



AUGUST 2023

# Rutland Employment Needs & Economic Development Evidence

## Draft Report

Iceni Projects Limited on behalf of  
Rutland County Council

August 2023

### Iceni Projects

Birmingham: The Colmore Building, 20 Colmore Circus Queensway, Birmingham B4 6AT

Edinburgh: 11 Alva Street, Edinburgh, EH2 4PH

Glasgow: 177 West George Street, Glasgow, G2 2LB

London: Da Vinci House, 44 Saffron Hill, London, EC1N 8FH

Manchester: This is the Space, 68 Quay Street, Manchester, M3 3EJ

t: 020 3640 8508 | w: [iceniprojects.com](https://iceniprojects.com) | e: [mail@iceniprojects.com](mailto:mail@iceniprojects.com)

linkedin: [linkedin.com/company/iceni-projects](https://linkedin.com/company/iceni-projects) | twitter: @iceniprojects

ICENI PROJECTS LIMITED  
ON BEHALF OF RUTLAND  
COUNTY COUNCIL

&

Rutland Employment Needs  
& Economic Development Evidence  
DRAFT REPORT



CONTENTS

1. EXECUTIVE SUMMARY..... 1

2. INTRODUCTION..... 9

3. COMMERCIAL MARKET REVIEW..... 11

4. ECONOMIC GROWTH ASSESSMENT ..... 32

5. EMPLOYMENT LAND REQUIREMENTS ..... 43

6. EMPLOYMENT LAND SUPPLY ..... 4

7. SUPPLY AND DEMAND BALANCE ..... 41

8. POLICY ISSUES AND RECOMMENDATIONS..... 46

# 1. EXECUTIVE SUMMARY

- 1.1 Rutland County Council has commissioned Icen Projects to prepare a report on its Employment Land Need and Economic Development Evidence to inform the preparation of its new Local Plan and the Council's activities in supporting sustainable economic development and growth.

## **Economic Baseline Assessment**

---

- 1.2 A baselining exercise has been undertaken which partially draws on information set out in the economic strategy. These documents show:

- Rutland has a population of 41,000 (2021), which has grown by 5.4% between 2016 and 2021.
- The proportion of those aged 25-39 grew by 8.3% over the same period. However those of a retirement age (aged 65 and over) grew by 9.6%.
- In 2021 there were 20,544 jobs in Rutland according to OE. This was an increase of around 3,900 jobs since 2001 and around 1,000 since 2011.
- The growth in employment since 2001 (to 2021) equated to 1.1% per annum. This exceeded the levels seen across the East Midlands and nationally (both 0.8% per annum) despite the closure at RAF Cottesmore
- The value of Rutland's economy was £706m in 2020. The value of Rutland's economy fell by -8.8% between 2015 and 2020 compared to a -2.2% fall nationally.
- The largest employment sectors in Rutland are Education (12.2%); Public Admin and Defence (12%); and Wholesale and Retail (11.6%).
- Rutland has particular strengths in comparison to the region and nationally in the Mining and quarrying (although employing only 300), Public admin & defence, Agriculture (400 jobs) and Hospitality (1,900 jobs) sectors.
- High value sectors such as financial and insurance activities and manufacturing (loss of 750 jobs 2015-2020) are shrinking.

- In 2022, there were 1,975 businesses in the County. Although the business base has been falling over the past year, with a decline of 225 businesses between 2021 and 2022,
- The County has relatively low productivity and wages. GVA per hour worked was £30.35 in Rutland in 2020, compared to the national average of £38.29.
- Rutland has a higher proportion of people (53.2% of employment) employed in highly skilled occupations such as manager, directors, senior officials and professional and technical roles.
- Despite this, median workplace earnings are £28,064 per annum, compared to £31,480 nationally.
- Resident earnings are consistently higher than workplace earnings indicating out-commuting to higher earning sectors.

#### **Industrial Market**

##### **1.3 The industrial market assessment highlights:**

- Nationally, industrial floorspace demand is beginning to slow down after a peak, however the structural shift towards e-commerce and green industries will keep leasing activity strong;
- Industrial floorspace growth in Rutland has been stronger than regional and national trends;
- Vacancy rates are extremely low and a lack of space being delivered is constraining market demand; and
- Rental growth has been strong over the past 10 years but early trends show growth is beginning to flatten.

#### **Office Market Conclusions**

##### **1.4 The office market assessment shows;**

- At the national level, the office vacancy rate is at a six-year high and is likely to continue to rise given the amount of space under construction. Although this is the opposite in Rutland when vacancy is very low.
- Whilst small, the Rutland's office market has been growing in the long-term (past 15 years) but growth has levelled out since 2017.

- Analysis of CoStar data suggests that Rutland's office market is under supplied indicated by extremely low vacancy rates and new space should be delivered to alleviate this.
- The demand is for stock below 500 sqm and particularly in the Oakham and Uppingham area
- Viability of office development has declined in recent years and there is unlikely to be a need for further large scale development.
- Rents are currently similar to those across the East Midlands which are well below the UK average suggesting that there are no affordability issues, but there are viability challenges.

---

**Baseline Growth**

---

- 1.5 OE baseline suggests a growth of 9% over the next 20 years which is a total of 1,842 jobs or 92 jobs per annum. This is in line with long term historic trends (from 2001) but below those since 2012.
- 1.6 There are a number of sectors which are expected to see the most significant growth including, in absolute terms being Hospitality, Professional Scientific and Technical and Healthcare.
- 1.7 However, the baseline economic forecasts do not take into account local knowledge of sector strengths or trends nor do they take into account economic or sector strategies nor known investment and divestment activity. In order to address such issues we have developed an alternative forecast which makes adjustments to:
- Transport and Storage;
  - Information and Communications;
  - Professional, Scientific and Technical; and
  - Administrative and Support Services.

- 1.8 In total, these changes result in an additional 1,000 jobs forecast, taking the overall number of jobs to 23,400 jobs by 2041. This is a total jobs growth of 2,863 over the same period.
- 1.9 The above is not intended to provide a definitive likely alternative outcome but rather an illustration of a potential alternative scenario that draws more significantly on recent trends.

---

#### Employment Land Requirements

---

- 1.10 When considering the scale of future needs the Planning Practice Guidance (PPG, 2019) requires consideration of:
- 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;
- 1.11 There are relative benefits of each approach. **However, we consider that the office requirement planned for should be in line with the Post Pandemic WFH alternative growth scenario which results in a need for 7,450 sqm or 1.5Ha.**
- 1.12 Although we recognises that a pragmatic response may be to monitor this issue and work with a range (7,450 to 11,074 sqm or 2.2 Ha).
- 1.13 In terms of R&D specific requirements, it can be seen that around 15% of the forecast need would be from jobs occurring in such space.
- 1.14 In terms of industrial and warehousing requirements, there is a much wider range of forecast need. **However, we conclude that the range between the net absorption and net completions is appropriate. This results in a need for between 18.2 ha and 34.9 ha.**

- 1.15 The 18.2 ha (72,760 sqm) would be an absolute minimum and preferably the mid-point of 26.6 ha be used. It would also not be unreasonable to look above 26.6 ha to help facilitate business growth - and even up to 34.9 ha. However, at this level of growth some of the supply will be coming from the intensification / redevelopment of existing older stock and estates.
- 1.16 An argument could be made, based on agent comments, that if infrastructure improvements occur further demand could result. This is particularly in connection with St Georges Barracks.
- 1.17 The Council should therefore consider what level of employment space is appropriate in any mixed use development. This would potentially be in addition to the need identified above.
- 1.18 Furthermore, it is important to acknowledge wider 'roaming' demand on the A1 corridor that could support a larger development with a logistics focus .
- 1.19 We have not assessed the scale of that need in detail but consider that to be a policy choice by the council to consider.

---

#### **Employment Land Supply and Demand**

---

- 1.20 This supply assessment considers permissions, allocations and potential allocations and sites suggested through the Call for Sites. We have also reviewed existing sites for potential intensification and redevelopment opportunities as well as sites being promoted for employment use.
- 1.21 Drawing these strands together there is a potential supply of 62.34 Ha of employment land in the County. This compares to a combined need of between 19.7 Ha and 36.4 Ha. This results in a surplus of between 25.94Ha and 42.64Ha.



- 1.22 The scale, type and location of supply is also sufficient to meet both the identified office and industrial and warehousing need, although there is a greater potential surplus with the latter. The implications of the over-supply are this:
- The authority may choose not to bring forward all the suitable sites.
  - Of the sites in question, greenfield site 'Land at Home Farm, Tickencote' might be considered an over provision given alternative brownfield / expansion opportunities at Greetham Quarry and potentially Woolfox.
- 1.23 Considerable over provision may have implications for the jobs / homes balance and if not managed may lead to greater in commuting from other districts notably those on the A1.
- 1.24 St Georges Barracks could also deliver additional employment space as part of a mixed use development which we assess should be in the region of 9.0 Ha. This is likely to be suitable in meeting a combination of County needs and demand arising specifically from the development.

---

**Economic Led Housing Need**

---

- 1.25 If the Council are to consider providing the top end of the demand scale for industrial land this will likely have implications on the need for housing.
- 1.26 However, caution should be applied in making a direct comparison between jobs growth and employment land growth.
- 1.27 There is also the very real potential that development on the A1 will draw workforce from a much wider area than just Rutland. This would have duty to cooperate implications as it would draw labour force from those other areas.

---

**Policy issues and Recommendations**

---

- 1.28 While we have identified a potential supply there is a question regarding the viability of employment development.
- 1.29 For offices, this is unlikely to be viable given current rents and costs in the medium term. Conversions or mixed use developments are more realistic and suitable given demand is for ad hoc smaller spaces. These should thus be supported
- 1.30 For industrial development, the prospects for many of the promoted sites are reasonable and that includes the remainder of the land at Oakham Enterprise Park subject to the authority finding a development partner.
- 1.31 There are two strategic sites being promoted in the County (Woolfox and St Georges Barracks) both of which could reasonably be developed.
- 1.32 While the St Georges site would be a brownfield development this is not the case for Woolfox although the latter does have better strategic access. If either site is considered suitable then an element of employment uses should be ensured.
- 1.33 Development at Woolfox has the prospect of a significant employment component which would be logistics orientated. That said the east of the County benefits from access to the A1 and there are a number of further sites which could meet the logistics demand.
- 1.34 We have only identified limited opportunities in the main settlements of Uppingham and Oakham. The Council therefore may wish to consider if additional sites should be identified to meet the longer term needs for these towns.

- 1.35 Supporting small businesses to survive and grow is essential for rural areas. Particular recognition should be given to the retention and attraction of value-adding processes in rural areas.
- 1.36 What this means in practice will inevitably vary from place to place, but two suggestions resonate strongly with Rutland's particular circumstances as described earlier in this report:
- First, and as mentioned previously there may well be a case for the greater provision of small business units.
  - Secondly *the gradual expansion of home working activities across all rural areas and the development to support these* should be supported until they reach a size where they can justify the cost of renting specific premises.
- 1.37 More broadly, it is important to recognise a very close inter-relationships between housing, local services and community viability – and the links between all three affect the vibrancy or otherwise of local rural economies.
- 1.38 It is also important to recognise the role that agriculture and tourism have for rural areas including Rutland.
- 1.39 In relation to land-based activities, such as agriculture this means a policy framework that is supportive of both diversification and intensification.
- 1.40 For the visitor economy, the council should support sustainable forms of tourism and plan for appropriate local infrastructure and also recognising the significance of heritage attractions).
- 1.41 Finally, it also seems reasonable to include such policies in the Local Plan which support opportunities to provide apprenticeships or training thus raising skills and attainment and supporting people into higher paid employment.

## 2. INTRODUCTION

- 2.1 Rutland County Council has commissioned Icen Projects to prepare a report on its Employment Land Need and Economic Development Evidence to inform the preparation of its new Local Plan and the Council's activities in supporting sustainable economic development and growth.

### **Rutland County's Geography**

---

- 2.2 Rutland is principally a rural County located in the East Midlands. It includes two market towns – Oakham and Uppingham and many more rural settlements. Around 40% of the County's population live within the two main towns. Larger villages comprising more than 1,000 population within the County include Ketton, Ryhall, Langham, Whissendine and Cottesmore which includes a substantial population within Kendrew Barracks.
- 2.3 The County is the smallest in the Country and is surrounded by a number of settlements including Stamford, Melton Mowbray and Corby. Peterborough and Leicester provide higher order services but are slightly further afield.
- 2.4 The A1 runs north/south through the eastern part of the County. There are five junctions on the A1 within Rutland including those for the A606 which connects Stamford to Nottingham via Oakham and Melton Mowbray. The Birmingham to Stansted Airport line runs through the County and there is one station at Oakham. There is also a limited service to London from Oakham.

### **Study Objectives**

---

- 2.5 The purpose of this study is to provide the necessary evidence on employment land and job needs to support a thriving local economy. The evidence will be used to develop the most appropriate strategy for economic growth, including site allocations and policy

development for inclusion in the Local Plan. The local plan aims to ensure that the local economy grows and changes to maximise its full potential during the period 2021-2041.

2.6 The study provides the following:

- A robust evidence base on economic issues, including the number of jobs and employment space required to meet identified needs and to support the development of a new Rutland Local Plan;
- Meet the requirements of NPPF and NPPG regarding building a strong, competitive economy,
- A snapshot of the Rutland economy now and how it may look in 20 years' time;
- Clear recommendations about the future need for jobs and employment space by sector.
- Clear recommendations regarding appropriate locations across the county for employment growth.
- Policy recommendations to support the Council's economic development strategy

2.7 The Study has involved a combination of desk-based and statistical research; key stakeholder engagement; and on-site review of employment land / premises within the County undertaken in April 2023.

### 3. COMMERCIAL MARKET REVIEW

- 3.1 This chapter provides an assessment of the commercial property market in Rutland. It is split into two sections covering the office and industrial markets (where industrial refers to general industrial, light industrial and warehousing). The assessment combines quantitative analysis with qualitative analysis to build a picture of the level and nature of demand for commercial premises in the County.
- 3.2 The quantitative analysis uses Valuation Office Agency data which provides the best indication of the amount of commercial floorspace in the area. All other quantitative analysis uses CoStar – one of the UKs largest providers of commercial property data. However, the CoStar database does not cover all properties/transactions (owner-occupier properties, smaller transactions and properties/transactions in rural areas tend to be missed as go unreported). It is hence backed up by qualitative analysis.
- 3.3 This qualitative analysis draws on engagement with local commercial property agents including Budworth Hardcastle and JLL.

#### **Industrial**

---

- 3.4 This section provides an assessment of Rutland's industrial market. This will be used to inform the scale and type of future need which is identified later in this report.

#### **UK Industrial Market Overview**

- 3.5 CoStar report in April 2023 that nationally “the tailwinds that propelled record occupier and investor demand for industrial property through the height of the pandemic are fading amid high inflation and interest rates”.
- 3.6 However, they added that the “industrial and warehousing sector is expected to continue to benefit from the structural shift towards e-commerce and emerging industries like green

energy, which should support leasing activity and provide investors with ample opportunities.”

3.7 They go on to say, “net absorption [total space occupier] has outweighed deliveries for much of the past decade, with vacancies near record lows at 3.4% ... Owners of newer and more energy-efficient schemes are particularly well positioned to take advantage of the relative undersupply of such product.”

3.8 They noted that warehouses with the strongest green credentials are expected to continue to outperform older less efficient stock from an occupier demand and rent perspective in the years ahead.

3.9 CoStar adds, “sector-wide rent growth has begun to ease from record levels as vacancies have inched up and as occupiers face growing cost pressures in a subdued national economic climate. Rents are expected to keep growing, however, with elevated build costs and rising yields likely to act as a brake on new construction moving forward.”

#### **Leicestershire Industrial Market Overview**

3.10 According to CoStar, Rutland falls within the wider Leicestershire industrial market. This needs to be viewed with some caution as west of Leicester and the M1 is part of the logistics ‘Golden Triangle’ in the UK with very dynamic demand and growth. Notwithstanding, Rutland does contain the A1 which up at Newark and down at Peterborough and Biggleswade has seen some considerable logistics markets developments. Other studies have highlighted the increasing demand for large development space on the A1 as the M1 because increasingly congested and land expensive<sup>1</sup>.

---

<sup>1</sup> See A1 Corridor Logistics Assessment: Bassetlaw Council 2021 (Iceni Projects) pg 3 / pg 13

- 3.11 CoStar notes that the well-documented shift to e-commerce and delivery retailing over the past few years has crystallised in Leicester[shire] with the four strongest years for net absorption on record between 2019 and 2022. Logistics companies have taken the largest lettings over the past few months. Construction activity has slowed in recent months, although developers continue to see rent potential in the market, with more than 3.2 m sqft currently underway. Recent demand trends help explain this, with rents currently growing at around 7.6% year over year.

#### **Rutland Industrial Market Overview**

- 3.12 CoStar commentary should be consider in light of the of the caveats noted previously on data quality in smaller rural markets. CoStar states “Rutland is a mid-sized (industrial) market. Vacancies have not moved much at all in the past year, and at 0.4% there is not much room for tightening.” It adds that net absorption over the past year was positive but less than half the 5-year average.
- 3.13 They go on to say, “Rents grew at 4% over the past year. While industrial owners probably are not complaining about this level of growth, it does represent the weakest performance observed in Rutland over the past 5 years”.
- 3.14 Finally, the report notes “There are no supply side pressures on vacancy or rent in the near-term, as nothing is underway [in terms of construction]. Though the pipeline is empty, the sub-market has seen recent development – roughly 65,000 sq ft over the past 3 years.”
- 3.15 According to the CoStar database, deliveries in the last 5 years include:
- A number of small high quality industrial units at Casterton Business Park on the edge of Stamford
  - Small industrial units at Mallard Park, Essendine
  - Small industrial units at Panniers Way / Tungsten Park, Oakham



- A large distribution unit in a rural location near South Luffenham for an owner / occupier

3.16 With all the above units reported as let, the indications are that there is strong demand for small units in Rutland. There is also likely to be demand for larger units given the connectivity strengths of the A1.

### **Rutland Industrial Stock**

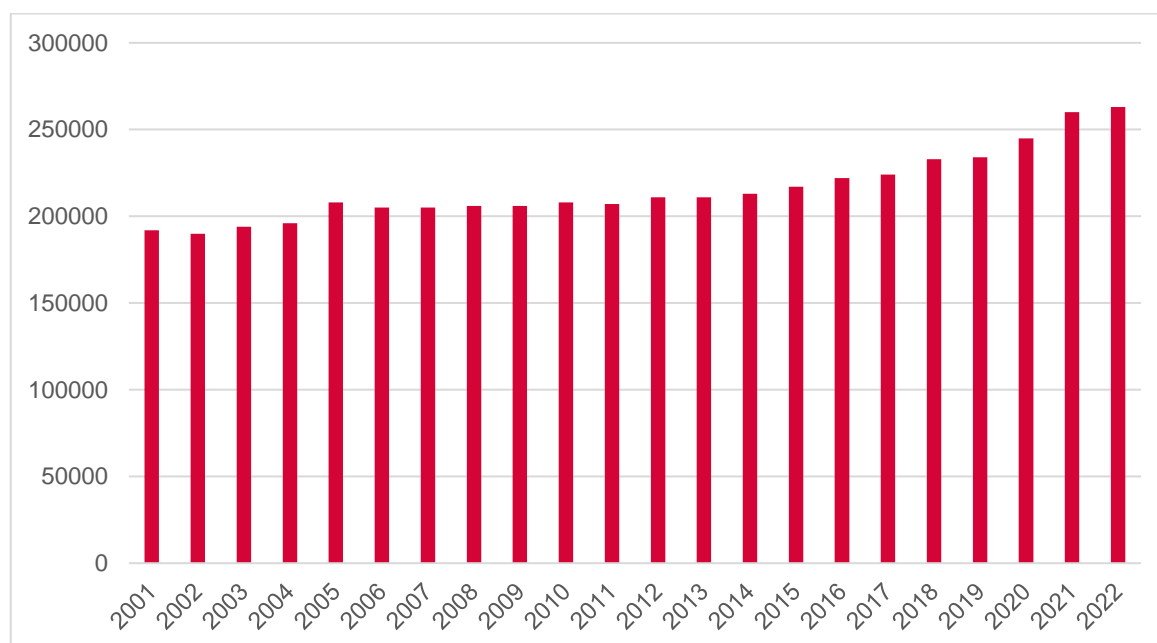
3.17 The VOA<sup>2</sup> provide information on the amount of industrial floorspace by administrative area. In Rutland at the end of FY 2021/22, there was 263,000 sqm of industrial floorspace<sup>3</sup>.

3.18 The figure below shows how the amount of floorspace in Rutland changed between 2000/01 and 2021/22. It can be seen that the amount of industrial floorspace has remained fairly stable since 2000/01, rising gradually with some steeper increases since 2019 (potential related to new units listed above).

---

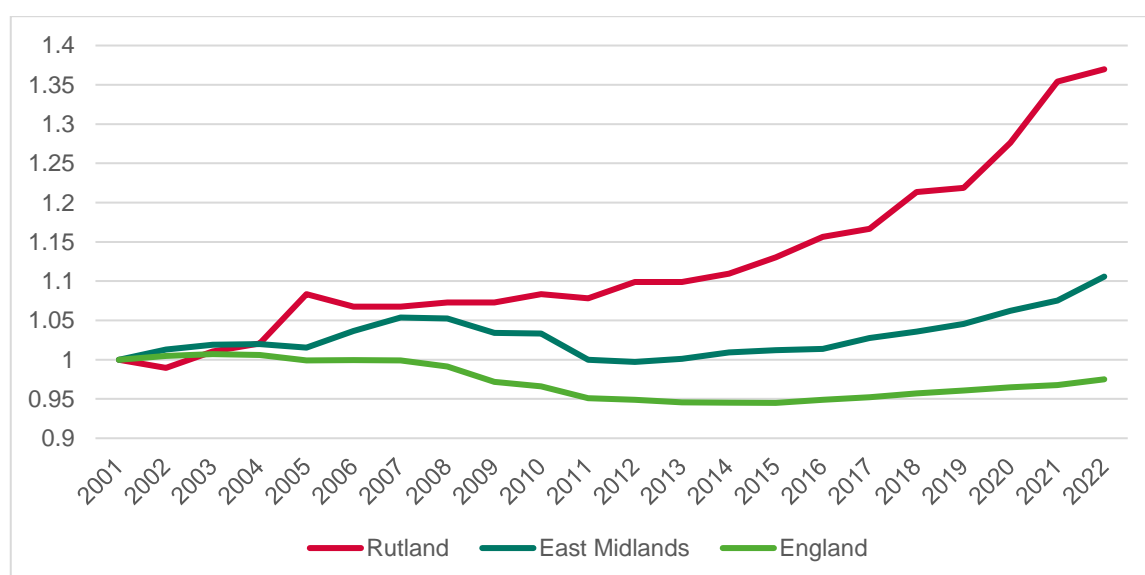
<sup>2</sup> VOA: Non-domestic rating: stock of properties including business floorspace, 2022

<sup>3</sup> CoStar suggests that the Rutland had 221,167 sqm of industrial floorspace in 2022 which is 16% lower than the VOA data suggests. This difference is due to the definition of industrial space used by each and the fact that data is collected in a different manner by each organisation. Given the fact that analysis of CoStar data is likely to not take into account a significant proportion of the stock the qualitative findings should be treated with caution.

**Table 3.1 Industrial Floorspace (2000/01 – 2021/22) (sqm)**

Source: Icen analysis of VOA data (2022)

- 3.19 The figure below shows how the amount of floorspace has changed in Rutland relative the East Midlands and England. It can be seen that growth of industrial floorspace across Rutland has been much greater than the East Midlands and England over the last 20 years. This is perhaps a surprise given the significant growth of warehousing in the East Midlands as a whole and highlights the low levels of base stock in Rutland.

**Table 3.2 Indexed Industrial Floorspace Change (2000/01 – 2021/22)**

Source: Icen analysis of VOA data (2022)

- 3.20 From 2009/10 to 2015/16 floorspace growth in Rutland was similar to the trend seen in the East Midlands however since 2015/16 growth has picked up in Rutland and has continued to grow year on year.

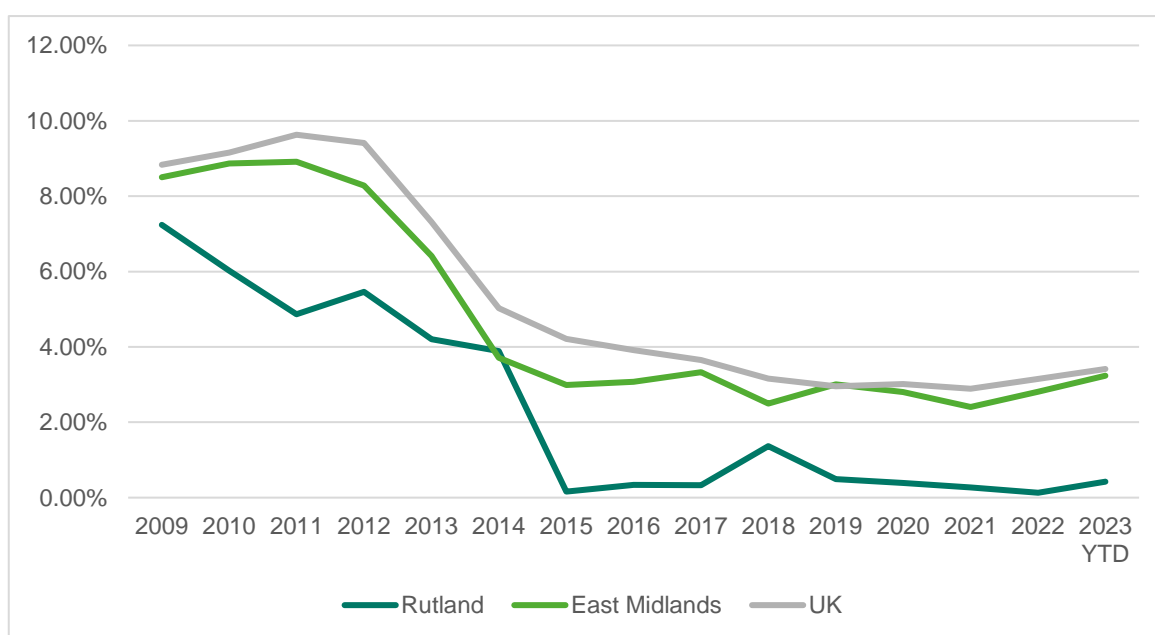
### Overall Supply-Demand Balance – Rutland Industrial Market

- 3.21 The overall supply-demand balance has been assessed by looking at headline indicators – namely vacancy rates and rents.

#### Vacancy Rates

- 3.22 The figure below shows how the vacancy rate in Rutland have changed over time compared to the East Midlands and UK.
- 3.23 The current industrial vacancy rate in Rutland is 0.42% (April 2023). This is below the historic average for the county (since 2009) and below the vacancy rates for the comparator areas (which are all near or below historic lows). This highlights the fact Rutland's industrial vacancy rate is extremely low and has been since 2015, suggesting the market is extremely undersupplied despite ongoing deliveries in recent years.

**Table 3.3 Vacancy Rate**

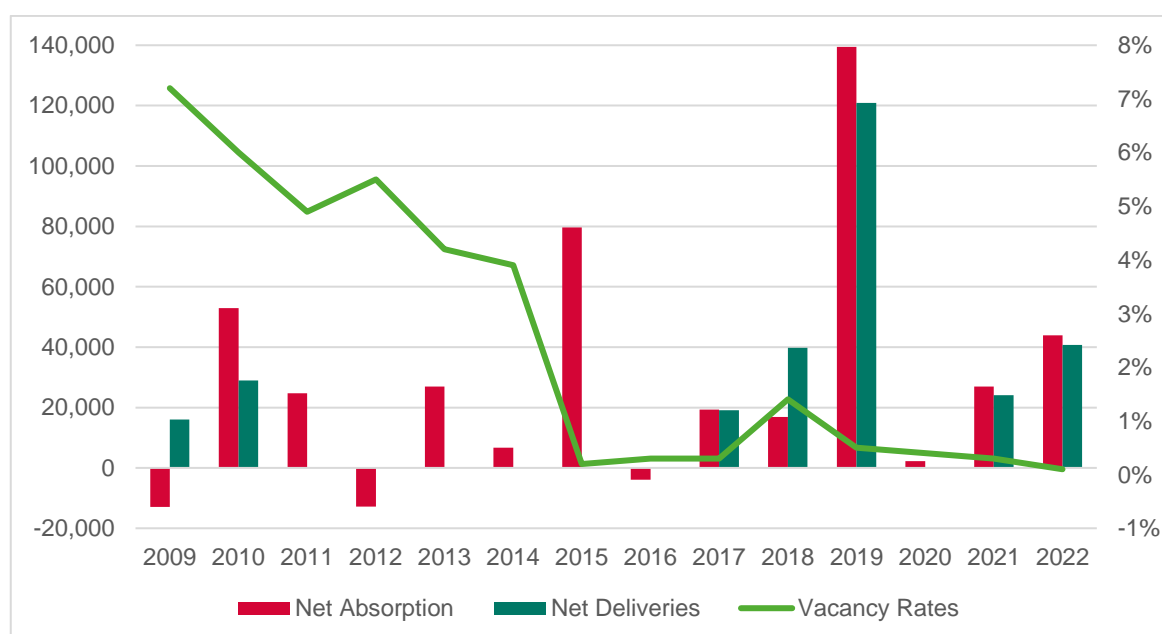


Source: Icen analysis of CoStar data (2023)

### Supply and Demand Indicators

- 3.24 CoStar provides data on net absorption. This is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move ins – Move outs). It provides an indicator of the strength of demand. Net deliveries are the difference between floorspace delivered (i.e. constructed and brought onto the market) and demolished (or otherwise taken out of use and removed from the market).
- 3.25 A positive net absorption figure indicates strong demand and leads to a falling vacancy rate (unless it is outweighed by net deliveries). On the other hand, a negative net absorption figure indicates weaker demand and leads to a rising vacancy rate (unless it is outweighed by negative net deliveries).
- 3.26 The figure below shows net absorption, net deliveries and their resulting impact on vacancy rates in Rutland. Over the past 10 years, net absorption has been predominantly positive, peaking in 2019 with a net absorption of nearly 140,000 sqft (largely expected to be related to the single distribution unit near South Luffenham).

**Table 3.4 Net Absorption, Net Deliveries and Vacancy Rates**



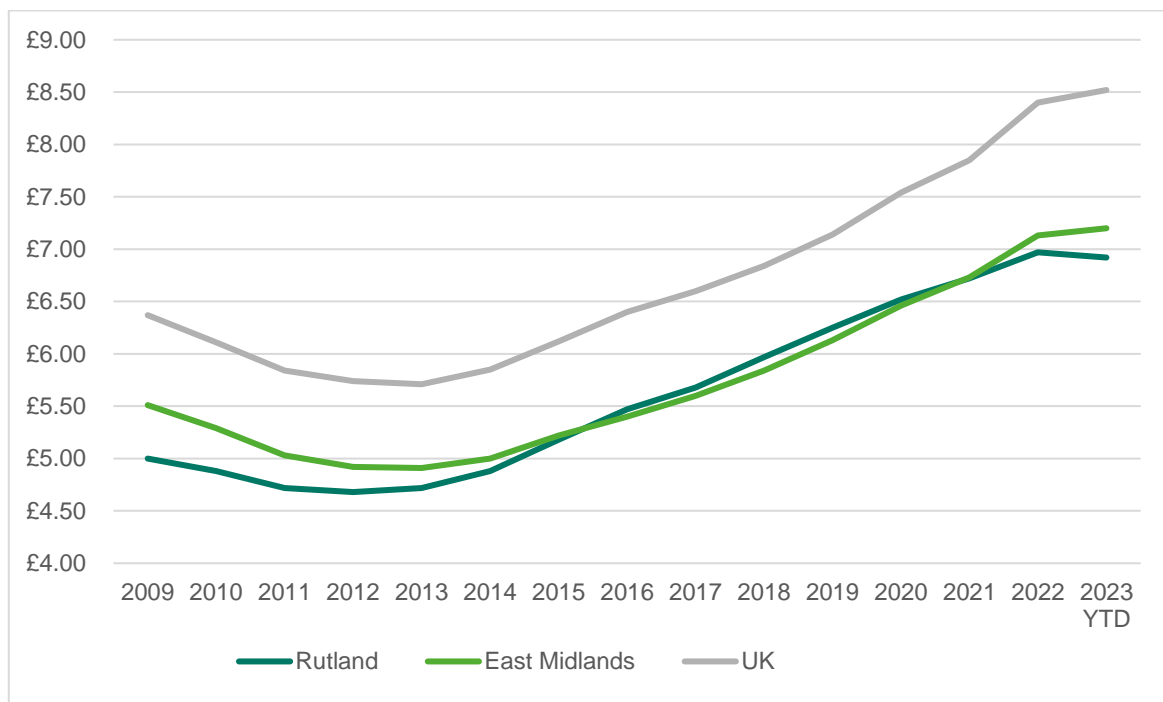
Source: IcenI analysis of CoStar data (2023)

- 3.27 In recent years net absorption has fallen, averaging 35,000 sqft 2021-22. Floorspace has been delivered since 2017 (excluding 2020), however since 2019, net deliveries have been below net absorption. This is likely maintaining low vacancy rates and constraining the take-up of space.

#### Rents

- 3.28 The figure below shows how inflation adjusted average rental prices in Rutland have changed over time compared to the East Midlands and the UK. Rents have been growing strongly since 2014 and the current (April 2023) average rental price in Rutland is £6.92 per sq.ft. This has reduced slightly since 2022 but remains above the historical average.

**Table 3.5 Inflation Adjusted Average Rental Price (£ per Sq ft)**



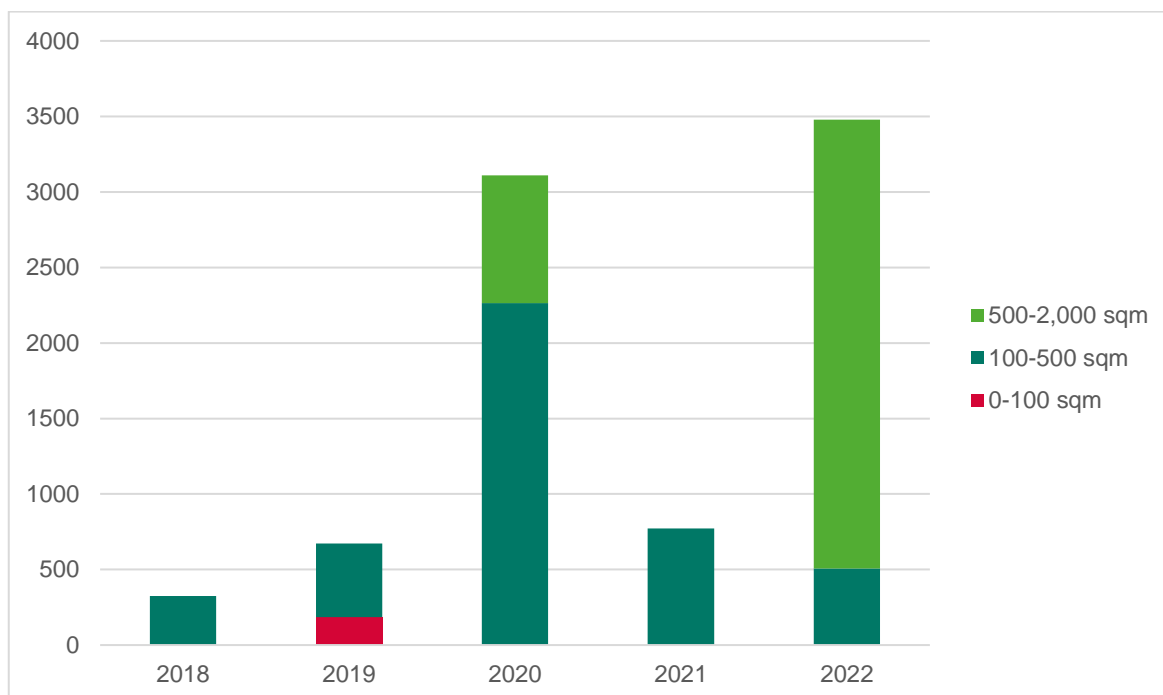
Source: IcenI analysis of CoStar data (2023)

- 3.29 A similar rental growth trend can be seen across the comparator areas however rents in Rutland and the East Midlands are below the UK average.

### Deals by Size

- 3.30 The amount of leasing activity which has occurred in various size bands has been assessed to provide an indication of demand by size. However, it should be remembered that leasing activity is constrained by the size of available stock. Therefore, our assessment of demand by size has been considered together with information from stakeholders.
- 3.31 Leasing activity differs from absorption in that it refers to the amount of space which is leased (i.e. signed for rather than physically moved in to).
- 3.32 The figure below shows the amount of industrial leasing activity (sqm) by size band which has occurred over the last 5 years. In 24 deals, 8,360 sqm of floorspace was leased, with peaks in 2020 and 2022 of 3,110 sqm and 3,479 sqm leased respectively.

**Table 3.6 Leasing Activity Over Time by Size Band**



Source: IcenI analysis of CoStar data (2023)

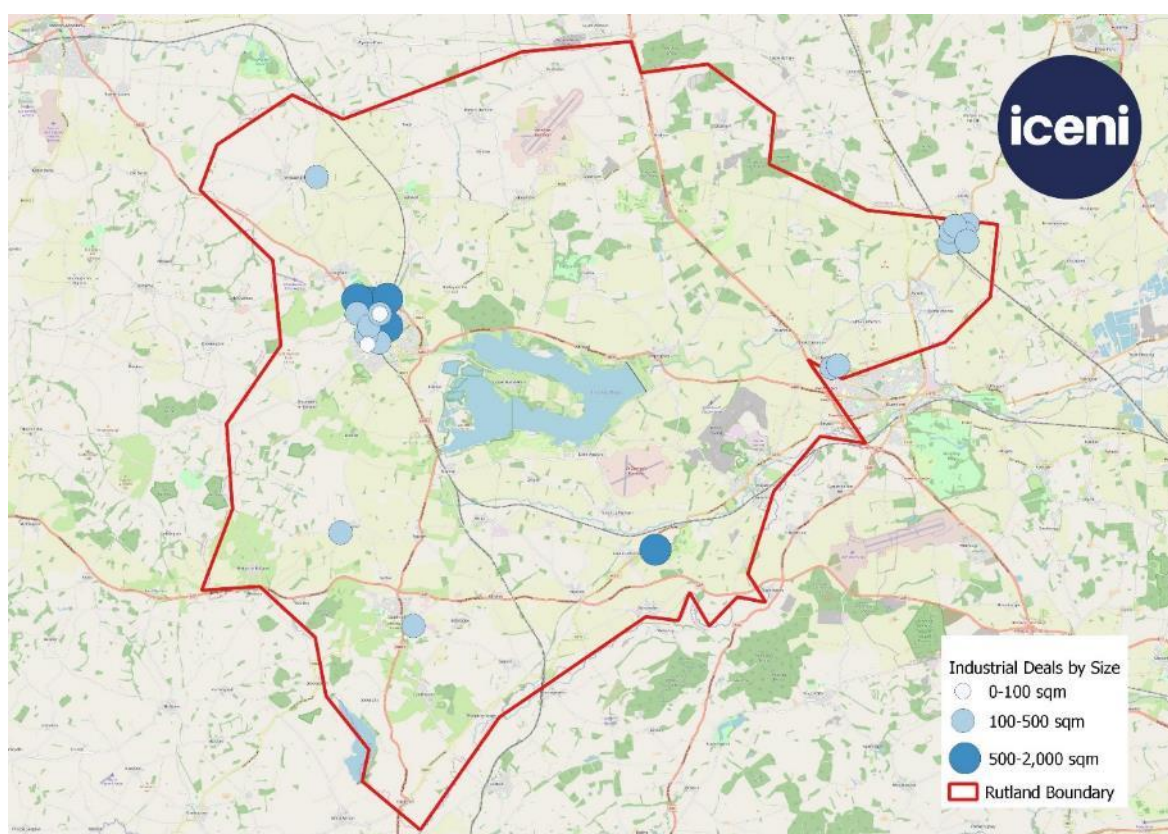
- 3.33 The majority of floorspace leased over the past 5 years has been in the 100-500 sqm size band (17 deals) being small units / sub 5,000 sqft. In 2022 there were 4 deals for larger

space, 500-2,000 sqm. There were no deals larger than 2,000 sqm. The larger owner occupier unit near South Luffenham will not appear as a lease deal.

### Deals by Location

- 3.34 The map below shows the locations of industrial leases in Rutland (by size) over the last 5 years. It can be seen that demand is concentrated in Oakham and to a lesser extent at the industrial estate in Essendine and on the edge of Stamford. Notably there were only two deals directly on the A1 on the outskirts of Stamford and none in Uppingham.

**Table 3.7 Lease Completions by Size (2018-2022)**



Source: Icen analysis of CoStar data

### Agent Feedback

- 3.35 Agents reported that in Rutland smaller units of 1,000-2,000 sqft are most in demand, however, deals of larger units are not uncommon. In Rutland it is common for occupiers to remain in one place over the long term and there is little evidence of upsizing. Industrial floorspace is most commonly used for small-scale storage and distribution, with some

demand for gym. There is little demand from the manufacturing sector – any deals in the past have been for small-scale occupiers with limited machinery.

- 3.36 Agents reported that there is demand for industrial floorspace across the whole of Rutland however Oakham, Ketton and units within close proximity to the A1 or M1 face great demand. Newer stock is more favourable and this has been reflected in rent prices, rising from £8-9 per sqft to £11-12 per sqft in just a couple of years. Older stock, primarily barn or shed conversions tend to be less in demand and subsequently are more affordable around the £5-6 per sqft mark. Industrial premises are mostly leased and are not often on the market for sale.
- 3.37 Despite proximity to A1, Rutland does not see demand for regional or national distribution. Agents expressed that this could be because a lack of supply of large scale warehousing on the A1, or alternatively the demand is not seen in Rutland due to more favourable opportunities in a better location in Corby and Leicestershire.
- 3.38 Agents expressed that there is not a demand for large scale industrial parks in Rutland and demand is being met by individual or small clusters of units across the whole area. The redevelopment of brownfield sites, such as in Greetham, would be sufficient in meeting Rutland's industrial needs preventing the need for large scale development on an individual site.
- 3.39 Regarding St George's Barracks, agents stated that there would be demand for commercial floorspace at the location due to its distance from the A1, however infrastructure improvements would be necessary to make a mixed development viable.

### **Industrial Market Conclusions**

- 3.40 The following key conclusions can be made from this industrial market assessment:



- Nationally, industrial floorspace demand is beginning to slow down after a peak, however the structural shift towards e-commerce and green industries will keep leasing activity strong;
- Industrial floorspace growth in Rutland has been stronger than regional and national trends;
- Vacancy rates are extremely low and a lack of space being delivered is constraining market demand; and
- Rental growth has been strong over the past 10 years but early trends show growth is beginning to flatten.

---

## Office

---

- 3.41 This section provides an assessment of Rutland's office market. This will be used to inform the scale and type of future need which is identified later in this report.

### UK Office Market Overview

- 3.42 CoStar report that nationally “receding pandemic restrictions and more employees returning to offices have helped bring about steady rebound in office leasing in recent quarters. Office take-up reached its highest level in four years in November 2022 despite growing fears over the economic outlook.”
- 3.43 However, the overall demand picture remains subdued, national net absorption remained negative in 2022 as firms continue to release space onto the market. Weak demand and rising net deliveries continue to push the national office vacancy rate upwards. It currently stands at 7.5%, which represents a 6-year high.”
- 3.44 CoStar goes on to say “asking office rents fell during the pandemic, although to a lesser extent than during the financial crisis. Rent declines have recently levelled off amid an increase in demand for high-quality space, although rents are likely to fall again in the near term as vacancies rise.”

- 3.45 The CoStar report added that “Prime buildings should outperform secondary ones in the coming years as firms continue to pivot to better-quality space — to attract staff, welcome clients and meet growing ESG commitments — even as many take less space overall amid a permanent rise in home working. This should lead to the accelerated removal of older stock.”

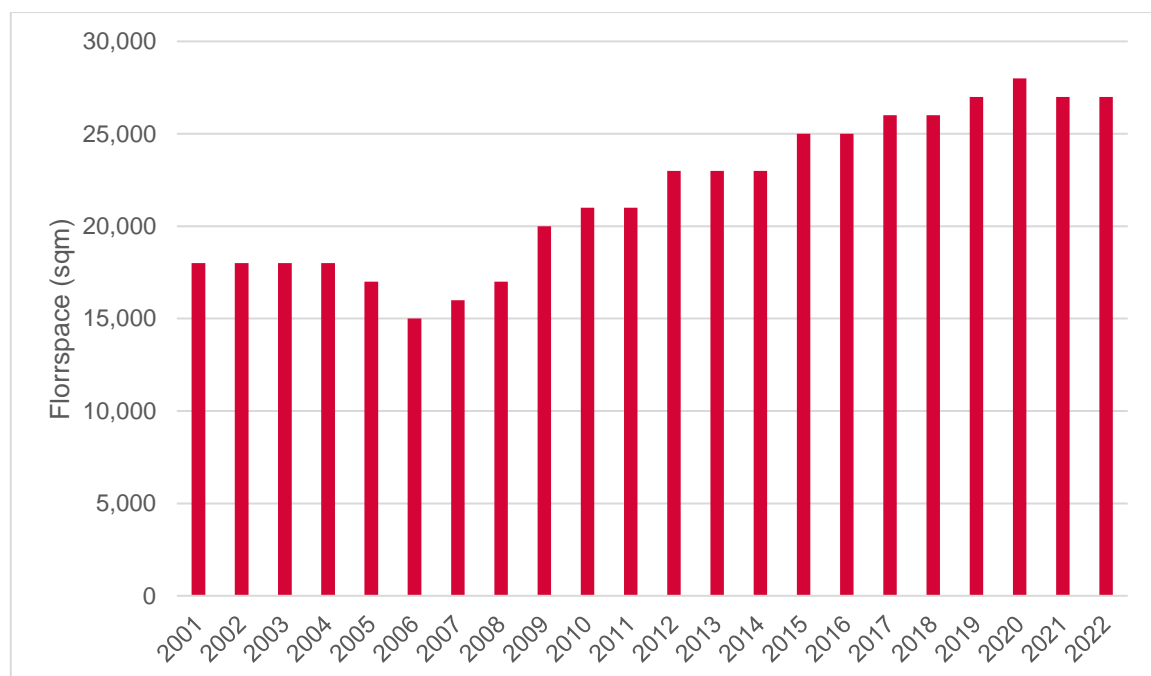
#### **Rutland Office Market Overview**

- 3.46 CoStar report that Rutland is a sub-market of the wider Leicester market and “is very small and contains roughly 190,000 sqft of office space”.
- 3.47 The vacancy rate has fallen slightly over the past year but at 0.5% the rate was well below the 10-year average and that nationally (7.5%).
- 3.48 There are no supply-side pressures on vacancy or rent in the near term, as nothing is under construction. This lack of construction extends a prolonged hiatus from new development in the sub-market. It has been more than 10-years since an office project had been delivered.
- 3.49 CoStar goes on to say “net absorption clocked in at 1,700 sq ft over the past year. Over the past five years, the submarket has registered 980 sq ft of positive net absorption annually on average. Rents fell by 1.4% over the past year. The situation does not look better on a longer timescale, however, as rents have posted an average annual gain of 1.7% per year over the last decade.”

### Rutland Office Stock

- 3.50 The VOA<sup>4</sup> provides information on the amount of office floorspace by administrative area. In Rutland at the end of FY 2021/22, there was 27,000 sqm<sup>5</sup> (290,000 sqft) of office floorspace in total, reflecting the small office property market in Rutland.
- 3.51 The figure below shows the amount of floorspace in Rutland between 2000/01 and 2021/22 according to VOA. It can be seen that the amount of floorspace has increased gradually since 2005/06, although it has declined since 2019/20.

**Table 3.8 Office Floorspace (2000/01 – 2021/22)**



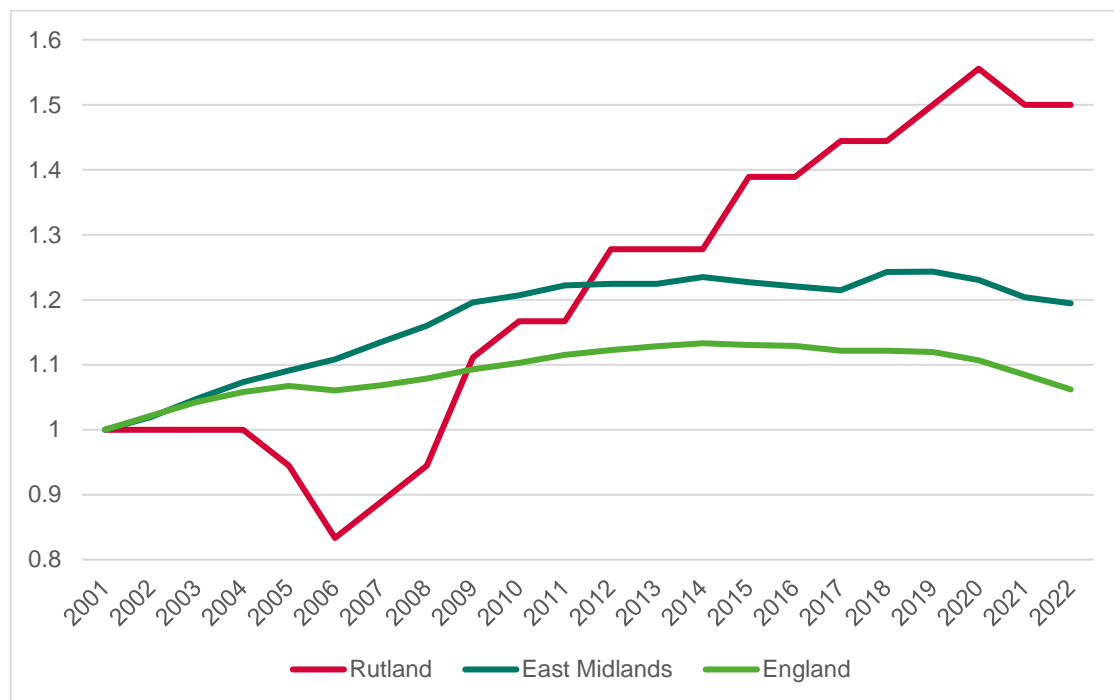
Source: Iceni analysis of VOA data (2022)

<sup>4</sup> VOA: Non-domestic rating: stock of properties including business floorspace, 2022

<sup>5</sup> CoStar suggests that Rutland had 17,488 sqm of office floorspace in 2022 which is 35% lower than the VOA. This difference is due differences in the definition of office space and the fact that data is collected in a different manner. Given CoStar data is not likely take into account a significant proportion of the County's stock their qualitative findings should be treated with caution.

- 3.52 The figure below shows how the amount of floorspace has changed in Rutland relative to the region and England. Since 2005/06 Rutland's office floorspace has grown much more rapidly than across the East Midlands and England, although the small base size increases its sensitivity to change.

**Table 3.9 Indexed Office Floorspace (2000/01 – 2021/22)**



Source: Icen analysis of VOA data (2022)

- 3.53 Since 2018/19, there were declines in office floorspace across each of the comparator areas. However, the amount of office space in Rutland grew of most of this period. As above, due to low levels of office floorspace in Rutland, changes are more accentuated.
- 3.54 Overall, whilst small, Rutland's office market has been growing in both the long-term (past 15 years).

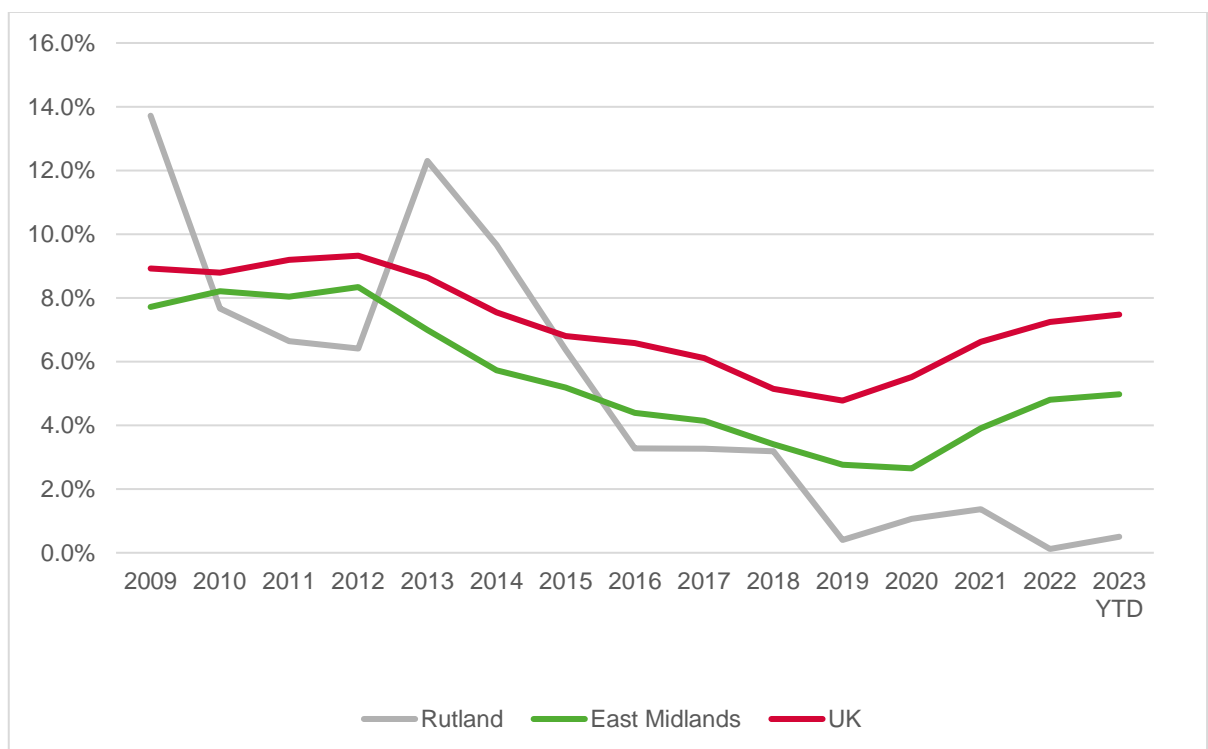
#### Overall Supply-Demand Balance – Rutland Office Market

- 3.55 The overall supply-demand balance has been assessed by looking at headline indicators – namely vacancy rates and rents – as well as net absorption and net deliveries.

### Vacancy Rates

- 3.56 The figure below shows how the vacancy rate in Rutland has changed over time compared to the East Midlands and the UK. The current (April 2023) vacancy rate in Rutland is 0.5%. This is significantly lower than between 2009 and 2018. Since then, vacancy rates have been extremely low. Rutland's current vacancy rate has also been significantly lower than for the comparator areas since 2016.

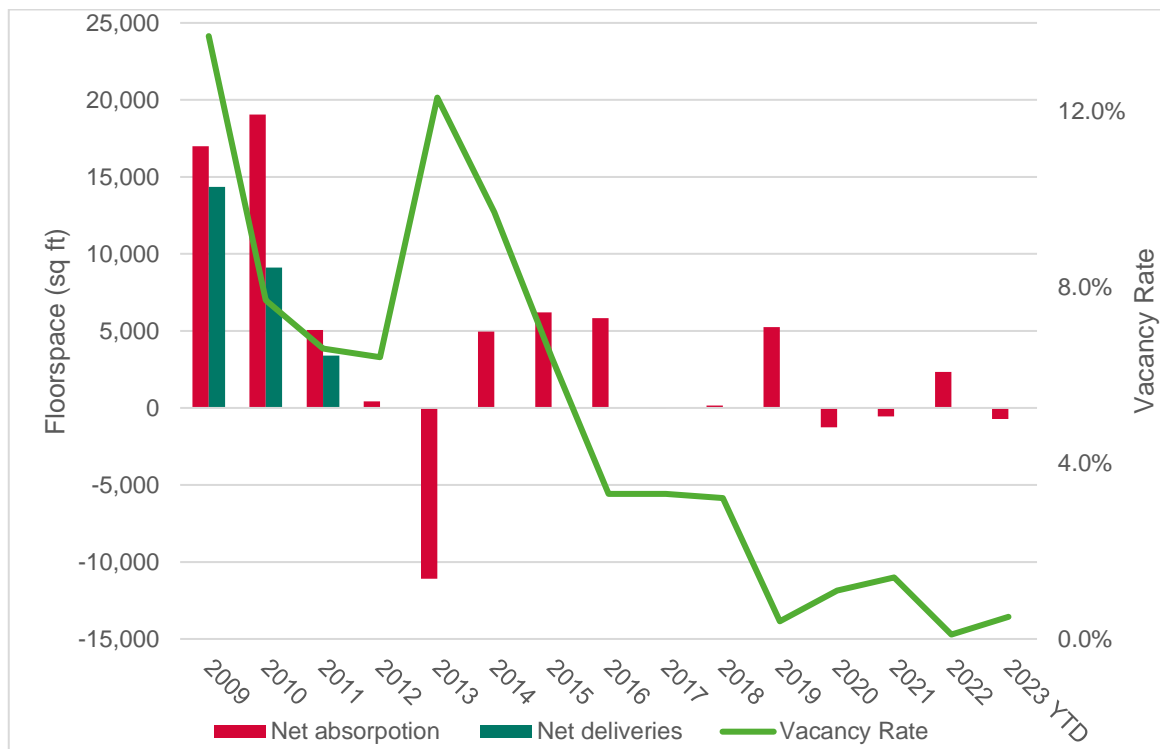
**Table 3.10 Vacancy Rate**



Source: IcenI analysis of CoStar data (April 2023)

### Supply-demand Indicators

- 3.57 The figure below shows net absorption, net deliveries and their resulting impact on vacancy rates in Rutland. It can be seen that net absorption has been highly variable. Overall net absorption has been positive.
- 3.58 According to CoStar since 2011 there has been no net delivery of additional office floorspace. Positive net absorption and a lack of deliveries both contributed to the sharp decline in vacancy rates since 2013.

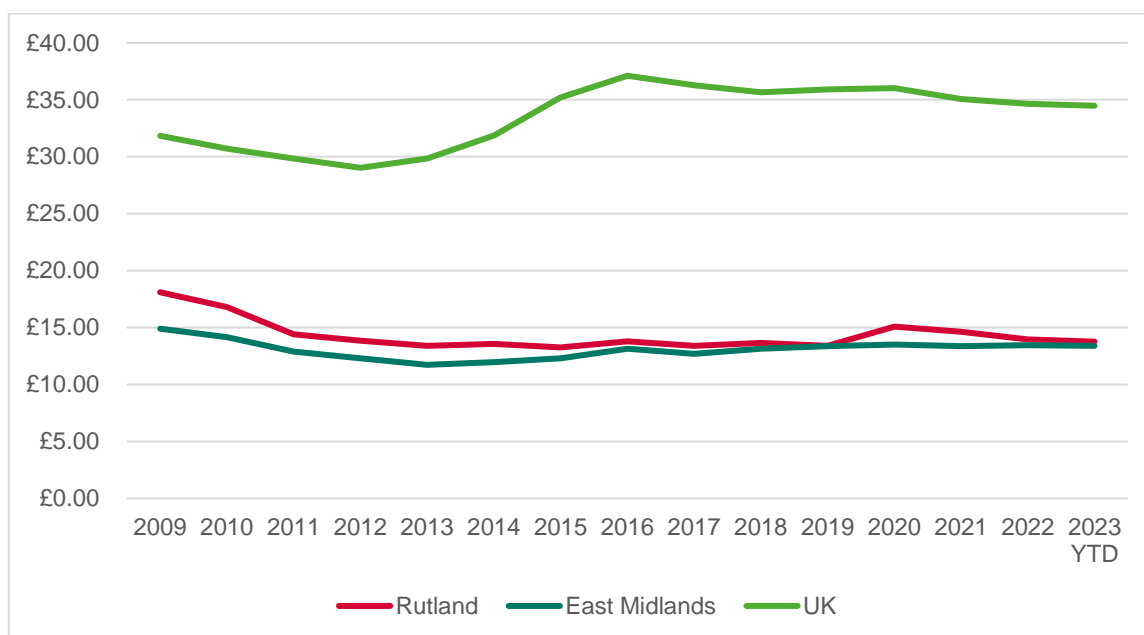
**Table 3.11 Net Absorption, Net Deliveries and Vacancy Rates**

Source: Icen analysis of CoStar data (April 2023)

- 3.59 Since 2013, extremely low vacancy rates have most likely constrained net absorption. In theory this suggests that new office floorspace needs to be delivered in order to support churn and choice in the market which will be achieved through increasing the supply - including vacant supply. However the national office market has over hauled and the viability and demand for offices needs to be explored locally.

#### Rents

- 3.60 The figure below shows how inflation adjusted average rental prices in Rutland have changed over time compared to the East Midlands and the UK. At present (April 2023) the average office rental price in Rutland is £13.75 per sqft. This is the same level as the East Midlands average but significantly below the UK average. Rents have remained fairly stable since 2012, after decreasing from £18.10 to £13.85 between 2009 and 2012. Rents below £25 psft will not be viable for new build speculative stock.

**Table 3.12 Inflation Adjusted Average Rental Price (£ per Sq ft)**

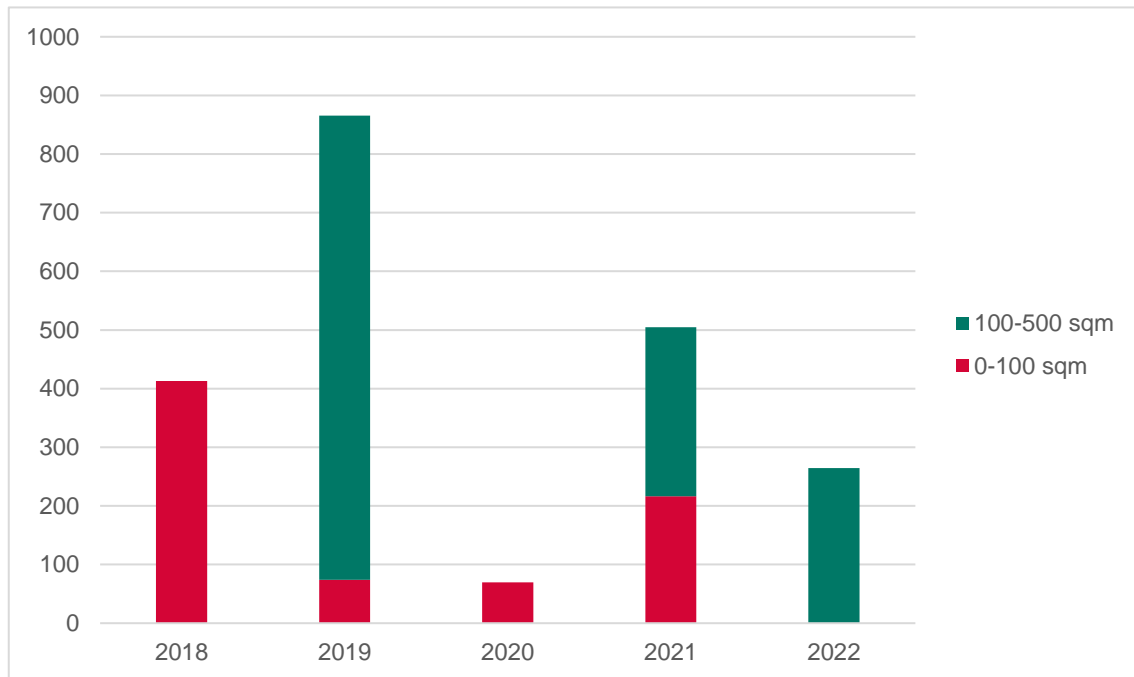
Source: Icen analysis of CoStar data (April 2023)

### Leases by Size

- 3.61 The amount of leasing activity which has occurred in various size bands has been assessed to provide an indication of demand by size. However, it should be remembered that leasing activity is constrained by the size of available stock. Therefore, our assessment of demand by size has been considered together with information from stakeholders.
- 3.62 Leasing activity differs from absorption in that it refers to the amount of space which is leased (i.e. signed for rather than physically moved in to). Lease deals will miss owner occupier data and sales.
- 3.63 The figure below shows the amount of leasing activity (sqm) by size band which has occurred over the last 5 years. As illustrated, there has been limited leasing activity, which reflects the small office market in Rutland.
- 3.64 In total, there have been 25 deals since 2018, totalling 2,118 sqm of floorspace leased. Floorspace leased peaked in 2019 when 866 sqm was leased in 9 deals. All deals have

been below 500 sqm which may both reflect the size of availability stock and the revealed demand.

**Table 3.13 Leasing Activity Over Time by Size Band (Sqm)**



Source: Icenii analysis of CoStar data (April 2023)

### Deals by Location

- 3.65 The map below illustrates the distribution of office transactions in Rutland. As illustrated the majority of details took place in the County's two main settlements of Uppingham and Oakham. There are also a number of deals in the rural parts of the County including along the A6121 which links Uppingham and Stamford. Over the 10-year period there were 66 deals, accounting for 4,213 sqm of take-up; comparing this to the figure above indicates that demand for office space has dropped off in the past 5 years when looking at the past decade.



**Table 3.14 Lease Completions by Size (2012-2022)**

Source: Icen analysis of CoStar data (April 2023)

### Agent Feedback

- 3.66 Agents confirm the local nature of small lets demand in Rutland – typically for higher quality offices. Oakham Enterprise Park is now fully let due to a steady demand. Typically office demand is from converted traditional residential premises or on the high street. Demand for larger office space is absorbed by the surrounding cities of Peterborough, Leicester and Nottingham. There is likely to be further small-scale demand for businesses but recognising viability challenges on rents and costs in terms of delivering new premises. Agents expressed that there is not a need for new office space to be delivered in the short term and there tends to always be 2-3 properties available in the market.

### Office Market Conclusions

- 3.67 The following key conclusions can be made from this office market assessment;

- At the national level, the office vacancy rate is at a six-year high and is likely to continue to rise given the amount of space under construction. Although this is the opposite in Rutland when vacancy is very low.
- Whilst small, the Rutland's office market has been growing in the long-term (past 15 years) but growth has levelled out since 2017.
- Analysis of CoStar data suggests that Rutland's office market is under supplied indicated by extremely low vacancy rates and new space should be delivered to alleviate this.
- The picture of demand by CoStar indicates demand is for stock below 500 sqm and particularly in the Oakham and Uppingham area
- Local commercial agents confirmed that demand was for small office space. Viability of office development has declined in recent years and there is unlikely to be need for further large scale development.
- Rents are currently similar to those across the East Midlands which is well below the UK average level suggesting that there are no affordability issues for businesses, but there are viability challenges.

## 4. ECONOMIC GROWTH ASSESSMENT

- 4.1 This section of the report examines the structure of the local economy as well as forecasting employment growth and linked to this housing need. To do this we draw on forecasts produced by Oxford Economics and Experian.

### **Rutland's Economy Overview**

---

- 4.2 The following section has been summarised from the Rutland Economic Strategy by Metro-Dynamics. Much of this data is for the 2015-2020 period, which should be viewed in light of 2020 being affected by Covid-19.

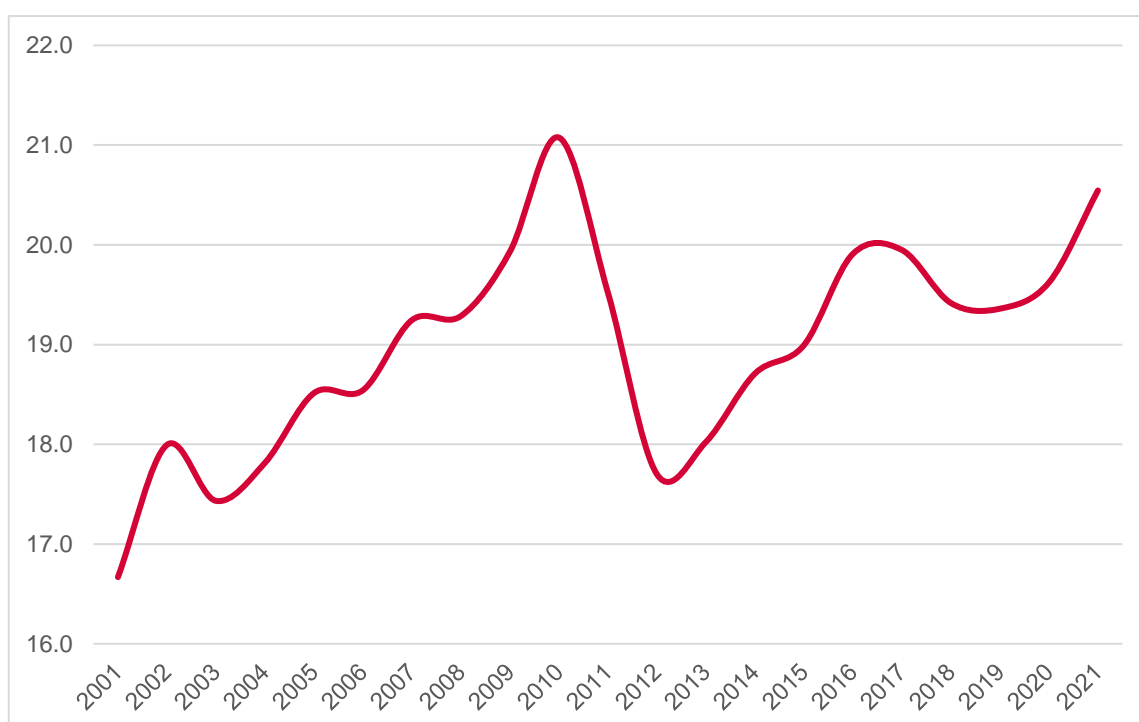
- Rutland has a population of 41,000 (2021), which has grown by 5.4% between 2016 and 2021.
- The proportion of those aged 25-39 grew by 8.3% over the same period however those of a retirement age (aged 65 and over) grew by 9.6%.
- While the County has a reasonable school aged population, a quarter of young people can be attributed to the presence of boarding schools.
- There are around 16,000 people employed in Rutland as of 2021 and the value of Rutland's economy was £706m in 2020.
- Employment has fallen by -4.3% fall over the last 5 years compared to a 0.9% rise nationally.
- Similarly, the value of Rutland's economy fell by -8.8% between 2015 and 2020 compared to a -2.2% fall nationally.
- Rutland ranks among the bottom 10 of all local authorities in the UK in terms of GVA growth 2010-19.
- Wholesale and retail trade is the largest sector (increase of 54% in employment 2015-20) followed by education. Rutland also has a strong visitor economy with 1,200 FTE jobs supported.

- High value sectors such as financial and insurance activities and manufacturing (loss of 750 jobs 2015-2020) are shrinking.
- Rutland is significantly more productive in Agriculture, mining, electricity, gas, water and waste and Real estate activities than the UK, however these are not big employment sectors.
- In 2022 there were 1,975 businesses in the County. As with jobs and GVA the business base has been falling over the past year, with a decline of 225 businesses between 2021 and 2022,
- In 2021 the business birth rate was 7.9%, compared to 12.5% nationally and the death rate was 16.5%, compared to 11.2% nationally.
- However the 5-year survival rate 2016-2020 was 50%, compared to 38% nationally. This suggests that when businesses are created they can be sustained if they survive the first year.
- The County has relatively low productivity and wages. GVA per hour worked was £30.35 in Rutland in 2020, compared to the national average of £38.29.
- Rutland has a higher proportion of people (53.2% of employment) employed in highly skilled occupations such as manager, directors, senior officials and professional and technical roles.
- Despite this, median workplace earnings are £28,064 per annum, compared to £31,480 nationally. Resident earnings are consistently higher than workplace earnings indicating out-commuting to higher earning sectors.
- Overall, more people commute into Rutland, with a net inflow of 278 people, mainly from South Kesteven and Melton.
- In 2021, 43% of the population was qualified to NVQ 4+, equivalent to the national rate.
- Economic inactivity was at 22.7% in 2021, increasing 4.8% over the last 5 years with a high proportion of those economically inactive either retired or looking after family/home.

## Economic Baseline Assessment

- 4.3 IcenI has considered key issues around the Rutland economic trends in order to inform the outlook for jobs and employment floorspace largely derived from Oxford Economics (OE) data.
- 4.4 In 2021 there were 20,544 jobs in Rutland according to OE. This was an increase of around 3,900 jobs since 2001 and around 1,000 since 2011. As shown in the table below employment growth has been variable with some rapid growth between 2001 and 2008 and again from 2012 and 2017. The data illustrates a contraction of employment in the county in 2011 which is likely to relate to the closure of RAF Cottesmore. According to OE the County did not experience any significant covid-related contraction. There are some differences with the 2015-2020 data in the Rutland Economic Strategy outputs noted above, which are presumably BRES based. OE accounts for some additional non VAT related employment so figures differ from BRES.

**Table 4.1 Historic Employment Change (2001-2021)**



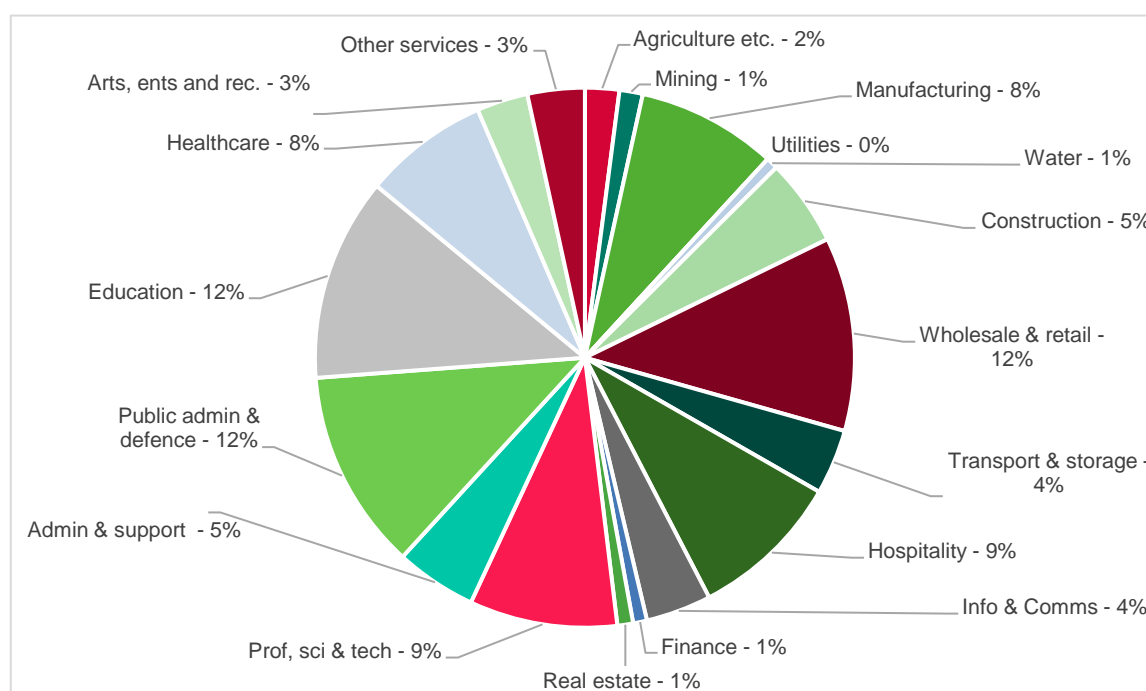
Source: Oxford Economics, Experian

- 4.5 The growth in employment since 2001 (to 2021) equated to 1.1% per annum according to OE. This exceeded the levels seen across the East Midlands and nationally (both 0.8% per annum) despite the closure at Cottesmore.

### Sectoral Analysis

- 4.6 The largest employment sectors in Rutland are Education (12.2%) which includes many private schools; Public Admin and Defence (12%) which includes the County Council as well as those employed by the Army at Kendrew and St George's Barracks; and Wholesale and Retail (11.6%). These are typically lower value sectors

**Table 4.2 Jobs By Sector (2021)**



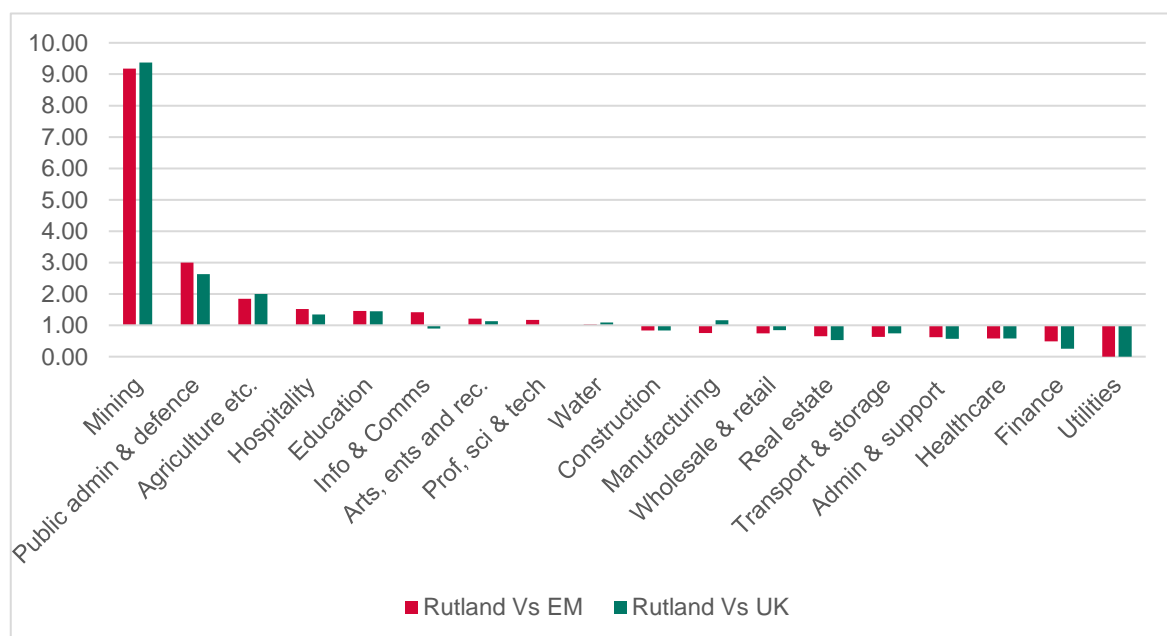
Source: Oxford Economics, 2023

- 4.7 Rutland has particular strengths in comparison to the region and nationally in the Mining and quarrying (although employing only 300), Public admin & defence, Agriculture (400 jobs) and Hospitality (1,900 jobs) sectors. Again these are typically lower value sectors.

4.8 The data also shows under-representation in Finance and Healthcare. The County also has an under representation in Construction, Wholesale and retail and Administrative and support services all of which employ more than 1,000 people locally.

4.9 Of the other major employment sectors there is an over-representation in Education employment which is supported by a large number of private schools rather than a university.

**Table 4.3 Location Quotient Jobs By Sector (2021)**



Source: Oxford Economics, 2023

4.10 The manufacturing sector has slightly less than the East Midland representation but above that of England. This reflects the regional strength of Manufacturing and Rutland's more minor role within it. Conversely Rutland has a limited over representation of Professional, scientific and technical roles in comparison to the region, but in line with the national trend.

4.11 Looking at growth rates (table below) since 2001 the fastest growing sectors have been Mining and quarrying, Arts, entertainment and recreation, and ICT all of which have grown by at least 10% per annum.

- 4.12 Since 2012 post last recession the greatest absolute growth has been (in order) in Professional, scientific and technical (+640 jobs), Public admin & defence (+600), Admin and support (+510), Hospitality (+440), ICT (+430) and Healthcare (+420). These sectors have largely continued to drive growth in more recent years.

**Table 4.4 Jobs by Sector ('000) and Annual Growth Rate**

Sector	2001	2012	2021	9* Year Change	20 Year Change
Agriculture etc.	0.3	0.5	0.4	-2.7%	1.6%
Mining	0.0	0.0	0.3	33.5%	19.0%
Manufacturing	2.1	2.2	1.7	-2.9%	-1.0%
Utilities	0.0	0.0	0.0	0.0%	0.0%
Water	0.2	0.2	0.1	-2.1%	-1.3%
Construction	0.9	0.9	1.1	1.4%	0.8%
Wholesale & retail	2.2	2.8	2.4	-1.6%	0.5%
Transport & storage	0.6	0.5	0.8	4.9%	1.8%
Hospitality	1.4	1.4	1.9	3.1%	1.6%
Info & Comms	0.3	0.4	0.8	8.9%	5.6%
Finance	0.1	0.1	0.2	10.4%	4.4%
Real estate	0.2	0.2	0.2	-0.7%	-0.5%
Prof, sci & tech	0.9	1.2	1.8	4.9%	3.8%
Admin & support	0.6	0.5	1.0	8.3%	2.4%
Public admin & defence	3.8	1.9	2.5	3.2%	-2.2%
Education	1.5	2.7	2.5	-0.8%	2.5%
Healthcare	0.9	1.1	1.5	3.6%	2.8%
Arts, ents and rec.	0.2	0.3	0.6	7.9%	6.3%
Other services	0.5	0.7	0.7	-0.6%	1.3%
<b>Total</b>	<b>16.7</b>	<b>17.7</b>	<b>20.5</b>	<b>1.7%</b>	<b>1.1%</b>

Source: Oxford Economics, 2022

\* 9 years picked rather than 10 as defence departures appear to bottom out in 2012

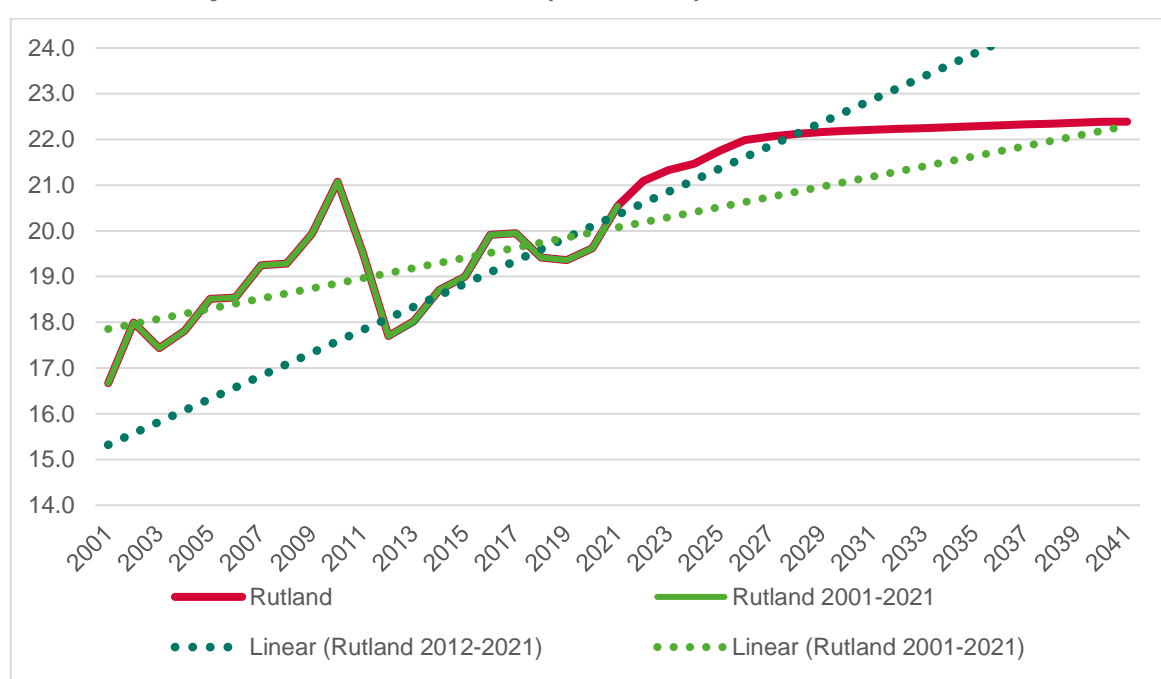
- 4.13 The Manufacturing sector has seen a decline over the last twenty years (1.0% per annum), and this has accelerated since 2012 (2.6% per annum). Part of this is linked to structural change such as automation and off-shoring which has been felt throughout the country.
- 4.14 The last twenty years has also seen a notable reduction in public sector administration and defence which reflects austerity measures although for Rutland are very much linked to army base movements.



## Baseline Growth

- 4.15 As illustrated in the chart below, OE baseline projections are expecting employment growth to be in line with long term historic trends (from 2001) but below those since 2012 (with a drop at this point creating a low base - assumed to be associated with the closure of RAF Cottesmore). This type of outlook (weaker than the recent past) is not unexpected and reflects anticipated slowing in the national economy due to Brexit and global uncertainty.

**Table 4.5 Projected Baseline Growth (2001-2041)**

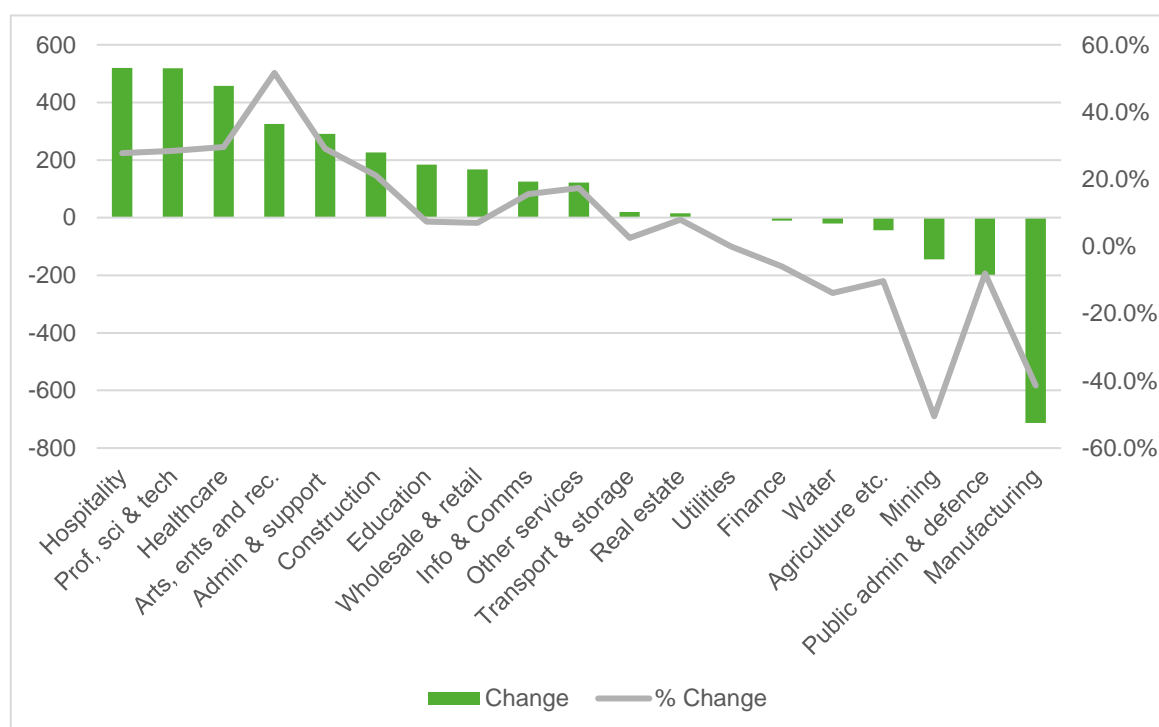


Source: OE 2023

- 4.16 We also see the OE baseline forecasts initial grow to around 2029, followed by longer term stagnation driven notably by losses in manufacturing. Overall, the baseline scenario suggests a growth of 9% over the next 20 years which is a total of 1,842 jobs or 92 jobs per annum.
- 4.17 There are a number of sectors which are expected to see the most significant growth including, in absolute terms being Hospitality, Professional Scientific and Technical and Healthcare, all of which are expected to increase by at least 400 jobs. In percentage terms, the largest growth is expected in the Arts, Entertainment and Recreation sector (51.6%).

- 4.18 In contrast, a number of sectors are expected to decline including Manufacturing (loss of 700 jobs), Mining (which is expected to half, losing 150 jobs) and Public admin and defence. The forecast loss of over 700 jobs in Manufacturing offsets many of the gains in other industries.

**Table 4.6 Projected Baseline Growth by Sector (2021-2041)**



Source: OE 2023

- 4.19 However, the baseline economic forecasts do not take into account local knowledge of sector strengths or trends nor do they take into account economic or sector strategies nor known investment and divestment activity. In order to estimate such things we have developed an alternative forecast below.

### Alternative Forecasts

- 4.20 To inform these alternative forecasts we have analysed the trends over the last nine years post-recession and compared with the forecasts. We have held discussions with key stakeholders including economic development officers, the LEP and the Consultants undertaking the emerging economic strategy. We have also undertaken literature review or

relevant planning and strategy document. The results of which have informed the following changes to the baseline forecasts.

- **Transport and Storage** – Given the continued (but slowing) shift from high street to online retail as well as the County's location along the A1(M), a location which is in high demand, it is likely that the County would benefit from a greater level of employment growth in this sector. The County has already seen significant growth in employment within this sector and we believe will continue to benefit from this shift albeit at a slower pace most likely due to automation in the sector and a balancing of the e-commerce trend post Covid-19.
- **Information and Communications** – This is another sector of relative strength in the County. The County is in a good position to continue its recent strong growth in this sector which is not reflected in the baseline forecasts with increased 'work from home' type employment taking advantage of the quality of life in Rutland.
- **Professional, Scientific and Technical** – This is another sector of relative strength in the County and there have been discussions with local universities to place research and development accommodation with the County. Although this does not directly feed into the adjustments it demonstrates the potential for continued growth in this sector which although shown in the baseline forecasts it is much lower than historic trends.
- **Administrative and Support Services** – Although not a sector of relative strength it has been growing very strongly in recent years and while this is forecast to continue in the baseline, it is at a much lower rate. Reflecting the general growth in the local economy we do not consider it to be realistic that the rate of growth will slow by the forecast amount.

4.21 The table below illustrates the changes made to baseline forecasts to reflect these growth sectors. In total, these changes result in an additional 1,000 jobs forecast, taking the overall number of jobs to 23,400 jobs by 2041. This is a total jobs growth of 2,863 over the same period.

**Table 4.7 – Alternative Growth Scenario**

Sector	2012	2021	2041 baseline forecast	2041 (from 9 Yr trend, absolute change)	2041 Alternative scenario	Comments
Agriculture etc.	0.5	0.4	0.4	0.3	0.4	N/A
Mining	0.0	0.3	0.1	0.9	0.1	Recent rapid trend growth not expected to continue, baseline preferred.
Manufacturing	2.2	1.7	1.0	0.4	1.0	Baseline preferred - forecast decline slower than recent rate
Utilities	0.0	0.0	0.0	0.0	0.0	N/A
Water	0.2	0.1	0.1	0.1	0.1	N/A
Construction	0.9	1.1	1.3	1.3	1.3	N/A
Wholesale & retail	2.8	2.4	2.6	1.8	2.6	Baseline preferred. Trend forecast may build in some Covid related issues.
Transport & storage	0.5	0.8	0.8	1.5	1.1	Sector with some recent growth – forecast potentially underestimates sector. Half trend used.
Hospitality	1.4	1.9	2.4	2.6	2.4	N/A
Info & Comms	0.4	0.8	0.9	1.6	1.2	Baseline forecast may underestimate growth potential. Half trend used.
Finance	0.1	0.2	0.2	0.4	0.2	N/A
Real estate	0.2	0.2	0.2	0.0	0.2	N/A
Prof, sci & tech	1.2	1.8	2.3	3.4	2.6	Baseline forecast may underestimate growth potential. Half trend used.
Admin & support	0.5	1.0	1.3	1.9	1.5	Baseline forecast may underestimate growth potential. Half trend used.
Public admin & defence	1.9	2.5	2.3	3.2	2.3	Baseline preferred to trend given MOD influence.
Education	2.7	2.5	2.7	1.5	2.7	Baseline preferred as linked to population change although there is uncertainty.
Healthcare	1.1	1.5	2.0	2.5	2.0	Baseline preferred given link to ageing population assumed in OE model.
Arts, ents and rec.	0.3	0.6	1.0	1.2	1.0	N/A
Other services	0.7	0.7	0.8	0.8	0.8	N/A
Total (sum)	17.7	20.5	22.4	25.3	23.4	

Source: Oxford Economics, Icení Projects adjustments

- 4.22 The above is not intended to provide a definitive likely alternative outcome but rather an illustration of a potential alternative scenario that draws more significantly on recent trends.

## 5. EMPLOYMENT LAND REQUIREMENTS

- 5.1 In this section, we consider the demand for employment land and floorspace over the period from 2021-41. The section considers requirements for employment land in the Office and Industrial uses. These correlate with Use Class E(g)(i) offices, E(g)(ii) R&D for offices and E(g)(iii) industrial (light), B2 Industrial and B8 Warehousing.
- 5.2 The analysis is of 'demand' for employment land and does not take account of any supply-side factors such as existing employment land allocations or commitments or constraints to potential delivery. This report does go on to consider the current supply-side and the demand-supply balance as a result.
- 5.3 When considering the scale of future needs the Planning Practice Guidance (PPG, 2019) requires consideration of:
- 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;
- 5.4 There are relative benefits of each approach. Econometric forecasts take account of differences in expected economic performance moving forward relative to the past, overall concerning the sectoral composition of growth. However, a detailed model is required to relate net forecasts to use classes and to estimate gross floorspace and land requirements.
- 5.5 As mentioned previously the baseline projections take account of national trends but may not reflect local circumstances which are reflected in a locally adjusted model set out earlier

in this report. There may also be distortions between typical floorspace densities and future needs caused by replacement demand requirements or productivity gains (explored below).

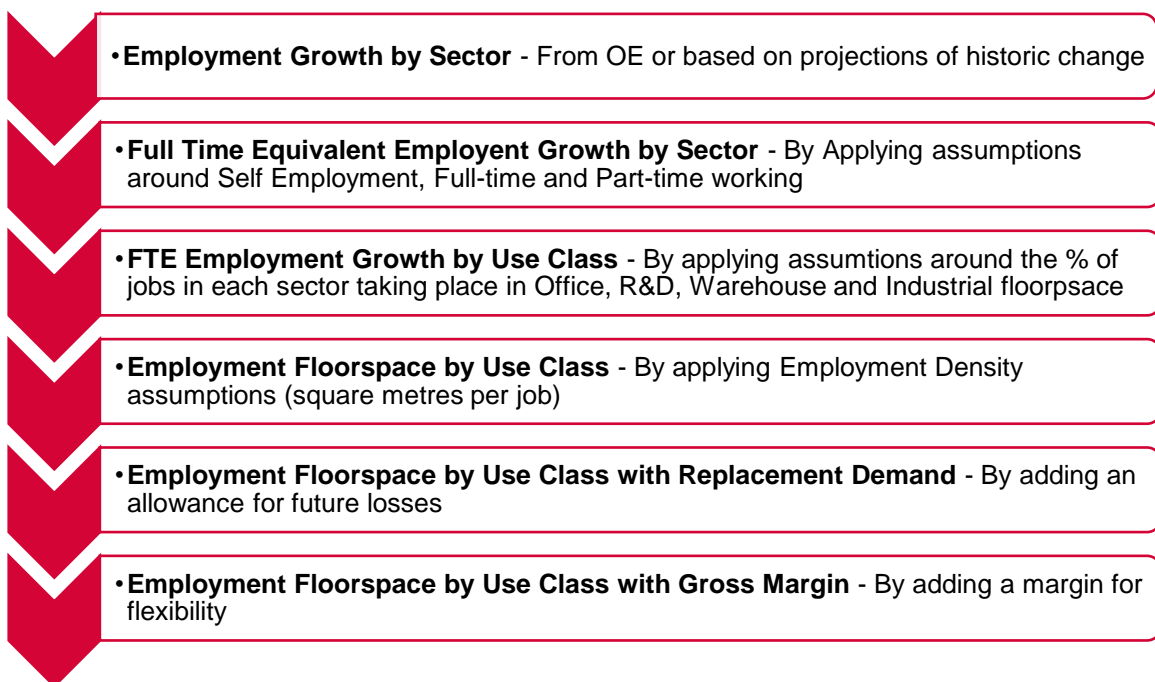
- 5.6 Labour supply modelling is based on economically active persons derived from modelling future population changes associated with housing growth and changes in demographic structure as shown in the SHMA. This relies on an understanding of future housing delivery and the relationship between labour supply and demand. This also needs to be converted to floorspace needs through a modelling exercise as with labour demand.
- 5.7 We have not modelled a labour supply scenario as the demographic growth (as set out in the SHMA) could support up to 1,746 jobs over the plan period to 2041 which is similar to the 1,842 jobs in the baseline forecast, which additionally provides a breakdown by sector.
- 5.8 In contrast, past take-up is based on the actual delivery of employment development; but does not take account of the implications of potential growth in labour supply associated with housing growth nor any potential differences in economic performance relative to the past.
- 5.9 Monitoring data for employment across the county has drawn on both Council data for Net and Gross Development and VOA data for Net Development. The Council data is also used to understand replacement demand.
- 5.10 The quantitative evidence here is supplemented by the wider analysis of the market and economic dynamics set out earlier in this report. We have also included within this section an estimate of demand based on net absorption.

---

### **Labour Demand**

---

- 5.11 Jobs forecasts are translated to employment floorspace requirements through a series of steps.



5.12 The first step is to translate forecast employment growth into full-time equivalent (FTE) employment growth. This is required as the employment densities that are used are to be applied to FTE jobs. The number of FTE jobs is calculated by looking at the number of self-employed, full-time and part-time employees in each sector. Full-time and self-employment jobs have been assumed to equate to 1 FTE while part time jobs have been assumed to equate to half an FTE (in line with HCA guidance).

5.13 Table 5.1 shows that forecast FTE jobs growth over the period from 2021 to 2041 is equivalent to 1,363 derived from 1,842 jobs for the baseline scenario and 2,260 derived from 2,863 from the alternative scenario. This to be expected as the Rutland average ratio is 84% with education and health having in particular higher numbers of part time workers.

**Table 5.1 Total Jobs and FTE Jobs Growth by Model, 2021-2041**

Model	Total Jobs	FTE Jobs
OE Forecast	1,842	1,363
Alternative scenario	2,863	2,260

Source: IcenI analysis of OE / BRES data



- 5.14 The next step disaggregates the number of FTE jobs to each broad employment use class (Offices and R&D, Industrial and Warehouse and Distribution) and those in non-b use classes. Within this calculation we also make an adjustment for those jobs typically
- 5.15 The next step translates FTE employment growth by sector into FTE employment growth by use class. For the purposes of this study, we have proportioned the number of FTE jobs in each sector into jobs in Industrial, Warehouse, Office and R&D floorspace.
- 5.16 Within this calculation we also make an adjustment for those jobs typically located in Offices to reflect working from home. Working from home levels post-pandemic is also further considered through a sensitivity later in the modelling.
- 5.17 As shown within the baseline forecast the majority of growth is expected to be in non-b and Non-E(G)(i-iii) use classes including those working from home, while jobs in employment premises (E(g)(i-iii), B2 and B8) are forecast to decline (-180 jobs). This is driven by loss of manufacturing employment.

**Table 5.2 FTE Jobs Growth by Model and Use Class, 2021-2041**

Model	FTE Jobs	FTE Jobs in E(G)(i-iii), B2 and B8 Premises
OE Forecast	1,363	-180
Alternative scenario	2,260	264

Source: Iceni analysis of OE / BRES data

- 5.18 A different picture emerges from the alternative scenario which shows a growth of 264 jobs in traditional “employment” premises. This is because those sectors which have been adjusted are typically those located in offices (including R&D), factories and warehouses.

- 5.19 To translate FTE employment growth to floorspace we have assumed a set of employment densities<sup>6</sup>, which are set out in Table 5.3. These are informed by the Homes and Communities Agency Employment Density Guide third edition<sup>7</sup>, but also take into account Iceni Projects' experience and the nature of development in Rutland.

**Table 5.3 Employment Densities Assumptions - Gross Employment Area per job**

	Office	R&D	Industrial	Warehouse
Employment Density (sqm)	12	40	40	70

Source: HCA Employment Densities Guide: 3<sup>rd</sup> Edition (Drivers Jonas Deloitte, 2015), adapted by Iceni Projects

- 5.20 Applying these employment densities to the FTE forecasts results in the employment floorspace requirement set out in Table 5.4. This includes an alternative office scenario which takes into account reduced post-pandemic levels of working from home, when compared to pre-pandemic levels.
- 5.21 This is informed by Iceni Projects review of information published by real estate agency Savills<sup>8</sup> and Remit Consulting<sup>9</sup> on the occupancy of in-use office floorspace pre and post pandemic. Based on this information Iceni Projects has concluded that post-pandemic office occupancy is at c45% of pre-pandemic levels. Therefore, we have reduced levels of employment growth and replacement demand in the 'Post-Pandemic Working from Home' scenario by a 50% factor.

---

<sup>6</sup> Employment Densities are the assumed floorspace per FTE e.g. for offices it is assumed that every FTE will have 14 sqm (GEA) of floorspace

<sup>7</sup> [https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48\\_employment\\_density\\_guide\\_3rd\\_edition.pdf](https://www.kirklees.gov.uk/beta/planning-policy/pdf/examination/national-evidence/NE48_employment_density_guide_3rd_edition.pdf)

<sup>8</sup> [https://www.savills.co.uk/research\\_articles/229130/343549-0](https://www.savills.co.uk/research_articles/229130/343549-0)

<sup>9</sup> <https://return.remitconsulting.com/resource-centre/35-news-release-latest-data-reveals-improved-uk-office-occupancy-levels>

- 5.22 We also take into account a ‘margin for flexibility.’ This allows for the allocation of sufficient land to cover inaccuracies in forecasting, helps to provide a choice of sites to facilitate competition and allows for delays in any sites coming forward.
- 5.23 Based on past experience and industry standards, we recommend that a ‘margin for flexibility’ equivalent to two years’ worth of gross completions<sup>10</sup> for offices and five years for industrial and warehousing should be used. This equates to a total of 1,074 sqm for office and R&D and 14,348 sqm for industrial (including warehousing). It is necessary to group these together due to the way historic completions data is recorded.
- 5.24 We have also included an allowance for replacement demand which refers to the demand for land (expressed in terms of floorspace at this stage) that is required to accommodate losses of floorspace elsewhere.
- 5.25 We consider historic floorspace losses to be a good predictor of future losses given the fact that there is still only a limited amount of modern stock in the Borough – according to CoStar around 60% of industrial floorspace is pre 1990s and 80% pre 2000 suggesting further stock renewal is required.
- 5.26 However, we do not recommend that replacement demand should be assumed to be at the full rate of historic gross losses as: a) some gross losses will be able to be re-provided on the same plot; and b) some gross losses will be due to structural changes in the economy, which means that less floorspace is required to accommodate the same number of jobs and/or economic activity (for example given potential weaknesses in manufacturing employment outlook).

---

<sup>10</sup> This excludes exceptional development (both gains and losses)

- 5.27 The calculations therefore assume that replacement demand will be the equivalent of half the rate of historical losses for industrial / warehouse (917 sqm per annum) and at 20% of historical losses for offices (64 sqm per annum). The replacement rate for offices is lower because whilst vacancy is low, rents are stagnating and market feedback is that future needs are weaker, whereas industrial rents are climbing.

**Table 5.4 Employment Floorspace Requirement by Labour Demand Model, 2021-2041 (sqm)**

	OE Forecast	Alternate scenario
Office	3,436	7,249
Office - Post Pandemic WFH 50%	1,718	3,624
R&D	796	1,471
Industrial	-22,205	-21,889
Warehousing	4,827	11,937
<b><i>With Margin for Flexibility (equal to 2 years' worth of gross deliveries)</i></b>		
Office/R&D	5,306	9,794
Office/R&D - Post Pandemic WFH	3,588	6,170
Industrial/Warehousing	-3,030	4,396
<b><i>With Replacement Demand @50% of rate of historical losses for industrial / warehouse. Replacement Demand @20% of rate of historical losses for offices</i></b>		
Office/R&D	6,586	11,074
Office/R&D - Post Pandemic WFH	4,868	7,450
Industrial/Warehousing	15,310	22,736

Source: Iceni analysis of CE data

- 5.28 Once the flexible margin and replacement demand are accounted for the baseline forecasts result in a need for at least 4,868 sq.m of office spaces (rising to 6,586 sq.m should pre-pandemic working patterns return) and 15,310 sq.m. for industrial and warehousing. The alternative scenario results in higher figures for office need (including R&D) at 7,450 sq.m (rising to 11,074 sq.m) and 22,736 sq.m for industrial/warehousing.

---

## Past Completions

---

- 5.29 Historic completions, based on local authority monitoring data, have been considered and projected forward to provide an indication of future floorspace needs. Both gross and net historic completions have been considered:
- **Gross completions** are useful as they inherently take into account all demand including replacement demand (on site and off site redevelopment and redeployment). However, using gross completions may overestimate demand given some historic gross completions may have been on plots where the previous use was the same (i.e. re-development for the same use but with newer stock).
  - **Net completions** do not inherently take into account replacement demand and will underestimate needs.
- 5.30 An appropriate historic completion-based may therefore be in-between the gross and net completion trends. Gross completions where used need to factor in that some estates will most likely be intensified to meet the need in part.
- 5.31 A forecast for R&D floorspace has not been produced as none has been delivered in Rutland in the recent past.
- 5.32 Table 5.5 shows the average gross and net completions over the time period for which Local Authority Monitoring data is available and over the past 10 years (to reflect post-recession trends). The historic average completions rates presented have then been projected forward to estimate employment floorspace requirements for 2021-2041.

**Table 5.5 Average Completions (sqm)**

Time Period	Gross Completions		Net Completions	
	2006/07 - 2021/22	2011/12 - 2021/22	2006/07 - 2021/22	2011/12 - 2021/22
Office	1,383	602	1,164	283
Industrial	4,768	6,344	4,129	5,415
Warehousing	5,791	7,420	4,813	5,996
<b>Total</b>	<b>11,942</b>	<b>14,366</b>	<b>10,106</b>	<b>11,695</b>

Source: Iceni analysis of Local Authority data

- 5.33 However a number of completions included within the tables above are not representative of market need, for example, the conversion of agricultural buildings for personal storage use.
- 5.34 A sensitivity has been run with completions of this nature having been removed and the average completions trend has been recalculated, providing a downwards adjustment. Furthermore there were two exceptional developments which were not representative of demand, these were Oakham Enterprise Park (large development) and St Georges Barracks (car storage area).

**Table 5.6 Adjusted Average Completions (sqm)**

Time Period	Gross Completions		Net Completions	
	2006/07 - 2021/22	2011/12 - 2021/22	2006/07 - 2021/22	2011/12 - 2021/22
Office	1,325	537	1,105	218
Industrial	2,392	2,956	1,754	2,027
Warehousing	3,524	4,217	2,901	3,312
<b>Total</b>	<b>7,241</b>	<b>7,710</b>	<b>5,761</b>	<b>5,557</b>

Source: Iceni analysis of Local Authority data

- 5.35 The results of the historic completions-based projections are presented in Table 5.7, as well as the employment floorspace requirements after considering replacement demand (for net completions only) and a margin for flexibility. It should be noted that, for gross completions,

an allowance for replacement demand has not be added as gross completions inherently take replacement demand into account.

**Table 5.7 Employment Floorspace Requirement by Completions Projection (from 2011/12 – 2021/22), 2021-2041 (sqm)**

	Gross Completions	Net completions
Office	10,732	4,352
Industrial	59,128	40,545
Warehouse	84,342	66,233
<b><i>With Replacement Demand @50% of rate of historical losses for industrial / warehouse, Replacement Demand @20% of rate of historical losses for offices applied to net only.</i></b>		
Office	10,732	5,628
Industrial	59,128	49,837
Warehouse	84,342	75,288
<b><i>With Margin for Flexibility (equal to 2 years' worth of gross deliveries)</i></b>		
Office	11,805	6,701
Industrial	124,041	114,750
Warehouse	158,402	149,348
<b>Total</b>	<b>294,249</b>	<b>270,798</b>

Source: Icení analysis of Local Authority data

### Past Take-Up

- 5.36 A third supply-based calculation looks at past take-up of space occupied (rather than land delivered) measured by net absorption using CoStar data. As explained in the Property Market Review chapter this is the balance between the amount of space moved into and moved out of (i.e. Net absorption = Move ins – Move outs).
- 5.37 This differs from the net completions-based projections in that it predicts future floorspace requirements directly based on demand for floorspace rather than past completions of floorspace (which is a proxy for floorspace demand).
- 5.38 CoStar has data on net absorption in Rutland's office and industrial market Table 5.8 shows the average rate of delivery over the time period for which a full years data is available. We have grouped industrial and warehousing as, for small rural areas like Rutland, CoStar does

not differentiate well between the two types of floorspace and a combined forecast is likely to be more reliable.

- 5.39 It is important to note that not all deals are captured by CoStar particularly for smaller owner occupied estates in rural areas, so the data will inherently under estimate need.

**Table 5.8 Average Net Absorption (sqm)**

Time Period	2012-2022
Office	104
Industrial and Warehousing	2,916

Source: Iceni analysis of CoStar data

- 5.40 The historic net absorption rates for the 2012-2022 period presented in the table above have then been projected forward to estimate employment floorspace requirements for 2021-2041.

- 5.41 The estimated floorspace requirements below also show the employment floorspace requirements after considering a margin for flexibility. It should be noted that an allowance for replacement demand has not been added as the net absorption based projection would already include such deals.

**Table 5.9 Employment Floorspace Requirement by Net Absorption Projection, 2021-2041**

Types	Net Absorption
Office	2,074
Industrial/Warehousing	58,323
<b>With Margin for Flexibility (equal to 2 years' worth of gross deliveries)</b>	
Office	3,147
Industrial/Warehousing	72,670
<b>Total</b>	<b>75,817</b>

Source: Iceni Projects based on CoStar Data



---

## Overall Need Conclusions

---

- 5.42 As set out above we have examined a range of ways to determine the future need for employment floorspace in Rutland. Table 5.10 shows the employment floorspace requirements (after accounting for replacement demand and a margin for flexibility) for office (including R&D) and Industrial (including warehousing). These include flexible margins and replacement demand where appropriate.
- 5.43 In addition, we have translated the floorspace need to a land requirement. To do this we have used plot ratios which are the percentage of a plot taken up by floorspace. Our assumptions are 0.5 for offices (assuming 'in town' development) and 0.4 for industrial.

**Table 5.10 Employment Floorspace and Land Requirement Summary, 2021-2041 (including margin and replacement demand)**

Floorspace (Sq.M)	OE Baseline	Alternative Projections	Gross Completions – Unadjusted	Net Completions - Unadjusted	Gross Completions (Excl Exceptional Development)	Net Completions (Excl Exceptional Development)	Net Absorption
Office and R&D	6,586	11,074	11,805	6,701	11,805	6,701	3,147
Office and R&D Post Pandemic	4,868	7,450					
Industrial and Warehousing	15,310	22,736	282,443	264,097	157,817	139,471	72,670
Area (Ha)	OE Baseline	Alternative Projections	Gross Completions – Unadjusted	Net Completions - Unadjusted	Gross Completions (Excl Exceptional Development)	Net Completions (Excl Exceptional Development)	Net Absorption
Office and R&D	1.3	2.2	1.3	0.6	1.3	0.6	0.6
Office and R&D Post Pandemic	1.0	1.5					
Industrial and Warehousing	3.8	5.7	70.6	66.0	39.5	34.9	18.2

Figures include margin and replacement demand where appropriate.

Source: Iceni analysis of OE, Local Authority Monitoring and OE data

- 5.44 In this section we look to recommend the most appropriate forecast requirement for each use class.

#### Office & R&D

- 5.45 In terms of office requirements, it can be seen that the gross and net completions projections fall at either end of the range while the gross completions align with OE baseline (1.3 Ha) and the net completions align with the absorption rate trends (0.6 Ha).
- 5.46 The outlier is the alternative projections scenario which at 2.2ha is still within a reasonable range. This falls to 1.5 Ha if we assume post-pandemic levels of working from home continue which brings it more in line with the other assessments.
- 5.47 **We therefore consider that the office requirement planned for should be in line with the Post Pandemic WFH alternative growth scenario (7,450 sqm or 1.5Ha) given that there has not been a full return to the office since the pandemic.** Although a pragmatic response may be to monitor this issue and work with a range (7,450 to 11,074 sqm or 2.2 Ha).
- 5.48 In terms of R&D specific requirements, it can be seen that around 15% of the forecast need would be from jobs occurring in such space.

#### Industrial and Warehousing

- 5.49 In terms of industrial and warehousing requirements, there is a much wider range of forecast need. Employment densities can vary meaning the relationship between jobs and floorspace is also uncertain.

- 5.50 Therefore, we consider the completions and net absorption-based projections to be more appropriate as this does not make any employment assumptions. Of the completions based trends those which exclude exceptional development are more appropriate than those that do not.
- 5.51 However, even with exceptional development excluded both the gross and net completions trend (39.5 Ha – 34.9 Ha respectively) are considerably higher than the net absorption trend (18.2 Ha).
- 5.52 There are issues with the net absorption trend. Firstly that with vacancy rates so low in recent years, it is likely that take up is being suppressed. Furthermore the absorption data will not capture all transactions. However, this will be partly compensated for by the flexible margin which is applied to the data. The jump up to the net completions position is partly due to the replacement demand factor built into the net completions trend which is considered a mechanism that can partly compensate for ongoing low vacancy rate.
- 5.53 **When therefore conclude that the range between the net absorption and net completions is appropriate, being between 18.2 ha and 34.9 ha. The 18.2 ha (72,760 sqm) would be an absolute minimum and preferably the mid-point of 26.6 ha be used.**
- 5.54 **It would not be unreasonable to look above 26.6 ha to help facilitate business growth - and even up to 34.9 ha. However at this level of growth some of the supply will be coming from the intensification / redevelopment of existing older stock and estates.**
- 5.55 An argument could be made, based on agent comments, that if infrastructure improvements occur further demand could result. This is particularly in connection with St Georges Barracks. The Council should therefore consider what level of employment space is most

appropriate in any mixed use development. This would potentially be in addition to the need identified above.

- 5.56 Furthermore it is important to acknowledge a non-locally derived demand arising on the A1 corridor. Agent feedback reports 'roaming' occupier investment on the A1 corridor that could support a larger development comprising of a combination of logistics with potentially a mix of other manufacturing / smaller units. We have not assessed the scale of that need in detail but consider that to be a policy choice by the council to consider.

---

### **Economic Led Housing Need**

---

- 5.57 Within the SHMA we have tested the number of jobs associated with the alternative forecasts (+2,863 jobs). However, this only results in a need for 5.7Ha of industrial and warehousing use while the concluded need is upwards of 18.2 Ha.
- 5.58 On face value this would suggest a much higher employment growth. However the net absorption trends do not provide any associated jobs growth (figures above this are likely to be replacement demand driven and not representing actual growth). We can gauge how many jobs are associated with 72,670 sqm by applying a jobs density assumption.
- 5.59 Applying an assumed 60 sqm per job, which is a blend of the industrial (40 sqm per job) and logistics (70 sqm per job), results in a growth of around 1,200 jobs. This falls within the range of the total jobs growth under the alternative scenario but would imply a different mix to that illustrated in the previous sections.
- 5.60 However, we need to be mindful that the absorption rates are transactions and may be for space which involves no or very few new jobs at all.

- 5.61 Furthermore, it is of note that in the recent past a number of the transactions have been on the County fringe (near Stamford) which would have different commuting implications. There will also be some displacement built into the figures i.e. a business moves from one site to another, which is likely given the age of stock in Rutland.
- 5.62 Caution should therefore be applied in making a direct comparison between jobs growth and employment land growth.
- 5.63 To assist in the understanding of the Jobs and Homes balance Appendix 1 of this report sets out the estimated number of additional jobs which could be supported by the employment land need.

## 6. EMPLOYMENT LAND SUPPLY

- 6.1 This supply assessment considers permissions, allocations and potential allocations and sites suggested through the Call for Sites. We have also reviewed existing sites for potential intensification and redevelopment opportunities as well as sites being promoted for employment use.

**Table 6.1 Allocated Sites Summary**

Site	Permissions	Site size (ha)
Uppingham Gate, Ayston Road, Uppingham		6.8
Land off Hackamore Way & Panniers Way, Oakham	Pending (2022/1100/MAF) - 19 apartment building and 737 sqm flexible E class. Site size 0.46ha	8.5
Land at Pit Lane, Ketton	Pending - 2022/0897/FUL - Light industrial units and change of use from Sui Generis to B2 (submitted Aug 2022)	1.2

- 6.2 A total of 26 sites have been reviewed these include three existing allocated sites and 23 sites promoted for employment use (see 6.2 below). The site visits occurred in May 2023.
- 6.3 For the existing sites we also examined inter-alia the quality, vacancy and attractiveness of these sites. For each site we have also provided a series of recommendations (retain, release, protect) based on their role within the local economy.
- 6.4 For new sites we have reviewed their availability (through site promotion activity and current uses), suitability (based on inter alia, policy designations, current and surrounding uses, access to services and transport) and deliverability (based on market signals, likely uses (including for specific uses) and location).

- 6.5 We have again made recommendations as to whether these sites should be allocated or not and if so if for a specific sector or use. These strands will be brought together to determine the overall supply of employment land in the County.

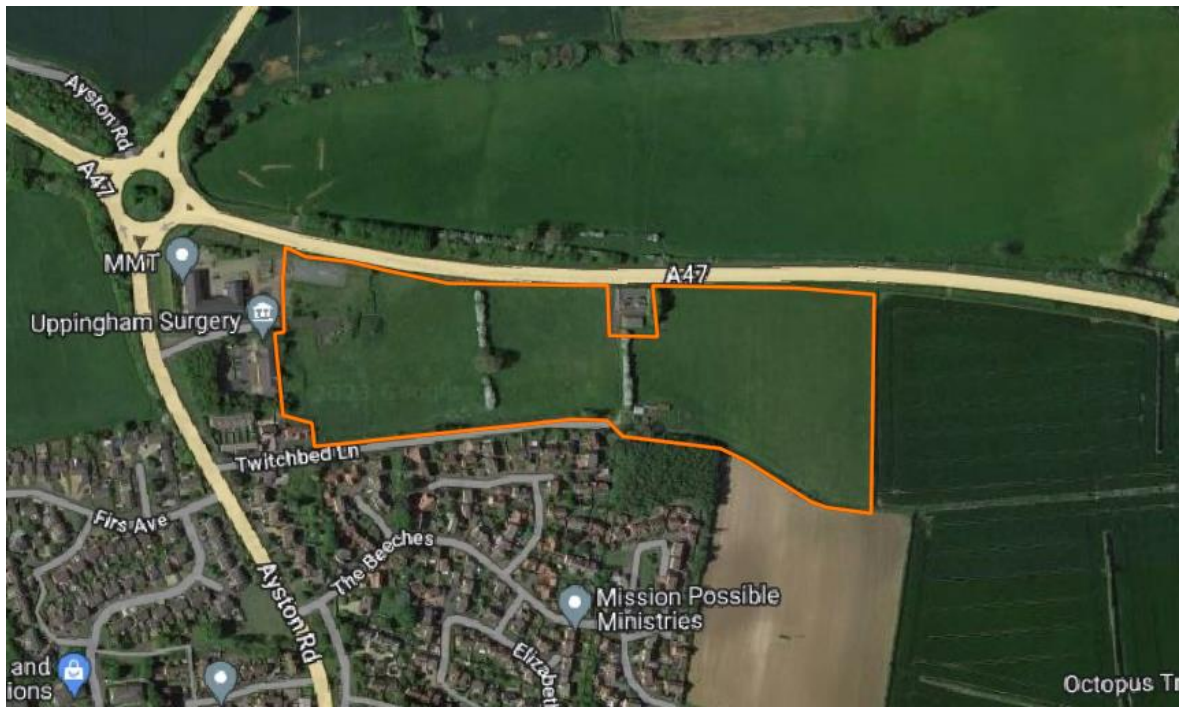
**Table 6.2 Promoted Sites Summary**

Site	Proposed Use	Site size (ha)
Car Park 3 Rutland Showground	Retail	3.0
Land NE of Pit La, N of Forest Park IE	Employment	3.7
Land NE of Pit Lane- E of Chater Business Estate	Employment	4.3
Land off Steadfold La	Employment	0.8
Burley Appliances Ltd	Housing, Employment	3.0
Land W of Steadfold La, Ketton, Stamford	Employment	3.5
Paddock Adj off Steadfold La Ketton, adj to Stamford Rd	Housing, Employment	0.3
Oakham Enterprise Park	Mixed	10.7
Ashwell Depot and Business Units	Employment	1.7
Land at Home Farm, Tickencote	Housing, Employment	19.4
Land off Glaston Rd, Morcott	Employment	1.8
Former Quarry, Barrowden Rd, Ketton	Employment	3.4
Land at Westmoor Farm, Langham	Housing, Employment, Minerals/Waste	1.9
Land at Home Farm, Exton	Housing, Employment	0.5
Land at Railway Sidings, Burley Road, Cottesmore	Employment, Minerals/Waste	4.0
Former Phase 1 of Greetham Quarry	Employment	23.9
Uppingham old sewage works	Housing, Employment, G&T	0.3
Field east of Long Barn Mews	Employment	1.5
Ash Tree stables Manton Rd Edith Weston	Housing, Employment	0.5
Catmose, Catmose St, Oakham	Housing, Employment	1.9
Woolfox Garden Community	New Settlement, Minerals/Waste	492.7
St George's Barracks	New Settlement	286.1



## Employment Allocations

### Uppingham Gate, Uppingham



- 6.6 A 6.8 ha vacant greenfield site located north of Uppingham. The site is bordered by the A47 to the north, residential to the south and some business units to the west occupied by a dentist surgery and shops.
- 6.7 Accessibility is high due to proximity to A47 and access could be provided through the existing business park on Ayston Road. The site is served by bus route R1, providing a service between Oakham and Corby.
- 6.8 In the western part of the site, a planning application for 9 dwellings, access and associated landscaping (2020/0249/FUL) was refused in April 2020 due to the sites allocation as

employment land, low density of development, the artificial boundaries of the site used to reduce affordable housing provision and poor quality nature of the scheme.

6.9 The site was also allocated as a mixed use development within the submitted Uppingham Neighbourhood Plan. These allocations would see 60 dwellings on the site as well as a combination of employment uses, a proposed food store, specialist accommodation for older persons and entertainment, leisure and recreation facilities.

6.10 **Recommendation: Retain as employment allocation.** The site is an existing allocation and is one of very few opportunities in the Uppingham area capable of delivering employment uses. It has access to the strategic road network and adjoins existing employment uses.

#### Land off Hackamore Way & Panniers Way, Oakham



- 6.11 The site is 8.5 ha, located in the north of Oakham town to the south of the A606. The site is predominantly a retail park, with key occupiers of Aldi, John Deere, Indigo, Screwfix, McDonald's, Moores Estate Agents.
- 6.12 The stock is high quality built since 2020 and they are within a high-quality environment. The site has several car parks, with loading and servicing bays suitable for HGV use.
- 6.13 The site is adjacent to residential to the west and the south. To the east is a plot with a large industrial unit. The site is well located on the A606, located less than a mile from Oakham rail station and town centre. The site is not served by any bus services.
- 6.14 The site is partially built out and there are two parcels of vacant land, shown on the map above. The vacant land to the North of Hackamore Way has been split into two plots by planning permissions. The north side was granted planning permission for a 39 bedroom hotel which has now expired (2017/0627/MAJ). The south side has a pending application for a single building containing 19 apartments and 737 sqm of flexible class E use (2022/1100/MAF). Avison Young are promoting this parcel. The vacant land to the south of Hackamore Way has no current planning permissions.
- 6.15 Recommendation – The site should be released for other commercial uses or mixed use development.**



## Land at Pit Lane, Ketton



- 6.16 The site is 1.2ha and contains one unit occupied by Showler Physiotherapy and a gym. The site partly covers the Forest Industrial Park. The Stonemasonry Company, also located within Forest Industrial Park is to the west of the site boundary.
- 6.17 The existing stock is post 2000s and of very good quality. The general environment is of good quality. There is parking to the rear of the unit.
- 6.18 The site is located off Stamford Road via Pit Lane which provides access to the A1, 2.5 miles away. The site is served by the R5 bus route on Stamford Road travelling between Stamford and Uppingham.

- 6.19 There is 0.87 Ha vacant land on the north side of the site which is currently used for open storage. There is a pending planning application for light industrial units, including change of use for site from Sui Generis to B2 (2022/0897/FUL). The application was submitted August 2022. If this permission is granted and built the site will be fully built out.
- 6.20 **Recommendation: The allocation for employment should be retained and will potentially be built out.**

### Promoted Sites

#### Car Park 3, Rutland Showground, Oakham

---



- 6.21 The site is a 2.9ha a vacant greenfield site located to the north of Oakham, adjacent to the A606. The site is currently accessed off of Oakham Road, north of the roundabout. The site

has been proposed for retail use. Currently the site is used for a car boot sale at the weekends.

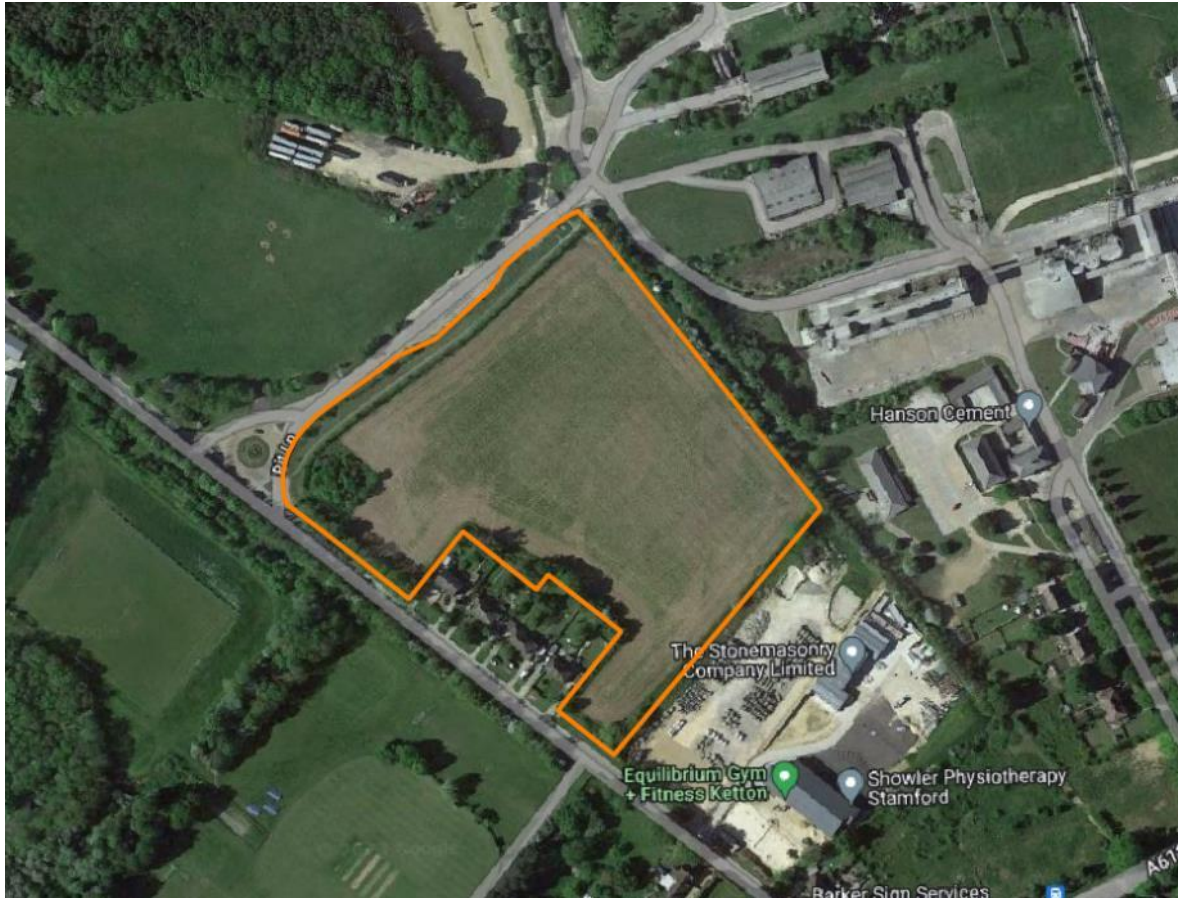
- 6.22 The site is adjacent to the Built up area and bordered by the A606 to the west and south and greenfield to the north. There is residential development on the other side of the road to the south, however this is not visible from the road due to trees buffering the residential uses from the road.
- 6.23 The site is located approximately 1 mile from Oakham rail station and has good road accessibility due to location on the A606.
- 6.24 However there are limited large floorplate and office opportunities in the town of Oakham and given its proximity to the road network and is in use for commercial purposes, albeit none within bricks and mortar accommodation then it could be considered for employment uses.
- 6.25 Recommendation – The site should be considered further for employment development.**



---

**Land NE of Pit Lane- N of Forest Park Industrial Estate, Ketton**

---



- 6.26 A 3.7 ha vacant greenfield site, located to the north of Pit Lane to the north of Ketton. The site has a proposed use of employment.
- 6.27 To the southwest of the site is Forest Park Industrial Estate. Some residential uses borders the site to south. The north west site borders a greenfield site and the east borders Ketton Works, a 650,000 sqft B2 area occupied by Hanson Cement.
- 6.28 The site is located off of Stamford Road via Pit Lane which provides access to the A1 (some 2.5 miles away). The site is served by the R5 bus route on Stamford Road travelling between Stamford and Uppingham.

- 6.29 The site could provide an extension to the Forest Park Industrial Estate.
- 6.30 **Recommendation – This site is suitable for employment development (light industrial and warehousing) and can provide an extension to adjacent industrial uses although given proximity to residential uses this might be of a lighter nature and potentially as a follow on from the following site.**

#### Land NE of Pit Lane – E of Chater Business Estate, Ketton



- 6.31 A 4.2ha ha vacant greenfield site located to the north of Pit Lane in Ketton. The site has a proposed use of employment. There is some open storage within the eastern part of the site which appears to be overflow from an adjacent site.
- 6.32 The site is bordered by a woodland area to the east and further beyond that is Ketton Works, a 650,000 sqft B2 area occupied by Hanson Cement. To the north of the site is a solar farm, to the south on the other side of Pit Lane is Chater Business Park, a cluster of small B2

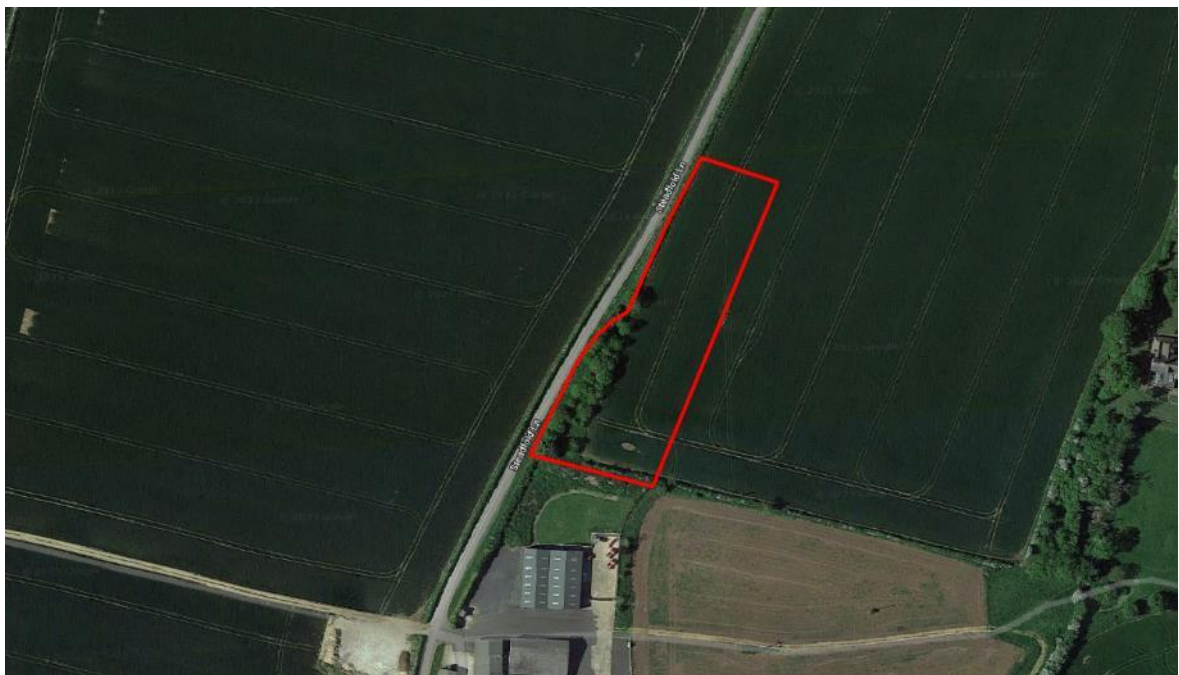


units occupied by Ketton Stone Masons, RCS Digital Printing, Fluids Signs, JJ Detailing and Fire Solutions Equipment.

6.33 The site is located off of Stamford Road via Pit Lane which provides access to the A1 (some 2.5 miles away). The site is served by the R5 bus route on Stamford Road travelling between Stamford and Uppingham.

6.34 **Recommendation – The site is suitable for employment development (industrial and logistics). Existing employment land to east and west allows for an infill site.**

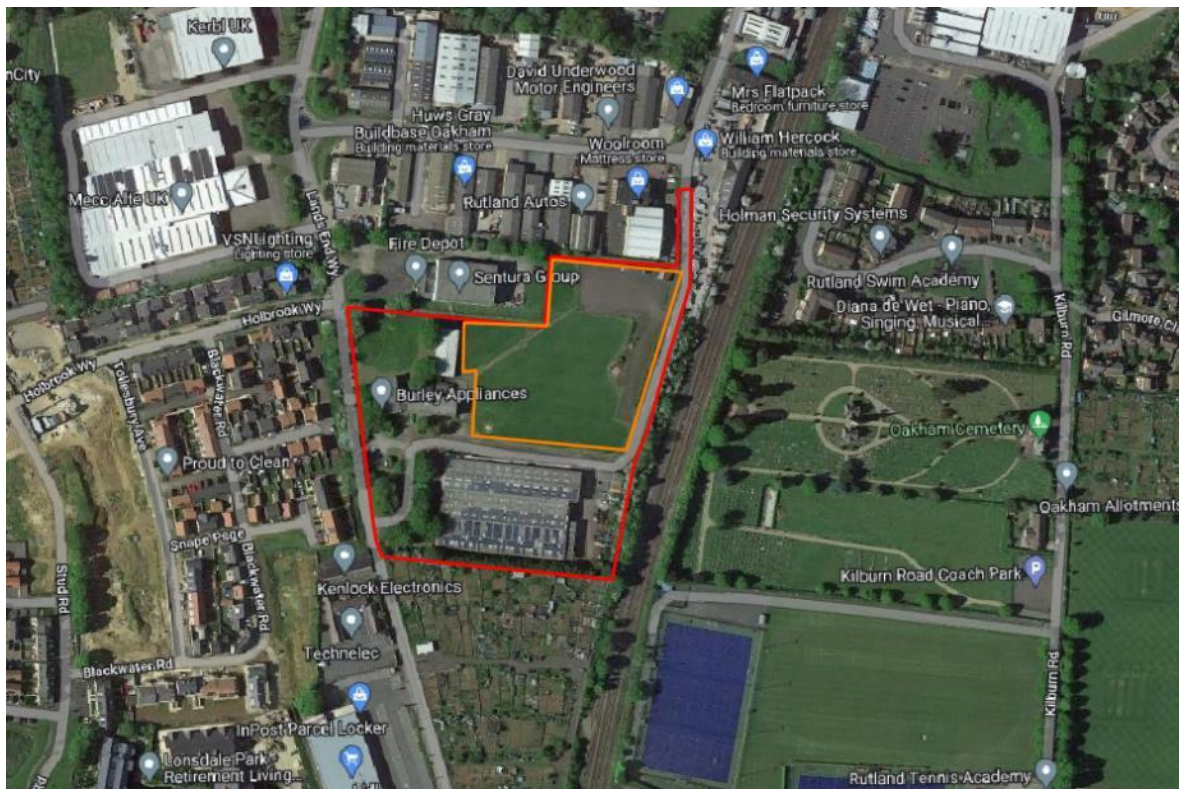
#### **Land off Steadfold Lane, Ketton**



6.35 A 3.54 ha greenfield site located to the east of Steadfold Lane. The site has a proposed use of employment. To the south of the site is Tinwell Business Park, a cluster of small B2 units. The site is located to the west of Tinwell and the north of Ketton.

- 6.36 Steadfold Lane is not suitable for HGV access as it is too narrow. The site is located 0.5 miles from the A606, providing access to the A1.
- 6.37 The site would be suitable for expanding the existing Tinwell Business Park.
- 6.38 **Recommendation – Although broadly suitable as an extension to the site immediately to the south there are other more appropriate opportunities within Ketton which should be considered for employment development initially.**

### Burley Appliances Ltd, Oakham



- 6.39 The site is a 3 ha brownfield site containing 1980s units of poor quality - one 68,000 sqft B2 unit and a smaller two-storey office/light industrial unit to the north. The units are occupied

by Burley and Navitron. All units seemed occupied although under-utilised with few cars on site. The site has a proposed use of employment and housing.

- 6.40 There is vacant land of approximately 1.1 ha to the west of the site which could be developed. In addition, the existing units are of poor quality and in need of refurbishment/redevelopment.
- 6.41 The site is well located, in close proximity to Oakham train station and town centre as well as close access to the A606. The site has a dedicated car park and cycle parking.
- 6.42 The south of the site is bordered by allotments and the east by the railway line. There is a residential area to the east on the other side of Lands End Way. The north of the site borders a small industrial park along Pillings Road.
- 6.43 There is limited opportunity for employment uses in Oakham and this site should be protected. Similarly there are limited opportunities for Office growth in the County and this site presents one such opportunity.
- 6.44 **Recommendation – Protect as an employment site and support the development of vacant land (preferably for office) and renewal of current stock.**

## Land W of Steadfold Lane, Ketton

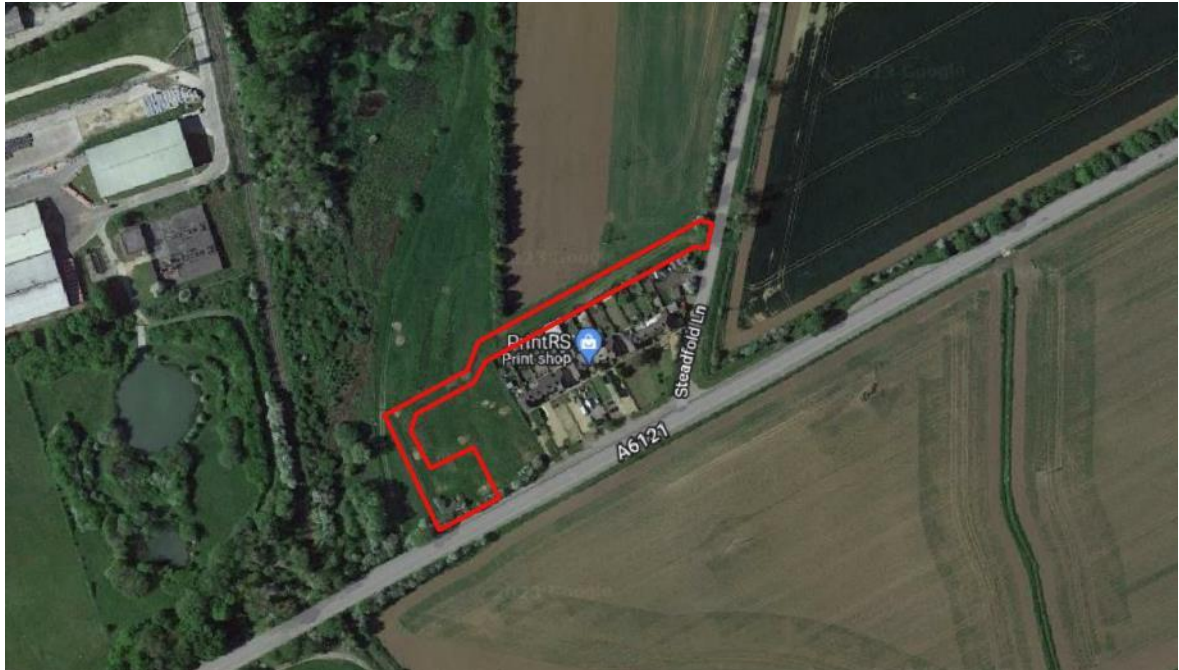


- 6.45 A 0.4ha greenfield vacant site located off Steadfold Lane, located between Ketton and Tinwell. The site has a proposed use of employment.
- 6.46 The site is located 1.3 miles from the A606 and 2 miles from the A1. Steadfold Lane is a narrow road, not suitable for HGV access however is the route is used to avoid travelling through the village of Tinwell for smaller vehicles .
- 6.47 There is residential to the south of the site, and greenfield on all other boundaries. Further west is the Hanson Cement site.
- 6.48 Recommendation – Although broadly suitable as an extension to the sites south there are other more appropriate opportunities in Ketton which should be considered for employment development initially.**



### Paddock Adjacent off Steadfold Lane, Ketton

---



- 6.49 A narrow 0.33ha greenfield site wrapping around residential to the south and east. The site has a proposed use of employment. The north of the site is adjacent to Land W of Steadfold Lane site to the north. Further west is the Hansen Cement site.
- 6.50 The site can be accessed via Steadfold Lane or Stamford Road (A6121). The site is located 1.3 miles from the A606 and 2 miles from the A1.
- 6.51 The site is not suitable for employment development due to shape and size of site and proximity to residential.
- 6.52 **Recommendation – Not suitable in isolation and only if site to the north is redeveloped. However, as with that site there are other more appropriate opportunities in Ketton which should be considered for employment development initially.**

## Oakham Enterprise Park, Oakham



- 6.53 A council owned business park located north of Oakham town, off Oakham Road. The site contains around 100 business units across approximately 25 buildings. The site has been proposed for mixed-use and was previously Ashwell Prison.
- 6.54 The site contains a mix of small and medium size industrial and office units dating 1980-90s of generally good quality. The environment is very good and the park is generally quiet.
- 6.55 The site is approximately 1.5 miles from Oakham Town Centre and 2 miles from the A606, providing access to the A1. The site cannot be accessed by public transport. The park contains several parking areas which appear to be under-utilised. Site circulation is good with wide roads and suitable for HGV access.

- 6.56 The site includes B2, B8 and D1 uses. Key occupiers include Active Hub, Stratox Engineering, Urban Airsoft, a Bat and Bottle wine merchants, Bistrot Pierre, adult learning, cookery teaching, nursery, a car dealership and body shop.
- 6.57 The site is moderately occupied with a few units advertised as available (Workshop 10 warehouse unit 1,999 sqft; Suite 23b (6 and 7) commercial kitchen 375 sqft and 385 sqft; suite 23c office 860 sqft).
- 6.58 There is vacant land in the centre of the site of approximately 1.1 ha which could be developed. Additionally, there is an overspill car park and further units could be provided on one the car parking areas.
- 6.59 Recommendation – Protect as an employment site and support development of the vacant plot in centre of site for light industrial or office use.**

## Ashwell Depot and Business Units, Oakham



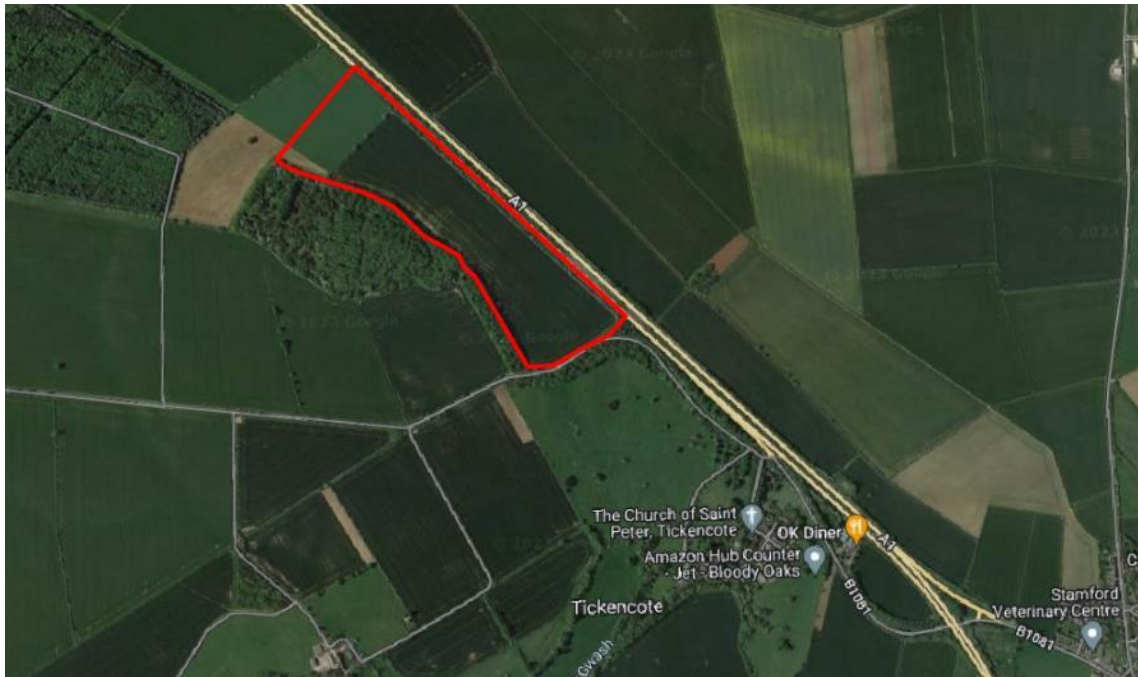
- 6.60 A local business park containing around five 1960s units of reasonable quality. The site is split into two areas north and south with two separate accesses along Oakham Road.
- 6.61 Opposite the site, to the west, is residential. The general environment is poor. The site has a proposed use of employment.
- 6.62 Key occupiers include Newstyle Print and Rutland Campers. The sign at the entrance of the site indicates that there are three units vacant in the north section of the site.
- 6.63 The site is accessed off of Oakham Road and is located around 1.2 miles from Oakham. The site cannot be accessed via public transport. There are around 10 parking spaces across the site outside of the units.



- 6.64 The south of the site is underdeveloped and is of poor quality and would be suitable for further development.
- 6.65 **Recommendation: Support continued use as an employment site.**

### Land at Home Farm, Tickencote

---



- 6.66 A vacant greenfield site adjacent to the A1 in the north west of the study area. Access to the site can potentially be provided via Empingham Lane which provides access to the A1.
- 6.67 The site is 19ha and relatively narrow, measuring only 150m wide at the narrowest point of the site. The site has a proposed use of employment and housing.
- 6.68 The village of Tickencote is to the south east of the site, where there is also a service station. There are no other adjacent uses.

- 6.69 Access can be provided off Empingham Lane via the B1081/A1 junction. Road accessibility to the site is good due to proximity to A1. however access to the A1 is split across two different junctions (northbound and southbound at Grantham Lane and northbound only at Great Casterton). There are no public transport links to the site.
- 6.70 There are currently no planning permissions on the site. The site is of a scale which would be towards the lower threshold for logistics development.
- 6.71 **Recommendation – Site would be suitable for B8 development due to proximity to A1. The area of site is generally suitable but would require local road improvements to allow for better access to the A1 which could be achieved without impacting residential areas.**

#### Land off Glaston Road, Morcott

---



- 6.72 The site is a 3ha vacant greenfield site, located to the north of the A47 to the southwest of the village of Morcott. The site has a proposed use of employment.
- 6.73 Morcott services is situated to the west of the site containing multiple hotels, a restaurant and a petrol station. No public transport serves the site. Road accessibility is good due to proximity to A47 however the area is fairly isolated. Access to the site can be provided via the existing offshoot into the services site.
- 6.74 There are very few opportunities which could support employment growth in the Uppingham area. Despite being 4.5 miles away access to the town is good although not ideal. However, there are established employment generating uses immediately adjacent to the site.
- 6.75 **Recommendation – Site is suitable for light industrial and small scale logistics development. The site is situated on the strategic road network with existing access provided by adjacent services.**

## Former Quarry, Ketton



- 6.76 A 3.4 ha greenfield site located to the south of Ketton on Barrowden Road. The site has a proposed use of employment.
- 6.77 The site is has residential properties backing onto it to the south and east. To the north and west the site is bounded by the railway line.
- 6.78 The site can be accessed via Barrowden Road which is primarily residential and narrow in places, which would not be suitable for HGV traffic. More widely the site is only accessible via B roads and is approximately 1.5 miles away from the nearest A road, A43.



- 6.79 **Recommendation – The site is not suitable for employment development due to poor accessibility and adjacent residential.**

#### **Land at Westmoor Farm, Langham**

---



- 6.80 A 1.92 ha greenfield site located to the west of Langham and north west of Oakham in the west of the county. The site has a proposed use of employment, housing and minerals/waste.
- 6.81 The site currently contains some agricultural farm buildings to the south west corner. There is a single bungalow within the site on the western border and further agricultural buildings to the north of the site on the northern side of Cold Overton Road.

- 6.82 The site can be accessed from Cold Overton Road which provides connection to the A606, running from Oakham to Melton Mowbray. Cold Overton Road is not suitable for HGV access.
- 6.83 **Recommendation – The site is not suitable for employment development as it is in an isolated location with no adjoining employment uses.**

### Land at Home Farm, Exton

---



- 6.84 The site is 0.5 ha, located in the village of Exton in the north of Rutland. The site has a proposed use of employment. The site consists of around 7 brick farm buildings dating back to pre-1940s. A majority of the buildings are used by Exton Park Farm. There is also a dog hydrotherapy business located within one of the units.

- 6.85 The site is located in a residential area, with houses to the south and east within close proximity. The environment and units are of good quality.
- 6.86 The site is accessed via West End via Top Street/Pudding Bag Lane. Access is narrow however units have a shared yard area with space for parking, loading and turning. The site has poor access to the strategic road network and can only be accessed via minor B roads. The site is not suitable for HGV access.
- 6.87 All units are well-occupied and it is assumed that there are no vacancies. All the land has been built out and there is no opportunity for further development. The site supports SMEs.
- 6.88 **Recommendation – Continue to support existing employment use on the site.**

#### Land at Railway Sidings, Oakham



- 6.89 The site is 4ha, located south of Cottesmore village in the north of the county. The site is surrounded by greenfield and to the west of the site at the entrance there is a recycling centre. The site has a proposed use of employment and minerals/waste.
- 6.90 The site currently contains two industrial B2 units, occupied by Vibroll a construction equipment manufacturer. The units are of average quality, assumed to be built in 1950-60s
- 6.91 Site accessibility is low, located 3.5 miles from Oakham. The site is located off the B668 via a single track lane which is of low quality. In order to access the A1, traffic must travel through the villages of Cottesmore and Greetham which are not suitable for HGV access. There is car parking outside of the existing units with turning and loading space.
- 6.92 There are no planning applications on the site.
- 6.93 **Recommendation – Support existing employment use but there is limited potential to further develop the site due to parcel size, access and remote location.**



## Former Phase 1 of Greetham Quarry



- 6.94 The site is 24 ha in size, located off Stretton Road, outside of Greetham village. The site is adjacent to some industrial/farm units to the south. The site is currently in use as a quarry which has permission for an extension and second access. The site has a proposed use of employment.
- 6.95 The site has access to the A1 (1.5 miles away) via the B668 although access to the West is poor through the village as the road is not suitable for regular HGV traffic. The site is accessible via bus route 29 providing services to Oakham and Melton Mowbray.
- 6.96 Outline planning permission (2021/0171/MAO) with all matters reserved except access for a maximum 94,000 sqm of class B8, B2 and E(g) was refused in September 2022 on the grounds that the proposal is premature to the emerging Local Plan in that it has not given

the LPA the opportunity to consider the need for the development at this stage. The report stated that there is no current need for a development of this scale and the proposal is out of scale with the adjacent village. The HGV movements the development would create are not suitable or appropriate for the area.

- 6.97 Although the site is currently brownfield there is an expectation that the site will be restored to greenfield once quarrying is moved to the extension site. It should therefore be treated as greenfield.
- 6.98 **Recommendation – The site is suitable for continued employment use although if restored to greenfield (once expanded elsewhere) the areas poor road network means it would be difficult to sustain increased traffic without major upgrades.**

#### Uppingham Old Sewage Works, Uppingham

---



- 6.99 The site is a 0.3ha vacant greenfield. The environment is poor. The site has a proposed use of employment, housing and a gypsy and traveller site.
- 6.100 The site is surrounded by residential to the north and east, enclosed by Seaton Road and Hornbeam Lane and also to the south on the other side of Seaton Road. There is no current access and the plot is situated on steep land.
- 6.101 The site is located in the south of Uppingham in the south of Rutland and is accessible by minor B roads.
- 6.102 Recommendation – The site is not appropriate for employment development. The site is surrounded by residential development, has poor road accessibility and is a small plot size.**



## Field East of Long Barn Mews, Ketton



- 6.103 A 1.5ha greenfield site, located in the centre of the village of Ketton. The site has a proposed use of employment.
- 6.104 The site is surrounded by residential to the north and east and is also adjacent to Ketton Design House to the east occupied by Max Studios, Bell and Connections Legal Management. To the south of the site is Ketton Primary School.
- 6.105 There is currently no access to the site. Bull Lane which borders the site to the north is a single track road with narrow access. Alternatively, access could be provided via the Ketton

Design House entrance. More widely the site is only accessible by a B-road, however, is located 2.5 miles from the A1 junction at Tinwell.

- 6.106 **Recommendation – The site is not suitable for employment development. There is no access to the site and it is surround by residential to the north, south and west.**

#### **Ash Tree Stables, Edith Weston**

---



- 6.107 A 0.4 ha vacant greenfield site located to the west of Edith Weston village, south of Manton Road. The site has a proposed use of employment and housing. The site is long and narrow, only 10m at the narrowest points.



- 6.108 The accessibility of the site is fairly low as the site can only be accessed via minor B roads. The site is 3 miles from the A603 and A606 in each direction. A nearby bus stop is serviced by route R5, serving Uppingham and Stamford.
- 6.109 Due to the size and shape, the site is not suitable for development.
- 6.110 **Recommendation – The site is not suitable for employment development as it is too narrow for development.**

### Catmose House, Oakham



- 6.111 The site is 1.9ha in size and contains an office building occupied by Rutland County Council. The site has a proposed use of employment and housing. The stock is pre-war but of good quality and the environment is very good.

- 6.112 The site is located in the southeast of Oakham Town Centre and is accessed off of Catmose Street. It is within 0.5 miles of Oakham train station and is served by bus serves R1, R2, R4, and 185.
- 6.113 The site has a large well-utilised pay and display car park which serves the town centre in addition to employees.
- 6.114 The site is surrounded by residential uses to the north, south and east and is adjacent to Rutland County Museum and the library to the west.
- 6.115 The site is fully occupied with no further land for development. Although if the Council vacate (partially or fully) the site then the site should be retained for office based accommodation. Note we have no knowledge of any plans to do this.
- 6.116 **Recommendation – Existing employment uses should be supported. There is no further development potential. If the Council do consolidate then the site could be reused for office led development.**

## St George's Barracks

---

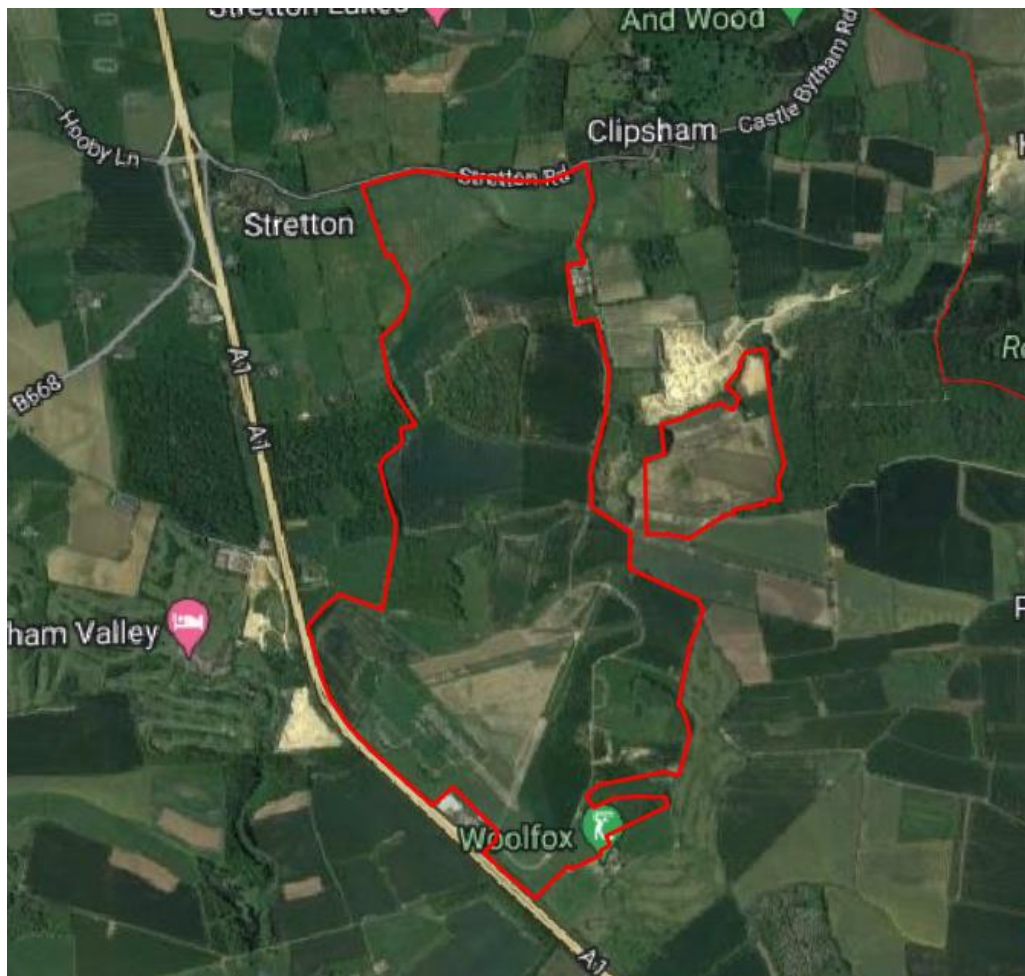


- 6.117 A 286ha site located in North Luffenham. The site has a proposed use of a new settlement. The site is currently in use as an army barracks and airstrip with several buildings including hangars and training centres. To the northeast of the site is the village of Edith Weston and to the south is North Luffenham.
- 6.118 The road network directly surrounding the site is not suitable for large volumes of traffic although due to the nature of the current uses will support HGV traffic. The north edge of the site is located 3 miles from the A606 and the south of the site is approximately 2.5 miles from the A47.
- 6.119 The site would be suitable for a mixed-use development once the barracks are vacant. There are no current planning applications for the site however there is a masterplan. The MOD have only suggested that the site is suitable for between 350 and 1,000 dwellings. In March 2021, Rutland County Council voted against creating a garden village.



- 6.120 If brought forward, the site would provide employment provision in the medium term. The residential element would support the viability of the employment floorspace.
- 6.121 **Recommendation – The site should provide some element of employment provision (of a mix of uses) if brought forward as a mixed-use development in the future.**

### Woolfox Garden Community



- 6.122 A 492ha site, north of the A1 in the north west of Rutland. The site has a proposed use of a new settlement and minerals/waste. The site is split into two parts with a small section of to the west, approximately 42ha.

- 6.123 Part of the site is the Former RAF Woolfox Lodge, however a majority of the site is greenfield used for farming with farm buildings scattered across the site. The north of the site has a steep hill and there is woodland in the centre.
- 6.124 To the south of the site is Woolfox Golf Club and a small industrial park containing seven small units, both accessed off of Great North Road. The north west of the site is adjacent to a cluster of farm units and a quarry on Bidwell Lane. The south east of the site borders the A1 and the north borders Stretton Lane. The village of Stretton lies to the south west and Clipsham to the south east.
- 6.125 The two bordering villages are accessed via narrow lanes with tight corners, not suitable for heavy traffic flow or HGV access. Access to the site would ideally be provided off the A1, currently the south of the site is 1.5km from the A1 via Great North Road. As a result, it is most suitable to dedicate the south of the site for employment.
- 6.126 The proposed use is for a new settlement including local centres providing a mix of retail offering with 39ha of employment land. A masterplan has been developed containing 7,500 homes, new schools and recreation facilities. The main access to the site is provided via a new junction of the A1, situating the employment park to the southeast at the access point.
- 6.127 The site has a history of planning applications. A proposed wind farm development of 9 turbines was refused in 2015 (2015/1003/MAJ). A planning application for a solar farm was approved in 2016 (2014/1004/MAJ) however this permission has now expired.
- 6.128 Separately from the wider masterplan the Council could consider allocating a small area of land adjacent to the existing industrial units which have access to the A1. This would be in the region of 3 Ha and would benefit from strategic access.

- 6.129 **Recommendation – If the site is brought forward as part of a long-term mixed use development then employment uses should be secured. Any employment provision should be located in the south of the site adjacent to existing uses and utilise the existing access to the A1. In the short term the Council could consider allocating a small area to allow for the extension of the existing employment uses.**

## 7. SUPPLY AND DEMAND BALANCE

- 7.1 A supply and demand balance has been completed both in terms of total need but also by type, sector, and location. The supply position is set out by strand. We have however removed any duplications for example sites with planning permission in allocated sites.
- 7.2 As shown in the table below the allocated sites provide a total of 7.69 Ha. We have also recommended that one allocation is removed. This is not to say that it cannot still provide employment generating uses but the general locality has a greater focus on other commercial uses.

**Table 7.1 Allocated Sites Summary**

Site	Land available (ha)	Comment
Uppingham Gate, Ayston Road, Uppingham	6.82	Potential for a range of employment uses locally serving and A47 corridor
Land off Hackamore Way & Panniers Way, Oakham	Remove allocation	
Land at Pit Lane, Ketton	0.87	Potential for light industrial – under application. Nr Ketton and A1. <i>Not to be double counted as under permission</i>
<b>Total</b>	<b>7.69</b>	

- 7.3 Of the 26 sites promoted as being suitable for employment development we have assessed that only eight would actually be suitable. In total these sites cover over 37 Ha. In addition the sites at St Georges Barracks and Woolfox could also provide additional employment as part of a mixed use allocation.

**Table 7.2 Promoted sites suitable for development**

Site	Land available (ha)	Comment
Land NE of Pit Lane, N of Forest Park IE	3.68	Logical extension of industrial at Ketton
Land NE of Pit Lane- E of Chater Business Estate	4.27	Logical extension of industrial at Ketton
Burley Appliances Ltd	1.08	Logical infill of industrial at Oakham
Oakham Enterprise Park	1.11	Logical infill of industrial at OEP
Land at Home Farm, Tickencote	19.44	Provision for A1 activity
Land off Glaston Rd, Morcott	1.78	A47 development, local business for Morcott/Uppingham, A1/M1 connection
Car Park 3 Rutland Showground	2.95	Provision for Oakham – office/large plate
Woolfox	3.00+	Small non-strategic allocation at existing units to be considered
St George's Barracks	TBC	Potential to deliver employment uses as part of a residential-led mixed use development
<b>Total</b>	<b>37.31</b>	

- 7.4 We also need to take into account those sites which have extant planning permission which will likely contribute towards meeting future need. As shown in the table below these sites result in a total gain of 1,066 sqm although which would translate to around 0.27 Ha.

**Table 7.3 Extant Planning Permissions**

Site	Floorspace (sqm)
B2	-4,763
B8	945
E(g)(i)	3,096
E(g)(iii)	1,788
<b>Total</b>	<b>1,066 (est 0.27 ha)</b>

- 7.5 Drawing these strands together there is a potential supply of 44.4 Ha of employment land in the County. This compares to a combined need of between 19.7 Ha and 36.4 Ha. This results in a surplus of between 8Ha and 24.7Ha.

**Table 7.4 Supply of Employment Land vs Demand**

Supply	Land (ha)
Extant Planning Permissions	0.27
Extant Allocations	6.82 (exc Pit Lane)
Suitable promoted sites	37.31
<b>Total Supply</b>	<b>44.4</b>
<b>Demand</b>	<b>19.7 to 36.4</b>
<b>Balance</b>	<b>+24.7 to +8</b>

- 7.6 Clearly the suitable sites lead to an oversupply vs the demand figures. The implications of this are:

- The authority may choose not to bring forward all the suitable sites.
- Of the sites in question, greenfield site 'Land at Home Farm, Tickencote' might be considered an over provision given alternative brownfield / expansion opportunities at Greetham Quarry and Woolfox.
- Considerable over provision may have implications for the jobs / homes balance and if not managed may lead to greater in commuting from other districts notably those on the A1.

- 7.7 St Georges Barracks could also deliver additional employment space as part of a mixed use development. To illustrate the extent of potential office and industrial floorspace which could be accommodated at St Georges Barracks we have calculated the current level of floorspace per dwelling in Rutland.

- 7.8 We have drawn on VOA data on floorspace and live tables on dwellings stock to do this. As set out below, there is approximately 289,000 sqm of office and industrial floorspace in Rutland and around 17,750 dwellings. This means that there is 16.3 sqm for each dwelling in the County.

**Table 7.5 Office and Industrial Floorspace per Dwellings (2022)**

	Office	Industrial	Total
Total Floorspace (sqm)	27,000	262,000	289,000
Total Dwellings	17,744	17,744	17,744
Floorspace Per Dwelling (sqm)	1.5	14.8	16.3
Proposed Dwellings	675	675	675
Required Floorspace (sqm)	1,027	9,967	10,994

Source: VOA and DLUHC, 2022

- 7.9 If St Georges Barracks delivers 675 dwellings (the midpoint of the 350-1,000 dwellings indicated by the MOD) then based on the current levels of provision per home this would result in 1,027 sqm of office and 9,976 sqm of industrial floorspace need.
- 7.10 Based on a consistent set of plot ratios as set out elsewhere in the report, this would translate to around 2.7 Ha. This is likely to be suitable in meeting a combination of general County needs and demand arising specifically from the development.
- 7.11 The plans for this will evolve in time, however, the authority should be mindful that a significant employment development alongside other allocations will put pressure on the labour supply in Rutland.
- 7.12 For office use we have identified a need for 1.5 Ha. Within this study we have identified sites which are potentially suitable for this use with a combined area of 5.1 Ha. This is a fine balance but there is a pipeline supply of 3,096 sqm and any strategic development such as

St Georges Barracks could deliver more. They may be small town centre development / conversion opportunities in due course.

- 7.13 The majority of need is for industrial and warehousing. We have identified suitable sites with a combined area of some 27 Ha. These are located across the Borough but should be focussed on those sites with access to the A1 and also to serve the major settlements of Oakham and Uppingham.



## 8. POLICY ISSUES AND RECOMMENDATIONS

- 8.1 This study seeks to assess the economic outlook for Rutland and translate that to suitable recommendations on employment land demand and supply. It provides an evidence base and platform for allocations and plan policy making.
- 8.2 There is a question regarding the viability of employment development. For offices, this is unlikely to be viable given current rents and costs in the medium term. Conversions or mixed use developments are more realistic and suitable given demand is for ad hoc smaller spaces.
- 8.3 For industrial, development will be viable for a range of unit sizes however occupiers of secondary older stock may not be willing / able to absorb higher rents associated with development. As a result developers may tend to trade park / logistics although there are small unit examples have been delivered in the recent past near Stamford ( Casterton Road Business Park) and (Essendine Mallard Park). In that regard the prospects for many of the promoted sites are reasonable and that includes the remainder of the land at Oakham Enterprise Park, subject to the final mix and the authority finding a development partner.
- 8.4 There are two strategic sites being promoted in the County (Woolfox and St Georges Barracks) both of which could reasonably be developed. While the St Georges site would be a brownfield development this is not the case for Woolfox although the later has better strategic access.
- 8.5 If either site is considered suitable then an element of employment uses should be ensured. Development at Woolfox has the prospect of a significant employment component which would be logistics orientated but could carry other opportunities such as mixed industrial

occupiers or mid tech type solutions, albeit there are limited indigenous manufacturing drivers at present. Expanding a smaller allocation at Woolfox could be sensible given the small existing cluster including the higher tech business of Zeeco.

- 8.6 The east of the County benefits from access to the A1 and there are a number of further sites which could meet the identified demand for industrial and warehousing use. Much of the identified employment land is located within Ketton - where uses are already situated.
- 8.7 Ketton is a small villages but with a considerable level of industrial development including significant Hanson Cement Works. The village already has access to the A1 although this is sub-optimal for HGV use and is not suitable for western access. The choice of development of these sites will also be influenced by the future of the cement works.
- 8.8 We have only identified limited opportunities in the main settlements of Uppingham and Oakham. The Council therefore may wish to consider if additional sites should be identified to meet the longer term needs for these towns.
- 8.9 The 'Land at Home Farm, Tickencote' site could be a contribution to meeting needs particularly if there is uncertainty regarding the deliverability of Greetham Quarry. However it may also be excessive in supply terms and an expansion at Woolfox may be preferable.

---

**Best practice policy development in rural districts to support a strong rural economy**

---

- 8.10 Rutland is primarily a rural area. This is a straightforward reflection of its settlement morphology and the fact that its largest settlement, Oakham, has a population of under 12,000 people. By definition therefore, Rutland has a largely rural economy and Rutland is rightly regarded as a rural County.

- 8.11 However, it is important to acknowledge that Rutland, and particularly the east of the County, is well-connected through its proximity to the A1. This gives the county direct access to London but also other major employment centre.
- 8.12 The County also has an economic structure that does not differ greatly from that of areas with a stronger urban character: with the bulk of employment is in sectors and businesses that are not intrinsically rural i.e. Education, Public Admin and Defence and Wholesale and Retail.
- 8.13 Although admittedly it has an overrepresentation of land-based sectors (such as Agriculture and Mining and Quarrying) and a visitor economy. The County has slightly more micro businesses than both the Region and Country but differs therefore from ‘deeply rural’ districts – such as Torridge in Devon or perhaps North Norfolk – whilst sharing some of the same spatial attributes. ‘Best practice’ in relation to policy development in rural districts therefore needs to be understood in this context.
- 8.14 Various reviews of rural planning policy have been completed and elements of these are relevant to Rutland. The Scottish government, for example, published a comprehensive review of the evidence to inform the next iteration of Scotland’s National Planning Framework<sup>11</sup>.
- 8.15 This considered, inter alia, how planning policy can support strong and vibrant rural communities and economies. It argued for a nuanced approach, based on a rural typology

---

<sup>11</sup> *Rural planning policy to 2050: Research to inform the preparation of NPF4* Report by Chris Dalglish (Inherit) and Angus Dodds, Debbie Mackay and Hannah Belford (Savills), published by the Scottish Government, January 2020

that needed to be quite granular and recognising that remote and sparsely populated areas have policy requirements that are quite different from those surrounding better-connected rural areas. At one level this is self-evident, but at another, it is important: the rural 'label' needs to be used with some reflection and care.

- 8.16 Some of the findings from the evidence review conducted for the Scottish Government are germane. Mirroring what has been observed in Rutland, it found that *“general changes to the rural economy, often associated with the decline in relative importance of the land based industries and the rise of the service sector, are creating challenges and opportunities across all rural areas. Small and micro businesses are more significant in a rural context than larger scale industries.”*
- 8.17 In response, the reports recommendation was that *“Supporting small businesses to survive and grow is essential for rural areas. Particular recognition should be given to the retention and attraction of value-adding processes in rural areas.”*
- 8.18 What this means in practice will inevitably vary from place to place, but two suggestions resonate strongly with Rutland's particular circumstances as described earlier in this report:
- First, there may well be a case for the greater provision of small business units. This reflects both the high incidence of microbusinesses across a broad spectrum of sectors, but also a concern that innovation needs to be encouraged. 'Hubs' of small business units could be part of the solution. In practice, schemes of this nature often struggle in terms of viability and consideration would therefore need to be given to *how* they might be delivered, which may well involve public intervention or management of such facilities, but their role can be important – both in direct and indirect (and possibly intangible) terms. A number of authorities own small enterprise centres (often through historic ownership) able to provide discount rents and start up

premises. There are also companies such as BizSpace<sup>12</sup> that offer studios, offices and workshops, the nearest is in Raunds near Kettering.

- Second – and related – the report for the Scottish Government argues for “a more permissive approach allowing for the gradual expansion of home working activities across all rural areas until they reach a size where they can justify the cost of renting specific premises.” It suggests further that “live/work interlinked facilities should be catered for by the planning system in order to attract new incoming workers and business facilities that allow people to meet and collaborate”<sup>13</sup>. There is evidence that Rutland has seen a growth in home working; this preceded the pandemic but has been accelerated by it. In this context, a proactive approach to live/work provision would appear to be consistent with the district’s economic ambitions.

8.19 More broadly, it is important to recognise that at a local level, there are very close inter-relationships between housing, local services and community viability – and the links between all three affect the vibrancy or otherwise of local rural economies.

8.20 Therefore in seeking to design a policy to support a strong rural economy, consideration also needs to be given to these different dimensions. SQW completed a long term evaluation of Defra’s Rural Growth Network Pilot Initiative – a programme that was designed fundamentally to stimulate rural economic growth. One of the key findings from it was the importance of what might be described as ‘pre-enterprise support’ – i.e. building networks between individuals (often women) who might be interested in setting up a small business and giving them the confidence (and to some extent the tools) to do so.

8.21 In truth, this was closer to a community-level intervention than a strictly economic one, as conventionally defined, yet it appeared to make an important difference. It effectively

---

<sup>12</sup> [https://www.bizspace.co.uk/workshops/northampton/?current\\_product=workshops](https://www.bizspace.co.uk/workshops/northampton/?current_product=workshops)

<sup>13</sup> Ibid. page 124

strengthened networks within communities which were, in some respects, the catalysts for economic activity and, prospectively, economic growth<sup>14</sup>.

8.22 Finally, it is important to recognise that the two key sectors which have sometimes been synonymous with the rural economy also need appropriate and supportive policy frameworks:

- In relation to land-based activities, this means a policy framework that is supportive of both diversification (linked to the re-use of, for example, redundant farm buildings) and intensification/movement along the value chain (e.g. through the provision of small manufacturing/production sites).
- For the visitor economy, the issues are more complex, particularly given the links to the housing market. However the intention ought to be to support sustainable forms of tourism (particularly where there are (or could be) strong local supply chains) and to plan for an appropriate local infrastructure for the visitor economy (linking to Oakham and Uppingham Town Centres in particular, but also recognising the significance of heritage attractions).

### **Planning policies that can widen the benefits of employment growth to surrounding communities**

---

8.23 Planning policy can be applied to new developments where there are opportunities to provide apprenticeships or training thus raising skills and attainment and supporting people into higher paid employment, potentially connecting employers and employment opportunities to local schools, colleges, training organisations and voluntary services.

---

<sup>14</sup> Final evaluation of the Rural Growth Network Pilot Initiative – Final Report prepared by SQW, published by Defra May 2016

- 8.24 It seems reasonable to include such policies as a matter of course to encourage local skills and employment development and should generate little burden on the developer / contractor.
- 8.25 There are a number of authorities that have effectively adopted example policies. Lambeth, Reading and Barnet have set out a policy requirement (as part of Section 106 planning obligation) to access employment opportunities created by the development. This includes creating apprenticeships, using local labour supply and providing training for young people – and where initiatives could not be met in developments, a financial contribution would be considered.
- 8.26 Each Council has created a supplementary planning document (SPD) outlining the context and justification of the requirement. The SPD requirements are outlined below.

#### **London Borough of Lambeth**

- 8.27 In order to address Lambeth's high out-of-work benefits, skills shortages and high youth unemployment, Lambeth Borough Council's Employment and Skills Planning Obligations SPD sets out the planning obligations which will be sought from developers:
- Provision of apprenticeships for Lambeth residents aged under 25, with the expectation that one new apprentice would be capable of being generated by every 1,000 sqm of development or every 10 residential units provided,
  - Provision of employment opportunities in the end-user phase which have appropriate support to make them suitable for long-term unemployed Lambeth resident(s),
  - Provision for notification of job vacancies, arising from both construction and end-use occupation to the council or any other agency nominated by the council; and
  - Provision for delivery of bespoke pre-employment and skills training for Lambeth residents that will provide them with the skills to access the jobs that are being created.

#### **Reading Borough Council**

- 8.28 Reading Borough Council's Employment Skills and Training SPD recognises that the skills and education of the labour force is crucial to the economic viability, flexibility and

competitiveness of the local economy. The Council has a requirement for S106 planning obligations to develop a site-specific Employment and Skills Plan (ESP).

8.29 The ESP's should cover the following outcomes (both construction and end use phase):

- Number of apprenticeships,
- Employment and training initiatives,
- Training and work experience for younger people, including those who are not in employment, training or education,
- Best endeavours to maximise local labour;
- Local procurement agreement - potential for local businesses to be included in tender list.

#### **London Borough of Barnet**

8.30 Barnet's 'Delivering Skills, Employment, Enterprise and Training from Development through S106' SPD establishes the use of Local Employment Agreements (LEA) as a mechanism to deliver employment opportunities generated by construction and end uses jobs.

8.31 In the LEA, the developer is expected to set out its approach to forecasting job opportunities, notification of job vacancies, local labour target, jobs brokerage and skills training, apprenticeships and work experience, use of local suppliers and delivery of specific LEA targets.



## **A1. ADDITIONAL JOBS**

- 9.1 This section considers the employment land need position and resulting jobs arising. Section 5 of this report recommends an employment land need of between 19.7 and 36.4 ha for the 2021-41 period.
- 9.2 In order to consider the employment arising from this level of growth we have undertaken a number of steps. Firstly we have taken the total need for office and industrial land and used a plot ratio (consistent with elsewhere in this report) to get to a net developable land in hectares. This is then multiplied by 10,000 to get to a floorspace in square metres for each use class.
- 9.3 The net developable floorspace is then translated into a number of jobs based on a consistent set of job densities as set out elsewhere in this report although as we discuss latter the link between industrial jobs and floorspace is tenuous.
- 9.4 When disaggregating the industrial need we have assumed a 40:60 split between industrial:warehousing uses. This is broadly based on recent completions (see table 5.7).
- 9.5 In total, this calculation assumes a gross employment of between 1,977 and 3,218 additional jobs. These steps are shown in Table 8.1 overleaf.

**Table 9.1 Gross Employment Generation at Employment Land Supply**

Type	Total (Ha)	Use Class	Plot Ratio	Land - Ha				SQM				FTE Employees			
				E(g) (i-ii)	E(g) (iii) - B2	B8	Total	E(g) (i-ii)	E(g) (iii) - B2	B8	Total	E(g) (i-ii)	E(g) (iii) - B2	B8	Total FTEs
												(14 sqm/ FTE)	(40 sqm/ FTE)	(70 sqm/ FTE)	
Office Requirement	1.5	E(g)(i-ii)	0.50	0.75	0.00	0.00	0.75	7,500	0	0	7,500	536	0	0	536
Industrial Low	18.2	E(g)(iii) - B2, B8	0.40	0.00	2.91	4.37	7.28	0	29,120	43,680	72,800	0	728	624	1,352
Industrial High	34.9	E(g)(iii) - B2, B8	0.40	0.00	5.58	8.38	13.96	0	55,840	83,760	139,600	0	1,396	1,197	2,593

Source: Icení Projects

- 9.6 This only calculates jobs growth at these sites, to get an overall number of additional jobs to 2041 further steps are taken.
- 9.7 Firstly the total job figures from the need is converted from the full-time equivalent (FTE) figures using a ratio of 0.92. That is, for every 92 FTE jobs created it will be the equivalent of 100 jobs. This ratio is derived from BRES ratios of employment to employees.
- 9.8 Next, consideration is given to the potential that some of these jobs already exist and are just moving from elsewhere in the county (displacement). We also need to consider that any additional jobs will result in additional expenditure both from the businesses through the supply chain and through increase staff expenditure (multipliers).
- 9.9 We have assumed a displacement of 30% for industrial uses and 20% from office uses. This is based on the ratio of historic losses to gains. For industrial we have used a rounded average of the net completions to gross completions using VOA and council completions over the long term. This assumes that for every 100 sqm of employment land created only 30sqm will be replacement stock.
- 9.10 For offices, we have used the long term council completions data for net to gross completions rounded to 20% as the VOA data appears unreliable.
- 9.11 We have assumed a multiplier effect at 20% which is a slightly higher than neighbourhood impact (1.1) and below the regional impact (1.5) ready reckoners as set out in the HCA Additionality Guide 2014.

**Table 9.2 Employment Jobs 2021-41**

Scenario	FTEs	Total Jobs	Displacement (20%: 30%)	Multiplier (20%)	Net Additional Jobs
Office Requirement	536	585	-117	94	561
Industrial Low	1,352	1,476	-443	207	1,240
Industrial High	2,593	2,830	-849	396	2,377

Source: Iceni analysis

- 9.12 The final step is to consider jobs which will not take place on employment land. These are informed by the baseline forecasts set out earlier in this report. However, there will be some duplication because the multiplier jobs calculated above will be on both employment land (supply chain) and non-employment (worker wage spend).

- 9.13 The non-employment land jobs are already assumed to be counted in the above jobs. The most reasonable position is to assume half of the multiplier jobs are in non-employment land and can therefore be discounted to avoid double counting.

**Table 9.3 Non employment land multiplier jobs Adjustment**

Scenario	Net Additional Jobs	Adjustment for non-employment land multiplier jobs	Sub Total
Office Requirement	561	-47	515
Industrial Low	1,240	-103	1,136
Industrial High	2,377	-198	2,179

Source: Icen Projects Analysis

- 9.14 Our modelling earlier in this report disaggregates the baseline FTE jobs growth by sector between the employment land uses classes and those not on employment land. The baseline forecasts are expected to add 1,363 jobs to the local economy. However, this includes a significant decline in factory based jobs and the assumed growth in non-employment land jobs (1,543 FTE) is actually greater than the total jobs change (1,363 FTE jobs). These FTE jobs also need to be translated to actual jobs to compare on a like for like basis. Based on a consisted ratio of 0.92 the 1,543 FTE non-b jobs translate to 1,684 total jobs.
- 9.15 Before we add these to the total jobs on employment sites we are required to merge the office need with the industrial scenarios. As shown in the table below, the total jobs that can be supported in the County based on the identified need range from 3,335 to 4,378 additional jobs. For completion we recommended that the mid-point of 26.6 ha is reasonable to plan for and this would result in 3,860 additional jobs based on the same assumptions.

**Table 9.4 Total Jobs Creation from Employment Land Need**

Scenario	Sub Total	Total non-employment land jobs forecast	Total
Need Low	1,651	1,684	3,335
Need High	2,694	1,684	4,378

Source: GL Heath

- 9.16 To reiterate this range is based on the assumed level of industrial and warehousing growth to be planned for and additional jobs outside of these areas and an assumed set of circumstances in relation to employment densities, displacement and economic mulitpliers.

- 9.17 However, this is wholly different from what we have seen in the County historically which perhaps brings a more accurate way of forecasting actual jobs growth. By bringing together the data relating to the change in jobs in office and industrial use classes with the change in floorspace significant variation from our assumptions appears.
- 9.18 The change in jobs is based on historic growth by sector from OE data attributed to use class based on the same assumptions within our future needs modelling. For this the R&D, Industrial and Warehousing jobs are combined. The floorspace data is net data from the VOA.

**Table 9.5 Change in Floorspace and Job – 2019 - Rutland**

	2010 Floorspace (sqm)	2019 Floorspace (sqm)	Floorspace Change (2010-19)	Job Change (2010-2019)	Job Density
Office	21,000	27,000	6,000	480	12.5
Industrial	209,000	234,000	25,000	-588	-42.5

Source: VOA and OE data

- 9.19 As shown over the 2010 to 2019 period an average of 12.5 sqm of office space was added for every job created. This aligns with assumptions elsewhere in this report which assumes 12 sqm going forward.
- 9.20 However, for industrial the significant delivery of 25,000 sqm of additional floorspace coincided with a period of assumed job losses of 588 on industrial floorspace. This meant that for every job lost 42.5 sqm of floorspace was gained. This highlights the very weak link between industrial floorspace and jobs growth.
- 9.21 It is not possible to wholly understand why this is the case, as jobs are not recorded based on their use class. It may well be the case that job losses in older redundant stock occurred and were automated within the newer stock. But again this is just a reasonable assumption to make.
- 9.22 Looking at this in more detail we can see that there were around 700 job losses in manufacturing and a gain of 100 jobs in transport and storage between 2010 and 2019. At the same time developments such as Tungsten Park and extension as Land's End occurred in the County drove the 25,000 sqm increase.
- 9.23 We can therefore conclude that while a range of job creation is possible with the recommended level of need, the link between floorspace growth and jobs growth cannot be

wholly reconciled. This is particularly the case for industrial jobs which comprises the greater percentage of the need.