby is a sub-regional focus for inward investment due to its links to London, rail freight provision and high quality industrial parks. Investors see Corby as an emerging business location, with a strong land and property offer. However, Rutland has also successfully drawn some businesses away from Corby in the past.
- 10.7 Linkages between Rutland, Melton and Harborough are more limited, but the three authorities do share a large and prosperous rural hinterland, with successful rural business schemes that show prospects for further growth.
- 10.8 The Census figures show that 54.5 percent of Rutland's employed residents also work in the County. The County is a net importer of labour, with the main destinations being South Kesteven, Peterborough, Leicester and Melton. As a result, compared to some 6,166 who commute in, some 5,899 commute out of Rutland to work elsewhere.

### **Economic Profile**

- 10.9 The socio-economic profile of Rutland reveals 78.3 percent of the working age population to be in employment, well above the East Midlands (73.4 percent) and national (72.7 percent) averages. Unemployment, at 3.0 percent in spring 2015, was well below average within the functional economic market area. Unemployment rates in Rutland were also almost half the national average.
- 10.10 In contrast to the national picture of a structural decline in manufacturing, the manufacturing sector continues to employ a large proportion (14.2 percent) of people in Rutland. This proportion is well above the East Midlands averages and particularly the national average of 8.5 percent. This includes large numbers of people employed in the manufacturing of rubber and plastic products, non-metallic mineral products and electrical equipment.

- 10.11 Rutland's dependence on public sector employment is slightly above average with 30.8 percent of the County's workforce employed in public administration, education and health, in 2014. However, this is driven by high levels of employment in the education sector which will include employment in Rutland's several large privately owned schools.
- 10.12 In terms of service sectors, professional, scientific and technical followed by business administration and support services have the strongest roles. The proportions of the latter however, are notably below wider averages. Financial and insurance has a comparatively weak role in the County employing only 0.7 percent of workers in 2014, compared to 1.7 percent across the region and 3.7 percent nationally. Transport and storage (logistics) employed only modest numbers locally, 2.8 percent, compared to an East Midlands average of 5.0 percent.
- 10.13 The number of VAT and PAYE registered businesses was 2,060 in 2014. 90.3 percent of companies are micro-businesses (less than 10 employees). 98.1 percent employ up to 49 people (small businesses). Homeworking is high compared to the regional and national averages. It is a characteristic of the rural areas of the County and in, and around, Uppingham.
- 10.14 In 2012, Rutland had 300 industrial/warehouse units (209,000 sqm of space) and 200 offices (26,000 sqm).

### **Property Market Assessment**

- 10.15 Nationally and regionally the prospect is for increased demand in all the main commercial sectors as the UK economy enters a period of growth. Increased demand following a period of limited development is generating stock shortfalls which are in turn encouraging development activity. For the first time since 2007 speculative development is a realistic prospect outside of prime city economies and demand for freehold options is growing both from occupiers and investors.
- 10.16 In terms of land, the local market view is that requirements for development land in Rutland continue to be recorded, and options for growth are being considered at sites such as Oakham Office Park Phase II. However, development is still a number of years away on the main employment sites, which are unlikely to be completed until later in the Local Plan period. A need for further employment allocations, relative to demand is considered likely in the long term.

10.17 Against this view however, are the comments of large local businesses, discussed further below. These businesses have identified more immediate requirements for expansion or relocation sites of up to 7.5 ha. Land currently being marketed at Oakham Enterprise Park is also seeing more immediate demand, albeit for smaller plots.

### ***Industrial Market***

10.18 Nationally and regionally, market demand has grown steadily over 2013-2015, with no short or medium term prospects of it slowing. Against rising demand the supply of stock continues to decrease. In the East Midlands, as across much of the rest of the country, there is a dearth of good quality existing buildings in prime locations across all size parameters.

10.19 The later part of 2014 saw a return of speculative development in the 'big box' market for B8 logistics and B2 larger manufacturing, while 2015 appears to be seeing the return of speculative development at the smaller end of the market. There does not yet appear to be an appetite for speculative development in Rutland although pressure for new development is expected to increase as the Plan period progresses.

10.20 The local market appears to require light industrial units of up to 100 sqm and there are some shortages of such small space. This is evidenced by the success of small workshop (and office) units at Oakham Enterprise Park, Ashwell which is now over 95 percent let by floorspace, some two and half years after first coming to the market. A good portion of that demand is sourced from Rutland's rural hinterland and primarily comprises micro and small businesses.

10.21 In contrast to the 2013 Study research has not identified a strong inward investment market although this has been an element of the industrial and warehouse economies in the past, with companies attracted (primarily) to Oakham by the well-educated local workforce and high quality local environment. Demand for larger premises is being driven at present by the growth aspirations of existing large businesses. The companies contacted for this study identified some large property requirements, extending up to 10,000 sqm for industrial options, on sites of up to 7.5 ha. Such needs cannot be met from the current premises stock.

10.22 Around 1,974 sqm of industrial space is currently vacant – 0.9 percent of the total floorspace and only 2.3 percent by premises numbers, less than half the vacancy rates recorded in 2013. This is considered low in average supply terms and points to a lack of availability and choice. The supply of units at all sizes up to 1,000 sqm is limited to one or two options in Oakham and Uppingham, while no larger units are being openly marketed at this time.

***Warehouse Market***

10.23 Nationally, improving market conditions and online retail growth will see increased demand for prime logistics space. Demand will remain strong for prime logistics space, with the biggest online retailers continuing to fuel the demand. In neighbouring Leicestershire, the 2014 Strategic Distribution Sector Study, forecast a need for 115 ha of new land at rail-served sites to 2036, across the County. A further 153 ha of new land at non rail served sites will also be required.

10.24 The M1 Corridor will remain the focus for major logistics developments, but the A1 provides a strong secondary market which includes premises at the Woolfox Depot, which is occupied by firms such as C S Ellis. This study has not identified strong local demand for further warehouse space, although a number of local manufacturing companies have recently expanded their onsite storage options, or have unimplemented planning consents to do so in the short term. One further requirement, for a 5,000 sqm warehouse was noted from an Oakham based business. This clearly cannot be met from the current stock of available premises, indeed the largest marketed property which is suitable for B8 uses is only 549 sqm in size.

***Office Market***

10.25 The recent trend has seen growing demand in in the regional cities, including Nottingham and Darby in the East Midlands and Peterborough in the East of England, and consequently a reducing stock of Grade A space. Demand has been led by increasing occupier demand and an increasing willingness of investors to look outside of London for opportunities. Occupier demand is private sector led with growth in Telecoms, Media and Technology particularly prominent.

10.26 There is a severe lack of available stock, in particular Grade A stock, at all these locations. Around Leicester for example, Grade A space is only available at Watermead Business Park in Charnwood. This is encouraging organisations to look

at assets in strong secondary locations. When, and if, specific secondary locations will benefit from this trend will depend on the scale and quality of offer they can provide and their ability to market themselves to national occupiers and investors.

- 10.27 Speculative office development is still the exception and most office development still requires an element of pre-let or public sector funding to secure a start. However, it is expected that this may change over 2015, at least for schemes in good locations and of desirable sizes, tenures, etc.
- 10.28 The local office market generally meets the needs of local service sector businesses. Demand is reasonable from such firms and improved on the 2013 picture, but is not yet felt to support a large new office development, such as a second phase of Oakham Office Park. Discussions with local large office based businesses suggest that while companies are growing in terms of numbers employed they are not seeking further space at present, but rather making better use of what they have. It is not clear when this trend could change.
- 10.29 Rutland has reasonable supply of office accommodation available – 2,434 sqm in 34 suites, which equates to vacancy rates of 9.4 percent by floorspace and 17.0 percent by number of premises, not dissimilar to the position in 2013. 11 available properties are located at Uppingham Gate Business Park, in sizes ranging from 20-228 sqm suggesting limited demand for office space in that town. Conversely only two offices remain at Oakham Enterprise Park, of 36 and 280 sqm (the largest property currently on the market). Elsewhere rural schemes are generally performing well while a modest stock of offices is presently available in Oakham Town Centre.

### **Business Start-Up Accommodation**

- 10.30 A market for start-up accommodation exists, driven by need in Rutland's broad rural hinterland. In Rutland the main small business facility which can be specifically defined as an 'Incubation' facility is The Rural Business Community at Seaton which supports sole traders, part time workers and micro firms. Other similar facilities exist in neighbouring local authority areas. These provide primarily higher quality office accommodation, while market research suggests the main shortages are for smaller, affordable workshop and storage units. Several schemes offer smaller workshop/storage units in Rutland of which Oakham Enterprise Park was the most significant. As the Enterprise Park is nearing capacity a short-medium term shortage of such space appears likely.

### ***Stakeholder Engagement***

- 10.31 A wide consultation with various stakeholders was conducted as part of the market research, which comprised parish councils, key employers and landowners and public sector organisations including relevant neighbouring local authorities.
- 10.32 Greetham Parish Council identify a need for micro office space to support Parish residents expanding from homeworking. It is argued that this should comprise *“shared office accommodation for up to 10 persons with office facilities such as printing.”* Greetham Parish Council is not aware of any suitable property for conversion locally and assume that any development would be new build.
- 10.33 In practice such a scheme would likely be provided through a conversion of a rural property rather than a land allocation or a new development. A number of such conversions have already taken place in the County, with The Rural Business Community, Seaton being a prominent example. Such small scale offices are in line with current demand and, subject to other policy issues, rural conversions that provide B-Class space should be supported.
- 10.34 Separate to this a representation was provided to this study by a private landowner regarding a parcel of greenfield land in the adjacent Parish of Stretton. The site, which currently comprises agricultural land and extends to 5.3 ha, sits north west of the A1 Stretton Junction and is accessed off Hooby Lane, at the roundabout with the B668 Greetham Road. The owner wishes it to be considered for warehousing or commercial uses.
- 10.35 As noted above, consultations with a sample of the larger businesses in the County suggest a strong desire for further growth, exceeding that seen in 2013. 12 of the 19 businesses (63 percent) expressed a desire to expand in the future. Seven of those already have the land they need to grow under their control, although finance and planning issues may still be barriers to change. Other companies report unmet requirements for land and property, comprising:
- Larger offices – Potentially up to 10,000 sqm
  - Warehouse units on main road locations – 5,000 sqm or larger.
  - Industrial expansion sites of 0.6-7.5 ha.
- 10.36 Seven of the 19 businesses report difficulties recruiting staff. For many the skills gap is for semi-skilled manufacturing workers, a common issue in rural locations including

neighbouring Melton. However, others record difficulty in obtaining higher skilled and even managerial/professional workers. In part at least, this reflects the high levels of local employment and the limited pool of skilled local workers seeking employment at any one time.

### **Employment Land Supply**

10.37 Rutland's current potential employment land resource (at 31st March 2015) amounts to 20.87 ha, located across 9 sites. This is only slightly less than the 2013 land supply of 19.98 in ten sites. This comprises land from relevant planning consents identified in Council Annual Monitoring, existing Local Plan sites, which were previously considered in the 2013 Study and 'Site D' designated in the Uppingham Neighbourhood Plan. Currently available land at Oakham Enterprise Park is also reviewed.

10.38 Discussions with the landowners of other employment sites suggest that three sites are unlikely to be brought forward for development or have recently been completed:

- Meadow Park Industrial Estate, Glen Industrial Estate, Essendine (1.40 ha) – Development not expected to take place as currently envisaged in the planning consent
- Warehouse No. 5, Wireless Hill, South Luffenham (0.41 ha) – Planning permission for an extension to an existing B8 warehouse (primarily a canopy for a HGV loading area) has now lapsed
- Linecross Plastics, Station Road, South Luffenham (0.13 ha) – Development complete.

10.39 Removing or reducing all these sites gives a realistic employment land supply of **18.93 ha.**

### **Future Land Requirements**

10.40 There is no definitive model for forecasting future employment land needs. Two 'policy off' based models have been used to assess future employment land provision. These are the projection forward of historic land take and a forecast based on employment sector change.

10.41 In terms of take-up, data was obtained for the 1996-2015 period. This was examined for inconsistencies and 7.56 ha of completions at Oakham Enterprise Park in 2013/14

excluded as it provides an unrealistic picture of past development in Rutland. The revised the long term, 19-year, average take up rate is 2.13 ha/year.

10.42 In addition take up data prior to 2006/7 must be treated with caution, as they are derived from a secondary data source which cannot be easily cross checked by the Council or BE Group. To account for this, a second, short term take up scenario, using the more immediate (nine year) data only is also provided. Under that scenario, the annual average is 1.97 ha/year.

10.43 Under the two scenarios, projected forward over 21 years, to 2036, the following need is identified:

Long Term Take Up Scenario: 2.13 ha/year x 21 (years) = **44.73 ha**

Short Term Take Up Scenario: 1.97 ha/year x 21 (years) = **41.37 ha**

10.44 Incorporating a five year take-up buffer to provide a choice and range of sites a continuum of supply beyond 2036 period and to allow for possible B-Class employment land losses, increases the need to:

Long Term Take Up Trend: 44.73 ha + 10.65 ha = **55.38 ha**

Short Term Take Up Trend: 41.37 ha + 9.85 ha = **51.22 ha**

10.45 When the current realistic land supply is removed, the following shortfalls are identified:

Long Term Take Up Trend: 55.38 ha – 18.93 ha (realistic supply) = **36.45 ha (further need)**

Short Term Take Up Trend: 51.22 ha – 18.93 ha (realistic supply) = **32.29 ha (further need)**

10.46 This Study has also used a forward projection of 2011 Census figures on home based employment to estimate that some 498 (17.8 percent) of the 2,800 new jobs which are forecast in the East of England (2014) modelling to 2036, will be home based and not require B-Class accommodation. This finding allows a calculation of the impact of homeworking on floorspace and land needs over the next 21 years, specifically that a deduction of 3.20 ha in the land need should be made to allow for homeworking.

- 10.47 This deduction is applied to Long or Short Term Take-Up projections only. It is not applied to the Employment Based or Resident Workforce models which incorporate their own assumptions about what proportions of jobs, in each sector, will be based in B1/B2/B8 accommodation and what proportions will be housed elsewhere, including home based employment.
- 10.48 The results of a further deduction of 3.20 ha to the historic take up models are as follows:  
Long Term Take Up Trend: 36.45 ha – 3.20 ha (homeworking deduction) = **33.25 ha (further need)**  
Short Term Take Up Trend: 32.29 ha – 3.20 ha (homeworking deduction) = **29.09 ha (further need)**
- 10.49 The long term take up scenario includes take up data from the period 1996-2006 which was taken from a secondary data source, the 2008 Rutland Employment Land Study, and cannot be independently validated. For this reason the long term take up scenario is felt to have a greater risk of error than the short term scenario, where all take up data which informs the figures can be cross checked. **Thus the short term take up scenario is felt to be the more reliable method.**
- 10.50 The employment based forecast suggests the following in terms of future employment land provision to 2036:
- From sectors predicted to grow: 31,642 sqm of extra floorspace ÷ development floorspace per ha (3,900 sqm/ha) = 8.11 ha  
*Minus*
  - From those sectors predicted to decline: -4,964 sqm less space ÷ development floorspace per ha (3,900 sqm/ha) = -1.27 ha
  - Gives a net need of **6.84 ha.**
- 10.51 When measured against the realistic land supply, 18.93 ha, this gives Rutland a supply surplus of **12.09 ha.** If a five year buffer (an extra 9.85 ha) is included, then Rutland's net land need to 2036 (16.69 ha) remains below the realistic land supply of 18.93 ha by 2.24 ha.
- 10.52 The highest growth sector, of direct relevance to this study, is professional services. Rutland is forecast to gain 600 professional services jobs by 2036, 21.4 percent of the net jobs growth forecast over 2015-2036.

10.53 However the employment methods of forecasting make no allowance for issues such as the extent that growth in office employment takes place in a town centre locations, at higher densities, rather than in low-density business parks. Also that land take-up/property needs can be for different reasons such as modernisation or geographic relocation or that expansion may also be within existing premises or on expansion land not accounted for in land allocations. Past experience also suggests that even where businesses are contracting, they will continue to hold onto sites in anticipation of future improvements. Also, where jobs are being lost to automation, those new automated processes will still require land on which to operate, and improved productivity could lead to additional need.

10.54 It is therefore considered that the land requirements' calculations can represent a false position. To test how closely jobs change translates to land take-up, historic trends have been compared. Using the same methodology, the land needs based on employment change has been calculated for the period 1996 -2015, and compared to the actual land take-up during that period (see Table 40).

**Table 40 – Employment Land Take-Up/Employment Change Comparison**

<b>Employment Change</b>	<b>Total Jobs</b>	<b>Land (Ha)</b>
Growth	4,100	7.06
Decline	3,200	11.09
Net growth	<b>900</b>	<b>-4.03</b>
Historic land take-up	-	<b>40.52*</b>

*Source: Oxford Economics, RCCDC, BE Group, 2015*

*\* Exclusive of Oakham Enterprise Park*

10.55 The trend shows that net jobs growth is not an accurate method of calculating land with some four times the amount of land being developed against the land calculated from the jobs prediction.

10.56 A summary of the various forecast scenarios is set out in Table 41. They relate to the period 2015-2036.

**Table 41 – Land Forecast Models – Summary**

Model	Land Stock 2015, ha*	Land Need 2015-2036, ha	Buffer (five years take-up rate) ha	Deduction for Homeworking	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up	18.93	44.73	10.65	-3.20	(33.25)	Based on historic (19 years) take-up of 2.13 ha/pa. Exclusive of take-up at Oakham Enterprise Park
Short Term Land Take-up	18.93	41.37	9.85	-3.20	(29.09)	Based on last nine years take-up of 1.97ha/pa. Exclusive of take-up at Oakham Enterprise Park
Employment based on adjusted stock	18.93	+8.11 Growth +6.84 Change	+9.85 +9.85	N/A	1) 0.97 2) 2.24	Based on 1) projected growth sectors 2) projected employment change across sectors
Resident Workforce based on adjusted stock	18.93	+2.22 Growth -5.70 Change	+9.85 +9.85	N/A	1) 6.86 2) 14.78	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group 2015

\*Realistic land supply at 31<sup>st</sup> March 2015

10.57 The variation in the outcome figures demonstrates the uncertainty of forecasting. The outputs range from an oversupply of 14.78 ha to a shortfall of 33.25 ha. However, from the market assessment and also reviewing the historic trends in employment change and land take up, the conclusion is that the employment based forecasts underestimate land needs significantly. When a comparison of past employment changeover the period 1996-2015 is made, actual land take-up is around four times the estimate that the growth only sectors suggest. Applying this ratio to future needs brings the estimated land requirement much closer.

10.58 The resident worker forecast suggest that there is a sufficient surplus in the existing realistic supply to meet the employment land needs to 2036. However, as discussed above, this analysis is not as targeted or directly applicable to the assessment of employment land in Rutland in comparison to the labour demand assessment.

10.59 In conclusion, it is considered that the most appropriate forecast is the short term historic take up rate based on the realistic adjusted stock, and allowing for homeworking, which suggests a shortfall of 29.09 ha to 2036.

10.60 The preferred model can be summarised as follows:

**Short Term (Nine Year) Take Up Model**

15. Nine years of recorded take up 2006/07-2014/15, excluding take up at Oakham Enterprise Park = 17.72 ha
16. Average annual take up rate:  $17.72 \div 9 = 1.97$  ha/year
17. Forward projection of average annual take up rate 2015-2036 (21 years):  $1.97$  ha/year x 21 = 41.37 ha
18. Additional buffer, five years of further take up at 1.97 ha/year:  $1.97$  ha/year x 5 = 9.85 ha
19. Total need, inclusive of buffer:  $41.37$  ha +  $9.85$  = 51.22 ha
20. Less realistic land supply (18.93 ha) = 32.29 ha
21. Less an allowance of 3.20 ha for homeworkers, who will not need B-Class premises = **29.09 ha (remaining need)**.

10.61 This measure of need is considerably higher than that recorded to 2031 in the 2013 Employment Land Assessment, when a need of only 4.74 ha (after the realistic supply was excluded) was identified under the Short-Term Take Up model. The reasons for this substantial change are discussed in Section 8.0, but can be summarised as:

- Revised (increased) Take Up figures provided from 2007 onwards
- An additional three years take up analysed – 2012/13-2014/15
- A longer period of forecasting – 21 years to 2036, compared to 14-19 years
- No accounting for homeworking in 2013.

10.62 All these factors have increased the average annual take up rate, from 1.03 ha/year in 2013 to 1.97 ha/year in this study. Accordingly the total need increases when that increased take up rate is projected forward over the (longer) Local Plan Period.

10.63 Rutland's previous take up can be split by the main employment use classes – B1(a, b, c), B2, B8. Table 42 applies the same proportionate split to Rutland's projected supply shortfall, to 2036.

10.64 Thus, if new land provision is tailored to fit past development, around 27 percent of the allocation should be for B1(a) offices, around a quarter should be B1(c)/B2 industrial space and 43 percent B8 storage or distribution. The remaining 6.8 percent should be proposed for a mix of B-Class uses.

**Table 42 – Residual Need, Split by Use Class\***

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (27.0)	B1(b) (0.0)	B1(c) (4.4)	B2 (18.8)	B8 (43.0)	Mixed (6.8)	
Short Term Take Up Trend	7.86	-	1.28	5.47	12.50	1.98	29.09

Source: BE Group, 2015

\*When measured against realistic supply and allowing for homeworking.

### Meeting Needs

- 10.65 This study has identified the need for 32.29 ha of land to 2036, above that already available in the County’s employment land supply. Market consultations suggest that the bulk of that extra land may not be required until later in the Plan period, but that existing large businesses do have expansion/relocation requirements that will need to be met in the short and medium term.
- 10.66 Current and future reviews of the Local Plan will therefore need to consider suitable sites for meeting this further need. In this regard it is worth noting that over September-November 2015 the Council undertook a Call for Sites exercise, looking to identify possible future employment and housing development sites. The results of that exercise are now being considered by the County Council.

### The Needs of Non-B Class Uses

- 10.67 Forecasting suggests that relevant non B-Class uses (retail; accommodation and food service activities; education; human health and social work activities; arts, entertainment and recreation) could provide some 1,400 more jobs in Rutland by 2036.
- 10.68 Employment land at Local Plan Employment Site 1, Land North of Pillings Road, Oakham (Oakham North) has been lost to a number of non B-Class employment uses in the past. Modest losses of developed employment land to other uses are also a prospect, with the most significant, identified at this time, being the Tim Norton Motor Services garage, Long Row, Oakham which is now proposed for retail uses in the Local Plan.

- 10.69 Elsewhere, Rutland's schools and colleges have a range of land needs, primarily for greenfield sports facilities, parking and plant nursery facilities which are unlikely to be accommodated on employment land.
- 10.70 Uses that may be located on active employment land are likely to include gyms, small scale medical and veterinary clinics, petrol filling stations and food outlets. Assuming there are no further losses of allocated employment land at Oakham, then the general loss of employment land to non B-Class uses is not likely to exceed 3 ha of allocated employment land over the plan period. **This likely loss is accounted for within the five year buffer of additional take up applied to needs calculations, as described above.**

## 11.0 RECOMMENDATIONS

### Introduction

- 11.1 This section sets out the consultants' recommendations arising from the Employment Land Assessment. The recommendations in this report have had full regard to the requirements of the NPPF to encourage and deliver growth through the planning system. It should be noted that several of the general recommendations have not changed since the 2013 Employment Land Assessment and these are only summarised here.

### Employment Land Supply

#### Recommendation 1 – Employment Land Provision Definition

- 11.2 The NPPF does not define employment land provision within the main document. However Annex 2 defines economic development as *“development, including those uses within the B use classes, public and community uses and main town centre uses (but excluding housing development)”*.
- 11.3 For the purpose of this study the current available land supply in Rutland is defined as nine sites as at 31<sup>st</sup> March 2015. These total 20.87 ha and are identified in Section 6.0 Table 22. Employment land site proformas for the nine sites are included within Appendix 5.

#### Recommendation 2 – Employment Sites and Areas to be Retained

- 11.4 The NPPF provides the opportunity for Rutland County Council to identify 'key employment sites' that are considered to significantly contribute to the County's land supply for B-Class uses. It enables these to be safeguarded for B-Class uses and other employment uses which achieve economic enhancement without detrimental impact to either the site or the wider area. These were identified in the 2013 Study, under Recommendation 2 (pages 126-129) as:
- Hanson Cement Works, Ketton
  - Market Overton Industrial Estate, Market Overton
  - Oakham Office Park, Oakham
  - Oakham Enterprise Park, Oakham
  - Pillings Road Industrial Estate/Lands End Way, Oakham

- Uppingham Gate, Uppingham
- Wireless Hill, South Luffenham.

11.5 This list remains unchanged in 2015, as does the guidance associated with it. It is not repeated here.

### **Recommendation 3 – Accounting for Large Business Relocation**

11.6 Rutland's Employment Areas are performing well at present with low void rates and a healthy mix of micro and larger businesses in many locations. The main future threat is likely to come from large business looking to relocate and expand away from their current locations. 12 of the 19 businesses consulted for this study expressed a strong desire for growth that could result in them leaving their current locations. The land requirements of some of these businesses extend up to 7.5 ha, while premises needs are up to 10,000 sqm.

11.7 Requirements of this size will be understandably hard to meet in a rural authority like Rutland, yet needs will have to be met if these businesses are to be retained in the County over the long term. This study has identified additional land needs of 32.29 ha to 2036 and the growth of existing local firms is likely to be a key component of that future demand. The further land allocated to meet needs will therefore need to include sites of a size and location suitable for meeting major business requirements.

11.8 However, of equal concern is the sites they will leave behind when they move. While Rutland does not have a large stock of older budget quality employment premises, existing large facilities will currently be configured to meet the very needs of specific firms. In most cases successfully marketing these specialised sites to other single occupiers will not be viable. Significant investment may be required to refurbish and sub-divide sites and, faced with viability gaps, landowners may seek profitable redevelopment options for higher value uses such as retail and housing.

11.9 Such sites will need to be dealt with on a case by case basis, reflecting the nature of the location, the costs of refurbishing space to a marketable condition and the gap in financial viability (following a formal valuation exercise) this generates. The priority should be to protect land in Rutland's key employment areas, as defined above and in the 2013 Study. Redevelopment to other uses should only be considered if the applicant can demonstrate exceptional circumstances, i.e. provide strong market and financial evidence that restoring the site will never be viable.

#### **Recommendation 4 – Future Employment Land Provision**

- 11.10 The identified realistic land supply of 18.93 ha, at 31st March 2015, suggests a shortfall of 29.09 ha when measured against the short term (nine year) employment land take up over 2015-2036, and inclusive of a five-year buffer and a deduction of 3.20 ha for homeworking. Using the longer term take up model (19 years), and again including a five year buffer/homeworking deduction, increases the need to 33.25 ha. However, as noted, the long term take up period includes 10 years of take up (1996-2006) where it is not possible to verify the accuracy of specific figures. The short term period is thus more accurate.
- 11.11 The forecasts of industry sector activity (jobs), suggest land surpluses of 0.97-2.24 ha to 2036. However, BE Group does not recommend that the economic forecasts be the basis for defining employment land provision up to 2036. This is because the forecasts represent the absolute minimum amount of land required to accommodate the activities of different industry sectors. Other issues include:
- That within sectors expected to decline (particularly manufacturing) there will still be businesses that will grow and expand
  - That there will be local market churn
  - That there will be need to maintain a choice of supply by size, type, location and quality of sites and premises for businesses at differing levels of their maturity
  - That there should be a continuing forward supply to accommodate site development beyond 2036
  - The level and nature of the existing employment land supply at 31<sup>st</sup> March 2015.
- 11.12 The East of England forecasting also appears pessimistic in that it suggests that overall jobs growth in Rutland over the next 21 years will be far lower than the growth that has been achieved since 1996. Certainly, both stakeholder consultations and forecast data indicates strong growth aspirations in the local manufacturing sector and in many other sectors as well. Rutland should therefore aspire to match (and exceed) the economic growth it has achieved in the recent past.
- 11.13 The resident worker forecast suggest that there is a sufficient surplus in the existing realistic supply to meet the employment land needs to 2036. However, this is not felt

to provide a 'whole economy' approach in that it does not account for in-commuting or the actual needs of businesses. Rather it is solely based on jobs needs of Melton's growing resident population over the two study periods.

11.14 It is therefore recommended that Rutland County Council use the roll forward of historic take-up as the main measure of Rutland's future land needs for the period up to 2036 (see Table 43). Specifically, the Council should use a roll forward of short term (nine year) take up which is judged to be the most accurate data. This indicates a need of 51.22 ha (inclusive of a five year buffer of 9.85 ha) to 2036. Measured against the Borough's current realistic supply and making some allowance for homeworking, there is a need for a further 29.09 ha to 2036.

**Table 43 – Land Forecast Models – Summary**

Model	Land Stock 2015, ha*	Land Need 2015-2036, ha	Buffer (five years take-up rate) ha	Deduction for Homeworking	Surplus (Shortfall), ha	Assumptions
Long Term Land Take-up	18.93	44.73	10.65	-3.20	(33.25)	Based on historic (19 years) take-up of 2.13 ha/pa. Exclusive of take-up at Oakham Enterprise Park
Short Term Land Take-up	18.93	41.37	9.85	-3.20	(29.09)	Based on last nine years take-up of 1.97ha/pa. Exclusive of take-up at Oakham Enterprise Park
Employment based on adjusted stock	18.93	+8.11 Growth +6.84 Change	+9.85 +9.85	N/A	1) 0.97 2) 2.24	Based on 1) projected growth sectors 2) projected employment change across sectors
Resident Workforce based on adjusted stock	18.93	+2.22 Growth -5.70 Change	+9.85 +9.85	N/A	1) 6.86 2) 14.78	Based on 1) projected growth sectors 2) projected employment change across sectors

Source: BE Group 2015

\*Realistic land supply at 31<sup>st</sup> March 2015

11.15 Rutland's previous take up can be split by the main employment use classes – B1(a, b, c), B2, B8. Table 44 applies the same proportionate split to Rutland's projected supply shortfall, to 2036.

**Table 44 – Residual Need, Split by Use Class\***

Period	Use Class (Percentage Split, percent)						Total (ha)
	B1(a) (27.0)	B1(b) (0.0)	B1(c) (4.4)	B2 (18.8)	B8 (43.0)	Mixed (6.8)	
Short Term Take Up Trend	7.86	-	1.28	5.47	12.50	1.98	29.09

Source: BE Group, 2015

\*When measured against realistic supply and allowing for homeworking

11.16 However, in reality modern companies frequently require a mix of office, industrial and storage space, tailored to their individual needs. The full range of needs which may emerge cannot be predicted in advance and indeed the requirements of companies change as they grow. Demand from different sectors will also fluctuate over the lifetime of the Local Plan. Thus policy should avoid proscriptions on what B-Class uses can or cannot locate on employment sites, unless there are specific environmental reasons for excluding some uses, such as the proximity of land to housing.

#### **Recommendation 5 – Protecting Local Plan Employment Sites**

11.17 The needs calculations above assume a realistic employment land supply of 18.93 ha against a need of 51.22 ha.

**11.18 Protection of the remaining undeveloped employment land for B1/B2/B8 development thus needs to be considered a policy priority. Further losses in the land supply, to alternative uses, should be resisted.**

#### **Recommendation 6 – Providing New Business Accommodation**

11.19 Market research suggests demand for further start-up and micro business space in Rutland, with emphasis on workshop and storage options over offices. This demand is likely to become particularly acute over the next few years as Oakham Enterprise Park, the main local source of such units since 2013 is close to capacity.

**11.20 Further market research may be required to confirm the conclusions of this study however, it is still recommended that the provision of more start-up and micro business accommodation be sought particularly in further phases of Oakham Enterprise Park.**

**Recommendation 7 – Future Reviews**

11.21 This report has shown how market conditions in Rutland have changed in only the two years since the completion of the last Employment Land Assessment. In addition this study has suggested a need for some further land allocations to 2036, while take up on many of Rutland's existing large sites is now looking more likely in the medium term. In view of these factors, as was recommended in 2013, Rutland should review its employment land portfolio at intervals of around three years (Recommendation 5, page 132 of the 2013 report).

**Recommendation 8 – Maintain Awareness of External Influences**

11.22 As a first point, Rutland County Council must recognise its role, together with its neighbours, in developing the economy of its functional economic market area. In this respect they are interconnected, to varying degrees, on a number of levels.

11.23 As was the case in 2013, discussions with the adjoining local authorities of Leicestershire, Lincolnshire, Cambridgeshire and Northamptonshire indicate that they all have sufficient land allocations (both existing and proposed) to meet their projected needs. There is therefore no immediate need for them to look to Rutland for support in land provision.

11.24 However, there are still a number of issues and opportunities in which some of the wider area local authorities' interests will overlap, and where joint working is advisable. Some of these were discussed in Recommendation 6 (page 133) of the 2013 Employment Land Assessment. As noted above, there is also a possibility that Rutland may need to look to its neighbours to provide (limited) support in meeting employment land targets.

## Appendix 1

### List of Consultees

## **Appendix 1 – Consultees**

Belton in Rutland Parish Council  
Bradshaw Taylor  
Brooke Priory School  
Budworth Hardcastle  
Burley Appliances  
C. S. Ellis (Group)  
CBS Products  
Corby Borough Council  
Cottesmore Parish Council  
Culshaw Partnership  
Defence Infrastructure Organisation  
EducationCity  
Greetham Parish Council  
Hanson Cement  
Harborough Borough Council  
Hawksmead (Larkfleet Group)  
Herbs in at Bottle  
Knight Farm Machinery  
Leicester City Council  
Linecross  
Maple Leaf Financial  
Mecce Alte  
Melton Borough Council  
Oakham School Trustees  
Peterborough City Council  
Richardson  
RPC Superfos  
Rutland County Council District Council  
Rutland Plastics  
Ryhall Parish Council  
Shouler and Sons  
South Kesteven District Council  
South Luffenham Parish Council  
Stamford Storage  
The Trustees of Uppingham School  
The Wool Room  
Tim Norton Motor Services  
True Perch  
Uppingham Community College  
Woodstream Europe

## Appendix 2

### Rutland Vacant Property Schedules for Industrial and Offices

## Appendix 2 – Rutland Vacant Property Schedules

**Table A2.1 – Schedule of Industrial Premises**

<b>Industrial</b>				
<b>Property</b>	<b>Settlement</b>	<b>Tenure</b>	<b>Quality</b>	<b>Size, Sqm</b>
Signal House, Station Road	Uppingham	Either	Moderate	719
27 Pillings Road, Pillings Road Industrial Estate	Oakham	Either	Moderate	549
Unit 18c, Oakham Enterprise Park, Ashwell	Oakham	Leasehold	Good	216
Units F2 and F4, Market Overton Industrial Estate, Ironstone Lane	Market Overton	Leasehold	Moderate	212
Fernie Court, Station Road	Uppingham	Leasehold	Moderate	130
Long Row	Oakham	Leasehold	Good	111
The Old Forge, Station Road	Uppingham	Leasehold	Moderate	37

Source: BE Group, 2015

**Table A2.2 – Schedule of Office Premises**

<b>Office</b>				
<b>Property</b>	<b>Settlement</b>	<b>Tenure</b>	<b>Quality</b>	<b>Size, Sqm</b>
Unit 20, Oakham Enterprise Park, Ashwell	Oakham	Leasehold	Good	280
Ground Floor, Unit E, Uppingham Gate Business Park	Uppingham	Either	Good	228
First Floor, Unit E, Uppingham Gate Business Park	Uppingham	Either	Good	228
Ground Floor, 33-35 Pillings Road, Pillings Road Industrial Estate	Oakham	Leasehold	Moderate	195
Mecc Alte Enterprise Centre, Lands End Way	Oakham	Leasehold	Moderate	188
29 Pillings Road, Pillings Road Industrial Estate	Oakham	Either	Moderate	111
Long Row	Oakham	Leasehold	Moderate	87
Office B, The Stables, Jubilee Lodge Business Park, Brooke Road	Ridlington	Leasehold	Moderate	84
Suite 3, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	80
Suite 2, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	70
Suite 6, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	70
First Floor, Melton Road	Oakham	Leasehold	Moderate	67
Burley Corner	Oakham	Leasehold	Moderate	63

<b>Office</b>					
<b>Property</b>	<b>Settlement</b>	<b>Tenure</b>	<b>Quality</b>	<b>Size, Sqm</b>	
Suite 1, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	60	
First Floor, 35 High Street	Oakham	Leasehold	Moderate	58	
12a Mill Street	Oakham	Leasehold	Moderate	48	
Unit 4, Ashwell Business Units, Ashwell Road, Ashwell	Oakham	Leasehold	Moderate	47	
Office A, The Haybarn, Jubilee Lodge Business Park, Brooke Road	Ridlington	Leasehold	Moderate	46	
Suite 3a, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	40	
Suite 3b, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	40	
14 Church Street	Oakham	Leasehold	Moderate	39	
Unit 23b, Oakham Enterprise Park, Ashwell	Oakham	Leasehold	Good	36	
First Floor, 25 Mill Street	Oakham	Leasehold	Moderate	34	
Suite 2a, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	30	
Suite 2b, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	30	
Suite 4, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	30	
Office 3 (Oak), The Rural Business Community, Grange Lane	Seaton	Leasehold	Good	27	
Suite 5, Uppingham Gate Business Park, Ayston Road	Uppingham	Leasehold	Good	20	
Second Floor, 30b High Street East	Uppingham	Leasehold	Moderate	19	
Unit 2, Ashwell Business Units, Ashwell Road, Ashwell	Oakham	Leasehold	Moderate	19	
Suite 2. Glaston Hall	Glaston	Leasehold	Moderate	19	
Unit 6, Ashwell Business Units, Ashwell Road, Ashwell	Oakham	Leasehold	Moderate	17	
Office 1 (Beech), The Rural Business Community, Grange Lane	Seaton	Leasehold	Good	17	
Office 2 (Elm), The Rural Business Community, Grange Lane	Seaton	Leasehold	Good	7	

Source: BE Group, 2015

## Appendix 3

### Sites Appraisal

### Appendix 3 – Potential Employment Sites Monitoring Appraisal

- A3.1 The Council track a large number of sites as part of its annual monitoring. However an assessment of them indicates that most are less than 0.25 ha in size. Paragraph 10 of the PPG 'Housing and Economic Land Availability Assessment' states that "*The [Employment Land] assessment should consider all sites and broad locations capable of delivering ...economic development on sites of 0.25ha (or 500 sqm of floorspace) and above.*" While the PPG then goes on to say that "*where appropriate, plan makers may wish to consider alternative site size thresholds*" a threshold of 0.25 ha was used in the 2013 Employment Land Assessment Review and, for consistency, will be used again in this study.
- A3.2 Some of the monitored developments are also building conversions, changes of use or rebuilds, without a change of use, rather than being sites. Again monitored locations are excluded where they will not deliver any new B-Class employment land.
- A3.3 In most cases the proposed employment floorspace has been given an equivalent employment land figure using a multiplier of 3,900 sqm/ha. This equates to a typical industrial estate/business park development density for both office and industrial schemes. This appendix outlines the assumptions made about sites included in the Council's monitoring records, explaining why certain sites have been deleted or why revised site areas have been used.

**Table A3.1 – Employment Sites Monitoring Appraisal\***

Category	Address	Proposed floorspace, sqm	Size, ha	Comment
Employment site	Meadow Park Industrial Estate, Glen Industrial Estate, Essendine	1,544	1.40	Full permission for a 1,544 sqm B8 warehouse This will require 0.40 ha at a development density of 3,900 sqm/ha. However, the larger site size (1.40 ha) reflects other vacant land known to be available in that area Included
Employment site	Warehouse No. 5, Wireless Hill, South Luffenham	1,589	0.41	Full permission for a 1,589 sqm extension to a B8 warehouse Included
Retrospective	Pullman Trading Estate, Station Road, Uppingham	1,068	0.27	Retention of industrial unit (Class B1 or B2) and associated works. (Retrospective revision of FUL/2000/0949).

Category	Address	Proposed floorspace, sqm	Size, ha	Comment
				Excluded as retrospective. Also primarily a consent to retain existing B-Class property rather than develop new accommodation
Change of use	Units 24-34 Station Approach Industrial Estate, Station Approach, Oakham	910	0.23	A change of use from a Sui Generis highways depot to B1(c)/B8 industrial/warehouse use. Excluded as change of use
Building conversion	Glebe Farm, Cold Overton Road, Oakham	880	0.23	Change of Use of redundant agricultural buildings to B8 (storage) use. Excluded as building conversion
Employment site	Linecross Plastics, Station Road, South Luffenham	525	0.13	Full permission for a 525 sqm extension to a B8 warehouse Will provide more than 500 sqm of new floorspace Included
Change of use	31a Pillings Road, Oakham	270	0.07	Change of use from furniture store (Class B8) and retail (Class A1) to motor repair and MOT garage (Class B2). Below 0.25 ha/500 sqm threshold. Also partly a change of use within the employment categories, from B8 to B2. Excluded
Employment site	Adams and Sons Ltd, Glaston Road, Morcott	136	0.03	Construction of a single storey extension to the workshop Below 0.25 ha/500 sqm threshold Excluded
Employment site	RPC Containers, Schofield Road, Oakham	100	0.02	Construction of 8 storage silos for polymer granules. Below 0.25 ha/500 sqm threshold Excluded
Employment site	Gunthorpe Farm, Hall Drive Gunthorpe	50	0.01	Various small developments and conversions Below 0.25 ha/500 sqm threshold Excluded
Building conversion	The Old Forge, Main Street, Market Overton	37	0.009	Change of use from dwelling to office. Excluded as building conversion also below 0.25 ha/500 sqm threshold Excluded
Retrospective	Rutland Garden Centre, Ashwell Road, Oakham	15	0.004	Retrospective application for the Change of Use of part of the existing car park to a car

Category	Address	Proposed floorspace, sqm	Size, ha	Comment
				wash facility, and permanent location of a pre-fabricated office unit Excluded as retrospective – development has already taken place

Source: BE Group/RCCDC, 2015

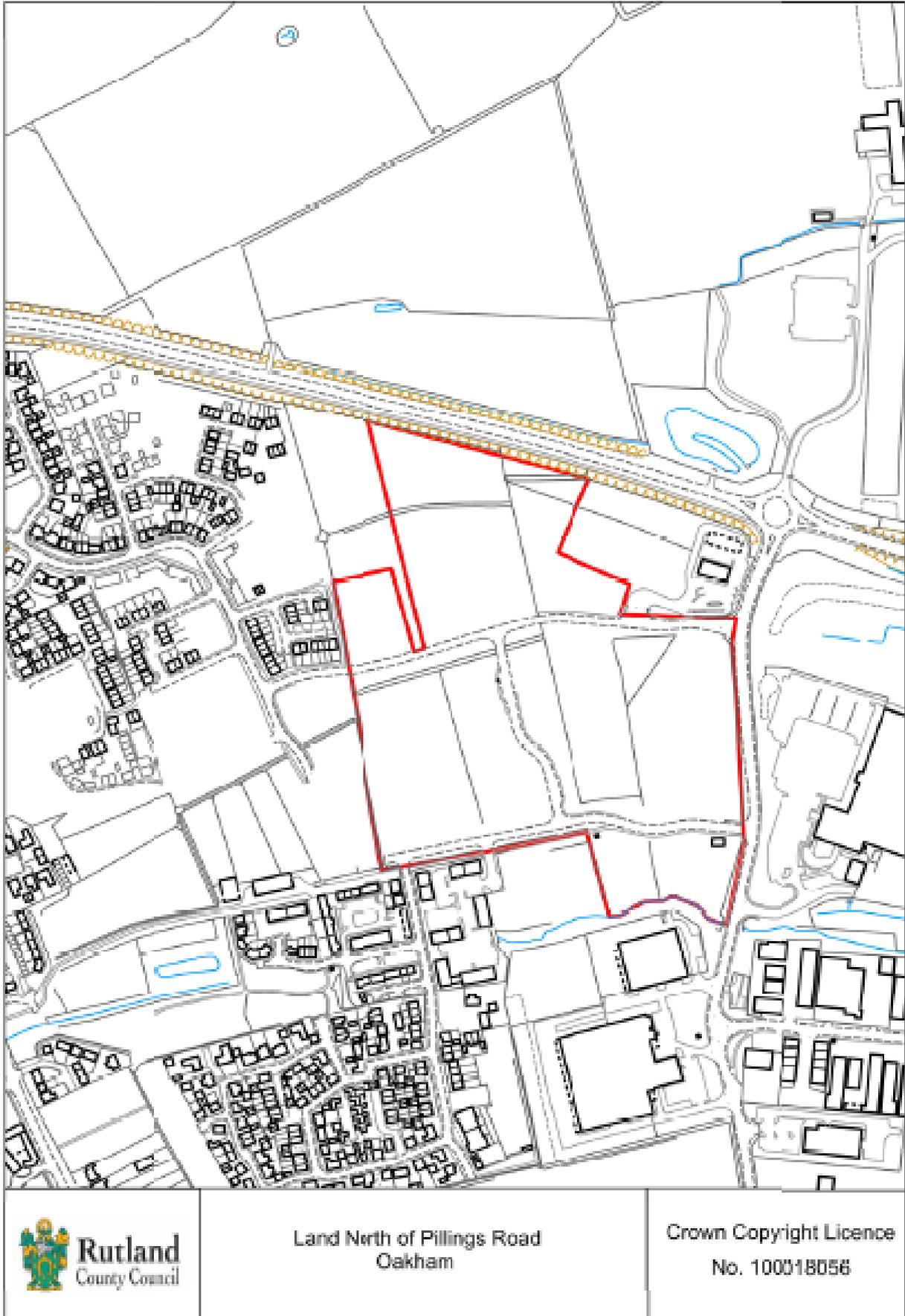
\*The 15 ha of employment land remaining on Rutland's Local Plan employment sites is discussed separately in Section 6.0.

## Appendix 4

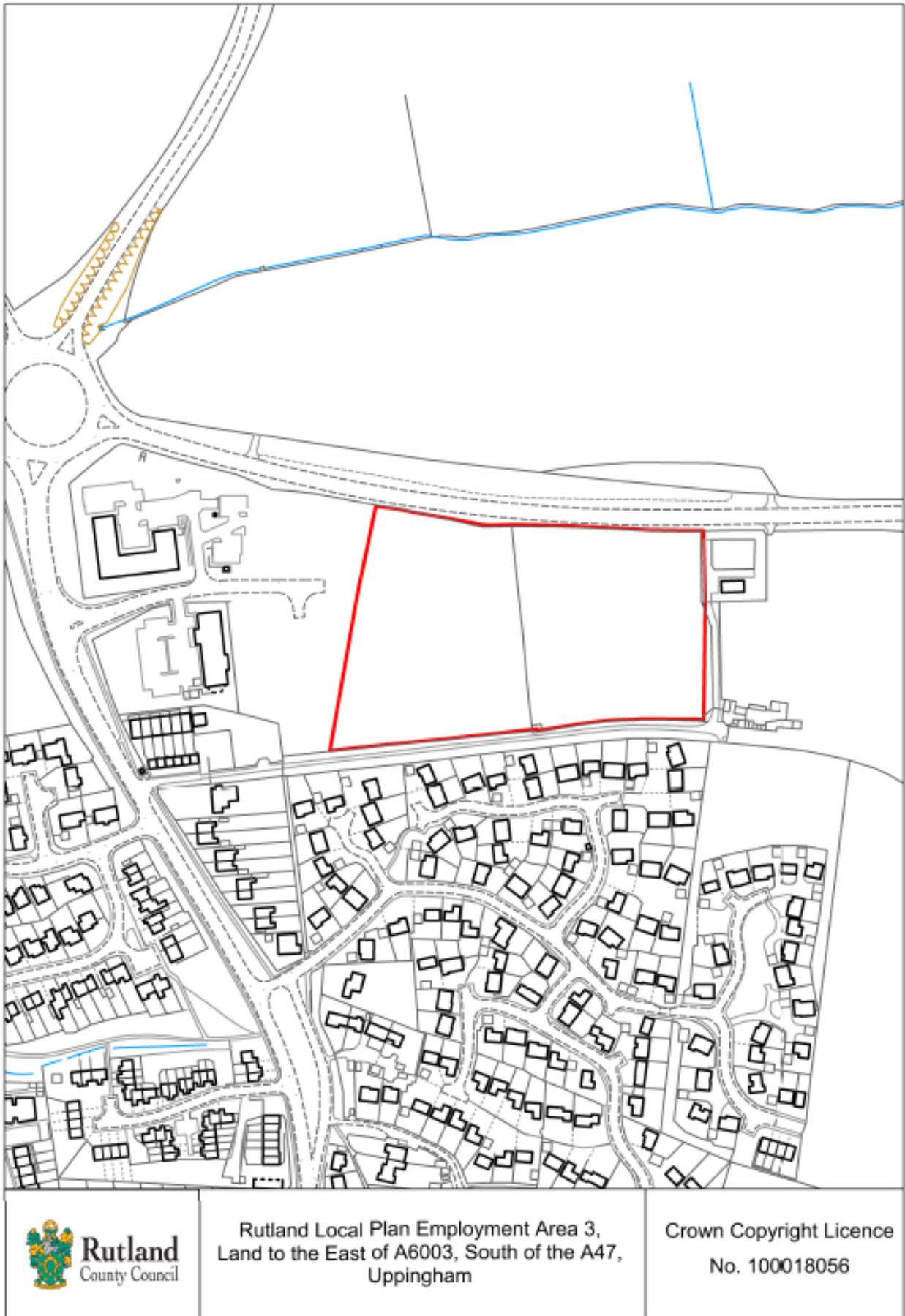
### Employment Site Proformas

#### Appendix 4 – Employment Site Proformas

<b>Site Ref (where relevant): Name</b>	Local Plan Employment Site 1: Land North of Pillings Road, Oakham (Oakham North)
<b>Owner</b>	Hawksmead (part of the Larkfleet Group)
<b>Agent(s)</b>	-
<b>Size, ha</b>	9.71ha
<b>Market Availability</b>	6.78 ha, fronting Lands End Way, is on the market for design and build employment uses.
<b>Planning</b>	Safeguarded Employment Land – Core Strategy Policy CS13 OUT/2003/1181/MS – Outline permission for B1/B2/B8 uses. Extension of time to develop, for up to nine years, to 2023 was secured in 2014 (2013/0598/FUL).
<b>Proposal</b>	EIA screening opinions for residential and associated development have been sought on several plots in the south west of this site
<b>Constraints</b>	Agricultural land Trees on site
<b>Comments</b>	<p>Some 1.80 ha of land to the north west, fronting the Burley Park Way, has consent or has been developed for non-employment uses by Hawksmead:</p> <ul style="list-style-type: none"> <li>• Petrol filling station (planning ref APP/2012/0011) – developed (6,318.80 on 0.47ha)</li> <li>• Foodstore – a 1,420 sqm foodstore with 990 sqm of net retail space on 0.59 ha was consented in 2014 (2014/0258/FUL). A planning application for a larger Aldi foodstore was submitted in October 2015 (2015/0829/MAJ). If approved the larger store would comprise a gross area of 1,743 sqm on a site of 0.71 ha. The net A1 retail area would be 1,254 sqm, combined with 489 sqm of B8 storage space associated with the store. The new store’s alignment differs from that in the previous application, offering greater A606 frontage</li> <li>• Pub/restaurant – developed (‘The Old Buttercross’)</li> <li>• Hotel – outline permission secured on 0.38 ha (APP/2010/1216). The owner is in talks with an operator and accordingly a revised outline planning application was submitted in October 2015 (2015/0968/OUT), which seeks a C1 hotel of 1,509 sqm comprising some 80 rooms. The size of the site remains unchanged at 0.38 ha.</li> </ul> <p><i>N.B. Completed developments in the above list have been deducted from the total site size.</i></p>
<b>Likely Development Potential</b>	Office/industrial
<b>Serviced</b>	No
<b>Availability, years</b>	5+



<b>Site Ref (where relevant):Name</b>	Rutland Local Plan Employment Area 3, Land to the East of the A6003, South of the A47, Uppingham
<b>Owner</b>	Multiple , including the National Farmers Union
<b>Agent(s)</b>	Culshaw Partnership/Budworth Hardcastle
<b>Size, ha</b>	2.12
<b>Market Availability</b>	Remaining land is on the market, for sale, as a development opportunity site.
<b>Planning</b>	Safeguarded Employment Land – Core Strategy Policy CS13 FUL/2006/0204 –Full planning permission for 1,187 sqm of B1(a) offices, in two buildings
<b>Proposal</b>	-
<b>Constraints</b>	Sloping site Trees on site Some land in use for open storage
<b>Comments</b>	-
<b>Likely Development Potential</b>	Office
<b>Serviced</b>	No
<b>Availability, years</b>	5+



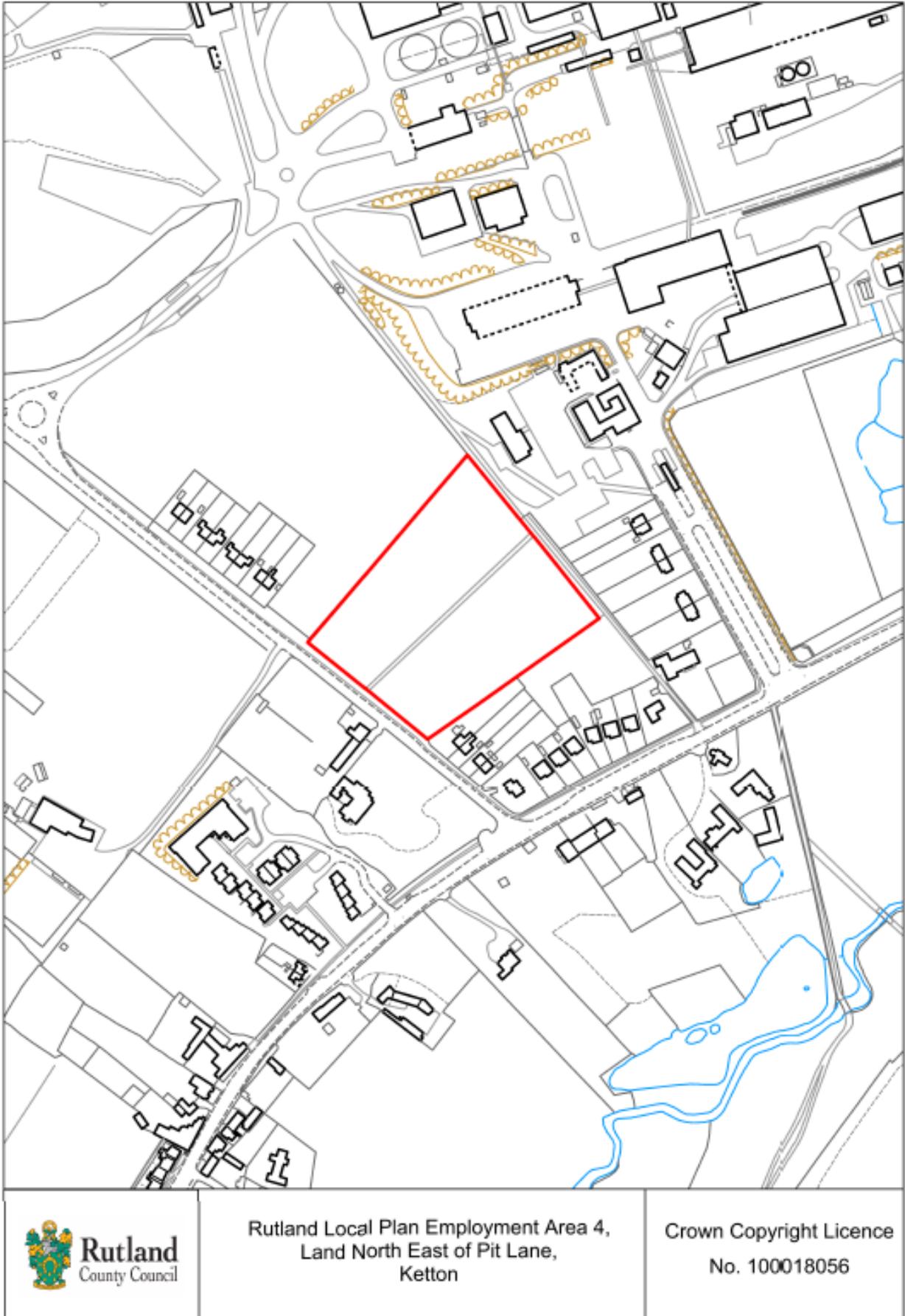
<b>Site Ref (where relevant):Name</b>	Site D, Uppingham Gate, Uppingham
<b>Owner</b>	Fendance
<b>Agent(s)</b>	-
<b>Size, ha</b>	3.00
<b>Market Availability</b>	Not available
<b>Planning</b>	<p>Proposed for Employment under '<i>Policy 6 - Industry and Employment - Site D - Uppingham Gate</i>' of the Uppingham Neighbourhood Plan. This Plan supports the approval of Site D as an extension of the employment offer at Uppingham Gate for B1, B2, B8 and waste related uses including:</p> <ul style="list-style-type: none"> <li>• <i>"A Data Centre, Techno Hub or other high tech employer (s)</i></li> <li>• <i>Light industry start up units</i></li> <li>• <i>A garage with fuel and a small shop</i></li> <li>• <i>Office units</i></li> <li>• <i>Light electrical</i></li> <li>• <i>Health Care Product related employment</i></li> <li>• <i>Environment friendly start ups</i></li> <li>• <i>Transport/coach interchange with public car parking."</i></li> </ul> <p>The Plan does not support heavy industry, housing, or uses which would generate excessive noise at night.</p> <p>Following the dismissal of the legal challenge to the neighbourhood plan in the Supreme Court in November 2015, the County Council is proposing the make the neighbourhood plan on 11th January 2016. This will allow development to progress on this site.</p>
<b>Proposal</b>	<p>No proposals at this time.</p> <p>Land could be linked to the adjacent Rutland Local Plan Employment Area 3 to deliver a larger development although this would require co-ordination of a number of landowners. The Uppingham Neighbourhood Plan supports a bid for Local Enterprise Partnership (LEP) for development funding for this site.</p>
<b>Constraints</b>	<p>Sloping site</p> <p>Trees on site</p> <p>Electricity substation on the site</p>
<b>Comments</b>	-
<b>Likely Development Potential</b>	Office/industrial
<b>Serviced</b>	No
<b>Availability, years</b>	5+



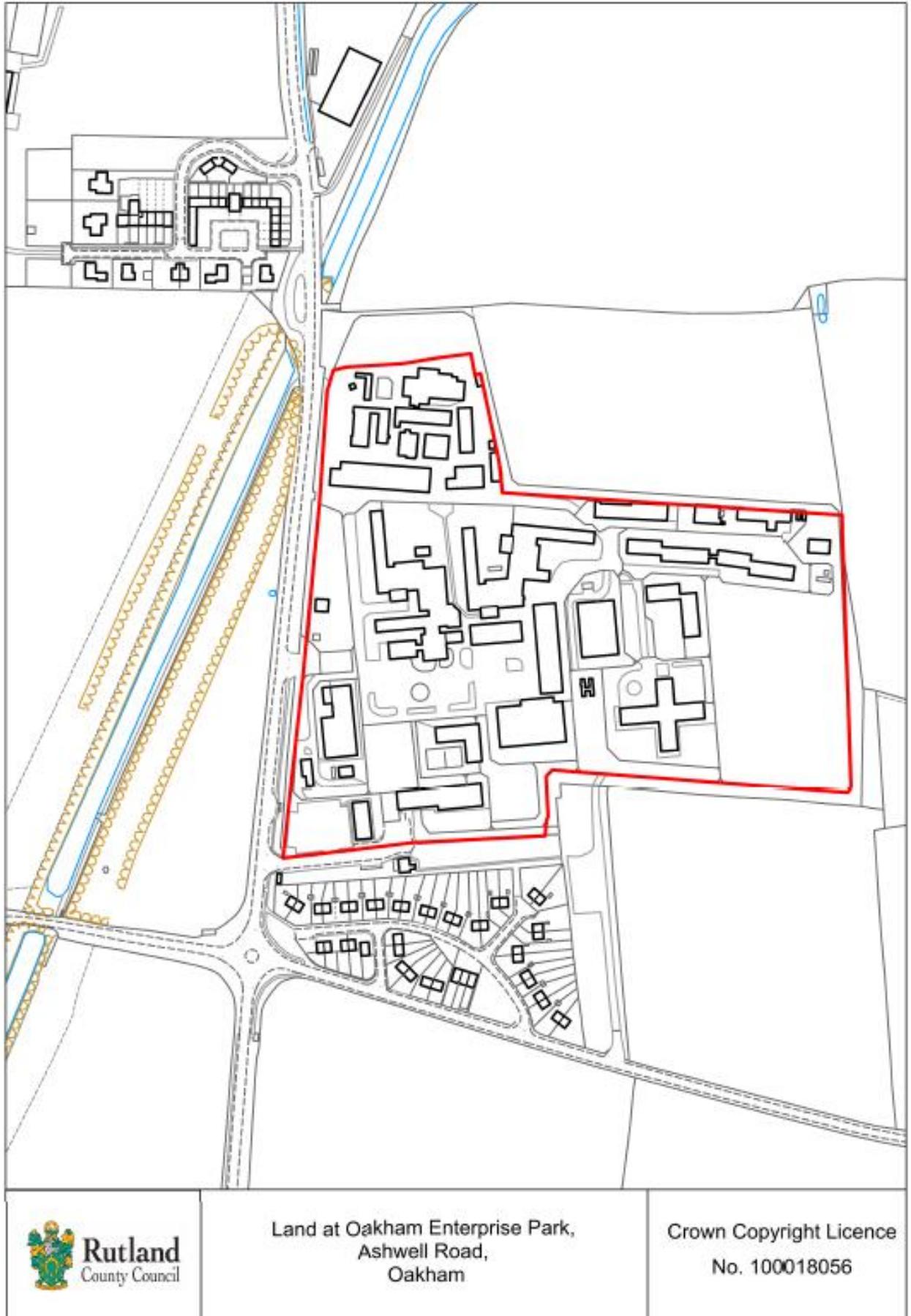
Site D Uppingham Gate  
Uppingham

Crown Copyright Licence  
No. 100018056

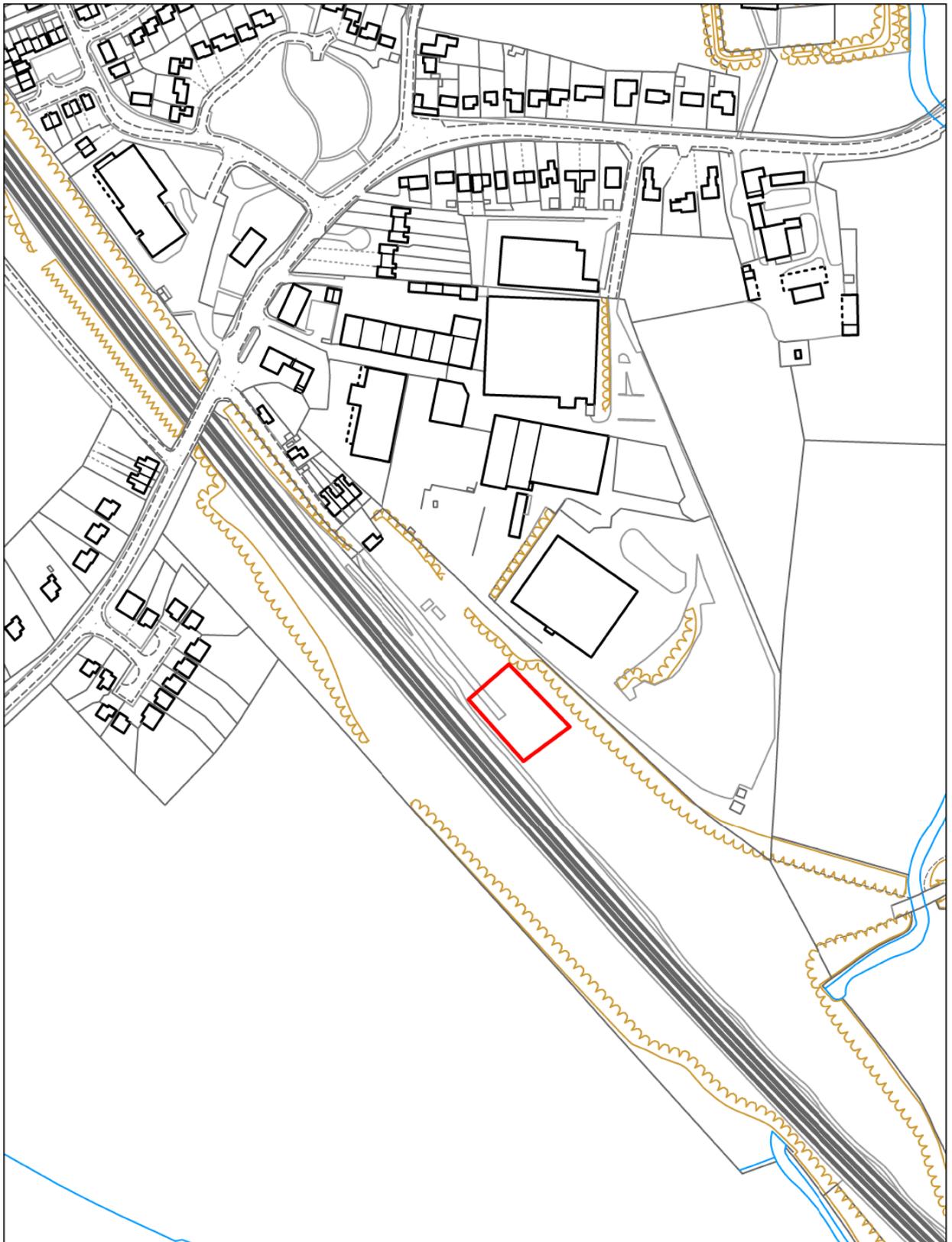
<b>Site Ref (where relevant):Name</b>	Rutland Local Plan Employment Area 4: Land North East of Pit Lane, Ketton
<b>Owner</b>	Private individuals
<b>Agent(s)</b>	Richardson
<b>Size, ha</b>	1.93
<b>Market Availability</b>	On the market, for sale, for a range of uses, subject to planning.
<b>Planning</b>	Safeguarded Employment Land – Core Strategy Policy CS13
<b>Proposal</b>	The site is partially in use by the owners, for open storage, who are willing to hold on to the land until the desired sale value is achieved Adjacent to Castle Cement Special Area
<b>Constraints</b>	Partially in use for open storage Cement works and housing adjacent Trees on site May include areas of ecological or archaeological value (further assessments are underway)
<b>Comments</b>	The land has been on the market since 2010.
<b>Likely Development Potential</b>	Industrial
<b>Serviced</b>	No
<b>Availability, years</b>	5+



<b>Site Ref (where relevant):Name</b>	Land at Oakham Enterprise Park, Ashwell
<b>Owner</b>	Rutland County Council District Council
<b>Agent(s)</b>	Rutland County Council District Council
<b>Size, ha</b>	1.54
<b>Market Availability</b>	On the market, offered for long (99 year) leasehold
<b>Planning</b>	APP/2013/0192 - Change of use permission for a change from a C2A Secure Residential Institution to B1, B2, B8 employment (with associated D1 (Non-residential), D2 (Assembly and Leisure) and Sui Generis uses)
<b>Proposal</b>	The site presently comprises cleared land (former cell blocks) in the centre of the complex.
<b>Constraints</b>	Cleared land, but servicing still required
<b>Comments</b>	On the market as either a large single serviced plot or a number of smaller serviced plots available on long lease terms for B1, B2 or B8 redevelopment. The Council has only been marketing land for a couple of months, but already had a lot of strong interest. Head of Terms were recently presented to a potential occupier on the central 0.12 ha of the site. A proposal for a 2,323 sqm warehouse development for another potential tenant has also been put forward.
<b>Likely Development Potential</b>	Office/industrial
<b>Serviced</b>	No
<b>Availability, years</b>	1-3

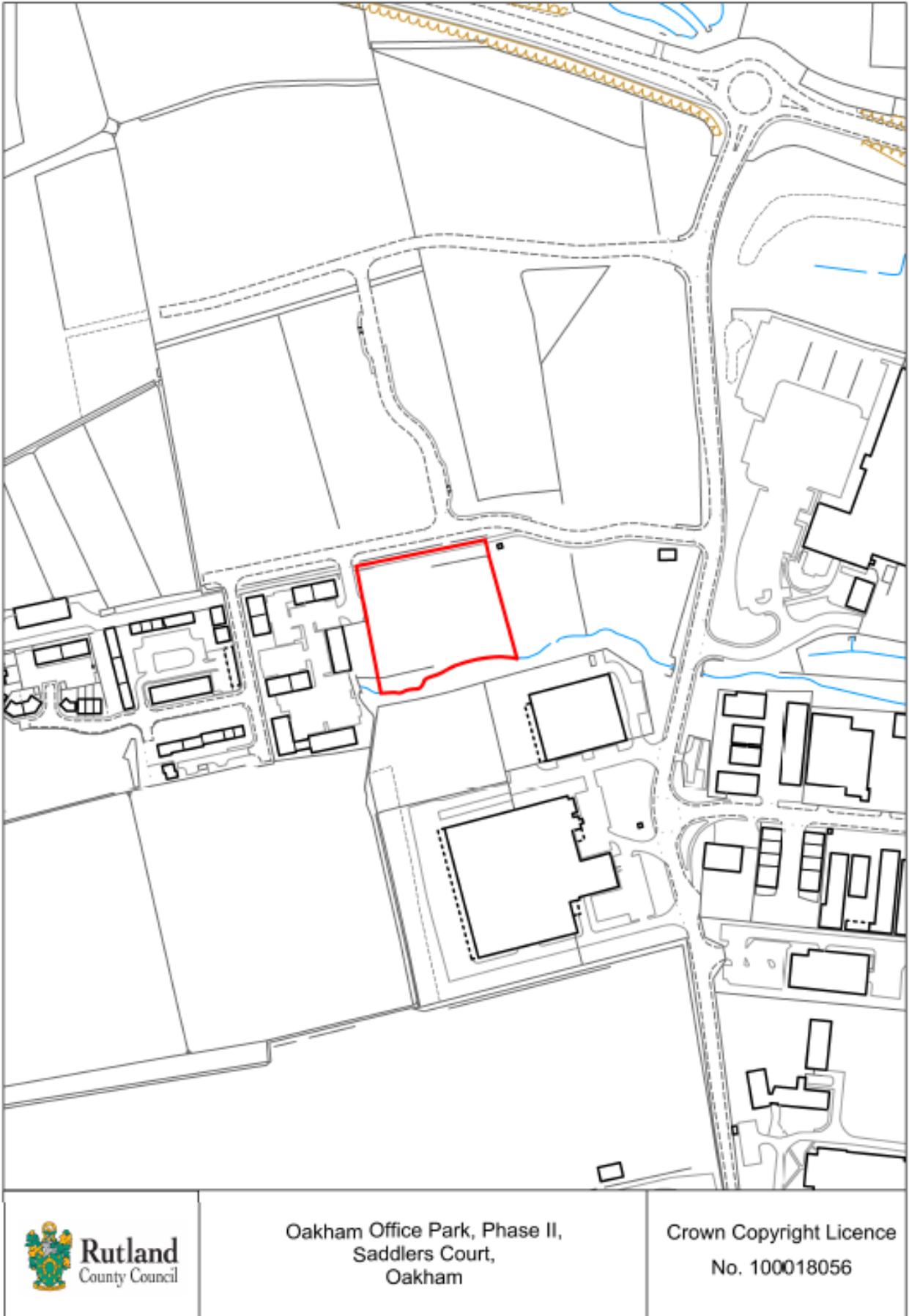


<b>Site Ref (where relevant):Name</b>	Meadow Park Industrial Estate, Glen Industrial Estate, Essendine
<b>Owner</b>	Eastern Properties Anglia (part of The Heys Group) (Let to multiple tenants)
<b>Agent(s)</b>	Arctica
<b>Size, ha</b>	1.40
<b>Market Availability</b>	Not available
<b>Planning</b>	FUL/2007/0827 – Full planning permission for a 1,544 sqm B8 warehouse (on 0.40 ha). In 2011 an extension of time (APP/2010/1158) was secured which lapsed in 2014.
<b>Proposal</b>	Previously proposed for a B8 warehouse, with a second industrial unit proposed to accommodate an existing tenant. Development has now occurred elsewhere in the industrial estate, accommodating Herbs in a Bottle. This site is now in use for open storage and the development, as currently envisaged, may not take place.
<b>Constraints</b>	Adjacent to railway line
<b>Comments</b>	-
<b>Likely Development Potential</b>	Industrial
<b>Serviced</b>	No
<b>Availability, years</b>	3-5

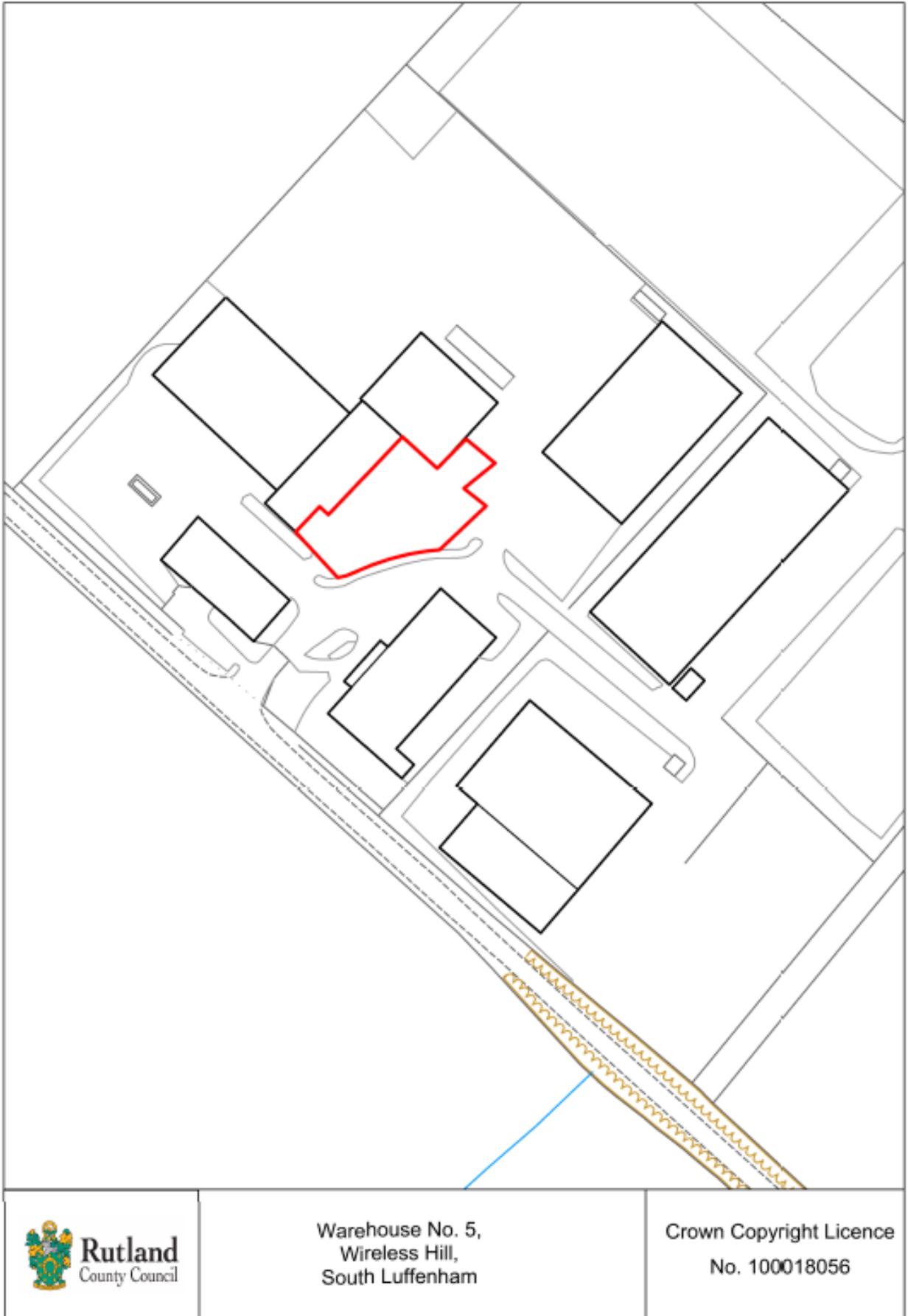


 <p><b>Rutland</b> County Council</p>	<p>Meadow Park Industrial Estate, Glen Industrial Estate, Essendine</p>	<p>Crown Copyright Licence No. 100018056</p>
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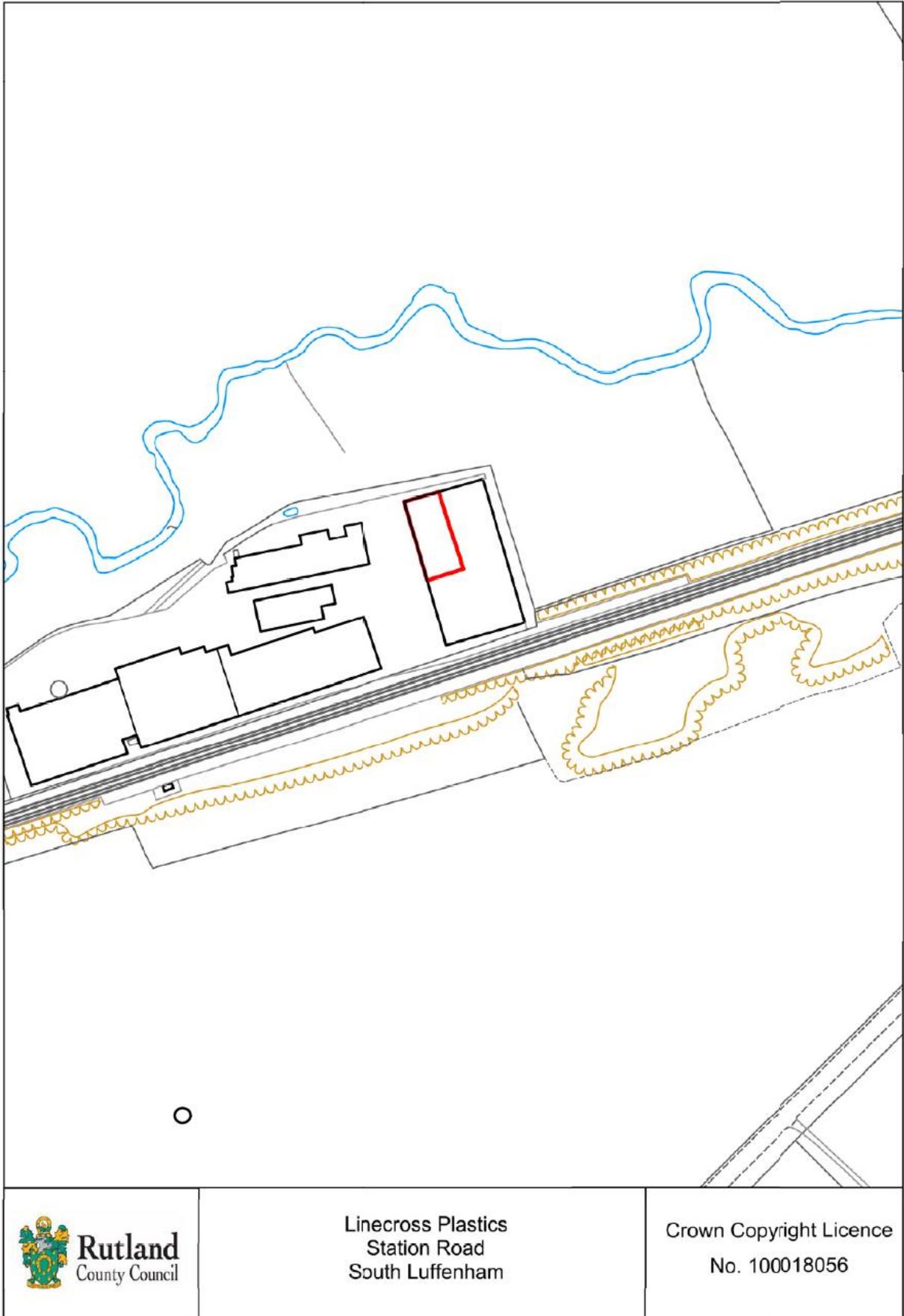
<b>Site Ref (where relevant):Name</b>	Oakham Office Park Phase II, Saddlers Court, Oakham
<b>Owner</b>	Hawksmead (part of the Larkfleet Group)
<b>Agent(s)</b>	Reid Commercial/Budworth Hardcastle
<b>Size, ha</b>	0.63
<b>Market Availability</b>	Marketed, for sale, for design and build offices of 163-2,323 sqm
<b>Planning</b>	Safeguarded Employment Land – Core Strategy Policy CS13 OUT/2003/1181 – Outline planning permission for ten B1(a) office units
<b>Proposal</b>	Proposed for offices of 163-2,323 sqm, of a similar design to Oakham Office Park Phase I
<b>Constraints</b>	-
<b>Comments</b>	Limited occupier interest in this land to date
<b>Likely Development Potential</b>	Office
<b>Serviced</b>	Yes
<b>Availability, years</b>	5+



<b>Site Ref (where relevant):Name</b>	Warehouse No. 5, Wireless Hill, South Luffenham
<b>Owner</b>	C. S. Ellis (Group)
<b>Agent(s)</b>	A and D Studio
<b>Size, ha</b>	0.41
<b>Market Availability</b>	Not available
<b>Planning</b>	In an existing Employment Area. The full planning permission (FUL/2009/0211) for a 1,589 sqm extension to an existing B8 warehouse (primarily a canopy for a HGV loading area has now lapsed.
<b>Proposal</b>	Development here may not come forward.
<b>Constraints</b>	-
<b>Comments</b>	-
<b>Likely Development Potential</b>	Industrial
<b>Serviced</b>	Yes
<b>Availability, years</b>	5+



<b>Site Ref (where relevant):Name</b>	Linecross Plastics, Station Road, South Luffenham
<b>Owner</b>	Linecross Plastics
<b>Agent(s)</b>	ARV Design
<b>Size, ha</b>	0.13
<b>Market Availability</b>	Not available
<b>Planning</b>	FUL/2012/1274 – Full planning permission for a 525 sqm extension to an existing warehouse
<b>Proposal</b>	Development now complete
<b>Constraints</b>	-
<b>Comments</b>	-
<b>Likely Development Potential</b>	Industrial
<b>Serviced</b>	Yes
<b>Availability, years</b>	0-1



## Appendix 5

### Site Scoring System

## Appendix 5 – Site Scoring System

Site Location and Access	Proximity to strategic highway network	<ul style="list-style-type: none"> <li>• Site adjacent to primary route A1/A47/A606/A6003 junction – score 10</li> <li>• Site 0.5 km from primary route A1/A47/A606/A6003 junction – score 9</li> <li>• Site 1.0 km from primary route A1/A47/A606/A6003 junction – score 8</li> <li>• For each further half km distance from junction, reduce score by one point, i.e. any site 5.0 km or further from primary route A1/A47/A606/A6003 junction scores zero.</li> </ul>
	Prominence	<ul style="list-style-type: none"> <li>• Site adjacent to, and visible from A1/A47/A606/A6003 – score 10/9</li> <li>• Site adjacent to, and visible from other A road – score 8/7</li> <li>• Site adjacent to, and visible from a major B road – score 6/5</li> <li>• Site has local prominence, e.g. within its industrial location – score 4/3</li> <li>• Site located in 'backlands' – score 2/1/0</li> </ul>
	Public Transport	<ul style="list-style-type: none"> <li>• Site close to bus route (within 0.5 km) and near to rail station (within 2 km) – score 10</li> <li>• Site within 0.5 km of a bus route – score 5</li> <li>• Limited public transport – score 0</li> </ul>
	Sequential test	<ul style="list-style-type: none"> <li>• Within urban area – score 10</li> <li>• Urban fringe (close to settlement development boundary) – score 7</li> <li>• Rural location (away from settlement development boundary) – score 3</li> </ul>
Planning Status		<ul style="list-style-type: none"> <li>• If site has detailed/full planning status – score 10</li> <li>• If site has outline planning status – score 8</li> <li>• If site allocated in the development plan – score 4</li> <li>• If site is available, subject to planning – score 1</li> </ul>
Site Conditions	Services Availability	<ul style="list-style-type: none"> <li>• If all services are provided and in place – score 10</li> <li>• If priority services are available with no abnormal costs – score 7</li> <li>• If all priority services are available, but with abnormal costs – score 3</li> <li>• Some services are unavailable – score 0</li> </ul>
	Constraints	<p>May be physical (including access), planning, or legal</p> <p>Reduce score by 2 for each constraint</p> <p>If there are none – score 10</p>
	Environmental Setting	<p>Subjective, score 0 to 10, examples:</p> <ul style="list-style-type: none"> <li>• Good quality business park/greenfield location – score 10</li> <li>• Moderate quality industrial estate – score 5</li> <li>• Poor quality industrial estate/in-fill location – score 2</li> </ul>
	Flexibility	<p>Subjective, score 0 to 10: Score site in terms of site shape and ability to sub-divide to suit smaller occupiers</p> <p>Consider the site within its context/category. Score 10 if it is flexible, 0 if it is inflexible.</p>

Site Availability	<ul style="list-style-type: none"><li>• Site available to develop within 0-1 year – score 10</li><li>• Site available to develop within 1-3 years – score 6</li><li>• Site available to develop 3-5 years – score 3</li><li>• Site available to develop 5+ years – score 0</li></ul>

## Appendix 6

### Site Scoring Results

Site Name	Settlement	Type	Size (ha)	Site Location and Access				Planning Status	Site Conditions				Site availability	Total	Market - led Sub-total	Likely Use	Constraints
				Road Proximity	Prominence	Public Transport	Sequential Test		Services Availability	Constraints	Environmental Setting	Flexibility					
Local Plan Employment Site 1, Land North of Pillings Road,	Oakham	Greenfield	9.71	10	10	10	7	8	7	8	10	10	0	80	47	Office/Industrial	Trees on site
Rutland Local Plan Employment Area 3, Land to the East of the A6003, South of the A47,	Uppingham	Greenfield	2.12	10	10	5	7	10	10	6	10	9	0	77	46	Office	Trees on site, sloping site
Site D, Uppingham Gate	Uppingham	Greenfield	3.00	10	10	5	7	10	10	4	10	9	0	75	46	Office	Trees on site, sloping site Electricity substation on the site
Oakham Office Park Phase II, Saddlers Court	Oakham	Greenfield	0.63	9	4	10	10	1	10	10	10	5	3	72	28	Office	None
Linecross Plastics, Station Road	South Luffenham	Brownfield	0.13	8	4	5	3	10	10	10	5	1	10	66	34	Industrial	None
Land at Oakham Enterprise Park, Ashwell Road	Oakham	Brownfield	1.54	8	4	5	3	10	10	8	5	5	6	64	25	Office/Industrial	Former cell blocks to be cleared
Warehouse No. 5, Wireless Hill	South Luffenham	Brownfield	0.41	8	3	5	3	10	10	10	7	3	0	59	24	Industrial	None
Rutland Local Plan Employment Area 4, Land North East of Pit Lane	Ketton	Brownfield	1.93	4	4	5	7	4	7	4	5	9	0	49	29	Industrial	Trees on site, may include areas of ecological value, cement works and housing adjacent
Meadow Park Industrial Estate, Glen Industrial Estate	Essendine	Brownfield	1.40	0	1	5	10	10	7	6	2	4	0	45	17	Industrial	Adjacent to railway line, let to multiple tenants

## Appendix 7

### Employment Completions

## Appendix 7 - Rutland Employment Land Take-Up

2007/2008

Use Class	Completions (m2)	Size (ha) at 3,900 sqm/ha
B1a	390	0.10
<b>Total</b>	<b>390</b>	<b>0.10</b>

2008/2009

Use Class	Completions (m2)	Size (ha) at 3,900 sqm/ha
B1a	6752	1.73
B1c	1856	0.48
B8	2530	0.65
Mix	696	0.18
<b>Total</b>	<b>11834</b>	<b>3.03</b>

2009/2010

Use Class	Completions (m2)	Size (ha) at 3,900 sqm/ha
B1a	689	0.18
B1c	88	0.02
B2	2209	0.57
B8	1350	0.35
Mix	833	0.21
<b>Total</b>	<b>5169</b>	<b>1.33</b>

2010/2011

Use Class	Completions (m2)	Size (ha) at 3,900 sqm/ha
B1a	6463	1.66
B2	281	0.07
B8	5145	1.32
Mix	-123	-0.03
<b>Total</b>	<b>11766</b>	<b>3.02</b>

2011/2012

Use Class	Parish	Completions (m2)	Size (ha) at 3,900 sqm/ha
B1a	Market Overton	68	0.02
	Oakham	860	0.22
	Stamford	326	0.08
	Stretton	187	0.05
	Uppingham	168	0.04
<b>Total B1a</b>		<b>1609</b>	<b>0.41</b>
B1c	Ashwell	539	0.14
	Tinwell	297	0.08
	Uppingham	225	0.06
<b>Total B1c</b>		<b>1061</b>	<b>0.27</b>
B2	Oakham	8145	2.09
	Uppingham	528	0.14
	Stretton	458	0.12
<b>B2 Total</b>		<b>9131</b>	<b>2.34</b>
B8	Langham	585	0.15
	Manton	558	0.14
	South Luffenham	6732	1.73
	Oakham	380	0.10
<b>B8 Total</b>		<b>8255</b>	<b>2.12</b>
Mixed	Edith Weston	695	0.18
	Oakham	635	0.16
<b>Mixed Total</b>		<b>1330</b>	<b>0.34</b>
<b>Total</b>		<b>21386</b>	<b>5.48</b>

2012/2013

Use Class	Parish	Completions (m2)	Size (ha) at 3,900 sqm/ha
B2	Edith Weston	21	0.01
	Seaton	317	0.08
	Uppingham	168	0.04
	Stretton	400	0.10
<b>Total B2</b>		<b>906</b>	<b>0.23</b>
B8	Oakham	4026	1.03
<b>Total B8</b>		<b>4026</b>	<b>1.03</b>
<b>Total</b>		<b>4,932</b>	<b>1.26</b>

2013/14

Use Class	Parish	Completions (m2)	Size (ha) at 3,900 sqm/ha
B1a	Ketton	460	0.12
	Oakham	80	0.02
	Egleton	880	0.23
	Exton	39	0.01
<b>Total B1a</b>		<b>1459</b>	<b>0.37</b>
B2	Uppingham	940	0.24
	Oakham (Oakham Enterprise Park)	29,500	7.56
<b>Total B2</b>		<b>30,440</b>	<b>7.81</b>
B8	Oakham	120	0.03
	Edith Weston	5,520	1.42
<b>Total B8</b>		<b>5,640</b>	<b>1.45</b>
Mixed	Essendine	1,000	0.26
	Manton	432	0.11
<b>Total Mixed</b>		<b>1,432</b>	<b>0.37</b>
<b>Total</b>		<b>38,971</b>	<b>9.99</b>

2014/15

Use Class	Parish	Completions (m2)	Size (ha) at 3,900 sqm/ha
B1a	Greetham	150	0.04
	Empingham	90	0.02
<b>Total B1a</b>		<b>240</b>	<b>0.06</b>
B2	Uppingham	268	0.07
<b>Total B2</b>		<b>268</b>	<b>0.07</b>
B8	Oakham	2,428	0.62
<b>Total B8</b>		<b>2,428</b>	<b>0.62</b>
Mixed	Oakham	500	0.13
<b>Total Mixed</b>		<b>500</b>	<b>0.13</b>
<b>Total</b>		<b>3,436</b>	<b>0.88</b>