



TOPIC PAPER

Employment Land

MORAY LOCAL DEVELOPMENT PLAN 2020

DECEMBER 2017

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CONTEXT

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Scottish Planning Policy

Scottish Planning Policy (SPP) states in paragraph 93 that “the planning system should:

- promote business and industrial development that increases economic activity while safeguarding and enhancing the natural and built environments as national assets;
- allocate sites that meet the diverse needs of the different sectors and sizes of business which are important to the plan area in a way which is flexible enough to accommodate changing circumstances and allow the realisation of new opportunities; and
- give due weight to net economic benefit of proposed development.

SPP requires new sites to be identified where existing sites no longer meet current needs (para 103). Local development plans should allocate a range of sites for business, taking account of current market demand; location, size, quality and infrastructure requirements; whether sites are serviced or serviceable within five years; the potential for a mix of uses; their accessibility to transport networks by walking, cycling and public transport and their integration with and access to existing transport networks. The allocation of such sites should be informed by relevant economic strategies and business land audits in respect of land use classes 4 Business, 5 General Industrial and 6 Storage or distribution (para 101).

SPP states that Local Development Plans should encourage opportunities for homeworking, live work units, micro businesses and community hub (para 95).

SPP states that the planning system should apply a town centre first policy for uses that attract significant numbers of people, including offices (Use Class 4).(Para 60).

Implications for LDP 2020

Polices within the Local Development Plan 2015 aim to support sustainable economic development and largely reflect the requirements of SPP. However, the direction of policy should be updated to reflect the town centre first policy and also promote homeworking, live work units, micro businesses and community hub. In order to maintain an effective supply of land additional land requires to be identified to meet needs.

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COUNCIL AND COMMUNITY PLANNING PARTNER PLANS AND STRATEGIES

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2

Moray 2026 - A plan for the future is the Community Planning Partnerships 10 year plan. The top priority within this plan is "A growing, diverse and sustainable economy" and several indicators are identified to monitor progress on this priority. This priority covers employment, infrastructure, public sector and the third sector.

The Moray Economic Partnership (MEP) is a formal partnership that was formed with the aim of facilitating sustainable economic growth and diversification of the economy. It is part of the Community Planning framework and provides leadership and strategic direction for the economic strand of the Community Planning Partnership. The MEP programme of activities is focused on skills and training, culture and tourism, development, transportation, inward investment and business growth.

A refresh of the **Moray Economic Strategy** is underway to update the 2012 Strategy. The overarching objectives of the 2012 Strategy are encouraging population growth, creating high quality jobs and raising earning levels. The Strategy noted Moray had a strong food and drink sector with world renowned brands and strong indigenous demand in the engineering and manufacturing sectors. Key areas of opportunity were seen as life sciences (with a focus on the digital health sector) and renewable energy. The strategy notes the opportunity for Buckie Harbour as an operations and maintenance base to service offshore wind. The Strategy also notes the significant natural and industrial and tourism assets that provide a foundation for tourism to develop.

Part of the Enterprise Park at Forres is a **Life Science Enterprise Area** with a range of incentives available to encourage private investment. These include reduced business rates and a streamlined planning process.

Implications for LDP 2020

The LDP must reflect the plans and strategies of Community Planning Partners and recognise that economic development is a key priority.



To inform LDP2020 a group comprising; Moray Council Planning and Development, Moray Council Estates, Highlands and Islands Enterprise (HIE) and Business Gateway, has met to consider employment land requirements. The demand for employment sites and buildings is considered to be greatest for smaller buildings with fewer businesses looking for larger sites. Demand for smaller sites and buildings are from small local businesses including builders, plumbers and plant and machinery supply. Demand for medium sized sites is from smaller businesses looking to grow and the demand for larger sites is generally from inward investors. There needs to be land and sites available at all levels of this pyramid to meet demand. Future demand was seen to come from small start-ups, renewables, digitally based business and decommissioning.

There is also demand from existing business looking to relocate and expand. In Elgin businesses have required to relocate due to the Flood Alleviation Scheme. There was considered to be a need to identify opportunities for big inward investments of up to 40 ha/100 acres.

Sufficient land and buildings require to be available in Moray to facilitate wider economic development and the aims of the Moray Economic Strategy, including diversifying the economy.

A key industry for Moray is whisky distilling and this area has seen considerable expansion over recent years, including bonded warehousing. These businesses are long established and often in rural areas. The Local Development Plan currently looks to support such expansion through its policy on rural business which supports proposals where there is locational justification.

The Moray Council Industrial Portfolio Annual Report 2016 showed high levels of occupancy within the Moray Council Industrial portfolio with demand in most areas out stripping supply. The provision of further serviced sites and units is considered a priority for future industrial development and a number of projects are currently being progressed. The most advanced of these is at March Road in Buckie where a planning application has been submitted for the site infrastructure.

A Property Needs Survey was undertaken by Moray Council Estates Services and HIE in 2016. There were 131 responses to the survey. The survey results reflect the settlement hierarchy within the Local Development Plan with the most demand in Elgin followed by Forres with lower levels of demand in Buckie, Keith and Speyside. The survey found that there was demand across all use classes including industrial, storage/warehouse and offices. Reflecting the comments above the demand for smaller sites was greatest with only a couple of respondents looking for sites of around 2 hectares. Key needs were identified as vehicle access, prominent visible location and yard space.

Implications for LDP 2020

Designations must reflect the different types of demand within the LDP. There is a need to identify potential opportunities within the LDP for large scale inward investment. Policy must recognise the need for indigenous rural industries to expand. The LDP must address delivery of serviced employment land.



EMPLOYMENT LAND AUDIT 2017

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The Moray Employment Land Audit provides an overview of the supply and availability of employment land across the LDP area. The audit is undertaken annually with a baseline of 1 January. The 2017 audit highlights the limited choice of sites across settlements and the limited supply of serviced land for immediate development. The results of the 2017 audit are summarised below.



Supply	Area (at 1 January 2017)	Number of sites
Established Land Supply	156.33 ha	3.2
Marketable/Effective Supply	80.62 ha	17 sites
Immediately Available Supply	18.07 ha	6 sites

Town	Marketable/ Effective Area	Number of sites	
Elgin	35.66 ha	4 sites	Small choice of marketable sites and land available is limited. Only immediately available land is at Linkwood and East Chanonry (all now under offer). There are issues with delivery of higher quality business land and availability of serviced industrial land. Progressing development and servicing sites at Barmuckity (I7) and Newfield (I8) will be critical to the supply in the short term.
Forres	13.71 ha	3 sites	Very small choice of marketable sites given settlement size and population, but reasonable areas available. Proportion of immediately available land higher than other settlements but this is largely due to the large area available at the Enterprise Park. Waterford now has limited availability with the majority of the land/units now let. Shortage of general industrial land.



Town	Marketable/ Effective Area	Number of sites	
Buckie	16.03 ha	3 sites	Small choice of marketable sites but reasonable areas available. Only one very small immediately available site at March Road. Opportunities at harbour. Limited new build activity since 2014 but demand for premises. Progress being made on bringing forward March Road (SE) (I3).
Keith	3.81 ha	3 sites	Very small choice of marketable sites and limited area. Issues with providing readily accessible employment sites.
Lossiemouth	0	0	Severely restricted choice of sites, only Sunbank OPP1 or windfall opportunities. The topography and ground conditions of OPP1 are considered to constrain the site. Coularbank developed or under construction.
Rest of Moray	11.41 ha	4 sites	Limited choice of designated sites. In Aberlour, Lhanbryde, and Rothes there are only single sites available, some of which are constrained. In Mosstodloch sites are identified but these are generally to meet the expansion needs of existing businesses.

Implications for LDP 2020

Need to broaden choice of sites across settlements and focus on delivery of serviced land for development. Address shortage of general industrial land in Forres and Speyside



KEY ISSUES

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Delivery of Serviced Sites

As highlighted by the Employment Land Audit 2017 and the Moray Council Industrial Portfolio Annual Report 2016 there is limited supply of serviced land for immediate development. One of the main constraints to bringing land forward is the viability of such projects due to low land values. There are also issues with landowners unwilling to sell land for industrial values and holding out for higher value uses.

One option to support delivery is to provide a greater mix of uses across sites to allow some higher value uses to help cross fund infrastructure. This could assist in helping to deliver site infrastructure. However, this would need to be controlled to ensure that land was still available for general industrial uses and landowners did not continue to hold out for higher value uses across the whole of a site. It will also be necessary to ensure that proposals do not conflict with the town centre first principle which applies to high footfall uses, including offices and leisure uses. Such uses would still require to demonstrate that the site proposed was the most sequentially preferable. Each designation would need to clearly set out the mix of uses that could be considered and what the minimum level of general industrial use is.

The Barmuckity Business Park Strategic Framework is an example of how establishing an acceptable mix of uses can aid delivery. The Strategic Framework was approved in November 2016 and shows a wider range of acceptable uses on the area fronting onto the trunk road including Class 1 Shops, 7 Hotel and hostels and 11 Assembly and leisure, as well as Classes 4 Business, 5 General Industrial and 6 Storage or distribution. The areas to the rear of the site are restricted to Classes 4, 5 and 6. The balance of uses in the framework aims to promote delivery by ensuring an economically viable project. The framework gives a level of certainty in respect of land use and developable area, as well as providing consistency and continuity over time. This has meant that land at Barmuckity has moved from constrained to marketable/effective which has improved supply levels in Elgin.

Elgin Business Park Limited has recently secured £1.9 million investment from HIE towards the £6.8 million cost of infrastructure for phase 1. First occupiers on the site are anticipated in 2018.

Other options would be to consider the use of Compulsory Purchase powers where landowners are unwilling to sell or are holding out for higher land values to ensure an effective land supply is maintained. The Scottish Government's position statement (June 2017) on review of the planning system noted that planning authorities could do more to enable development through greater use of existing powers, including Compulsory Purchase Orders. However, it is noted that changes to Compulsory Purchase Orders will not be taken forward as part of the Planning Bill.

Implications for LDP2020

Consider a broader range of uses across sites to aid delivery whilst ensuring a minimum level of industrial uses within designations.



Establishing Employment Land Requirements

It is essential that sufficient land is identified within the plan to meet demand. It is also important that the land identified is in locations and of a quality that meets the needs of demand.

Given the limited choice of sites and the need to maintain a supply of marketable/effective employment land there is a need to identify additional land within settlements.

1 Annual requirements

From historic demand studies, build out rates recorded in the Employment Land Audit and the general rule of thumbs discussed with HIE, Moray Council Estates and Business Gateway the annual requirement is considered to be 10-12 acres per year. This is split by Housing Market Area in figure 1 below.

This distribution was also reflected in the Property Needs Survey in 2016.

2 What is the existing supply?

The 2017 Employment Land Audit sets out the effective land supply – i.e. the supply that has a secure planning status (designated or planning consent), can be serviced within 5 years, and is accessible. This is for all classes i.e. Classes 4, 5 and 6.



Figure 1 - Annual employment land requirement by Market Area



Supply of Employment Land (Class 4 Business, 5 General Industrial and 6 Storage and Distribution)

Town	Effective Supply	Number of sites	Supply in years based on annual benchmark above	Supply in years at 2020
Elgin	35.66ha/88.1 acres	4 sites		
Lossiemouth	0	0		
Mosstodloch	7.92ha/19.5acres	1		
Troves	1.12ha/2.76 acres	1		
ELGIN HMA	44.7ha/110.4acres	6	15.7 years	12.7 years
FORRES HMA	13.71ha/33.8 acres	3 sites	16.9 years	13.9 years
BUCKIE HMA	16.03ha/39.6 acres	3 sites	19.8 years	16.8 years
KEITH HMA	3.81ha/9.41 acres	3 sites	9.4 years	6.4 years
Craigellachie	1.79ha/4.4 acres	1 site		
Rothies	0.58ha/1.43 acres	1 Site		
SPEYSIDE HMA	2.3ha/5.8 acres	2 site	5.8 years	2.8 years

Supply of general industrial (Class 5)

Town	Effective Supply	Number of sites	Full benchmark	Supply in years at 2020
Elgin	18.65 ha/	3 sites		
Lossiemouth	0	0		
Mosstodloch	7.92ha/ 19.5 acres	1		
Troves	1.12ha/2.76 acres	1		
ELGIN HMA	27.69ha /68.42acres	5	9.8 years	6.8 years
FORRES HMA	0.23ha/ 0.57 acres	2 sites	Less than a year	Less than a year
BUCKIE HMA	16.03ha/39.6 acres	3 sites	19.8 years	16.8 years
KEITH HMA	3.81ha/9.41 acres	3 sites	9.4 years	6.4 years
Craigellachie	1.79ha/4.4 acres	1 site		
Rothies	0.58ha/1.43 acres	1 Site		
SPEYSIDE HMA	2.3ha/5.8 acres	2 site	5.8 years	2.8 years

Other land – either restricted to class 4 or high amenity *

Town	Effective Supply	Number of sites	Full benchmark	Supply in years at 2020
ELGIN HMA	17.01ha /42.03 acres	2	6 years	3 years
FORRES HMA	13.48ha/ 33.31 acres	1	16.5 years	13.5 years

* Both Buckie and Keith have Business Park sites identified in the LDP 2015 but these are constrained and do not form part of the marketable supply.



Implications for LDP 2020 - The employment land requirement is calculated to allow 10 years beyond adoption of the Plan. However, as the Scottish planning system moves towards a 10 year replacement period for Local Development Plans, it is proposed to ensure that a 5 year effective land supply is available at 2030, or can be brought forward from an identified strategic reserve through appropriate phasing or triggers.

Minimum Requirements per Housing Market Area

Elgin HMA– identify minimum of 23 ha for general industrial, part of this could be identified as a strategic reserve that could be brought forward early if required.

Forres HMA– identify minimum of 12 ha of general industrial land. Sufficient land identified for higher amenity uses at BP1 and BP2, these should be retained as the primary location to meet this type of demand.

Keith HMA– identify minimum of 3.5 ha of general industrial land. Consider potential for higher amenity sites.

Buckie HMA – no new general industrial land needed but a strategic reserve should be identified.

Speyside HMA – identify minimum of 4.8 ha general industrial land.

Inward Investment - In addition to the above requirements large scale sites of 40 ha must be identified for inward investment.

Outcomes

- An effective employment land supply that supports small and growing businesses as well as larger inward investors.
- Delivery of serviced sites that meet the needs of immediate development.
- A choice of sites that meets the differing needs of businesses.
- Options for large inward investment



