



**REPORT TO: PLANNING AND REGULATORY SERVICES COMMITTEE ON 31
MAY 2022**

SUBJECT: EMPLOYMENT LAND AUDIT 2022

**BY: DEPUTE CHIEF EXECUTIVE (ECONOMY, ENVIRONMENT AND
FINANCE)**

1. REASON FOR REPORT

- 1.1 This report summarises the employment land supply in Moray and asks the Committee to agree the final version of the Moray Employment Land Audit 2022.
- 1.2 This report is submitted to Committee in terms of Section III (E) (2) of the Council's Scheme of Administration relating to the review and preparation of Local Development Plans.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee;**
- (i) note the employment land supply in Moray;**
 - (ii) agree the responses set out in Section 4 of the report; and**
 - (iii) approve the finalised Moray Employment Land Audit 2022, as set out in Appendix 1 of the report.**

3. BACKGROUND

- 3.1 Scottish Planning Policy (SPP) requires that the supply of marketable employment sites be regularly reviewed. The aim is to ensure that there is a sufficient supply of land to meet current and anticipated market requirements. Planning Authorities are required by SPP to ensure that there is a range and choice of marketable sites and locations for businesses allocated in the Local Development Plan (LDP). The levels of effective/marketable employment land and take-up of land are National Headline Indicators returned annually in the Planning Performance Framework (PPF) to the Scottish Government.

3.2 The Moray LDP 2020 Main Issues Report, published in January 2018, identified 9 main land use issues to be addressed by the new LDP, including “providing a generous employment land supply”. This has been a long-standing issue and the MLDP 2020 provides a long term, strategic approach to the provision of employment land to meet demand ranging from small start-up units to much larger sites for inward investment.

3.3 The Moray Employment Land Audit has three key functions:-

- demonstrate the availability of a range and choice of marketable employment sites;
- provide an overview of the supply and availability of employment land across the Local Development Plan area; and
- provide an evidence base for the monitoring and review of policies and proposals within the LDP.

3.3 The audit includes four categories of land supply:-

Established – This includes all undeveloped land allocated for industrial/business/employment use in the adopted LDP or land that has a valid planning approval for these uses.

Marketable/Effective – Land that as well as meeting business requirements, has a secure planning status, can be serviced within 5 years and is accessible by walking, cycling and public transport as defined in SPP.

Constrained – Land that is not considered developable within 5 years due to issues such as planning difficulties, ownership issues, infrastructure provision and physical constraints.

Immediately Available – Land that has planning permission, is serviced and has no major constraints to immediate development.

3.4 A copy of the audit will be submitted to the Economic Development and Infrastructure Committee for their information due to their interest in industrial and commercial development.

4. CONSULTATION

4.1 The draft audit was made available for consultation on the Council’s website and sent to internal and external consultees, with comments invited by 29 April 2022.

4.2 Comments were received from Springfield Real Estate Management noting the limited availability of plots at 17 Barmuckity/Elgin Business Park with many of these now let or under offer and it was noted there continued to be demand including for larger sites. Sites that are let or under offer remain shown in the supply until construction commences. However, the level of interest and take up at 17 Barmuckity/ Elgin Business Park is reflected within Employment Land Audit text with the need to bring forward and service sites to maintain supply identified.

5. AUDIT FINDINGS

- 5.1 The 2022 Audit is provided in full as **APPENDIX 1** to the report. The audit identifies that there is 298.55 hectares (ha) of Gross Established Employment Land Supply. This is a decrease of 1.22ha compared to 2021 due to development at I7 Barmuckity/Elgin Business Park, I2 Chanonry Industrial Estate (Elgin) and I1 Greshop (Forres) with this balanced again the addition of land at I5 Buckie Harbour that has been cleared, the re-introduction of land at I1 Troves where development stalled and inclusion of land at I3 Benromach Forres that was previously excluded in error. The main supply of employment land continues to be within the Elgin, Forres and Buckie Market Areas, with a more limited supply in Keith and a very limited supply in Speyside. A summary for each Market Area can be found on page 5 of the Audit.
- 5.2 100.37 ha (net) of land, across 21 sites, is classed as Marketable/Effective. This is a decrease of 1.31 ha compared to 2021. The decrease is due to construction activity at I7 Barmuckity/Elgin Business Park and I2 Chanonry Industrial Estate at Elgin. This is balanced against land at I1 Troves that was previously removed from the effective supply due to construction commencing being brought into the effective supply due to stalled construction. The distribution of Marketable/Effective sites reflects the settlement hierarchy within the MLDP, however there continues to be a shortage of Effective sites within Speyside.
- 5.3 The Marketable/Effective supply is split with 63.56ha suitable for general industrial and 36.82 ha suitable for proposals that require a higher amenity setting usually within the class 4 Business category. The Elgin and Buckie market areas have relatively healthy supplies of general industrial land providing at least the equivalent of 15 years supply. In Keith the general industrial supply is more limited however there is a LONG allocation that could be drawn down if there is shortage. There has historically been a significant shortage of general industrial land in Speyside. This means there is a reliance on windfall proposals to accommodate demand. In Forres there is a significant shortage of general industrial land with only 2.75ha of land available at BP1 Forres Enterprise Park. This shortage of general industrial land requires to be urgently addressed. The Economic Recovery Plan includes actions to progress employment sites and industrial units in Forres and Speyside. Moray Council Estates are considering a number of projects with a focus on Speyside where there are shortages and limited private sector interest in providing units on speculative basis. Moray Council is also working with HIE to advance opportunities in Forres to address deficiencies in supply. Longer term investment will also be required to maintain an effective supply in these areas.
- 5.4 The amount of land Immediately Available is 33.85 ha (net), across 6 sites. This is a decrease of 1.49 ha since 2021. The decrease is due to construction activity at I7 Barmuckity/Elgin Business Park and I2 Chanonry. Take up at I7 Elgin Business Park/Barmuckity has been very good and it is understood significant areas are under offer with other plots the subject of current planning applications. It is therefore it is anticipated that the level of immediately

available land in the Elgin Market Area will reduce significantly over the next few years. There continues to be a restricted choice of sites in the Immediately Available Land Supply. This is a particular issue in Forres and Speyside. The availability of Immediately Available land is a Key Measure in the Moray Economic Strategy. To maintain a supply of serviced sites it is necessary to work toward bringing other sites forward. Early work has started on a Masterplan for Mosstodloch with the Crown Estate Scotland recently appointing consultants. The masterplan will cover the current designations for employment and consider business requirements. A masterplan is also being proposed for Blackhillock Keith which has seen considerable development interest associated with renewable energy infrastructure and data storage.

- 5.5 78.03ha (net) across 16 sites is classed as constrained. This means approximately a third of the Established Supply has some form of constraint that is likely to prevent the land being developed in the next five years. The constrained supply has increased by 2.8ha compared to 2021. This is due to the addition of land at I5 Harbour Buckie at the former shipyard and correcting an error where constrained land at I3 Benromach Forres was not included in the audit. The addition of this land has been balanced against the development of land at I1 Greshop and the removal of OPP1 Mary Avenue at Aberlour from the audit. 48.06ha of land across 6 sites is classed as a LONG designation and would be capable of being bought forward should the need arise as set out within Policy DP3 Long Term Land Reserves within the MLDP 2020.
- 5.6 In the last year, 4.7 ha of land was developed this includes completion or occupation of sites at I7 Barmuckity, I2 Chanonry, I6 Linkwood East and OPP4 Ashgrove in Elgin and I1 Greshop in Forres. A new road has also been completed at BP1 Forres Enterprise Park. This is a similar level of take up and construction as recorded in 2021 when 4.68ha was recorded but is across a greater range of sites (6 compared to 4 in 2021). 6 ha of land is under construction. This is a decrease in construction activity compared to 2021 of 3ha and 2.22ha compared to 2020. It is noted however that the level is higher than audits completed in 2015-2019 which ranged from 2.31ha to 5.25ha. The sites under construction include sites at I7 Barmuckity/Elgin Business Park, development in Keith at I3 Westerton Road East (including a small part of I11) and the initiation of development at I3 Benromach. These figures do not represent all building activity and only that on designated sites or windfall sites that are not restricted to a single user. In preparing the audit comments from Estates, HIE and other consultees suggest that despite the covid-19 pandemic and Brexit demand has held up relatively well. Although there are perhaps signs that the level of space for uses like call centres may reduce with continued homeworking and demand is increasing for technology and advanced engineering uses.

6. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcomes Improvement Plan (LOIP))

The Employment Land Audit is a key part of monitoring the implementation and effectiveness of the LDP, which delivers Corporate and Community Planning objectives. Ensuring sufficient provision of

effective employment land supports a growing and diverse economy which will provide a stable, sustainable employment base.

(b) Policy and Legal

The preparation of the annual Employment Land Audit is a requirement of SPP to monitor the effectiveness of the LDP and ensure an effective supply of employment land is maintained.

(c) Financial implications

None identified at present.

(d) Risk Implications

Risk that insufficient provision of effective employment land limits inward investment and expansion opportunities and risks an unplanned approach being taken to development.

(e) Staffing Implications

Preparation of the annual Employment Land Audit is part of the workload of the Strategic Planning & Development section.

(f) Property

The Employment Land Audit includes industrial estates and sites owned by the Council. The Council's Estates section were consulted on the draft audit.

(g) Equalities/Socio Economic Impact

There are no equalities issues arising from this report as it is to inform the Committee on monitoring of land supply.

(h) Climate Change and Biodiversity Impacts

Moray Local Development Plan policies seek to ensure that biodiversity is enhanced and all new buildings reduce carbon emissions. Development proposals are required to maximise connections and routes for pedestrians/cyclists including connections to active travel routes thereby reducing carbon emissions associated with vehicles, create green and blue infrastructure and incorporate and enhance biodiversity through planting and other mechanisms.

National Planning Framework 4 (NPF4) is expected to be approved later in 2022, introducing new national policies to bring significant changes to the planning system including reducing carbon emissions in new development, enhancing biodiversity and a much greater focus on brownfield redevelopment.

(i) Consultations

Depute Chief Executive (Economy, Environment and Finance), the Head of Economic Growth and Development, the Legal Services Manager, the Asset Manager (Commercial Buildings), the Equal Opportunities Officer, Paul Connor (Principal Accountant) and Lissa Rowan (Committee Services Officer) have been consulted and are in agreement with the contents of the report/comments received have been incorporated into the report.

7. CONCLUSION

- 7.1 SPP requires that the supply of marketable employment sites be regularly reviewed to ensure there is sufficient supply of land to meet current and anticipated market requirements. Levels of employment land and take up are National Headline Indicators submitted within the PPF.**
- 7.2 The Employment Land Audit 2022 identifies that there is 100.37ha (net) of Marketable/Effective Employment Land, of which 33.85 ha (net) is Immediately Available. Issues are identified with the restricted choice of sites across all settlements, a shortage of land in the Speyside market area, a shortage of general industrial land at Forres, and the likely impacts of high take up at Elgin Business Park/Barmuckity (I7) on future supplies of Immediately Available Land.**

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Background Papers:
Ref: