

# East Northamptonshire Employment Land Review

## Final Report

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*It should be noted that the main findings of the Employment Land Review are included within this report (Volume 1). However, the report is supplemented by a series of detailed appendices, which are provided in a separate volume (Volume 2).*



## **EXECUTIVE SUMMARY**

### **BACKGROUND**

Atkins was commissioned by East Northamptonshire Council in June 2006 to undertake an employment land review. The purpose of the study is to inform the Council's preparation of its Development Plan Documents, which will be part of the emerging North Northamptonshire Joint Local Development Framework.

### **APPROACH**

The study has been conducted in accordance with guidance issued by the Government on undertaking employment land reviews. The core elements of the study comprise a thorough assessment of current supply and demand side factors, having regard to local and regional property market conditions. The study made use of a variety of quantitative and qualitative methods to ensure that it resulted in a rounded and fully informed assessment. This included:

- a detailed site by site assessment of employment sites within the District;
- an appraisal of local and sub-regional socio-economic conditions;
- consultation with local property agents;
- an empirical and statistically significant survey of local businesses; and
- economic and business floorspace forecasts.

### **KEY FINDINGS**

#### **SWOT Analysis**

A SWOT analysis<sup>1</sup> of current East Northamptonshire economic conditions and future prospects has been undertaken in order to summarise the principal research findings and features of the local economy

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<sup>1</sup> Strengths, Weaknesses, Opportunities and Threats

**Table S.1 – East Northants SWOT analysis**

STRENGTHS	WEAKNESSES
<p>Several strategic roads service the District, including the A6, A45 and A14, offering good road access to nearby locations (such as Kettering, Corby, Peterborough, Northampton etc.).</p> <p>Above average GVA per head compared to the national average.</p> <p>Low unemployment rate, and the labour market is running at close to full capacity</p> <p>High level of entrepreneurial activity compared to surrounding areas and England &amp; Wales.</p> <p>Generally low levels of deprivation (although pockets of deprivation do exist in the south).</p> <p>The vast majority (94%) of employment premises assessed were deemed to be in either a good or fair condition.</p> <p>Strategically competitive location for major distribution facilities.</p>	<p>East Northamptonshire has a net out-flow of commuters (totalling over 12,000) to other locations outside the District.</p> <p>Poor public transportation links within the District.</p> <p>There is a geographical bias in the employment structure towards the south of the District.</p> <p>Shortage of quality employment premises for small and medium enterprises including incubation facilities, offices and managed workspace.</p> <p>Several employment sites in the District include areas of under-utilised or vacant land. Overall, the site assessments identified over 20ha of vacant land.</p>
OPPORTUNITIES	THREATS
<p>The District is expected to experience significant population and employment growth as a result of being located within the Milton Keynes and South Midlands Growth area.</p> <p>The “Rushden Lakes” site presents the opportunity to introduce good quality office accommodation into the District, which may stimulate further similar development.</p> <p>Regeneration is occurring in Irthlingborough, Rushden, Higham Ferrers, Raunds and Thrapston which may present the opportunity to integrate new, good quality B-class employment uses.</p> <p>The opportunity exists to expand the banking, finance and insurance sectors, which are currently under-represented despite performing well.</p> <p>The site appraisal process identified approximately 50ha of opportunity land and 17 sites which presented the opportunity for 24-hour working.</p> <p>Opportunities exist for rural diversification through farm building conversion to employment uses and farm activity diversification, contributing to sustainable development goals.</p>	<p>The loss of labour through out-commuting to nearby centres resulting in an increasing dormitory role for the District.</p> <p>Size and proliferation of large distribution parks.</p> <p>On-going restructuring of the manufacturing sector resulting in further relocations away from the District.</p> <p>Potential deterioration in jobs-housing (workforce) balance unless local availability of jobs increases.</p> <p>Increasing pressure upon locally significant employment sites for transfer to higher value uses, particularly housing.</p> <p>Over-emphasis on distribution sector as driver for consumption of scarce land resources for employment use.</p>

**Forecasts of Demand**

The study has assessed the future demand for employment land up to 2021, through a socio-economic assessment, empirical business survey, employment forecasts and property market assessment. Estimates of the future demand for employment floorspace were derived from the employment forecasts.

The employment forecasts were carried out using a variety of distinct techniques, conforming to the latest guidance on employment land review. Four scenarios were developed taking into consideration the overall socio-economic and property market conditions in East Northamptonshire and the surrounding regional and national area. The floorspace forecasts highlighted an indicative net floorspace requirement of 180,000m<sup>2</sup>, equivalent to approximately 39 hectares of land. The rationale for this indicative requirement is based on the following components of employment need:

- (i) Facilitating the establishment and survival of new business ventures in the District;
- (ii) Enabling indigenous businesses to expand and relocate in accordance with their changing requirements;
- (iii) Providing sufficient choice and diversity to modern occupiers, developers and investors;
- (iv) Meeting the varied and complex needs of key growth sectors which offer significant opportunities in respect of the diversification of the local economy;
- (v) Enabling East Northamptonshire to contribute in part to the MKSM growth objectives;
- (vi) Facilitating inward investment; and
- (vii) Providing greater opportunities for reducing out-commuting from the District to other employment locations.

The study has provided an indicative breakdown of future employment need by business activity / use class. Taking into consideration a range of economic, property, labour market and wider policy issues, we conclude that future floorspace need will comprise approximately:

- 43% offices (B1a & B1b);
- 18% industry (largely B1c with a small element of B2 and sui generis uses); and
- 38% distribution and warehousing (B8).

### **Assessment of Existing Supply**

An initial assessment of employment land within the District was undertaken in order to “take stock” of the existing situation (in compliance with employment land review guidance). This helped to develop an understanding of the “fitness for purpose” of existing employment sites

to inform the site appraisal process. Additionally, it facilitated the compilation of a comprehensive list of employment sites within the District, which was then used in the more detailed site appraisals.

Comprehensive site appraisals were conducted at a total of 31 employment sites within the District. 24 of these sites were classified as existing employment sites, 3 as rural employment locations and 4 as employment land allocations. These sites contained a total of 287 ha of employment land. Of this, 23ha was identified as being vacant land suitable for development, and 53ha was identified as opportunity land (under-utilised areas of existing employment land and premises). The spatial distribution of these sites is shown below.

**Table S.2 - Distribution of Employment Land, Vacant Land and Opportunity Areas**

	Size of Site (Ha)	Size of Vacant Land (Ha)	% Vacant	Size of Opportunity Land	% Opportunity Land
Higham Ferrers	17.3	0.0	0.0%	5.1	29.1%
Irthlingborough	25.7	5.6	21.8%	1.3	5.0%
Oundle	18.8	0.0	0.0%	2.1	11.0%
Raunds	42.1	0.0	0.0%	13.5	32.1%
Rushden	91.8	9.2	10.0%	3.7	4.1%
Thrapston	46.4	8.1	17.4%	0.3	0.6%
Rural parishes	45.1	0.4	0.8%	26.6	59.1%
<b>Total</b>	<b>287.0</b>	<b>23.3</b>	<b>8.1%</b>	<b>52.6</b>	<b>18.3%</b>

A total of 331 B-class premises were counted within the assessed employment sites, 278 of which were currently occupied. A total of 53 premises (16% of total premises) were judged to be vacant through the appraisal process.

**Table S.3 - Distribution of Employment Premises and Vacancy**

	No. of Occupied Employment Premises	No. of Vacant Premises	Total Employment Premises	% Vacant Premises
Higham Ferrers	32	3	35	8.6%
Irthlingborough	15	1	16	6.3%
Oundle	18	5	23	21.7%
Raunds	33	10	43	23.3%
Rushden	110	22	132	16.7%
Thrapston	22	0	22	0.0%
Rural parishes	48	12	60	20.0%
<b>Total</b>	<b>278</b>	<b>53</b>	<b>331</b>	<b>16.0%</b>

As part of the appraisal process, a site typology assessment was undertaken. This identified:



- the mix of uses at each site;
- the mix of premises sizes at each site;
- the condition of premises; and
- the number of premises developed during the past five years.

The highest proportion of uses was categorised as general industrial/business (66% of occupied premises), which typically relate to B1(c) and B2 uses. Approximately 19% of occupied premises were categorised as warehouse / distribution uses and over 5% as office uses (B1a).

The majority of general industrial / business premises were found to be smaller in size than warehouse / distribution or office premises. Additionally, the majority of premises based in farm based employment locations were mostly relatively small in size. In terms of location, employment premises in the rural parishes tended to be relatively small compared to the more urban locations.

95% of premises across the District were deemed to be in either a good or fair condition. All of the premises considered to be in a poor condition were either in established / potential office use or general industrial / business use. 68% of warehouse / distribution premises were deemed to be in a good condition, compared to only 42% of general industrial / business premises. In terms of location, 100% of premises in Raunds and 77% in Thrapston were assessed as being in a good condition. In contrast, 9% of premises in Rushden and 6% in Higham Ferrers were considered to be in a poor condition. 17% of premises were thought to have been developed during the previous five years.

A small number of sites were found to experience inadequate internal access servicing and parking arrangements. Parking difficulties were found to exist at 6 sites, and access and servicing problems at 4 sites. In terms of environmental issues, 16 of the 30 sites were thought to have the potential to support 24 hour working. It was considered that the introduction of non-B Class uses would compromise the effective operation of 16 sites. Several sites were found to be at some risk from flooding according to flood maps produced by the Environment Agency.

The majority of employment sites in East Northamptonshire appear to be in fragmented private ownership. A number of outstanding planning applications and permissions exist on sites.

## **Defining a Portfolio of Sites for the Future**

The study has examined the suitability of the existing identified employment sites, employment land allocations, and potential further employment sites in the District to meet the future business accommodation requirements to 2021 and beyond. Scoring matrices have been prepared (see Appendix H) utilising the following criteria (where applicable) to assess the sites:

- access;
- sustainable development criteria;
- quality of site environment and surroundings;
- market requirements and perceptions;
- policy considerations; and
- development constraints and availability.

All of the existing employment sites were considered to be suitable for future employment protection.

The assessment of existing employment sites has demonstrated that the combination of vacant and opportunity land provides a theoretical additional floorspace capacity of around 187,000m<sup>2</sup>. Whilst this land may provide a significant contribution to meeting future employment needs in the District, it is important to stress that a significant element of this land can only be regarded as ‘potential supply’ rather than ‘actual supply’ arising from ownership, viability and development constraints. Indeed, much of the land identified as ‘opportunity land’ will require a long-term approach to its redevelopment.

Consequently, given the potential for significant ownership and financial constraints, the study recommends that the LDF should not assume that this floorspace will all become readily available during the plan period. As a result, it is important for the LDF to introduce policies and supporting initiatives which assist in facilitating the improvement in use of existing employment land resources. Moreover, we consider that existing employment land allocations should be protected and further land identified in providing a long-term reserve source of supply (see below).

## Key Conclusions and Policy Implications

The study recommends that the LDF ensures that the range of employment sites available offer a sufficient choice and diversity for both indigenous and inward investment needs. Strong policies and supporting regeneration initiatives should be introduced to assist in facilitating an improvement in the quality of employment floorspace provided through existing employment land in the District (through intensification, upgrading and redevelopment).

The study concluded that there is a need to maximise the use of existing employment land resources in East Northants in order to limit the degree of pressure on greenfield sites and to promote a sustainable form of development within the largely rural district. The study has identified re-usable vacant land and opportunity land within existing employment areas which have the capacity to contribute to the future of employment land supply in the District. Whilst this land may provide a significant contribution to meeting future employment needs in the District, it is important to stress that a significant element of this land can only be regarded as ‘potential supply’ rather than ‘actual supply’. Moreover, realisation of this element of potential supply is reliant on the combined efforts by land owners, tenants, property agents and the local authority to facilitate significant redevelopment and upgrading of existing employment sites in the District. Direct intervention by the local authority may also be required in a number of cases.

Consequently, we recommend that the Council should retain existing employment allocations, namely: Rushden Lakes (site 17), land east of Ferrers School (site 24), land east Prospect Avenue (site 23) and land south of Meadow Lane (site 5). Moreover, in providing sufficient choice and a range of good quality employment land opportunities for local and strategic businesses, we recommend that the Council consider the allocation of additional (new) employment land. This will be particularly important to ensure a good quality reserve of employment land which can contribute to long-term needs arising in the later stages of the LDF period. We estimate that new reserve allocations amounting to approximately 25 hectares is provided for this purpose (in addition to the retained allocations described above). A range of ‘potential employment sites’ were evaluated for this purpose with a view to providing the Council with a framework for considering the appropriateness of key sites for potential allocation in meeting long term needs. The ‘reserve requirement’ should be reviewed periodically in line with changing business needs, market trends and strategic policy priorities.

With regard to potential distribution and warehousing development in the District, our indicative estimates of B8 requirements are reasonably conservative which reflect the sector’s emerging role in the local economy over the last two decades. However, given the increasing attractiveness of the District as a location for strategic warehousing (arising from significant accessibility improvements), consultation with local and regional property agents revealed that latent demand for distribution could be significantly in excess of the indicative requirements set out above. Whilst we consider that the District should absorb a component of sub-regional and regional growth emerging in the distribution sector, it is

important that the local employment land market (thus local economy) is not saturated by B8 development.

Whilst a component of emerging demand for distribution and warehousing development should be accommodated in the District, our estimates of future requirements reflect our recommendation that the policy response to meet unfettered market demand should be tempered in light of the wider policy objectives of the Council. In particular, strategic priorities which should be balanced against pressing market demand for warehousing development include:

- the importance of protecting the rural nature and natural environment of the area;
- the need to preserve the scale and pattern of settlements in the District; and
- the need to facilitate economic diversification during the plan period based on accommodating significant growth in office-based service activities as well as competitive businesses requiring light industrial space.

In meeting a component of growth in the warehousing market, we recommend that the LDF provides for a degree of additional B8 development which reflects the District's role in the MKSM sub-regional strategy. This should be facilitated by the identification of a small number of key, suitable sites for warehousing use which are of a scale commensurate with the District's economic role in the sub-region as well as its function in serving a largely rural community. We also recommend that suitable sites are considered for an appropriate mix of B1 and B2 uses with B8 uses. Mixed development should be controlled by strong policies which permit a stated proportion of development comprising distribution / warehousing floorspace which is explicitly dependent on the provision of a majority of non B8, employment floorspace.

The study recommends that the Council should follow strong, proactive planning policies to protect existing employment sites in rural locations (particularly in the north of the District). In areas of market failure, this will require measured intervention by the public sector subject to State Aid rules. Intervention may also be required at a number of key sites in the south of the District in order to provide the catalyst for redevelopment and upgrading of poor quality stock. Additionally, the LDF should support on-going rural diversification through a variety of enterprise activity, as the rural enterprise sector has the potential to become an increasingly fundamental component of the District.

The study recommends that there should be a significant increase in the availability of premises for small businesses. Particular emphasis should be given to developing close links between the provision of premises and the business support network. This may include direct development of enterprise centres, managed workspace and incubator / move-on units.

In planning for future business requirements, the review suggests that the Council adopts a strong approach to the safeguarding of its most appropriate sites in order to not compromise the supply of land required to meet business needs in the future. It is recommended that a criteria-based approach is adopted in the LDF to safeguard employment areas. A typology of employment locations has been derived within this review which considers the existing and future floorspace requirements for the District up to 2021, and the capability of existing and potential sites to meet these requirements.



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## 1. INTRODUCTION

### BACKGROUND

- 1.1 Atkins was commissioned by East Northamptonshire Council (ENC) in June 2006 to undertake an employment land review. The main aim of the review is to provide a robust evidence base to inform the Council's strategic approach to employment land provision in meeting future business needs in the District. The study will inform the Council's preparation of its Development Plan Documents (DPDs). These will be part of the emerging North Northamptonshire Joint Local Development Framework (LDF).
- 1.2 LDFs are the cornerstone of the new planning system introduced by the Planning and Compulsory Purchase Act 2004. The LDF will comprise a series of DPDs which will replace the current system of Local Plans. A feature of the new system is that the framework must be supported by an "evidence-base" which will be open to scrutiny by an independent inspector. This study will form an essential part of this evidence base.

### PURPOSE OF THE STUDY

- 1.3 As outlined within the brief, the purpose of the employment land review is to provide objective evidence that will be used to underpin policy choices between 2006 and 2021 with the following key objectives:
- provide a clear and comprehensive picture of the amount of employment opportunities currently available within East Northamptonshire (including availability of premises, land with planning permission or areas previously allocated);
  - identify sites which are unlikely to be required by the market or are now unsustainable for employment use. Additionally, provide a clear and comprehensive picture of the type and level of demand for different types of land and premises;
  - consider the potential impact of changes to the current employment provision in the District. In particular, the employment land review should compliment

and contribute towards the work of the CoPELA study by identifying the land use implications of the relocation/redevelopment aspirations of key employment uses within the District;

- identify the amount of new employment land which needs to be developed in the District to ensure future employment needs can be met;
- identify options for the most appropriate locations for new development sites in the District which meet national, regional and local spatial planning policies and objectives; and
- establish an effective methodology to allow the Council to continue to update and maintain the baseline data for employment land supply through future monitoring.

1.4 The study is concerned specifically with employment land and premises that fall within the “B-Class” of the Town and County Planning (Use Classes) Order 1987 (the “UCO”). Specifically the UCO identifies the following categories for employment land within the “B-Class”:

- **Class B1 – Business** - Use for all or any of the following purposes:
  - (a) as an office other than a use within Class A2 (financial and professional services),
  - (b) for research and development of products or processes, or
  - (c) for any industrial process,
  - being a use which can be carried out in any residential area without detriment to the amenity of that area by reason of noise, vibration, smell, fumes, smoke, soot, ash, dust or grit.
- **Class B2 – General Industrial** - Use for the carrying on of an industrial process other than one falling within Class B1 above.
- **Class B8 – Storage or distribution** – Use for storage or as a distribution centre.

## APPROACH

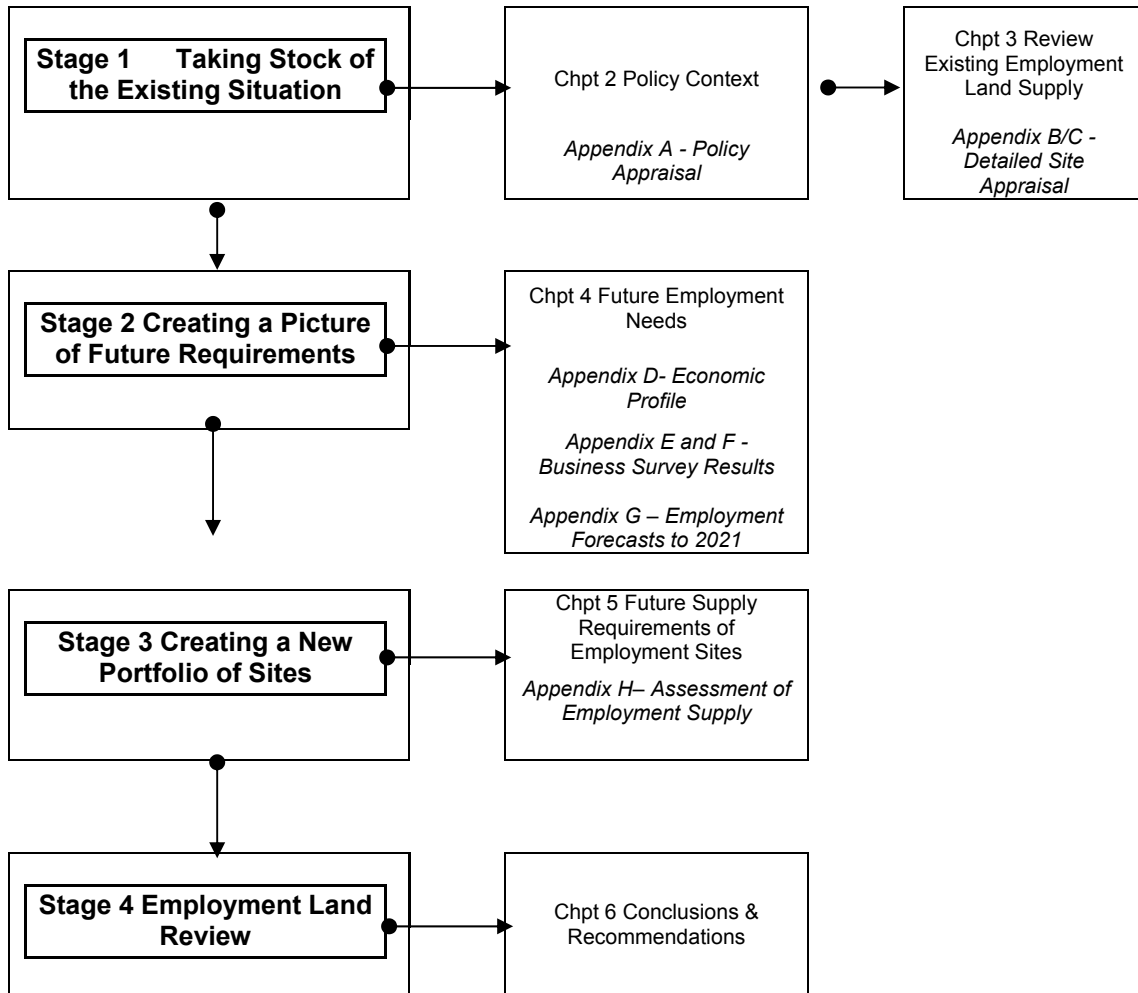
1.5 This study has been conducted in accordance with guidance issued by the Government on undertaking employment land reviews (see Section 2). The core

elements of the study comprise a thorough assessment of current supply and demand side factors having regard to local and regional property market conditions. With regard to supply-side issues, we have conducted a comprehensive appraisal of key employment sites located throughout the District. Three key components provide an input to our analysis of existing and future demand for employment floorspace, namely:

- An appraisal of local and sub-regional socio-economic conditions;
- An empirical and statistically significant survey of local businesses; and
- Economic and business floorspace forecasts.

1.6 The main findings of our research are set out in this report. This is supplemented by a series of detailed appendices, provided in a separate volume. Figure 1.1 provides a flow diagram which summarises the research process and linkages between key outputs.

Figure 1.1 - Summary of Research Process



1.7 This report is structured as follows:

- Section 2 summarises the key national, regional and local policy context of relevance to the study. Appendix A (in a separate document) provides the detailed assessment of these policies and strategies.
- Section 3 provides a review of the existing employment land supply within East Northamptonshire, based on site appraisals that have been undertaken for each identified employment site. Full detailed survey results are contained in Appendix C;
- Section 4 sets out our assessment of future needs for employment in the District. This provides a summary of our detailed analysis which includes:

- A socio-economic profile and appraisal of East Northamptonshire (Appendix D);
  - Results of a statistically significant survey of 220 established businesses in East Northamptonshire (Appendix F); and
  - Employment forecasts for the District to 2021 (Appendix G).
- 1.8 Section 5 provides an overview of potential future supply requirements, and identifies a “portfolio” of employment sites to meet future employment needs in the District. (Appendix H provides a detailed appraisal the employment portfolio sites).
- 1.9 Section 6 provides our conclusions and policy recommendations to inform emerging planning and economic development policies.





## 2. STRATEGIC CONTEXT

### INTRODUCTION

2.1 This section provides a brief review of the strategic and policy context for industrial and employment land in East Northamptonshire (a detailed review is contained within Appendix A). It includes a summary of key research reports, including those supporting national and regional policy developments. The key strategic development proposals that are likely to impact on the demand for and supply of employment land in the District are also identified.

2.2 This section contains a review of:

- National policy, including planning policy guidance notes issued by the Government;
- Regional and sub-regional policy including the Regional Spatial Strategy for the East Midlands and the Northamptonshire Structure Plan;
- Local policy, including the East Northamptonshire Local Plan and emerging joint LDF for North Northamptonshire (comprising East Northamptonshire, Corby, Kettering and Wellingborough); and
- Other key documents, including Supplementary Planning Guidance (SPG), emerging policies and plans, property market reports and previous survey and appraisal work undertaken within the District.

### NATIONAL POLICY

#### *PPG4*

2.3 PPG4 notes that policies within development plans should provide for choice, flexibility and competition in allocating land for industry and commerce. The guidance recommends that planning authorities should be realistic in their assessment of the needs of business. Further, they should aim to ensure that there is sufficient land available which is readily capable of development and well served by infrastructure.

They should also ensure that there is a variety of sites available to meet differing needs.

#### *PPS7*

PPS7 states that in rural areas, planning authorities should focus new development in or near to local service centres where employment, housing, services and other facilities can be provided close together.

#### *Employment Land Reviews: Guidance Notes (ODPM, 2004)*

- 2.4 In December 2004, the ODPM issued a guide for planning authorities with respect to assessing the demand for and supply of land for employment (“Employment Land Reviews: Guidance Notes”). The guide is particularly aimed at helping authorities assess the suitability of sites for employment development, safeguard the best sites in the face of competition from other higher value uses and help identify those which are no longer suitable for employment development which should be made available for other uses.
- 2.5 The guide identifies a three stage process in undertaking employment land reviews. The three stages are:
- Stage 1 – Taking stock of the existing situation;
  - Stage 2 – Creating a picture of future requirements; and
  - Stage 3 – Identifying a “new” portfolio of sites.

#### *Planning for Economic Development*

- 2.6 In May 2004, the ODPM published this consultancy report which aimed to inform the development of PPS4 (to replace PPG4). A number of important recommendations were made with respect to the policy development and implementation aspects of planning for economic development. These included increasing integration between the planning system and wider economic strategies, and the need to undertake employment land reviews at least every three years.

## REGIONAL POLICY

### *RPG 8 - Regional Planning Guidance for the East Midlands*

- 2.7 RPG 8 was prepared in 1994 and provides a spatial and development framework for the East Midlands region until 2011. In recognising the diversity of the region, the RPG sub-divides it into five spatially based sub-regions. East Northamptonshire is located within the Southern-Sub Area where the overarching strategic aim is to promote sustainable growth patterns.
- 2.8 The guiding principle of the RPG is a sequential approach to finding land for most kinds of development. The overall strategy sets out proposals for the sustainable development of the regions economy, infrastructure, housing, and other uses. The strategy seeks to facilitate an improvement in the regions economic performance through the development of regional infrastructure.

### *East Midlands Integrated Regional Strategy (IRS)*

- 2.9 The IRS Framework ensures that all regional policies and strategies are not prepared in isolation but in a compatible and integrated way to make them more sustainable. It draws together the key issues and challenges for the East Midlands, providing the overarching picture of what is happening in the region. By highlighting the vision, objectives and priorities for the region, the Framework ensures that there are better linkages and integration at both the policy development and implementation stages.

### *East Midlands Regional Spatial Strategy (RSS)*

- 2.10 The emerging RSS is being prepared by the East Midlands Regional Assembly and will eventually replace RPG 8 and the system of Structure Plans. It aims to provide a broad development strategy for the East Midlands until 2021, and it represents the spatial element of the East Midlands Integrated Regional Strategy (IRS).
- 2.11 The RSS places an emphasis on Local Planning Authorities (LPA's) to ensure that allocated sites for employment uses are consistent with priorities contained in the Regional Economic Strategy and are attractive to the market. A range of different sites should be provided, and consideration should be given to enhancing marketability by means such as the provision of essential infrastructure, remediation or measures to enhance attractiveness.
- 2.12 LPA's should also consider whether currently allocated or safeguarded sites are likely to become surplus to future requirements. In such cases they should consider what other uses might be appropriate in line with Draft PPS3.

2.13 Local Authorities, EMDA and Sub-Regional Strategic Partnerships should work together in Housing Market Area groupings to undertake and keep up to date Employment Land Reviews in order to:

- ensure that there is an adequate supply of good quality land for office and industrial uses available for development (B1, B2 and B8 land) in sustainable locations allocated in LDF's;
- bring forward good quality allocated employment sites to meet the specific requirements of potential investors; and
- review current employment land allocations to ensure that they are relevant to current and likely future requirements and that surplus employment land is considered for beneficial alternative use.

2.14 In addition, Local Authorities should:

- ensure that any additional strategic distribution centres over 25,000m<sup>2</sup> maximise potential for rail freight and generate at least 10% of their energy requirements from on-site renewable sources; and
- monitor gains and losses in the overall supply of good quality office and industrial sites and assess the floorspace capacity of allocated sites.

#### *Quality of Employment Land Study (QUELS)*

2.15 The purpose of QUELS was to assess the quantity and quality of employment land in the East Midlands region to see if it met market demands and policy objectives.

2.16 The report addressed locational priorities and sustainability criteria set out in the Regional Planning Guidance. These aim to direct development to previously developed land and urban areas that are well served by public transport.

2.17 QUELS forecast that over the period up to 2021 the overall stock of employment land will only slightly increase, at around 2.28ha per annum.

#### *Regional Employment Land Priority Study (RELPS)*

2.18 The purpose of the study was to assist the EMDA in the “*formulation of a position statement in relation to employment land priorities*”. The Study aimed to “distil” EMDA’s Regional Economic Strategy (RES) implicit and explicit priorities for

employment land, and to identify key activities that need to be pursued at a sub-regional level in order to achieve policy objectives as detailed in the RES.

- 2.19 RELPS specified that a key role for the EMDA and its partners is to facilitate market mechanisms consistent with policy objectives to address market failure. The EMDA and its partners have a role in the assessment of market need, and where allocated supply is deficient, in the resolution of constraints.

*East Midlands Regional Economic Strategy (RES)*

- 2.20 The RES was prepared by the EMDA. It aims to build upon the success encountered by the previous strategies by providing an economic blueprint to lead the East Midlands up to 2020. It is the third strategy produced by the EMDA and sets out how it will mobilise its resources and successfully engage people, businesses and organisations to maximise opportunities. Underpinning the strategy are three main themes: raising productivity; ensuring sustainability; and achieving equality.

- 2.21 Northamptonshire's GVA per head is above the UK average, and it is the least deprived area in the East Midlands. It has a generally high employment and economic activity rate with close functional relationships with adjacent regions.

- 2.22 The southern sub-region has a number of key challenges, one of which is to have a significant policy focus to maximise the benefits of proximity to London and the South East. Northampton is at the heart of the MKSM growth region and has a major challenge to deliver development whilst ensuring essential infrastructure, employment provision and services keep pace with demand.

*Milton Keynes and South Midlands Regional Growth Strategy*

- 2.23 The MKSM sub-regional strategy is a co-ordinated policy review for the Milton Keynes and South Midlands area. The strategy constitutes the revisions of 3 RSS's (the East Midlands (RSS8), East England (RSS6) and the South East (RSS9)). The wider context of the sub-regional strategy is set by the Government's Sustainable Communities plan, which seeks to accommodate the economic success of London and the South East.

- 2.24 In 2003 consultants were commissioned by the Government, Regional Assemblies and Regional Development Agencies for the South East, East of England and the East Midlands to study growth potential of the MKSM areas. The report concluded that the area had considerable growth potential over the next 30 years. The area was found capable of growing at a high growth scenario which would generate 230,000-

300,000 jobs by 2031 compared with 150,000 jobs that could be generated if current policies continued.

- 2.25 The objectives of the sub-regional strategy include: achieving a major increase in the number of new homes provided in the area; providing a comprehensive level of economic growth; locating development in the main urban areas; ensuring that development contributes to an improved environment; meeting existing infrastructure needs; and creating sustainable communities.
- 2.26 Nearby Boroughs, such as Corby, Kettering and Wellingborough are identified as locations for growth. Strategic Policy 1 of the strategy highlights that between 2001 and 2021, these areas will need to accommodate 34,100 new houses. Northampton is identified as another location for growth and will need to accommodate 30,000 new houses. Employment growth over the same time period is expected to be 43,800 in Corby, Kettering, Wellingborough Boroughs and East Northants District combined. Additionally, Northampton is expected to develop as a Principal Urban Area for the Milton Keynes South Midlands Sub-Region and the wider region.

## **SUB-REGIONAL/LOCAL POLICY**

### *Northamptonshire Structure Plan*

- 2.27 The existing Northamptonshire Structure Plan was prepared by Northamptonshire County Council and covers the period until 2016. As Structure Plans are being phased out to be replaced by RSS, transitional arrangements made under the 2004 Act mean that the Structure Plan is “saved” for a period of 3 years from adoption or until RSS revisions are published by the Secretary of State that replace its policies in whole or in part.
- 2.28 Although the Structure Plan was adopted in 2001, a successful legal challenge was made to the High Court regarding the proposed Strategic Development Area South of Northampton in February 2002. As a result the High Court ordered partial quashing of six policies affected by the deletion of the South of Northampton Strategic Development Area.
- 2.29 The overall aim of the structure plan is to provide a framework for a more sustainable Northamptonshire. This should take account of national and regional policies and the need to balance social, economic and environmental considerations.
- 2.30 To realise this aim the plan incorporates the following six key strategic priorities:
- ensuring scale of development that meets local needs;

- managing assets and resources;
- integrating land use and transport planning;
- implementing a development strategy;
- promoting quality design; and
- securing the necessary infrastructure.

2.31 Underpinning each of the strategic priorities is policy GS1 that states “provision will be made for a scale of housing and other development that provides for Northampton’s local needs, together with provision for in migration from other areas having regard to national and regional guidance”.

2.32 The objectives for industrial and commercial development are to:

- allocate sufficient land;
- distribute development in a way which reflects anticipated growth; and
- minimise the impact of development on the environment.

2.33 East Northamptonshire has a specific requirement of 140ha of industrial and commercial development during the plan period.

2.34 Policy H1 ensures provision will be made for 63,000 additional dwellings in Northamptonshire for the period 1996-2016 (8,000 within East Northamptonshire).

*East Northamptonshire Local Plan*

2.35 The existing East Northamptonshire Local Plan was adopted in 1996 and covers the period from 1988-2006. Together with the Structure Plan it forms the current Development Plan for the area.

2.36 Policy EMP1 highlights 158.82ha of development land either with planning permission, or allocated at Higham Ferrers, Irthlingborough, Oundle, Raunds, Rushden and Thrapston.

*North Northamptonshire Local Development Framework*

- 2.37 A joint Local Development Framework (LDF) is currently being prepared for East Northamptonshire, Corby, Kettering and Wellingborough by a Joint Planning Unit (JPU) set up to represent the four authorities. The four Councils combined in 2004 to produce a joint LDF in order to co-ordinate the production of the plans needed to deliver sustainable development in North Northamptonshire over the period up to 2021.
- 2.38 Preferred Options for North Northamptonshire: Towards a Joint Core Spatial Strategy
- 2.39 The preferred options report (“Preferred Options for North Northamptonshire: Towards a Joint Core Spatial Strategy”) was published by the JPU in November 2005. The report sets out a number of strategic objectives for North Northamptonshire. These include:
- enhancing North Northamptonshire’s national, sub-regional and local connections;
  - creating a sustainable urban-focused development framework;
  - building an economy which is not overly dependent on in or out commuting;
  - ensuring services and facilities are located in town centres and other areas of focus;
  - ensuring regeneration of areas through maximising the use of brownfield land for new development; and
  - enhancing and managing the built and natural resources of North Northamptonshire in a sustainable and integrated manner and in the context of major growth;
- 2.40 The report presents the preferred option for employment in North Northamptonshire as developing complementary roles for individual towns and the rural areas.
- 2.41 East Northamptonshire is individually preparing several Local Development Documents (LDD’s) which will form part of the joint LDF but remain specific to the District. These include:



- East Northamptonshire Proposals Map - this will illustrate all the site specific policies in all the adopted development plan documents and identify areas of protection in map form;
- Rural North, Oundle and Thrapston Plan LDD;
- Three Towns Plan LDD; and
- Raunds area Plan LDD.

2.42 The preferred options report for Rural North, Oundle and Thrapston was the first document to be prepared. It contains the vision and policies for the development, regeneration and planned growth of Thrapston and Oundle as rural service centres, and King's Cliffe as a Local Service Centre. It also put in place proposals for the sustainable development of rural communities. The Plan covers the majority of the East Northamptonshire District, although excludes the more densely populated south of the District (Raunds, Irthlingborough, Higham Ferrers and Rushden).

2.43 In terms of implications for employment land in the District, the Plan identifies land at East Road, Oundle as a site for employment development. A development brief will be prepared, as leaving the site in the hands of the market would be likely to result in housing. The option of mixed residential and employment use (subject of a previous development brief in April 2005) is rejected because of the need for employment land in the north of the District to balance the recent and planned housing growth.

#### *Three Towns Plan*

2.44 The Three Towns Plan is the second LDD to be produced, and focuses on the urban centres of Rushden, Higham Ferrers and Irthlingborough, along with the rural surrounds. As above, the Plan sets out the vision and detailed policies for the area, and includes the identification of sites for housing, employment, recreation and other land uses.

2.45 The Plan states that the core strategy is aiming for a more diversified economy with more office and research based jobs, and additionally that there is a large commitment for a business development at Rushden Lakes. In addition there is a need to prioritise skills and training to match the changing employment profile of the area.

2.46 The preferred employment approach identified by the Plan is to diversify the economic base and reduce out commuting from the Plan area. It is not expected that new employment sites are needed to achieve this, due to large existing planning permissions. In addition major town centre regeneration is proposed which will

incorporate new business opportunities. Finally, use of existing industrial areas can be intensified and improved, meaning that new greenfield sites are not expected to be needed.

- 2.47 In terms of employment in Rushden, the Plan identifies the preferred option as focussing on the regeneration of existing employment sites (such as Sanders Lodge) and ensuring that these meet future employment needs more effectively. Office development will be directed towards town centre sites as part of mixed use redevelopment proposals.
- 2.48 The preferred options for Higham Ferrers incorporate two parcels of employment land. These are known as Ferrers School, and Station Road. The Ferrers School site comprises part of the previous allocation, HF2, from the Local Plan 1996. The preferred option for the remainder of this previous allocation includes relocated school playing fields to the north, and residential land to the south. As a result of these surroundings, B1 uses are preferred for the employment land. The other parcel of employment land also potentially makes up a mixed-use site, and is located between Station Road and the A6 at the northern fringe of Higham Ferrers.
- 2.49 In Irthlingborough a need is identified to balance increased residential provision with an increase in the number of jobs. At Diamond Way an area of land measuring approximately 3.85ha was committed for industrial development at the time the last Local Plan was written. It is the preferred approach of the Council to allocate the land for industrial and commercial uses to balance the town's employment needs with the new commercial areas. However, outline permission for leisure development (including cinema and a night club) was granted by the Secretary of State in 2000, and a reserved matter application has recently been received. Should this proposal be implemented, an alternative site will need to be identified for employment uses in the town.

*Rural North, Oundle & Thrapston Incubation Centre (RNOT IC): Feasibility Study*

- 2.50 The Welland Sub-Regional Strategic Partnership (WSSP) commissioned Competitive Advantage to undertake a feasibility study to appraise the viability of establishing and managing an Incubation Centre in the Rural North, Oundle & Thrapston area of Welland. The final report was completed in June 2006.
- 2.51 The study revealed that there is sufficient demand and evidence of need to justify an Incubation Centre in the area. Specifically, the market assessment indicated that there is demand for incubation space that would benefit from a sector focus, namely a broad definition of "Knowledge Based". The Kingsmead Estate located in King's Cliffe, is recommended as the most suitable location for the proposed Incubation Centre.

*East Northamptonshire Economic Development Strategy*

- 2.52 The East Northamptonshire Economic Development Strategy (EDS) was produced by ENC, and covers the period 2004-2007. The key priority of the EDS is “achieving sustainable communities” and its main objective is “supporting sustainable communities”. The strategy is vital in endeavouring to create an environment where there are enough jobs to meet population growth, and declining industries are taken into consideration.

*North Northamptonshire Economic and Employment Strategy*

- 2.53 The draft report was published by Volterra in September 2006 (commissioned by BeeBee Developments Ltd), and examines the employment implications of the MSKM Housing Growth Strategy for the period 2001 to 2021 in order to provide a sustainable and feasible employment strategy for the sub region.
- 2.54 The report projects that a loss in general industrial land should be expected over the period up to 2021, but this will be significantly exceeded by strong growth in strategic distribution. Growth in offices will be needed to accommodate additional high skilled employment and growing business services. Additionally, the report suggests that the office offer will need to be of high quality in order to achieve the step change required.
- 2.55 The report concludes that the allocation of strategic land distribution according to the JPU Preferred Options paper appears to be low given the scale of the employment challenge. Additionally, there is a clear need for a strong office offer, comprising high quality space and significant size. This should be located in one place in order to provide the quality “critical mass” required to attract a major employer.
- 2.56 In East Northamptonshire, the additional 9,400 new houses are predicted to result in a requirement for 6,900 jobs.
- 2.57 The report estimates that there are significant variations between the Districts in terms of the ability to fulfil “required” employment growth. East Northamptonshire is the only District predicted to reach the required levels of growth, with Corby and Wellingborough far short of required growth, and Kettering slightly short.

*North Northamptonshire Employment Land Futures*

- 2.58 The report was commissioned by the North Northamptonshire JPU in May 2005 to help inform the emerging LDF. Its purpose is to advise on the future demand and

need for employment land and its geographical distribution across the sub-region up to 2021.

- 2.59 In terms of land and property markets, the report finds that there is a reasonable supply of land for both distribution and general industrial development in East Northamptonshire relative to demand. Additionally, the District provides attractive locations for small-scale office development to serve the local market, but it has limited appeal to larger, footloose office requirements. This is largely as a result of there being little history of significant office development, and the lack of any major urban areas or rail connections within the District. Larger nearby settlements, such as Kettering, provide attractive competing locations.

*Northamptonshire Commercial Property and Employment Land Assessment (CoPELA Study)*

- 2.60 In December 2003, Northamptonshire County Council published a detailed review of employment land supply and demand in the County (CoPELA study). The study was undertaken by Roger Tym and Partners in association with Innes England, and assessed the supply of commercial land and property against likely future demand. A draft update to the study was produced in July 2006 commissioned by Invest Northamptonshire and Northamptonshire County Council.
- 2.61 In terms of quantity of employment land, the study concluded that an additional 513,000m<sup>2</sup> of offices and 1,200,000m<sup>2</sup> of strategic warehousing space are needed in the period up to 2021 to accommodate 42,000 net additional jobs within Northamptonshire. Virtually no change in the amount of general industrial space is predicted to be required.
- 2.62 The analysis of market balance suggests that the committed supply of office sites is roughly enough to meet demand up to 2021 in purely quantitative terms, and the supply of industrial sites is far above expected demand, but in both markets there is a serious quality deficit.
- 2.63 Within East Northants, the study recommends that deliverable office supply is substantially in excess of demand forecast, but nearly 80% of deliverable supply is from a single site (Rushden Lakes). In terms of industrial premises, developable supply is also far in excess of forecast demand. However, there is a market need to provide good quality manufacturing sites to maintain existing employment and to attract inward regional demand.

### **3. REVIEW OF EXISTING LAND AND SUPPLY**

#### **INTRODUCTION**

- 3.1 This section provides a comprehensive review of the existing supply of employment land within the District. The results relate to an “initial assessment”, and a comprehensive review of employment sites and premises undertaken within East Northamptonshire.
- 3.2 The review has been carried out as part of the “taking stock of the existing situation” process. Therefore, the results of the review provide the basis upon which to consider how the future supply requirements can meet the anticipated demand with regard to “identifying a ‘new’ portfolio of sites”.

#### **METHODOLOGY**

##### **Initial Assessment**

- 3.3 Employment sites in the District were identified initially by ENC, where:
- B-Class uses were known to exist;
  - the site was subject to B-use planning application(s); or
  - the site has been allocated for employment uses within the East Northamptonshire Local Plan 1996.
- 3.4 This resulted in the initial identification of 26 sites within the District.
- 3.5 An initial assessment of the employment sites was then undertaken in accordance with “Stage 1: Taking stock of the existing situation” included in “Employment Land Reviews: Guidance Notes” (see Appendix A). This helped to develop an understanding of the “fitness for purpose” of existing employment sites to inform the site appraisal process. Additionally, it facilitated the compilation of a comprehensive list of employment sites within the District, which was then used in the more detailed site appraisals.

### Comprehensive Site Appraisals

3.6 In total 31 sites were considered as part of the assessment. The total number of sites increased from the initial assessment due to the identification of additional sites, and the sub-division of some existing sites. The final site list is shown in Table 3.1 below. Site boundaries were clearly defined and adjusted accordingly during the site appraisal process.

**Table 3.1 – Final Site Locations**

Site ID	Site Name	Address	Inset Map Number
01	Islip Furnace Site	Kettering Road, Islip, NN14	6
02	Inchcape Automotive	Kettering Road, Islip, NN14 3JW	6
03	Acorn Industrial Estate	Islip	7
04	West Hay Farm	Kings Cliffe, Peterborough, PE8 6XX	10
05	Land South of Meadow Lane	Meadow Lane, Raunds	5
06	Kingsmead	Kingsmead, Kings Cliffe	9
07	King's Cliffe Industrial Estate	Kings Cliffe Road, Wansford, PE8	11
08	East Road	East Road, Oundle	8
09	Nene Valley Business Park	Oundle, Peterborough	8
10	Fairline Marina	Oundle, PE8	8
11	Haldens Parkway	Haldens Parkway, Thrapston, NN14	12
12	Cottingham Way / Cosy Nook	Cosy Nook, Thrapston, NN14	7
13	Top Close	Top Close, Thrapston, NN14	12
14	Warth Park	Raunds	5
15	Enterprise Road	Enterprise Road, Raunds, NN9	5
16	New Barn Farm	Brick Kiln Road, Raunds, NN9 6HY	5
17	Lakeside Country Club / Rushden Lakes	Higham Road, Rushden	1
18	Rushden Business Park	Brindley Close, Rushden, NN10	1
19	Crown Park	Rushden, NN10	1
20	Express Business Park	Shipton Way, Rushden, NN10	1
21	Sanders Lodge (north)	Rushden, NN10	1
22	Norris Way / Elan Court	Rushden, NN10	1
23	Land east of Prospect Avenue	John Clark Way, Rushden	2
24	Land east of Ferrers School	Higham Ferrers, NN10	2
25	Kimbolton Road	Kimbolton Road, Higham Ferrers, NN10	2
26	Chowns Mill	Station Road, Higham Ferrers, NN9	3
27	Nene Park	Nene Park, Irthlingborough	3
28	Addington Park Industrial Estate	Little Addington	4
29	Francis court	Francis Court, Rushden, NN10	1
30	Sanders Lodge (south)	Rushden, NN10	1
31	Diamond Way Business Centre	Atlee Way, Irthlingborough	3

3.7 Comprehensive site appraisals were undertaken at each site to assess:

- site specific policy context;
- location and Site Type;

- total number of premises, number of vacant premises and vacant floorspace;
  - the site typology including the balance and type of premises at each site;
  - the condition of premises and percentage of premises developed within the last five years;
  - appraisal of access and transport issues including external and internal access and parking arrangements;
  - environmental condition and quality including the provision of amenities; and
  - other issues affecting the marketing and management of the site.
- 3.8 The factors used in the appraisal of sites are consistent with the guidance set out within “Employment Land Reviews: Guidance Notes” (ODPM, 2004), detailed in Appendix A.
- 3.9 In order to ensure a consistent and robust assessment of the 31 sites, a site appraisal pro-forma was developed. This incorporated a variety of closed tick-box style and open-ended questions. Adopting this approach has enabled a mixture of qualitative and quantitative analysis to be undertaken.
- 3.10 To ensure that reliable and consistent data was collected a set of pro-forma guidelines was prepared which established how each question should be completed. A copy of the site pro-forma and guidelines can be found in Appendix B. Site surveys were undertaken during August 2006 by a team of town planners. For reference purposes a photograph was taken at each employment site.

### **ANALYSIS OF EMPLOYMENT SITES**

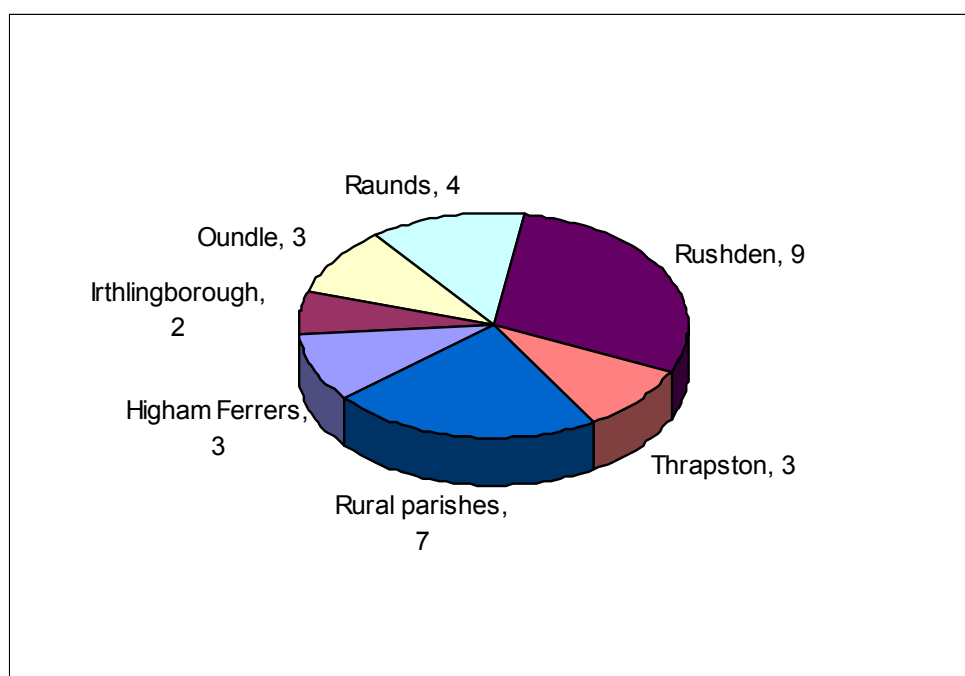
- 3.11 A detailed site-by-site breakdown of the appraisal findings can be found in Appendix C, Tables C.1 to C.10. Inset Maps 1 to 12 show the location of the sites included within the appraisal process (included at the end of this section). Additionally, the maps show:
- site boundaries;
  - vacant land;
  - vacant premises; and

- areas judged to have the potential to provide scope for change through intensification, expansion, regeneration of employment, or alternative uses.

**Location and Site Type**

3.12 Table C.1 of Appendix C illustrates the location, site type and summary of existing role for each of the 31 sites. Figure 3.1 identifies the proportion of employment sites in each location type. It illustrates that Rushden has the highest concentration of employment sites (9 sites) and Irthlingborough has the lowest concentration (2 sites).

**Figure 3.1 - Distribution of Employment Sites**



Please see Table C.1 of Appendix C for detailed site-by-site table

- 3.13 Table 3.2 demonstrates the distribution of different site types according to their location. It shows that two of the employment land allocations are located in Rushden (Rushden Lakes and Land east of Prospect Avenue). The remaining employment land allocations are located in Raunds (Land South of Meadow Lane) and Higham Ferrers (Land east of Ferrers School). The latter site is part of the former Local Plan “HF2” employment land allocation.
- 3.14 A total of 3 rural employment sites were assessed within the appraisal process. 2 of these sites were located within the rural parishes of the District, and one in Raunds.
- 3.15 In total, 24 existing employment sites have been identified. 29% of these are located in Rushden, and over 20% are in the rural parishes of the District. Three existing employment sites were identified in Oundle and Thrapston.



**Table 3.2 - Distribution of Site Designations**

	Employment Land Allocation		Existing Employment Sites		Rural Employment Location		Total	
	No.	%	No.	%	No.	%	No.	%
Higham Ferrers	1	25.0%	2	8.3%	0	0.0%	3	9.7%
Irthlingborough		0.0%	2	8.3%	0	0.0%	2	6.5%
Oundle		0.0%	3	12.5%	0	0.0%	3	9.7%
Raunds	1	25.0%	2	8.3%	1	33.3%	4	12.9%
Rushden	2	50.0%	7	29.2%	0	0.0%	9	29.0%
Thrapston		0.0%	3	12.5%	0	0.0%	3	9.7%
Rural parishes		0.0%	5	20.8%	2	66.7%	7	22.6%
<b>TOTAL</b>	<b>4</b>	<b>100.0%</b>	<b>24</b>	<b>100.0%</b>	<b>3</b>	<b>100.0%</b>	<b>31</b>	<b>100.0%</b>

Please see Table C.1 of Appendix C for detailed site-by-site table

### Level of Development and Scope for Change

- 3.16 Table C.2 of Appendix C presents detailed site-by-site information on the level of development at each site. Additionally, the table shows which sites would appear to provide scope for change, and the likely type of development each site could accommodate.
- 3.17 Table 3.3 below summarises the scope for change of sites assessed through the appraisal process according to their location. The table illustrates that just under a third of sites assessed (29%) were deemed to provide no scope for change. 52% of sites assessed were judged to provide opportunities for intensification, expansion or regeneration of the employment function, whilst 7% of sites were assessed as being appropriate to incorporate non B-Class uses. The remaining 13% of sites were classified as “green field” proposal sites.

Table 3.3 – Distribution of Opportunities for Change

	Established Site						Allocated Site	
	Fully Developed. No Scope for Change		Opportunities for Intensification, Expansion or Regeneration of Employment Function		Opportunities for Intensification, Expansion or Regeneration Incorporating Non B-Class Uses		Green Field	
	No.	%	No.	%	No.	%	No.	%
Higham Ferrers	1	33.3%	1	33.3%	0	0.0%	1	33.3%
Irthlingborough	1	50.0%	1	50.0%	0	0.0%	0	0.0%
Oundle	2	66.7%	0	0.0%	1	33.3%	0	0.0%
Raunds	1	25.0%	2	50.0%	0	0.0%	1	25.0%
Rushden	3	33.3%	3	33.3%	1	11.1%	2	22.2%
Thrapston	1	33.3%	2	66.7%	0	0.0%	0	0.0%
Rural parishes	0	0.0%	7	100.0%	0	0.0%	0	0.0%
<b>Total</b>	<b>9</b>	<b>29.0%</b>	<b>16</b>	<b>51.6%</b>	<b>2</b>	<b>6.5%</b>	<b>4</b>	<b>12.9%</b>

Please see Table C.2 of Appendix C for detailed site-by-site table

### Extent of Vacant Land and Opportunity Areas

- 3.18 Table C.3 of Appendix C illustrates the size of each site in hectares, together with details of any vacant land and opportunity areas within each site. Table 3.4 below summarises the distribution of employment land, vacant employment land and opportunity areas. Inset maps 1-12 provide the information visually.
- 3.19 In total 287ha of employment land has been assessed through the appraisal process. Approximately 32% of this (92ha) was located in Rushden, 16% in the rural parishes and 16% in Thrapston. Less than 7% of employment land (19ha) was located in Oundle, and only 6% in Higham Ferrers (17ha). The largest individual employment site was Haldens Parkway (39.9ha) followed by Warth Park (34.3ha). Both of these sites are predominantly large distribution parks. The smallest site was the Acorn Industrial Site (0.9ha) located in Islip.
- 3.20 Approximately 8% of the total employment land was identified as vacant employment land (23ha). This relates to land which incorporates buildings which were clearly abandoned, severely dilapidated or unusable, or to empty plots of land.
- 3.21 Allocated employment sites which are yet to be developed have not been classified as vacant employment land, because at present they contain no employment uses. This relates to:

- Site 5 - Land South of Meadow Lane;
  - Site 17 – Rushden Lakes; and
  - Site 24 – Land east of Ferrers School.
- 3.22 Of the vacant employment land identified, 40% was located in Rushden, 35% in Thrapston and 24% in Irthlingborough. Out of the 6 sites which included vacant employment land, 4 contained more than 1ha. These were Haldens Parkway (7.6ha), Land east of Prospect Avenue (6.1ha), Nene Park (5.6ha) and Express Business Park (3.1ha).
- 3.23 Opportunity land accounted for approximately 18% (53ha) of the total employment land. This was identified in instances where under-utilised areas of existing employment land and premises were considered to provide opportunities for intensification, expansion or regeneration.
- 3.24 41% of the total opportunity land identified was represented by site 2 (Inchcape Automotive, 21ha). 13 further sites contained opportunity land, including Warth Park (13.5ha), Kimbolton Road (5ha), King’s Cliffe Industrial Estate (2.1ha), and East Road (2ha).

**Table 3.4 – Distribution of Employment Land, Vacant Land and Opportunity Areas**

	Size of Site (Ha)	Size of Vacant Land (Ha)	% Vacant	Size of Opportunity Land	% Opportunity Land
Higham Ferrers	17.3	0.0	0.0%	5.1	29.1%
Irthlingborough	25.7	5.6	21.8%	1.3	5.0%
Oundle	18.8	0.0	0.0%	2.1	11.0%
Raunds	42.1	0.0	0.0%	13.5	32.1%
Rushden	91.8	9.2	10.0%	3.7	4.1%
Thrapston	46.4	8.1	17.4%	0.3	0.6%
Rural parishes	45.1	0.4	0.8%	26.6	59.1%
<b>Total</b>	<b>287.0</b>	<b>23.3</b>	<b>8.1%</b>	<b>52.6</b>	<b>18.3%</b>

Please see Table C.3 of Appendix C for detailed site-by-site table

### Extent of Employment Premises and Vacancy

- 3.25 Table C.4 of Appendix C illustrates the number of occupied and vacant premises assessed within each site, and provides details of vacant/underutilised buildings and premises at each site.

- 3.26 Table 3.5 below provides a summary of the distribution of occupied premises and the number of vacant premises across the District. It illustrates that a total of 331 B-class premises were counted within the assessed employment sites, 278 of which were currently occupied. A total of 53 premises (16% of total premises) were judged to be vacant through the appraisal process. It should be noted that a small number of these accounted for buildings which were currently under construction at Rushden Business Park and Crown Park.
- 3.27 The highest proportion of vacant premises were located within Raunds, where over 23% of total premises were vacant. No vacant employment premises were identified in Thrapston.

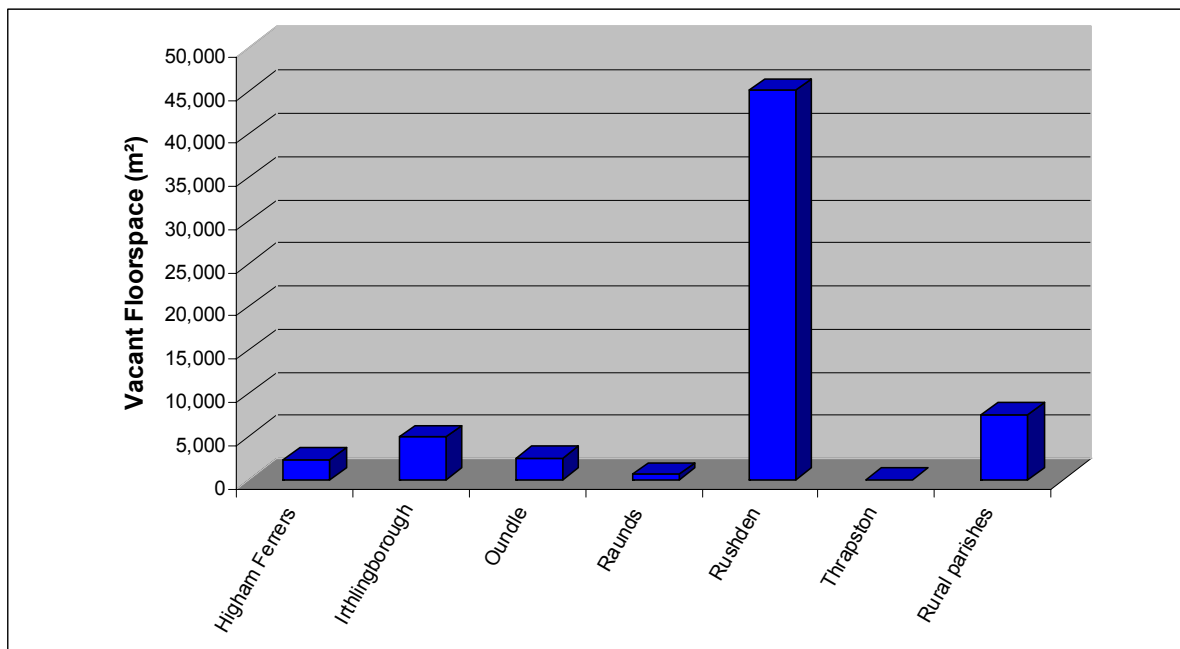
**Table 3.5 – Distribution of Employment Premises and Vacancy**

	<b>No. of Occupied Employment Premises</b>	<b>No. of Vacant Premises</b>	<b>Total Employment Premises</b>	<b>% Vacant Premises</b>
Higham Ferrers	32	3	35	8.6%
Irthlingborough	15	1	16	6.3%
Oundle	18	5	23	21.7%
Raunds	33	10	43	23.3%
Rushden	110	22	132	16.7%
Thrapston	22	0	22	0.0%
Rural parishes	48	12	60	20.0%
<b>Total</b>	<b>278</b>	<b>53</b>	<b>331</b>	<b>16.0%</b>

Please see Table C.4 of Appendix C for detailed site-by-site table

- 3.28 Each of the vacant premises have been measured (taking into account the number of storeys) to give an indication of the total amount of vacant employment floorspace within the District. Figure 3.2 below illustrates that approximately 63,000m<sup>2</sup> of employment floorspace is currently vacant (this equates to approximately 8% of the total B-class floorspace identified in the District as illustrated in Table 3.6 below). Rushden (45,000m<sup>2</sup>) contains the highest amount of vacant floorspace within the District.
- 3.29 The high proportion of vacant floorspace in Rushden can be explained by the presence of several large distribution and office units which are currently vacant awaiting re-occupation (such as those in Sanders Lodge (north) and the Express Business Park), and the construction of several new units as discussed above.

**Figure 3.2 – Amount and Distribution of Vacant Employment Floorspace in East Northamptonshire**



Please see Table C.4 of Appendix C for detailed site-by-site table

### Total Employment Floorspace

- 3.30 Table 3.6 shows the spread of B-class floorspace across the wards of East Northamptonshire, extracted from the ODPM and Valuation Office Commercial and Industrial Floorspace Statistics. These figures encompass the entire District of East Northamptonshire, and therefore include hereditaments (premises) and floorspace outside of the sites assessed for this study.
- 3.31 There were 1,012 B-class hereditaments within the District containing some 750,000m<sup>2</sup> of floorspace. Offices accounted for 29% of B-class hereditaments and 5% of the floorspace. Factories accounted for 44% of hereditaments and 52% of the floorspace, warehousing accounted for 28% of hereditaments and 43% of the floorspace.
- 3.32 The Rushden North ward contained the highest amount of office and warehousing floorspace and B-class hereditaments. In total, the Rushden North ward contained approximately 27% of the B-class floorspace in East Northamptonshire. The Irthlingborough ward contained the highest amount of factory floorspace. The Lower Nene ward contained the smallest number of B-class hereditaments and floorspace.

Table 3.6 - B-Class Floorspace 2003

Ward	Offices Floorspace		Factory Floorspace		Warehousing Floorspace		Total Floorspace	
	No.	(000m <sup>2</sup> )	No.	(000m <sup>2</sup> )	No.	(000m <sup>2</sup> )	No.	(000m <sup>2</sup> )
-- Unknown Ward --	0		10		10		20	0
Barnwell	8	1	14	17	11	61	33	78
Dryden	12	1	10	23	1		23	24
Fineshade	5		7	4	5		17	4
Higham Ferrers	25	3	40	45	34	40	99	88
Irthlingborough	12	1	34	91	17	7	63	99
King's Forest	10	1	11	2	8	3	29	6
Lower Nene	5		3		1		9	0
Lyveden	5		7	2	3		15	2
Oundle	46	5	30	18	9	2	85	25
Prebendal	3		6	6	2		11	6
Raunds Saxon	15	2	15	17	11	3	41	22
Raunds Windmill	6	1	26	5	7	31	39	37
Ringstead	4		7	7	2		13	7
Rushden East	28	3	51	28	33	11	112	42
Rushden North	50	8	88	70	78	122	216	200
Rushden South	12	2	12	4	4		28	7
Rushden West	8	2	16	7	3		27	9
Stanwick	1		10	1	6	2	17	3
Thrapston	31	7	25	35	18	40	74	82
Woodford	4		20	5	17	3	41	8
<b>TOTAL</b>	<b>290</b>	<b>37</b>	<b>442</b>	<b>387</b>	<b>280</b>	<b>326</b>	<b>1,012</b>	<b>750</b>

Source: ODPM Commercial and Industrial Floorspace Statistics

'--unknown ward--' shows figures for Premises where the ward location is unknown.

### Site Typology

3.33 As part of the appraisal process, a site typology assessment was undertaken. This identified:

- the mix of uses at each site;
- the mix of premises sizes at each site;
- the condition of premises; and
- the number of premises developed during the past five years.

3.34 Tables C.5 to C.7 of Appendix C provide this information on a site-by-site basis. The District wide results are summarised below.

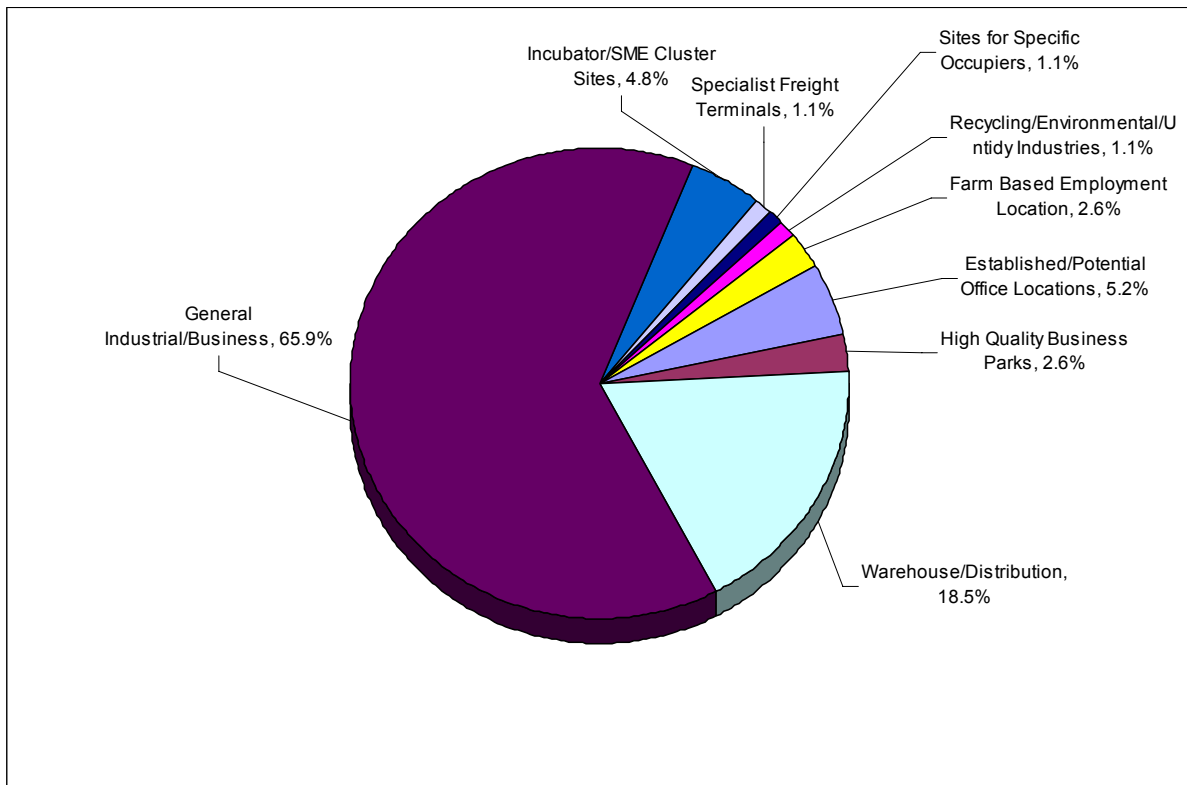
*Balance of Uses*

3.35 The use of each individual business premises was noted, categorising each under the following headings:

- Established or Potential Office Locations;
- High Quality Business Parks;
- Research and Technology / Science Parks;
- Warehouse / Distribution Parks;
- General Industrial / Business Areas;
- Heavy / Specialist Industrial Sites;
- Incubator / SME Cluster Sites;
- Specialist Freight Terminals;
- Sites for Specific Operators;
- Recycling / Environmental and Untidy Industries; and
- Farm Based Employment Locations.

3.36 Figure 3.3 illustrates the approximate distribution of uses across the assessed sites. The typology assessment indicates that the highest proportion of uses can be categorised as general industrial/business (66% of occupied premises), which typically relate to B1(c) and B2 uses. Approximately 19% of occupied premises were categorised as warehouse / distribution uses and over 5% as office uses (B1a).

**Figure 3.3 – Balance of Uses within East Northamptonshire Employment Sites**



Please see Table C.5 of Appendix C for detailed site-by-site table

*Size of Employment Uses*

- 3.37 An estimate of the size of all premises within each site was included as part of the site typology appraisal. This is detailed in Table C.6 and summarised in Table 3.7 below. It illustrates that the majority of general industrial / business premises are smaller in size than warehouse / distribution or office premises. Additionally, the majority of premises based in farm based employment locations are mostly relatively small in size.
- 3.38 The Rural Parishes (85%), Thrapston (68%) and Irthlingborough (67%) have a relatively high proportion of small premises (under 500m<sup>2</sup>).



**Table 3.7 - Percentage Floorspace Area of Assessed Employment Premises**

	0-250 sq m	250-500 sq m	500-1000 sq m	1000-2000 sq m	>2000 sq m
Established/Potential Office Locations	14%	0%	43%	29%	14%
High Quality Business Parks	86%	0%	0%	0%	14%
Research/Science Parks	0%	0%	0%	0%	0%
Warehouse/Distribution Parks	22%	0%	12%	22%	44%
General Industrial/Business	36%	37%	16%	10%	2%
Heavy/Specialist Industrial	0%	0%	0%	0%	0%
Incubator/SME Cluster Sites	100%	0%	0%	0%	0%
Specialist Freight	100%	0%	0%	0%	0%
Sites for Specific Occupiers	0%	0%	0%	0%	100%
Recycling/Environmental/Untidy Industries	0%	33%	33%	0%	33%
Farm Based	38%	50%	13%	0%	0%
Higham Ferrers	47%	0%	19%	22%	13%
Irthlingborough	53%	13%	13%	13%	7%
Oundle	17%	17%	22%	28%	17%
Raunds	42%	21%	18%	9%	9%
Rushden	18%	39%	18%	13%	12%
Thrapston	45%	23%	5%	0%	27%
Rural parishes	65%	21%	6%	2%	6%
TOTAL	36%	25%	15%	12%	12%

Please see Table C.6 of Appendix C for detailed site-by-site table

#### *Age and Condition of Employment Sites and Premises*

- 3.39 The age and condition of premises within each site was assessed. The proportion of all premises judged to be in good/fair/poor condition, together with the proportion of premises developed in the last five years is illustrated in Table C.7 and Table 3.8 below. Definitions of premises conditions can be found in Appendix B.
- 3.40 Table 3.8 illustrates that 95% of premises across the District were deemed to be in either a good or fair condition. All of the premises considered to be in a poor condition were either in established / potential office use or general industrial / business use. 68% of warehouse / distribution premises were deemed to be in a good condition, compared to only 42% of general industrial / business premises.
- 3.41 In terms of location, 100% of premises in Raunds and 77% in Thrapston were assessed as being in a good condition. In contrast, 9% of premises in Rushden and 6% in Higham Ferrers were considered to be in a poor condition.
- 3.42 A total of 46 employment premises were considered to have been developed in the last 5 years, of which 57% were located in Raunds, and 39% in Rushden. General industrial / business premises accounted for 65% of the newly developed premises.

3.43 79% of premises in Raunds, and 16% in Rushden were thought to have been developed in the last 5 years.

**Table 3.8 - Age and Condition of Employment Premises (%)**

	% Good	% Fair	% Poor	% Premises Developed Within Last 5 Years
Established/Potential Office Locations	71%	21%	7%	29%
High Quality Business Parks	14%	86%	0%	14%
Research/Science Parks	0%	0%	0%	0%
Warehouse/Distribution Parks	68%	32%	0%	16%
General Industrial/Business	42%	51%	8%	17%
Heavy/Specialist Industrial	0%	0%	0%	0%
Incubator/SME Cluster Sites	100%	0%	0%	23%
Specialist Freight	0%	100%	0%	0%
Sites for Specific Occupiers	100%	0%	0%	0%
Recycling/Environmental/Untidy Industries	33%	67%	0%	0%
Farm Based	13%	88%	0%	0%
Higham Ferrers	0%	94%	6%	0%
Irthlingborough	47%	53%	0%	0%
Oundle	56%	44%	0%	0%
Raunds	100%	0%	0%	79%
Rushden	40%	51%	9%	16%
Thrapston	77%	18%	5%	0%
Rural parishes	52%	44%	4%	4%
<b>TOTAL</b>	<b>49%</b>	<b>46%</b>	<b>5%</b>	<b>17%</b>

Please see Table C.7 of Appendix C for detailed site-by-site table

### Development Constraints

3.44 Site appraisals provided an assessment of development constraints in terms of accessibility and transport, environmental issues, ownership and management, and flood risk. A full qualitative analysis on a site by site basis can be found in Tables C8 to C10, which cover the following development constraints:

- Evidence of Parking Difficulties;
- Access/Servicing;
- Potential to support 24 hour working;
- The effect of introducing non B-class uses to the site; and
- Compatibility with neighbouring uses.

*Access and Transport*

3.45 Table C.8 provides a qualitative analysis of access and transport issues including site location, proximity to public transport networks, proximity to the strategic road network, accessibility for freight, and adequacy of internal access and servicing. Six sites were judged to have evidence of parking difficulties affecting their operation. These were:

- Sanders Lodge (north);
- Nene Valley Business Park;
- Fairline Marina;
- Cottingham Way / Cosy Nook;
- Kimbolton Road; and
- Norris Way / Elan Court.

3.46 The following four sites were judged to have inadequate access and servicing arrangements:

- Sanders Lodge (north);
- Nene Valley Business Park;
- Fairline Marina; and
- Norris Way / Elan Court.

*Environmental Issues*

3.47 Table C.9 provides a qualitative assessment of environmental issues at each site. It provides an assessment of adjacent land uses and mix of uses within each site; description of development constraints and environmental problems; quality of the site environment; and access to amenities/facilities.

3.48 In total, 16 sites were judged suitable to provide opportunities for 24 hour working. These included Haldens Parkway, Warth Park and the Inchcape Automotive site.

3.49 It was considered that the introduction of non-B Class uses would compromise the effective operation of 16 sites (in their current form), including the Islip Furnace Site, Norris Way / Elan Court, Francis Court and New Barn Farm.

3.50 No sites were deemed to be incompatible with sensitive neighbouring uses.

#### *Ownership and Management*

3.51 Table C.10 of Appendix C provides a summary of ownership and management issues, together with evidence of marketing for vacant land and premises. The majority of sites appear to be in mixed private ownership, with few large single-ownership estates. A number of sites contain outstanding planning permissions and current planning applications, demonstrating the potential for the future increased supply of employment land and premises within the District.

#### *Flood Risk*

3.52 The risk of flooding at each site was assessed by analysing flood maps (Environment Agency, 2006).

3.53 The following sites were found to be at some risk from a flood that has a 1 in 100 chance of happening each year:

- Site 9 – Nene Valley Business Park;
- Site 10 – Fairline Marina; and
- Site 27 – Nene Park;

3.54 The following sites were found to be at some risk from an “extreme flood” (likely to be affected by a major flood with a 1 in 1000 chance of occurring each year:

- Site 12 – Cottingham Way / Cosy Nook;
- Site 17 – Rushden Lakes; and
- Site 19 – Crown Park;

## KEY MESSAGES

3.55 The following salient points can be made following the detailed site appraisals:

- (i) The site appraisal process assessed 31 sites including 24 existing employment sites, 3 rural employment locations and 4 allocated sites. The 31 sites contained 287 ha of land, of which 23ha was vacant and suitable for employment development, equivalent to 8% of the total assessed employment land area.
- (ii) As well as vacant land suitable for development, areas judged to provide scope for change, through intensification, expansion or regeneration during the plan period were identified. Of the 31 sites, 18 were judged to provide scope for change (16 for B-Class uses and 2 for non-B-Class uses). Four of the sites were classified as Greenfield proposal sites. Opportunity areas accounted for some 53ha of land (18% of the total).
- (iii) The 30 sites contain a total of 331 B-class premises, of which 53 premises were vacant, accounting for approximately 63,000m<sup>2</sup> of floorspace. However, a small number of these represented buildings currently under construction. Moreover, much of this vacant floorspace is concentrated in a relatively small number of sites, particularly Sanders Lodge, Express Park and Crown Park. Importantly, the quality of vacant premises (and their prospect for occupation) at Sanders Lodge is relatively poor whilst the buildings at Express Park and Crown Park were under construction at the time of writing and are likely to be occupied once completed.
- (iv) The majority of premises within the District contain less than 500m<sup>2</sup> and can be classified as being within “general industrial” use (which corresponds to class B2 of the Use Class Order). Approximately 95% of premises were judged to be in “good” or “fair” condition. 17% of premises were thought to have been developed during the previous five years.
- (v) A small number of sites were found to experience inadequate internal access servicing and parking arrangements. Parking difficulties were found to exist at 6 sites, and access and servicing problems at 4 sites.
- (vi) In terms of environmental issues, 16 of the 30 sites were thought to have the potential to support 24 hour working, and it was considered that the introduction of non-B Class uses would compromise the effective operation of 16 sites.

- (vii) The majority of sites in East Northamptonshire appear to be in fragmented private ownership, with few sites in single ownership. A number of outstanding planning applications and permissions exist on the sites.
  
- (viii) Several sites were found to be at some risk from flooding according to flood maps produced by the Environment Agency.

## 4. FUTURE EMPLOYMENT NEEDS IN EAST NORTHAMPTONSHIRE

### INTRODUCTION

4.1 This section provides an assessment of future employment needs in East Northamptonshire for the period up to 2021. The section draws on the findings of the key strands of our demand analysis, which are as follows and provided in the Appendices Volume:

- Socio-economic assessment (Appendix D);
- Empirical business survey (Appendix F);
- Employment forecasts and the associated estimates of future floorspace and employment land requirements (Appendix G); and
- Property Market Assessment (Appendix I).

### SOCIO-ECONOMIC ASSESSMENT

#### Economic Performance

4.2 Over the past five years, Northamptonshire's GVA per capita has grown faster than both the England and East Midlands averages. The County has the 2nd highest GVA per capita out of the 12 regions<sup>2</sup> in the East Midlands.

4.3 The manufacturing sector remains a significant component of the sub-regional economy, accounting for nearly 25% of total GVA. However, its contribution to the economy has been falling as economic restructuring continues. Overall service sector activities are the primary drivers of economic growth in Northamptonshire.

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<sup>2</sup> The 12 regions are: Derby, East Derbyshire, South and West Derbyshire, Nottingham, North Nottinghamshire, South Nottinghamshire, Leicester, Leicestershire CC and Rutland, Northamptonshire, Lincolnshire

## Employment

- 4.4 Employment in East Northamptonshire stood at approximately 23,900 in 2004, a 1.2% rise over the 2003 level. Between 1996 and 2004, there has been an overall 16.4% increase in total employment, equating to an average of 1.9% per annum. Indeed, employment growth in East Northamptonshire has been nearly double that of North Northamptonshire as a whole (1%) and in line with the wider Surrounding Areas (2.0%) and considerably higher than the national average rate (1.5%).
- 4.5 In 2004 there were approximately 15,000 B-use class jobs in East Northamptonshire, accounting for 62.4% of total employment in the District. This is significantly higher than the equivalent proportion in the Surrounding Areas (56.2%) and England & Wales (52.9%), but slightly lower than the proportion it accounts for in North Northamptonshire (64.7%). East Northamptonshire has seen slight growth in B-use employment over the period 1996 to 2004, averaging 1% per annum. The growth rate is approximately half that of total employment growth, a pattern also visible in the wider areas.

**Table 4.1 – East Northamptonshire Employment by Broad Sector**

Broad Industrial Group	1996		2000		2004		Average Annual % Growth
	No of jobs	% of total	No of jobs	% of total	No of jobs	% of total	
Agriculture and fishing	N/A	N/A	411	1.8	333	1.4	7.5*
Energy and water	N/A	N/A	121	0.5	N/A	0.1	18.9
Manufacturing	7,291	35.6	4,953	21.1	5,103	21.3	-4.4
Construction	700	3.4	1,767	7.5	1,424	6.0	9.3
Distribution, hotels and restaurants	4,623	22.6	4,894	20.9	5,574	23.3	2.4
Transport and communications	1,446	7.1	1,601	6.8	2,484	10.4	7.0
Banking, finance and insurance, etc	1,814	8.8	3,387	14.4	3,103	13.0	6.9
Public admin, education & health	3,446	16.8	4,018	17.1	4,510	18.9	3.4
Other services	1,131	5.5	2,292	9.8	1,365	5.7	2.4
TOTAL	20,552*	100	23,443	100	23,921	100	1.9

Source: Annual Business Inquiry, NOMIS



*Distribution, hotels & restaurants*

- 4.6 The distribution, hotels & restaurants sector is the largest source of employment in the District and accounts for nearly a quarter of the total. Average employment growth in the sector has averaged 2.2% per annum.
- 4.7 Employment in distribution & wholesale, the B-use element of the sector, has grown at an average rate of 0.4% per annum. This is considerably slower than in North Northamptonshire where the average rate was 2.7%, but broadly inline with the national trend. It is important to note that the difference between employment growth in the District's distribution sector and that in the sub-region may be explained, in part, by differences in the availability of premises to accommodate these businesses.
- 4.8 Despite the District's comparatively slow rate of growth in the distribution and wholesale sector, these activities are over-represented in East Northamptonshire relative to both North Northamptonshire and England & Wales (accounting for 13% of B-use employment). Such activities form an integral part of a modern and diverse local economy, with their need arising from both producer and consumer demand. They can be relatively land-intensive, but ensuring an adequate supply of good quality sites and premises for small and medium sized B8 (with a varying office component) will be important in supporting the needs of other business sectors. This is a particularly important consideration for the Council given its strategic location in the East Midlands, which is an increasingly popular location for distribution operators.

*Public Sector Employment*

- 4.9 The public sector (public administration, education & health) has accounted for a significant amount of absolute growth in the District's total employment base. Education, health & social work are the key areas of public sector employment, accounting for close to 19% of total employment between them. Indeed, both have seen robust growth over the last decade. Despite the contribution of the sector to total employment in the District, it remains under-represented when compared to the national average, as indicated by an employment location quotient of 0.72 (see table D.6 of Appendix D).
- 4.10 Whilst the public sector will continue to be a significant employer in the future, over-reliance on it may limit opportunities for economic diversification driven by the private sector. Consequently, whilst providing for the needs of public sector employers, it is important for the LDF to assist in accommodating the needs of a wide range of dynamic private sector activities.

*Banking, finance & insurance*

- 4.11 Banking, finance & insurance saw the largest absolute increase in employment between 1996 and 2004 and grew at an average rate of 6.9% per annum, which was considerably stronger than for North Northamptonshire and over double the national average. However the sector only accounts for 13% of employment and is considerably under-represented in the District compared to the national average, indicated by an employment location quotient of just 0.64 (see table D.6 of Appendix D). Other business activities is the largest employment source within the sub-sector and has grown at a rate of 5.8% per annum.
- 4.12 There is potential for strong employment growth in the sector, particularly in activities such as professional services, support services, consultancy, computer & related services and a diverse range of other business services, especially footloose activities. Employment land policies in the LDF should respond appropriately in providing a sufficient quantity and range of sites and premises.

*Transport & communications*

- 4.13 Employment in East Northamptonshire has grown particularly strongly in this sector, at an average rate of 7.0% per annum since 1996, outstripping that of North Northamptonshire (3.0%) and England & Wales (2.0%). As a result the sector has become considerably over-represented in the District compared to the national average. In particular the freight transport by road activities and storage & warehousing activities have seen strong growth. This reflects the attractiveness of the District as a key strategic location for transport and distribution activities.

*Manufacturing*

- 4.14 Following national trends, the manufacturing sector has been in decline, with employment falling at an average rate of 4.4% per annum since 1996. The sector's contraction reflects wider trends in the UK where economic restructuring is resulting in a focus on high productivity, high value manufacturing. Consequently, many manufacturing activities in the UK previously reliant on cost-sensitive operations are being relocated to cheaper and more efficient locations in other parts of the world.
- 4.15 There has been an improvement in productivity in the manufacturing sector with restructuring leading to a shift from labour-intensive activities to more productive, high tech and high value activities. Over the 20 years between 1981 and 2001 the proportion of people employed in manufacturing in the UK fell from 25% to 14% of total employment. Over the same period the value in real terms of goods produced rose by 35%. This can be seen at the County level in recent years where

manufacturing employment in Northamptonshire has declined but output (in terms of GVA) has continued to increase. Despite the trend of long-term decline there remain growth opportunities within the sector, particularly from high-tech and high value activities in small to medium-sizes companies. Positive planning policies for economic development should include sufficient provision for new and expanding manufacturing employers with particular regard to:

- The need to provide premises which are fit for purpose for modern occupiers including those engaged in light industrial activities;
- Offer a wide range of industrial sites and premises in terms of size;
- The need to plan for on-going restructuring of the manufacturing sector in order to anticipate downsizing and closure possibilities as well as new and expanding sectors. Policies should focus on retaining and attracting industrial sectors which can operate competitively in East Northamptonshire.

#### *Non B Use-Class Sectors*

- 4.16 Whilst businesses occupying B use-class premises will be central to the economic growth and diversification in the local economy, other key sectors which fall in other use classes will also be important to future prosperity and a balanced economy. These include tourism, entertainment and retail employment. It will be critical for town centre and regeneration policies to work positively in accommodating the growth of these sectors. For activities which do require B-use class premises, it will be important for the LDF to ensure that policies enable these activities to be well integrated with other town centre priorities.

#### *Geographic Location of Employment*

- 4.17 Within the Local Development Framework, East Northamptonshire has been divided into three Plan Areas. These are: the Rural North, Oundle & Thrapston, the Raunds Area and the Three Towns.
- 4.18 Overall there is a strong bias in the employment structure towards the south of the District, where approximately 60% of both total jobs and B-use jobs are located. The Three Towns Area is the principal employment location, accounting for 52% of total and 53% of B-use employment. In particular, manufacturing (57%), distribution, hotels & restaurants (57%) and other services (72%) are concentrated in the Three Towns Area. Between them, the manufacturing sector and the distribution, hotels & restaurants sector account for close to a half of all employment opportunities in the Three Towns Area.

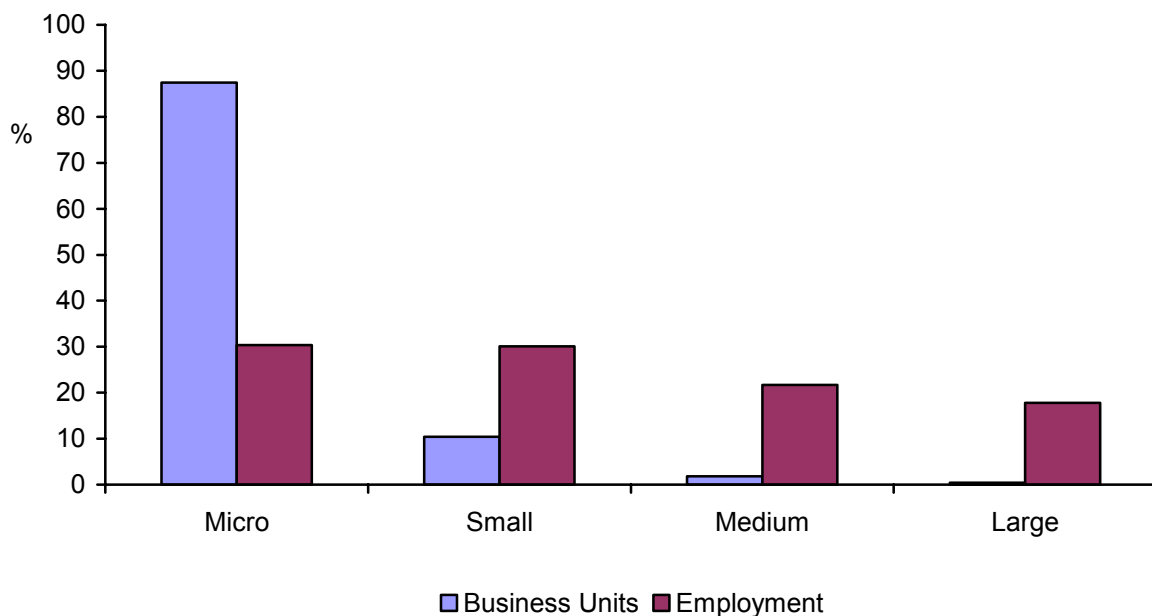
4.19 The Rural North, Oundle & Thrapston Plan Area accounts for 39% of total and B-Use employment in East Northamptonshire. It dominates in employment in the Transport & Communications sector, accounting for 60% of total employment in this sector.

**Business Size**

4.20 The business structure of East Northamptonshire is dominated by micro businesses (1 and 10 employees). In 2004 they accounted for 87.4% of all business units, up slightly from 1996. This is a slightly higher proportion than for wider areas; micro businesses account for just over 83% in North Northamptonshire, the Surrounding Areas and England & Wales. In particular East Northamptonshire is dominated by those of up to 5 employees, which account for just over three-quarters of the total. Again, this is a higher proportion than in the wider area.

4.21 Figure 4.1 shows the proportion of total employment and the proportion of total business units that each business size accounts for in East Northamptonshire. Despite the tiny proportion of total business units that they make up, medium and large businesses are still significant when looked at in terms of the number of people employed. However employment is dominated by the micro and small businesses, which account for 30.4% and 30.1% of total employment respectively.

**Figure 4.1 – Employment and Business Unit Structure Comparison for East Northamptonshire (2004)**



Source: Annual Business Inquiry, NOMIS

4.22 Whilst the major challenge for the LDF will be to accommodate demand from micro and small businesses in a variety of sectors, sufficient expansion and consolidation

opportunities will need to be provided (in terms of sites and premises) to meet the needs of larger occupiers. This will be particularly important for established businesses in the area that are planning to expand locally or respond to changing market circumstances. In meeting these needs, it will be necessary for employment land policies to be complemented by on-going dialogue and consultation with major employers in the area. Many of these businesses will have bespoke requirements which should be identified in advance through a proactive and integrated corporate local authority approach in terms of economic development, land-use and transportation strategies.

### **Enterprise**

- 4.23 East Northamptonshire has a strong level of entrepreneurship demonstrated by a high level of VAT registrations per capita compared to the regional and national averages, as well as high self-employment rates.
- 4.24 The provision of managed workspace is limited across East Northamptonshire. Managed workspace facilities are increasingly being provided to encourage business start-ups and to reduce business failure rates in early stage businesses that have the potential to make a worthwhile, long term contribution to economic growth. They offer the potential to provide the necessary infrastructure to maintain the District's current high level of enterprise. Information from the property market appraisal indicates that there may be demand for such premises. Should interest from the private sector not be forthcoming, a public sector-led scheme could be used to provide or encourage the supply of managed workspace in the District.

### **Inward Investment**

- 4.25 The availability of a sufficient supply of good quality employment sites will be an important factor in influencing inward investment to the District. Other key factors relate to issues of strategic accessibility, availability and skills profile of the local labour forces, local educational capacity and standards, wage levels, house prices, quality of life and proximity to key suppliers and markets.
- 4.26 Facilitating an increase in the value of inward investment and the expansion of existing investors in the District will be an important policy consideration during the LDF period. The inward investment approach to be reflected in the LDF should mirror a broader economic development strategy aimed at encouraging economic diversification, increasing value-added activities and building on existing strengths. Key sectors and activities which should be promoted for inward investment include:

### **Sustainable Development and Out-Commuting**

- 4.27 East Northamptonshire sees a net outflow of commuters totalling 12,222. In all, close to 20,000 people commute out of East Northamptonshire, with the main destinations being Wellingborough (23%), Northampton (15%), Kettering (10%), Bedford (10%), Peterborough (8%) and Corby (6%). Between them these locations account for close to three quarters of all out-commuting. Over 7,600 people commute in to East Northamptonshire. Wage level patterns indicate that out-commuters travel to better paid jobs outside of the District.
- 4.28 The growth in ICT and changes in working practices is likely to create greater flexibility in business space in terms of unit sizes, lease terms and location, particularly for micro-businesses, with rural areas becoming more attractive, especially where quality of life and lifestyle factors are important. This may have the effect of increasing the number of rural workspace schemes. East Northamptonshire is well positioned to benefit from this trend. This is set against the risk of increased out-commuting and ‘dormitory’ locations in East Northamptonshire. Employment policies should ensure that suitable premises are available in order to create local employment opportunities and aid sustainable development in rural locations.
- 4.29 In pursuing a co-ordinated approach to housing and employment provision, and in creating a level playing field between the respective markets, policies should have regard to the differentials in land value and other determinants of viability between employment and housing uses. This may require appropriate forms of policy intervention and prioritisation which facilitate sustainable employment generation. Without the provision of suitable job opportunities, a strong housing policy coupled with a constrained employment policy is likely to accentuate the forces which create an ageing population and high levels of out-commuting.

### **BUSINESS SURVEY**

- 4.30 A survey of indigenous businesses within East Northamptonshire was conducted in order to provide a statistically significant assessment of needs amongst the District’s business community, having particular regard to requirements for employment land and premises.

#### **Business**

- 4.31 On average, 78% of surveyed businesses’ employees live within East Northamptonshire. Those in the other services sector (69%) and large businesses (57%) have the lowest proportion of locally sourced staff.

4.32 On average, 37% of surveyed businesses’ customers are based within East Northamptonshire. Those in the other services (56%) and transport & communications (54%) sectors have the highest proportion of locally based customers. Small businesses (40%) tend to be far more locally focussed than medium-sized businesses (31%), which in turn tend to be more locally focussed than large businesses (16%). Manufacturers and distribution & wholesalers tended to have the highest proportion of international customers.

**Table 4.2 - Local Linkages**

	Proportion of employees living in East Northamptonshire (%)	Proportion of customers based in East Northamptonshire (%)
<b>By Sector</b>		
Banking, finance & insurance	78	27
Construction	75	31
Distribution & wholesale	85	45
Manufacturing	76	26
Other services	69	56
Transport & communications	87	54
TOTAL	78	37
<b>By Size</b>		
Small	77	40
Medium	89	31
Large	57	16
TOTAL	78	37

4.33 Of all businesses surveyed, 39% have been established in East Northamptonshire for up to 5 years or less. The banking, finance & insurance sector had the highest proportion (46%) of young businesses (of 5 years or less). Small businesses (43%) were more likely to have been established for 5 years or less than larger businesses. The larger the business the longer they are likely to have been established in the District. 44% of large businesses have been established in East Northamptonshire for over 25 years.

### Current Business Premises

4.34 Freehold (38%) and leasehold (41%) are the two most common forms of premises tenure. Large businesses tend to favour freehold (62%), as do those in the construction sector (54%). 23% of small business work from home, and these are most likely to be in the banking, finance & insurance sector (23%), the construction sector (21%) and the other services sector (27%).

4.35 The average premises size of surveyed respondents was 990m<sup>2</sup>. The larger the business, the larger their premises tended to be. Over three quarters of respondents said that their current premises were “very suitable” for the ongoing needs of their business. Those in the distribution & wholesale sector were the least likely to say that their current premises were very suitable (66%). The larger the business the more likely they are to think that their current premises are very suitable.

**Table 4.3 - Current Premises**

	Average size of current premises (m <sup>2</sup> )	Proportion stating that their current premises are “very suitable” (% total)
By Sector		
Banking, finance & insurance	1 125	77
Construction	386	87
Distribution & wholesale	1 454	66
Manufacturing	1 327	76
Other services	93	77
Transport & communications	671	88
TOTAL	990	78
By Size		
Small	618	76
Medium	1 719	80
Large	4 644	88
TOTAL	990	78

4.36 The main factors that contributed to respondents saying that their current premises are unsuitable for their ongoing business needs were:

- Site / premises too small (51%);
- Premises too old / in poor condition (20%);



- Poor site access (14%);
- Not suitable for purpose (8%);
- Lack of car parking provision (6%); and
- Poor public realm (e.g. street lighting, pavements etc) (6%).

**Expansion Plans**

4.37 Over half (54%) of respondents said that they were planning to expand their business. In particular, a high proportion of those in the banking, finance & insurance sector (66%), the construction sector (57%), the distribution & wholesale sector (59%) and the manufacturing sector (54%) were planning to expand. The high proportion of manufacturing businesses planning to expand highlights the ongoing importance of key activities within the sector which demonstrate opportunities for growth.

**Table 4.4 - Expansion Plans**

	Yes		No		Don't know		TOTAL	
	No.	%	No.	%	No.	%	No.	%
<b>By Sector</b>								
Banking, finance & insurance	40	66	19	31	2	3.3	61	100
Construction	17	57	11	37	2	6.7	30	100
Distribution & wholesale	19	59	11	34	2	6.3	32	100
Manufacturing	25	54	20	43	1	2.2	46	100
Other services	8	31	15	58	3	11.5	26	100
Transport & communications	9	36	13	52	3	12.0	25	100
TOTAL	118	54	89	40	13	5.9	220	100
<b>By Size</b>								
Small	86	54	67	42	7	4.4	160	100
Medium	22	50	17	39	5	11.4	44	100
Large	10	63	5	31	1	6.3	16	100
TOTAL	118	54	89	40	13	5.9	220	100

4.38 Of firms planning to expand, 59% think that they will require additional floorspace in order for them to carry out their plans. This is particularly the case for those in the transport & communications (78%) and distribution & wholesale (79%) sector. Construction sector respondents are the least likely to require additional floorspace

with only 29% of respondents saying “yes”. This is likely to reflect the style of working practices in the sectors.

- 4.39 Collectively, the businesses surveyed indicated they would require additional floorspace of approximately 53,000m<sup>2</sup>. Extrapolating this sample to represent the whole indigenous B use-class business sector in East Northamptonshire indicates need for additional floorspace of up to 220,000 m<sup>2</sup>.
- 4.40 Of respondents requiring additional floorspace, 45% do not think that they can accommodate their expansion plans through an extension, a refurbishment, redevelopment or by more intensive use of existing space. This is particularly the case for the banking, finance & insurance sector (71%).

### **Relocation**

- 4.41 One third of businesses have considered relocating from their current premises. Notably 53% of distribution & wholesalers have considered relocating. Of those that have considered relocating, 66% have considered locations within East Northamptonshire, the most popular of which is Rushden.
- 4.42 A dedicated industrial area was cited as the preferred type of location to move to by 52% of respondents, whilst a town centre/commercial District was cited by 23%. Those in the banking, finance & insurance sector were more likely to prefer a town centre/commercial District (54%) whilst all other sectors preferred a dedicated industrial sector.
- 4.43 The majority of respondents (69%) who have considered relocating to within East Northamptonshire think that the type of premises that they are after is available within the District.

### **EMPLOYMENT FORECASTS**

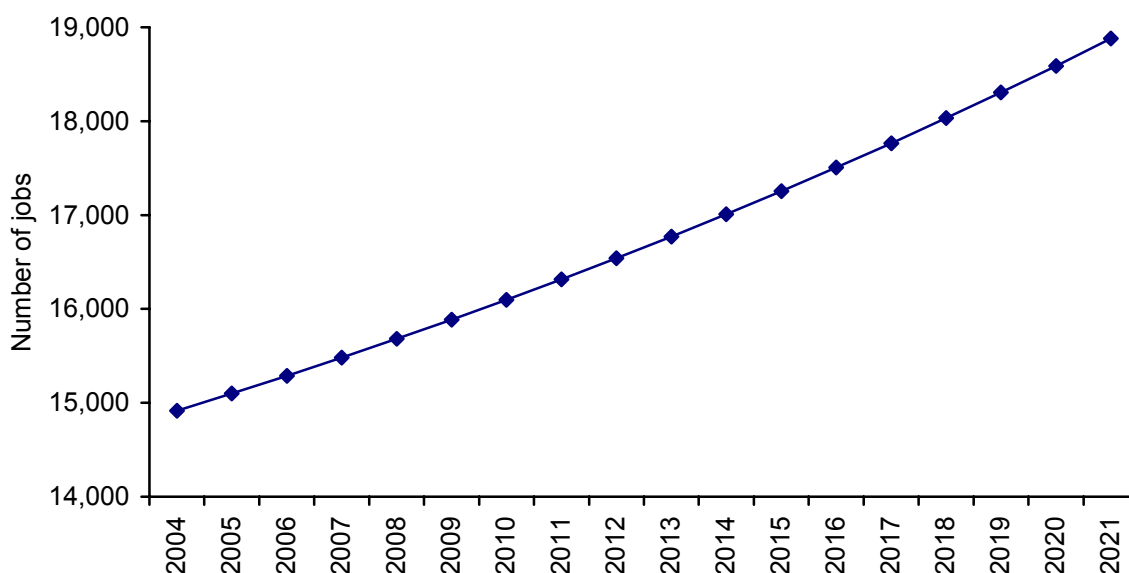
- 4.44 This section provides a series of quantitative forecasts of workplace employment in East Northamptonshire for the period up to 2021. Also provided are our estimates of the future demand for employment floor space, which are derived from the employment forecasts. These forecasts concentrate on B-use class employment.
- 4.45 The forecasts have been prepared using three distinct techniques which conform to the latest guidance from the ODPM on employment land review. Four scenarios were developed and the forecasts were prepared under each using the three techniques and taking into consideration the overall socio-economic and property market conditions in East Northamptonshire and the surrounding regional and national area.

4.46 More details on the forecasting process can be found in Appendix G.

*East Northamptonshire Preferred Option Forecasts*

4.47 This section sets out the final forecast figures under the preferred scenario for B-use employment in East Northamptonshire. We consider the forecasts produced under Scenario 2 to provide the best range of outcomes and the following tables set out the preferred forecasts, which combine the three forecast techniques - labour demand technique, labour supply technique and results from the business survey – the socio-economic assessment and property market intelligence.

**Figure 4.2 – B-use Employment Forecasts for East Northamptonshire**



4.48 Table 4.5 details the employment forecasts by sector and the associated floor space requirements. Table 4.6 provides an illustration of the gross floor space requirements for East Northamptonshire by B-Use Class and Table 4.7 an illustration of the employment land requirements for East Northamptonshire by B-Use Class. It should be noted that the forecasts laid out in this section refer only to B-use class employment and therefore exclude other forms of employment generating floorspace such as retail.

4.49 The conversion of jobs to employment floorspace is based on research on employment densities published by English Partnerships. The densities used are shown in Table 4.5. The conversion of employment floorspace to employment land assumes a range of plot ratios as shown in Table 4.7. We have assumed a plot ratio of 0.6 for B1a and B1b. This allows for a mix between business park developments of

up to two storeys and town centre development of greater than two storeys. For B1c, B2, B8 and Sui Generis we assume a plot ratio of 0.4 (where we assume single storey development).

4.50 The tables are intended to set out an indication of the nature of future demand rather than a prescriptive requirement for the District.

**Table 4.5 – Preferred Scenario Forecasts by Sector**

B-Use Sector	Total jobs in 2021	% growth per annum	Change in total jobs 2004-2021	Employment densities (m <sup>2</sup> per job)	Additional floorspace by 2021 (m <sup>2</sup> )
Banking, finance & insurance	5 129	3.0	2 026	19	38 490
Construction	1 929	1.8	505	5	2 523
Distribution & wholesale	2 570	1.9	707	50	35 182
Manufacturing	4 452	-0.8	-651	32	-20 842
Other services	1 203	1.5	270	25	6 740
Transport & communications	3 596	2.2	1 112	34	39 807
TOTAL	18 880	1.4	-	-	-
Jobs created	-	-	4 616	-	-
Jobs lost	-	-	-651	-	-
Net change in jobs	-	-	3 964	-	-
Gross floorspace demand	-	-	-	-	120 742
Gross floorspace vacated	-	-	-	-	-20 842

**Table 4.6 – Floor space Requirements by B-Use Class**

B-Use Class	Additional floorspace requirement		Vacated floorspace	
	% of total	Floorspace (m <sup>2</sup> )	% of total	Floorspace (m <sup>2</sup> )
Offices (B1a & B1b)	43	52 518	0	0
Factories (B1c, B2 & Sui Generis)	18	22 185	100	-20 842
Warehousing (B8)	38	46 039	0	0
TOTAL	100	120 742	100	-20 842

**Table 4.7 – Employment Land Requirements by B-Use Class**

B-Use Class	Plot ratio	Additional employment land requirement		Vacated employment land	
		% of total	Land (ha)	% of total	Land (ha)
Offices (B1a & B1b)	0.6	34	8.8	0	0
Factories (B1c, B2 & Sui Generis)	0.4	21	5.5	100	-5.2
Warehousing (B8)	0.4	45	11.5	0	0
TOTAL	-	100	25.8	100	-5.2

4.51 The tables show that a total floorspace requirement of approximately 121,000m<sup>2</sup>, which is equivalent to approximately 26 hectares of employment land, will be required by 2021. Reflecting our sectoral economic forecasts, demand will be strong for B1 premises including both office (B1a) and light industrial (B1c) accommodation.

4.52 Demand will also be significant for distribution and warehousing activities (B8) and, given the land-intensive use of these occupiers, significant employment land may be required to accommodate these uses. This is an important issue for consideration by the Council. Indeed, our estimates of B8 demand are reasonably conservative which reflects the sector's role in the local economy over the last two decades. Indeed, consultation with local and regional property agents indicate that latent demand for distribution could be significantly in excess of the estimates produced in Tables 4.6 and 4.7. Whilst we consider that the District should absorb a component of sub-regional and regional growth emerging in the distribution sector, it is important that the local employment land market (thus local economy) is not saturated by B8 development. Given the rural nature of the area and need to facilitate economic diversification during the plan period, our forecasts reflect the need to accommodate

significant growth in office-based service activities as well as competitive businesses requiring light industrial space.

- 4.53 Premises of up to 100m<sup>2</sup> and of between 100m<sup>2</sup> and 250m<sup>2</sup> are likely to be most in demand. However, in terms of the actual floorspace and employment land requirements it is the larger premises of upwards of 1,000m<sup>2</sup> that will account for the bulk of the land allocation.
- 4.54 Information from the business survey and the property market appraisal indicate that demand is likely to be concentrated in Rushden. However, in order to ensure the sustainable development of other centres and the District as a whole, there should be a reasonable spread of employment premises across the District, particularly in meeting the needs of small enterprises in the rural north.
- 4.55 It should be recognised that the above estimates provide only an indicative guide in terms of future floorspace and land requirements. Consequently, they should not be interpreted in an overly prescriptive manner.

**Employment Land Portfolio**

- 4.56 It is essential to ensure that an adequate choice of employment land and premises are available to meet the needs of inward investors, including their medium-term expansion plans, as well as indigenous business. Moreover, in allocating land it is important to allow for obstacles and constraints which may prevent land coming forward during the plan period. Consequently, we recommend that the quantified amount of employment land and floorspace provision should be greater than the actual forecast estimate of future need. Providing for sufficient choice and diversity is encouraged by PPG4. We estimate the provision figure should be at least 50% more than the amount of land actually likely to be taken-up to allow for choice, indigenous and inward investment need. This overall provision figure is set out in Table G7 which includes an allowance for future vacated employment land lost to other uses during the plan period.

**Table 4.8 – Overall Employment Provision Required**

	Up to 2021
Floorspace (m <sup>2</sup> )	180,000
Land (ha)	39

## **5. FUTURE EMPLOYMENT SITES SUPPLY REQUIREMENTS IN EAST NORTHAMPTONSHIRE**

### **INTRODUCTION**

- 5.1 Sections 3 and 4 have highlighted the main issues facing East Northamptonshire in terms of current supply and future demand. This Section assesses the suitability of the existing identified employment sites in the District to meet the future business accommodation requirements to 2021 and beyond. Additionally, the suitability of the existing employment land allocations is considered, together with potential further employment sites.
- 5.2 The process undertaken can be summarised as follows:
- (i) Firstly, the amount of additional floorspace needed to be provided in order to meet future requirements has been identified. This yields an estimate of the net land requirements to be provided during the period to 2021.
  - (ii) Secondly, the existing employment sites have been evaluated in terms of their suitability for future employment use.
  - (iii) Thirdly, employment land allocations have been evaluated along with further potential sources of supply, to assess which sites are considered most suitable in terms of meeting future employment needs.
  - (iv) Finally, recommendations have been made concerning the amount of floorspace potentially available, and the proposed policy context of each site.
- 5.3 This Section should be read in conjunction with the evaluation matrices provided in Appendix H Tables H.1-H.4.

## REFINING A FUTURE PORTFOLIO OF EMPLOYMENT SITES

### Future Employment Requirements

- 5.4 The floorspace forecasts identified in Section 4 and Appendix G highlight an indicative net floorspace requirement of 180,000m<sup>2</sup>, equivalent to approximately 39 hectares of land. Demand will be concentrated in B1a, B1c and B8 premises.
- 5.5 In order to meet employment land requirements to 2021 it is necessary to firstly identify employment locations which have the physical potential to accommodate future growth. This has been achieved through the “taking stock” assessment, the comprehensive site appraisals presented in Section 3, and discussions with local property agents and Council officials. Additionally, it is necessary to evaluate the sites judged to provide development potential in terms of their suitability to meet future requirements.
- 5.6 A further key requirement of the study is to identify land suitable to meet the requirements of a diversified economy which existing allocations may not satisfy. A number of factors need to be considered to ensure that the most appropriate sites are brought forward for development including choice, quality and ownership.

### Evaluation of Site Suitability

- 5.7 Consistent with the best practice guidelines set out by the ODPM the suitability of existing and potential employment locations has been considered in order to assess the existing balance of sites in terms of their location and suitability. Scoring matrices have been prepared utilising the following criteria (where applicable) to assess the sites:
- access;
  - sustainable development criteria;
  - quality of site environment and surroundings;
  - market requirements and perceptions;
  - policy considerations;
  - development constraints and availability.



- 5.8 A range of different indicators have been derived within each category to address different issues and constraints. The criteria and indicators used vary slightly for existing and potential sites (see Tables H.1 and H.3 of Appendix H).
- 5.9 A score for each indicator has been derived for each location. Points have been assigned based on the descriptive criteria which most accurately reflected the site. A composite percentage score is then derived which equally weights the results of the indicators. The sites are then ranked according to the composite site score. It is important to highlight that the scoring system is intended to assist the local authority in taking a strategic view of the comparative suitability of each site for employment use. The scoring system should not be used in a prescriptive manner.
- 5.10 The site assessment matrices can be found in Appendix H. A full explanatory rationale as to how each score has been assessed can be found in Tables H.1 and H.3. Table H.2 provides a ranked assessment of existing employment sites (and one allocated site which is now largely developed and in employment use). Table H.4 provides a ranked assessment of the allocated employment sites and further potential sources of supply within the District.

## **Access**

### *Public transport access: Proximity to Rail and Bus Networks*

- 5.11 Access to efficient public transport links is an important determining factor in encouraging sustainable travel to work patterns. The distance from a public transport interchange and the frequency of the public transport service is important in determining public transport accessibility of existing and potential employment locations.
- 5.12 The assessment of public transport accessibility has been based upon the proximity of each location to the bus network. Due to the lack of local access to the passenger rail network in East Northamptonshire, proximity to rail has not been considered.
- 5.13 An “Excellent” score of 5 was given to sites that had a bus-stop within 100m; sites were deemed to be “good” if they are within 250m of a bus-stop and awarded 4 points; 3 points were awarded for sites with fair access (within 500m of a bus-stop); and a single point awarded for sites that are further than 500m from a bus-stop. Distances were estimated based on quickest pedestrian route from the site entrance.

*Proximity to the Strategic Road Network*

- 5.14 The importance of being located close to the strategic road network (SRN) varies according to business sector, the stage in the supply chain, market access dependencies and the frequency of inward and outward deliveries. Firms within the B8 use class who are engaged in storage and distribution activities are likely to attach the most importance to proximity and access to the strategic road network. B1(c) firms may also have a strong business need for good access to the road network.
- 5.15 Points have been awarded to the potential employment locations on the following basis: 5 points (“excellent”) for sites immediately adjacent to the SRN; 4 points (“good”) for sites within 1 km of the SRN; 3 points (“fair”) for sites between 1 km and 3km from the SRN; 1 points (“poor”) for sites between 3 and 10 km from the SRN; and no points for sites further than 10km from the SRN. Distances were measured on a straight line basis. The SRN serving East Northamptonshire includes the following regional/national routes:

- A6
- A45
- A14
- A605
- A47
- A43

**Sustainability**

*Previously Developed Land*

- 5.16 In sustainability terms, it is preferable to re-use existing land and premises to maximise the most efficient use of existing resources. Locations have been evaluated according to whether they represent “brownfield” locations. Due to the importance attached to re-using previously developed land, these sites have been awarded a score of 5, and greenfield sites score 1 point.

*Sequential Test*

- 5.17 The location of potential employment sites has been considered on a sequential basis to provide a measure of the centrality of the location and the extent to which

access can be provided by a range of transport modes. The locational typology has been adapted from those identified within PPS6 (Town Centres and Retail Development) and PPG 3 (Housing) however the principles can equally be used to provide an indicator of the centrality (providing access to other services and firms) and access (proximity to transport network and labour pools). The highest score has been attributed to locations within the existing urban area (5 points) followed by locations on the edge of existing urban areas i.e. adjacent to the settlement boundaries defined within the Local Plan (3 points) and rural locations i.e. outside of the Local Plan defined settlement boundaries (1 point).

### **Environmental Quality of Site and Surroundings**

#### *Site Quality, Image and Management*

- 5.18 The quality of site landscaping in relation to other sites in the District, and evidence of site management (including upkeep of planting, removal of litter/vandalism etc.) has been considered, as this can impact on the type of occupier a particular site may have the ability to attract. Sites of the highest quality with good quality landscaping, high specification occupiers and a good level of site management have been awarded five points (“excellent”). Sites of good quality with adequate landscaping, some evidence of management and a range of occupiers have been awarded four points (“good”). Sites where an adequate attempt has been made at landscaping and site management have been awarded three points (“fair”) and sites with little evidence of landscaping or site management one point (“poor”).
- 5.19 Access to amenities can be an important factor in deciding where to locate for certain types of occupier. Sites with a range of on site amenities have been awarded five points (“excellent”), sites with a café on site or immediately adjacent to site have been awarded four points (“good”), sites with local amenities within ten minutes walk have been awarded three points (“fair”) and sites with no amenities within a ten minute walk one point (“poor”).
- 5.20 The condition of buildings within a site can also impact on site occupation. Where buildings have been considered to all be in a good condition, with no requirement for change, five points have been awarded (“excellent”). If the majority of buildings are in a good condition, but there is some need for maintenance four points have been awarded (“good”). Sites where the buildings appear to be adequate for the existing occupiers, with no visual evidence of major dilapidation, have been awarded three points (“fair”). Lastly, should the majority of buildings require refurbishment, only one point has been awarded (“poor”).

### **Market considerations (Perception and Demand)**

- 5.21 The market attractiveness of sites varies according to the demand for different types of premises. Market perceptions are also influenced by factors such as the desirability of an area as an employment location, the quality of the environment surrounding a site, and the accessibility of a site.
- 5.22 Good location and access is often viewed as a pre-requisite for employment sites, and exerts a strong influence on the marketability of a site for employment use. A potential site must exceed the minimum size requirement needed to make a given development economically viable. For B-class uses in new locations it is necessary to provide sufficient land for a critical mass of similar activities to be established. The size of parcel varies according to the target sector and size of premises to be provided. Consequently, a relatively small site may be large enough to make B1(a) development feasible, but may be too small for B1(c) development.
- 5.23 Certain occupiers may have particular site requirements depending on the operations of their business particularly in terms of accessibility, and environmental requirements. For example, HQ occupiers within some sectors have a preference for a high quality business park type environment in a prominent location whereas similar functions in other sectors are less prescriptive. B1(c) and B8 firms typically require purpose built, low density sites in order to undertake their operations in an efficient manner and to allow room for expansion in situ.
- 5.24 An assessment has been made of the market attractiveness of each site in terms of:
- suitability in meeting the locational, use class and size requirements for the area in which it is located;
  - flexibility of the site in meeting the needs of a range of employment requirements;
  - scope to meet market demand requirements;
  - accessibility by road and public transport; and
  - potential to establish an attractive environment to meet the needs of the target use class(es).
- 5.25 The findings of the Market Assessment undertaken by Lambert Smith Hampton (Appendix I) have been considered as part of the assessment.

*Marketability of Existing Employment Sites*

- 5.26 The marketability of existing employment sites has been assessed for both the present, and the medium / long term future. The future marketability of each existing site has been assessed in order to evaluate the potential to meet future growth requirements, and accommodate growth sectors. This assessment has been made on the basis of the factors described above, using a scale of 1-5 (1 = very poor, 5 = very good).
- 5.27 The higher of the two scores has been used to represent the overall marketability of each existing site.

*Marketability of Potential Employment Sites*

- 5.28 Potential employment sites have been allocated a score which reflects the likely future demand and suitability of each site to accommodate the following types of B-class uses up to 2021:
- B1a and B1b (office);
  - B2 and B1c (general industrial); and
  - B8 (storage and distribution).
- 5.29 Again, this assessment has been made on the basis of the factors described above, using a scale of 1-5 (1 = very poor, 5 = very good). The highest of these three scores has been used to represent the overall marketability of each site.

**Policy Considerations**

- 5.30 Factored into the assessment is the potential for each site to meet strategic objectives.

*Regional Employment Policies*

- 5.31 Each site has been assessed in accordance with the development criteria of regional employment policy (including the emerging RSS, the East Midlands Integrated Regional Strategy, the East Midlands Regional Economic Strategy and the Milton Keynes and South Midlands Regional Growth Strategy). Points have been awarded on a scale of 1-5 (1 = no conformity, 5 = good conformity).

5.32 A detailed review of regional employment policies is included with Appendix A. However, the following provides examples of key policy directions:

- A site should provide good quality employment land, in sustainable locations that are able to meet the need of potential investors (in line with Policy 22 of the emerging RSS). There is an aim to direct development to previously developed land and urban areas that are well served by public transport.
- Concentrated development supports the efficient use of resources. However, the significance of rural economies should also be recognised (emerging RSS).
- Development should be located in the main urban areas to support urban renaissance, regeneration of deprived areas and re-use of land (MKSM sub-regional strategy).
- Development should contribute towards an improved environment and help to create sustainable communities (MKSM sub-regional strategy).

#### *Local Employment Policies*

5.33 In addition to regional employment policies, each site has been assessed in accordance with the development criteria of local employment policy (including relevant emerging North Northamptonshire LDF documents, the RNOT IC feasibility study, East Northamptonshire Economic Development Strategy and the North Northamptonshire Economic and Employment Strategy). As above, points have been awarded on a scale of 1-5 (1 = no conformity, 5 = good conformity).

5.34 A detailed review of local employment policies is included with Appendix A. However, the following provides examples of key policy directions:

- Sites should have the potential to facilitate rapid allocation to support service sector jobs if necessary (Preferred Options for North Northamptonshire);
- If an employment site is to be office focussed, it should be located in a town centre location or an area offering scope for new office development. If a site is to be research and development focussed it should be located within a commercially attractive location, preferably within prominent sites at the edge of towns (Preferred Options for North Northamptonshire);

- There is a market need to provide good quality manufacturing sites to maintain existing employment and to attract inward regional demand (CoPELA Study).

## Constraints

### *Site Development Constraints*

- 5.35 The presence of development constraints on each site is considered with regard to the ease at which such constraints are likely to be overcome. Constraints include: the likelihood of site owners bringing forward employment development; likely need for land reclamation or decontamination on a site; need for and severity of access improvements to the highway network; topological constraints, overhead power lines, or need for drainage or services infrastructure.
- 5.36 Sites with no apparent constraints that are immediately available for development are rated “excellent” and awarded five points. Minor constraints are regarded as issues that are comparatively easy to rectify in order to bring forward employment development. Such constraints are rectifiable within one year and require minor capital costs. Sites with such constraints are regarded as “good”.
- 5.37 Major constraints are regarded as issues that would take significant capital investment to overcome and are likely to take more than one year to resolve. Sites with a small number of major constraints that could be rectified with few problems in the medium term are rated “fair” and awarded three points. Those sites that have a number of major constraints, or constraints that would require significant mitigation measures are regarded “poor” and awarded one point.

### *Site Availability*

- 5.38 The availability of a site is influenced by its current physical state, including whether it accommodates an existing use and the presence of environmental constraints which need to be overcome prior to development. The need for land assembly may also reduce the availability of a site for development in the short-medium term. The availability of a site has a direct relationship on the ease at which a site can be brought forward for development and development costs. Sites that accommodate an existing use and require land assembly are generally harder to develop than undeveloped sites in single ownership.
- 5.39 Sites available in the short term are those that could be taken forward immediately or within one year, are free from major development constraints and would require minimal land assembly measures. Such sites are assigned five points within the

matrix. Sites available in the medium term (within one to three years) may require some mitigation measures such as minor decontamination works or improvements to access arrangements – these sites are assigned three points. Sites available in the long term (five years plus) are likely to have significant development constraints and require significant works to bring forward employment development.

### ASSESSING CAPACITY

5.40 In order to assess ways in which future demand can be met, we have examined a range of potential sources of supply:

- Vacant, usable floorspace;
- Vacant land;
- Opportunity land;
- Allocated employment sites; and
- Other potential, unallocated sites.

5.41 Section 3 of this report highlighted approximately 63,000 m<sup>2</sup> of vacant floorspace. However, approximately 35% of this was under construction at the time of survey and this floorspace is likely to be occupied once completed (e.g. at Crown Park and Express Park). Furthermore, much of the remaining vacant floorspace is identified in sites which we have highlighted as opportunity areas for redevelopment / intensification or areas which may require intervention to facilitate redevelopment / intensification: the capacity arising from this component of vacant floorspace is included as part of the capacity arising from opportunity site. Taking this into consideration, it is assumed that approximately 30,000 m<sup>2</sup> of vacant floorspace will make a direct contribution to meeting future employment needs (i.e. not through redevelopment and/or intensification of sites).

5.42 With regard to future development capacity (other than vacant, re-usable floorspace), Table 5.1 summarises the number of identifiable land parcels within each category of potential supply.



**Table 5.1 - Potential Employment Development Areas**

Category	No.
Vacant Land	5
Opportunity Land.	14
Allocated Land	4
Other Potential Land	6
<b>All</b>	<b>29</b>

5.43 The potential capacity arising from each of these sources is examined below.

### **EVALUATION OF EXISTING EMPLOYMENT SITES**

5.44 All of the sites assessed by the appraisal process have been evaluated to determine their ongoing suitability as employment sites. Table H.1 displays the rationale for the evaluation of existing sites. The ranked results, together with site specific recommendations and justification can be found within Table H.2.

5.45 Whilst varying in quality, all assessed sites are judged to require on going Development Plan protection for employment uses. In some cases this may include a more robust protective policy approach than is currently in place. Our policy recommendations to support such a policy approach are set out in Section 6 of this report. However, for the purposes of evaluating the potential additional capacity of existing employment sites, we have assumed that there will be no loss of employment floorspace or land from these to other uses during the plan period.

### **Sites Observed to Provide Potential Scope for Future Development, Intensification or Regeneration**

5.46 As part of the site assessments, existing sites were identified which had scope to be extended, or to provide opportunities for intensification or regeneration which may help to meet the requirements of a diversified economy.

5.47 The evaluation matrix contained in Table H.2 provides a detailed analysis of each employment site, together with a justification for each. This is summarised below.

#### *Sites Providing Scope for Extension, Intensification, or Regeneration*

5.48 A total of 16 sites were identified as having under-utilised areas or the potential to be better configured to incorporate intensified/improved employment premises. Such sites cannot always be assumed to contribute to forecast requirements, as development may not be brought forward during the plan period. However, these sites require an appropriate policy designation to ensure that their employment

function is protected, and that incremental redevelopment of the employment asset is achievable. These sites are identified within Table H.2.

5.49 Some of these sites offer significant redevelopment opportunities, either through utilising vacant parcels of land, or through comprehensive redevelopment of the entire site. Potentially, the (re)development of these sites could incorporate high-quality buildings and floorspace appropriate to the future needs of the District. However, prevailing market values imply from a viability perspective that a number of sites may require specific measures of public intervention to unlock such (re)development. These include;

- Sites 21 and 30 - Sanders Lodge – The potential exists for the large-scale redevelopment of this ageing industrial estate in Rushden. However, the combination of current rental values and fragmented site ownership mean that the estate is unlikely to experience market-led redevelopment in the foreseeable future without intervention measures;
- Site 27 - Nene Park – This site in Irthlingborough includes a significant plot of vacant land. Despite being allocated for employment uses in the Local Plan (1996), this site remains undeveloped. The potential exists to develop the vacant land parcel for B-class uses. However, alleviating the physical development constraints (relief of the land) may prove to be prohibitively expensive to private developers;
- Site 25 – Kimbolton Road – This site in Higham Ferrers is in fragmented ownership, and contains a variety of B-class uses. Intervention may be required to facilitate large-scale redevelopment for employment uses; and
- Site 8 – East Road – This town centre site in Oundle is currently in fragmented ownership, and includes several vacant or under-utilised areas. The site presents a rare opportunity to provide high-quality B-class floorspace in the north of the District.

#### **Additional Floorspace Potentially Available from Existing Sites**

5.50 Table 5.2 below contains a summary of the additional floorspace that could potentially be made available within existing employment sites in the District. It is important to note that this indicative floorspace capacity highlighted in the table is a theoretical estimate and does not have regard to development constraints or issues relating to phasing. Indeed, the primary purpose of this assessment is to assist the Council in making policy decisions which are based on making the best possible use of existing employment land assets which have been identified during this study as being suitable for employment use. Further detailed site assessments and

consultations with land owners and tenants will need to be carried out before much of the land can be considered as forming a component of future supply to accommodate employment needs during the period up to 2021. This is particularly the case for land identified as opportunity land at sites such as Inchcape Automotive (site 02), Warth Park (site 14) and Kimbolton Road (25).

- 5.51 To assist with the interpretation of the capacity assessment, Table 5.2 also provides an indicative split by use class. This has been carried out to highlight the suitability of different sites for a range of business occupiers and should not be considered prescriptive advice.
- 5.52 The amount of floorspace potentially available at each site has been obtained by applying the following plot ratios to areas of vacant and undeveloped land within existing employment sites:
- B1a (Offices) – 60%;
  - B2 and B1c (General Industrial) – 40%; and
  - B8 (Storage and Distribution) – 40%.
- 5.53 With regard to opportunity land, the potential additional capacity arising from redevelopment and/or intensification has been estimated by halving the plot ratios for each use type in order to make an allowance for existing floorspace which is replaced during the process of improvement.
- 5.54 It can be seen from Table 5.2 that vacant and opportunity land together provides a theoretical capacity of around 187,000 m<sup>2</sup>. Including the re-usable vacant floorspace that will also contribute to future needs, the analysis indicates that future employment need could be accommodated within existing sites. However, it is imperative to highlight that such a scenario is dependent on a wide range of circumstances coming together to enable development to happen. This will include a variety of physical and ownership constraints, the need for public sector intervention in places and uncertainties regarding the phasing of and time required for redevelopment and intensification to take place.
- 5.55 Whilst we consider that it is essential that future employment policies place significant emphasis on facilitating the most efficient use of existing land, our analysis concludes that additional land will be required to properly meet future needs, especially in the latter part of the LDF period. This is particularly important in respect of:

- Providing sufficient choice and diversity to occupiers, developers and investors;
- Meeting the varied and complex needs of key growth sectors;
- Enabling East Northamptonshire to contribute to the MKSM growth objectives;
- Facilitating inward investment; and
- Providing greater opportunities for reducing out-commuting from the District to other employment locations.

5.56 Consequently, we have assessed the potential of allocated sites and a selection of unallocated sites in terms of their suitability and need for employment use.

**Table 5.2 – Additional Floorspace Capacity at Existing Sites**

		Potential Supply Land		Indicative Use (%)			Floorspace (Vacant Land)			Floorspace (Opportunity Land)				
Site ID	Site Name	Size of Vacant Land (Ha)	Size of Opportunity Land (Ha)	B1a /b (Offices)	B2 and B1c	B8	B1a (Offices)	B2 and B1c	B8	B1a (Offices)	B2 and B1c	B8	Total Floorspace (m <sup>2</sup> )	Overall Suitability Score (%)
02	Inchcape Automotive	0.0	21.5	0.2	0.4	0.4	0	0	0	12,883	17,177	17,177	47,237	59
14	Warth Park	0.0	13.5	0.1		0.9	0	0	0	4,055	0	24,333	28,388	77
25	Kimbolton Road	0.0	5.1	0.8	0.2		0	0	0	12,126	2,021	0	14,148	66
11	Haldens Parkway	7.6				1.0	0	0	30,224	0	0	0	30,224	80
27	Nene Park	5.6	1.3		0.4	0.6	0	8,959	13,438	0	1,023	1,535	24,954	82
08	East Road	0.0	2.1	0.5	0.5		0	0	0	3,099	2,066	0	5,166	87
20	Express Business Park	3.1		0.1	0.4	0.5	1,848	4,929	6,161	0	0	0	12,938	79
07	King's Cliffe Industrial Estate	0.0	2.1	0.2	0.6	0.2	0	0	0	1,284	2,568	856	4,707	54
01	Islip Furnace Site	0.0	1.7	0.2	0.6	0.2	0	0	0	995	1,991	664	3,650	63
21	Sanders Lodge (north)	0.0	1.6	0.2	0.6	0.2	0	0	0	982	1,964	655	3,600	75
19	Crown Park	0.0	1.2	0.2	0.2	0.6	0	0	0	720	480	1,440	2,641	79
13	Top Close	0.5	0.3	0.2	0.6	0.2	632	1,264	421	171	341	114	2,943	66
28	Addington Park Industrial Estate	0.0	0.7	0.2	0.6	0.2	0	0	0	436	871	290	1,597	55
03	Acorn Industrial Estate	0.0	0.6	0.2	0.6	0.2	0	0	0	383	766	255	1,404	59
29	Francis court	0.0	0.5	0.2	0.6	0.2	0	0	0	315	630	210	1,154	77
22	Norris Way / Elan Court	0.0	0.4	0.2	0.6	0.2	0	0	0	222	443	148	813	77
06	Kingsmead	0.4		0.2	0.6	0.2	429	859	286	0	0	0	1,575	78
<b>TOTAL</b>		<b>17.1</b>	<b>52.6</b>				<b>2,910</b>	<b>16,010</b>	<b>50,530</b>	<b>37,671</b>	<b>32,341</b>	<b>47,676</b>	<b>187,138</b>	<b>N/A</b>

## EVALUATION OF POTENTIAL SITES

- 5.57 These sites include allocated and unallocated sites. The former are identified in the East Northamptonshire Local Plan (and in the case of Site 24 amended by the Preferred Options for Higham Ferrers) whilst the latter have been identified through discussions with property agents active in the sub-region. The suitability of these sites has been appraised in a similar manner to existing employment sites. The appraisal matrix is summarised in Table H.4 (Appendix H).

### Employment Allocations

#### *Site 17 – Lakeside Country Club / Rushden Lakes*

- 5.58 This Rushden site offers a 12ha lakeside location with good access to the SRN. As a result, the site is likely to provide a suitable location for either B1 or B8 uses. At present, plans are in place for the site to accommodate a significant new mixed-use development (“Rushden Lakes”) incorporating a substantial amount of new office (B1) floorspace.

#### *Site 23 – Land east of Prospect Avenue*

- 5.59 The majority of this site has now been developed for B8 employment uses. However, approximately 6ha remains undeveloped, which could potentially accommodate further industrial and/or warehousing uses.

#### *Site 24 - Land east of Ferrers School*

- 5.60 This site offers excellent access to the SRN. Employment uses can be found to the north of the site (site 25 – Kimbolton Road) and to the south (site 23 – Land east of Prospect Avenue). The preferred options for Higham Ferrers include school playing fields directly to the north, and residential land directly to the south of the site. Therefore, B1 employment uses will be encouraged.

#### *Site 5 - Land south of Meadow Lane*

- 5.61 This 3.4ha site is located directly to the south of Warth Park (site 14), to the west of Raunds. Employment uses are likely to be restricted by the close proximity of residential properties to the east, and difficulties in obtaining suitable road access from Meadow Lane. The site is currently owned by Bovis Homes Ltd, who have outline planning permission for commercial and industrial development on the site, with a current reserved matters application pending.

### Unallocated Sites

- 5.62 Table H.4 of Appendix H also provides an evaluation of the “other locations to be considered”. These sites may have the potential to provide additional employment land in the period to and beyond 2021. The location of each site is shown by Inset Maps 13 – 17 (included at the end of this section).

#### *Nene Valley Farm*

- 5.63 This site is located to the north of Rushden, adjacent to the A45 and to site 18 (Rushden Business Park) - see Inset Map 13 for further details. Whilst the site offers a favourable location for employment uses, it is potentially constrained in terms of its emerging role in forming a green wedge between Rushden and the Nene Valley (as identified in the Council’s Preferred Options for the Three Towns).

#### *Land north of Raunds*

- 5.64 This site is located to the north of Raunds and is adjacent to the A45 (see Inset Map 14). The site is in close proximity to Site 14 (Warth Park), Site 15 (Enterprise Road) and Site 16 (New Barn Farm). The site benefits from a strategic location as well as being largely in single ownership (Raunds Co-op). Whilst offers significant long-term potential for employment uses, it is important that the Council gives consideration to ensuring that any use of the site responds to identified need and does not compromise the re-use and more efficient use of other important employment sites identified in this study. Moreover, any future use of the site being considered by the Council should have particular regard to the scale and form of development given its proximity and relationship to the settlement of Raunds. No planning applications currently relate to this site.

#### *Land to the east of the Inchcape Automotive Site*

- 5.65 This site is adjacent to Site 2 (the Inchcape Automotive site), near Islip (see Inset Map 15). The possibility exists for this site to be developed in tandem with the Inchcape site. However, this would be dependent on the production of a sound planning and transport framework as well as evidence that market conditions could sustain the implementation of the development including associated infrastructure improvements. No recent planning applications have been made on the site.

#### *Station Road*

- 5.66 Station Road is located within the northern boundary of Higham Ferrers. The Preferred Options for Higham Ferrers has identified the site (see Inset Map 16) for

employment uses, with a similarly sized residential allocation directly to the east. The site provides a good opportunity for viable B1 development.

*Land south of Haldens Parkway and east of A45*

- 5.67 This site is located to the south-east of Thrapston (adjacent to the A14 and the A45). (see Inset Map 17). This is a large site (28.8 ha) which offers a long-term option for significant employment and related development.

*Warth Park Phase 2*

- 5.68 The site is located directly to the west of the existing Warth Park site near Raunds (see Inset Map 18), offering significant scope for expansion of the existing site. The A45 runs alongside the north and west of the site.

### Additional Floorspace Potentially Available from Potential Sites

- 5.69 Table 5.3 demonstrates the theoretical capacity of additional floorspace which potentially could be made available at each of the unallocated sites identified above. The same plot ratios have been used as for vacant land within existing employment sites (Table 5.2).

**Table 5.3 – Additional Floorspace Capacity at Potential Sites (Allocated & Unallocated)**

Site ID	Site Name	Potential Floorspace				Total Floorspace (m <sup>2</sup> )	Overall Suitability Score (%)
		Potential Development Area (Ha)	B1a (Offices)	B2 and B1c (General Industrial)	B8 (Storage and Distribution)		
17	Rushden Lakes	11.99	43,166	9,592	9,592	62,351	74
23	Land east of Prospect Avenue	6.14	0	0	24,560	24,560	72
24	Land east of Ferrers School	2.28	13,680	0	0	13,680	68
5	Land south of Meadow Lane	3.40	10,200	6,800	0	17,000	64
N/A	Station Road	2.15	12,900	0	0	12,900	72
N/A	Land North of Raunds	39.77	47,724	47,724	79,540	174,988	68
N/A	Warth Park Phase 2	38.67	0	0	154,680	154,680	68
N/A	Nene Valley Farm	1.94	5,820	3,880	0	9,700	62
N/A	Land South of Haldens Parkway and East of A45	28.76	34,512	34,512	57,520	126,544	60
N/A	Land to the east of the Inchcape Automotive Site	20.12	48,288	32,192	16,096	96,576	58
<b>TOTAL</b>		<b>155</b>	<b>216,290</b>	<b>134,700</b>	<b>341,988</b>	<b>692,979</b>	<b>N/A</b>



- 5.70 Table 5.3 illustrates a substantial amount of potential floorspace that could be accommodated through the development of both allocated and unallocated sites. The table also provides an indicative assessment of the employment uses that potentially could be accommodated on the sites. It should be highlighted that the floorspace and use quantities provided in Table 5.3 do not represent policy recommendations: they are aimed to provide the Council with an illustration of the development capacity of the named sites as well as an indication of the type of uses that are likely to be viable based on initial site assessments.
- 5.71 Our initial evaluation of the potential employment sites (Table H.4, Appendix H) provides the framework for the Council to consider the appropriateness of retaining and/or allocating new employment sites in the emerging LDF. Whilst our analysis of theoretical capacity for additional floorspace provision at existing employment sites (Table 5.2) indicates sufficient capacity to meet our forecasts of demand, it has been stressed that a significant element of this land can only be regarded as ‘potential supply’ rather than ‘actual supply’. Moreover, realisation of this element of potential supply is reliant on the combined efforts by land owners, tenants, property agents and the local authority to facilitate significant redevelopment and upgrading of existing employment sites in the District.
- 5.72 Consequently, in meeting future employment needs of the District as well as a component of the MKSM sub-region, we consider that the Council should retain the employment allocations at Rushden Lakes (site 17), land east of Ferrers School (site 24), land east of Prospect Avenue (site 23) and land south of Meadow Lane (site 5). In providing sufficient choice and a range of good quality employment land opportunities for local and strategic businesses, we recommend that the Council consider the allocation of additional (new) employment land. This will be particularly important to ensure a good quality reserve of employment land which can contribute to long-term needs arising in the later stages of the LDF period. We estimate that new reserve allocations amounting to approximately 25 hectares is provided for this purpose (in addition to the retained allocations described above). Any reserve sites identified by the Council should be subject to periodic review.



## 6. CONCLUSIONS AND POLICY RECOMMENDATIONS

### INTRODUCTION

- 6.1 This section sets out our emerging recommendations in respect of the future policy approach to employment land within the LDF, and positions the East Northamptonshire employment offer within the sub regional, regional and national contexts.
- 6.2 Our conclusions and recommendations are based upon the cumulative findings of our assessment of employment land demand and supply. The analyses have been carried out in accordance with government policy statements and guidance on undertaking employment land reviews.

### NATIONAL AND REGIONAL POLICY

- 6.3 This study has been carried out in accordance with the requirements of recent and emerging strategic policy considerations. In particular, this has included:
- ODPM Employment Land Review Guidance Note;
  - Amendment of PPG3 (Housing); and
  - The Draft East Midlands Regional Spatial Strategy.

### ODPM Guidance Note

- 6.4 The ODPM's Guidance Note on Employment Land Reviews provides advice to local authorities in respect of assessing the demand for, and supply of, land for employment. It aims to ensure that existing, allocated and potential employment sites are assessed in terms of their suitability for employment use in order to safeguard the best sites from competition from other higher value uses and to identify sites which are no longer suitable for employment use (which may be considered for alternative uses). Appendix A summarises the Guidance Note. This study has adopted the criteria-based assessment approach recommended in the Guidance Note which and has resulted in an independent, comprehensive and up-to-date review of the existing and potential employment land portfolio in the District.

### **PPG3 (Housing)**

- 6.5 Reflecting the strategic policy objectives underlying the Employment Land Review Guidance Note, the government issued a new paragraph 42 (a) to PPG3 (Housing) in January 2005. This requires local authorities to consider applications for housing or mixed-use developments on land allocated for industrial or commercial use unless it can be demonstrated through an up-to-date review of employment land, that there is a realistic prospect of the land being taken up for its stated use in the plan period (see Appendix A).

### **Draft East Midlands Regional Spatial Strategy**

- 6.6 The Draft East Midlands Regional Spatial Strategy (September 2006) places an emphasis on Local Planning Authorities (LPA's) to ensure that allocated sites for employment uses are consistent with priorities contained in the Regional Economic Strategy and are attractive to the market. A range of different sites should be provided, and consideration should be given to enhancing marketability by means such as the provision of essential infrastructure, remediation or measures to enhance attractiveness.
- 6.7 LPA's should also consider whether currently allocated or safeguarded sites are likely to become surplus to future requirements. In such cases they should consider what other uses might be appropriate in line with Draft PPS3.
- 6.8 Local Authorities, EMDA and Sub-Regional Strategic Partnerships should work together in Housing Market Area groupings to undertake and keep up to date Employment Land Reviews in order to:
- ensure that there is an adequate supply of good quality land for office and industrial uses available for development (B1, B2 and B8 land) in sustainable locations allocated in LDF's;
  - bring forward good quality allocated employment sites to meet the specific requirements of potential investors; and
  - review current employment land allocations to ensure that they are relevant to current and likely future requirements and that surplus employment land is considered for beneficial alternative use.
- 6.9 In addressing the draft policies of the Regional Spatial Strategy, this report has provided a comprehensive review of existing, allocated and potential employment sites. This has enabled suitable employment sites to be distinguished from those which are not suitable or likely to be taken-up for employment use during the plan

period. This is set in the context of our quantitative and qualitative assessments of economic and employment need in the District, the conclusions of which are discussed below.

**SWOT ANALYSIS OF EAST NORTHAMPTONSHIRE ECONOMIC CONDITIONS AND FUTURE PROSPECTS**

- 6.10 A SWOT analysis<sup>3</sup> of current East Northamptonshire economic conditions and future prospects has been undertaken in order to summarise the principal research findings and features of the local economy, the results of which are illustrated in Table 6.1 below.

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<sup>3</sup> Strengths, Weaknesses, Opportunities and Threats

**Table 6.1 - SWOT Analysis of East Northamptonshire Economy**

<b>STRENGTHS</b>	<b>WEAKNESSES</b>
<p>Several strategic roads service the District, including the A6, A45 and A14, offering good road access to nearby locations (such as Kettering, Corby, Peterborough, Northampton etc.).</p> <p>Above average GVA per head compared to the national average.</p> <p>Low unemployment rate, and the labour market is running at close to full capacity</p> <p>High level of entrepreneurial activity compared to surrounding areas and England &amp; Wales.</p> <p>Generally low levels of deprivation (although pockets of deprivation do exist in the south).</p> <p>The vast majority (94%) of employment premises assessed were deemed to be in either a good or fair condition.</p> <p>Strategically competitive location for major distribution facilities.</p>	<p>East Northamptonshire has a net out-flow of commuters (totalling over 12,000) to other locations outside the District.</p> <p>Poor public transportation links within the District.</p> <p>There is a geographical bias in the employment structure towards the south of the District.</p> <p>Shortage of quality employment premises for small and medium enterprises including incubation facilities, offices and managed workspace.</p> <p>Several employment sites in the District include areas of under-utilised or vacant land. Overall, the site assessments identified over 20ha of vacant land.</p>
<b>OPPORTUNITIES</b>	<b>THREATS</b>
<p>The District is expected to experience significant population and employment growth as a result of being located within the Milton Keynes and South Midlands Growth area.</p> <p>The “Rushden Lakes” site presents the opportunity to introduce good quality office accommodation into the District, which may stimulate further similar development.</p> <p>Regeneration is occurring in Irthlingborough, Rushden, Higham Ferrers, Raunds and Thrapston which may present the opportunity to integrate new, good quality B-class employment uses.</p> <p>The opportunity exists to expand the banking, finance and insurance sectors, which are currently under-represented despite performing well.</p> <p>The site appraisal process identified approximately 50ha of opportunity land and 17 sites which presented the opportunity for 24-hour working.</p> <p>Opportunities exist for rural diversification through farm building conversion to employment uses and farm activity diversification, contributing to sustainable development goals.</p>	<p>The loss of labour through out-commuting to nearby centres resulting in an increasing dormitory role for the District.</p> <p>Size and proliferation of large distribution parks.</p> <p>On-going restructuring of the manufacturing sector resulting in further relocations away from the District.</p> <p>Potential deterioration in jobs-housing (workforce) balance unless local availability of jobs increases.</p> <p>Increasing pressure upon locally significant employment sites for transfer to higher value uses, particularly housing.</p> <p>Over-emphasis on distribution sector as driver for consumption of scarce land resources for employment use.</p>

## KEY GAPS AND NEEDS

- 6.11 Our review has indicated that existing employment sites in the District efforts to facilitate the redevelopment and/or intensification of many existing employment sites (including the development of under-used land), the District will struggle to meet future business needs. This is reinforced when consideration is given of the need to diversify the local economy and of the District's role in meeting an element of the sub-region growth agenda.
- 6.12 Our estimates of future need amount to approximately 180,000 m<sup>2</sup> of additional employment floorspace (approximately 39 ha of land). Based on a range of economic and property indicators including our market appraisal, empirical business survey and employment / employment land forecasts, the study concluded that 180,000 m<sup>2</sup> of employment floorspace is required to meet the range of needs identified for East Northants District. The rationale for this indicative requirement is based on the following components of employment need:
- (i) Facilitating the establishment and survival of new business ventures in the District;
  - (ii) Enabling indigenous businesses to expand and relocate in accordance with their changing requirements;
  - (iii) Providing sufficient choice and diversity to modern occupiers, developers and investors;
  - (iv) Meeting the varied and complex needs of key growth sectors which offer significant opportunities in respect of the diversification of the local economy;
  - (v) Enabling East Northamptonshire to contribute in party to the MKSM growth objectives;
  - (vi) Facilitating inward investment; and
  - (vii) Providing greater opportunities for reducing out-commuting from the District to other employment locations.
- 6.13 The study has provided an indicative breakdown of future employment need by business activity / use class. Taking into consideration a range of economic, property, labour market and wider policy issues, we conclude that future floorspace need will comprise approximately:
- 43% offices (B1a & B1b);

- 18% industry (largely B1c with a small element of B2 and sui generis uses); and
- 38% distribution and warehousing (B8).

6.14 It is important to note that the provision of additional distribution and warehousing facilities is an important consideration for the Council. Our indicative estimates of B8 requirements are reasonably conservative which reflect the sector's emerging role in the local economy over the last two decades. However, given the increasing attractiveness of the District as a location for strategic warehousing (arising from significant accessibility improvements), consultation with local and regional property agents revealed that latent demand for distribution could be significantly in excess of the indicative requirements set out above. Whilst we consider that the District should absorb a component of sub-regional and regional growth emerging in the distribution sector, it is important that the local employment land market (thus local economy) is not saturated by B8 development.

6.15 Whilst a component of emerging demand for distribution and warehousing development should be accommodated in the District, our estimates of future requirements reflect our recommendation that that the policy response to meet unfettered market demand should be tempered in light of the wider policy objectives of the Council. In particular, strategic priorities which should be balanced against pressing market demand for warehousing development include:

- the importance of protecting the rural nature and natural environment of the area;
- the need to preserve the scale and pattern of settlements in the District; and
- the need to facilitate economic diversification during the plan period based on accommodating significant growth in office-based service activities as well as competitive businesses requiring light industrial space.

6.16 In meeting a component of growth in the warehousing market, we recommend that the LDF provides for a degree of additional B8 development which reflects the District's role in the MKSM sub-regional strategy. This should be facilitated by the identification of a small number of key, suitable sites for warehousing use which are of a scale commensurate with the District's economic role in the sub-region as well as its function in serving a largely rural community. We also recommend that suitable sites are considered for an appropriate mix of B1 and B2 uses with B8 uses. Mixed development should be controlled by strong policies which permit a stated proportion of development comprising distribution / warehousing floorspace which is explicitly dependent on the provision of a majority of non B8, employment floorspace.



- 6.17 Our analysis has concluded that there is a need to maximise the use of existing employment land resources in East Northants in order to limit the degree of pressure on greenfield sites and to promote a sustainable form of development within the largely rural district. The study has identified re-usable vacant land and opportunity land within existing employment areas which have the capacity to contribute to the future of employment land supply in the District. Whilst this land may provide a significant contribution to meeting future employment needs in the District, it is important to stress that a significant element of this land can only be regarded as ‘potential supply’ rather than ‘actual supply’. Moreover, realisation of this element of potential supply is reliant on the combined efforts by land owners, tenants, property agents and the local authority to facilitate significant redevelopment and upgrading of existing employment sites in the District. Direct intervention by the local authority may be required in a number of cases.
- 6.18 Consequently, the study concluded that the Council should retain existing employment allocations, namely: Rushden Lakes (site 17), land east of Ferrers School (site 24), land east of Prospect Avenue (site 23) and land south of Meadow Lane (site 5). Moreover, in providing sufficient choice and a range of good quality employment land opportunities for local and strategic businesses, we recommend that the Council consider the allocation of additional (new) employment land. This will be particularly important to ensure a good quality reserve of employment land which can contribute to long-term needs arising in the later stages of the LDF period. We estimate that new reserve allocations amounting to approximately 25 hectares is provided for this purpose (in addition to the retained allocations described above). A range of ‘potential employment sites’ were evaluated for this purpose with a view to providing the Council with a framework for considering the appropriateness of key sites for potential allocation in meeting long term needs (see Appendix H, Table H.4). The ‘reserve requirement’ should be reviewed periodically in line with changing business needs, market trends and strategic policy priorities.
- 6.19 Another key gap in the employment land market relates to the provision of suitable premises in rural locations, particularly in the north of the District. We recommend that the Council follows strong, proactive planning policies to protect existing employment sites in these locations and to facilitate their improvement and adaption in favour of small rural enterprises. In areas of market failure, this will require measured intervention by the public sector subject to State Aid rules. Intervention may also be required at a number of key sites in the south of the District in order to provide the catalyst for redevelopment and upgrading of poor quality stock.
- 6.20 The rural enterprise sector has the potential to increasingly become a fundamental component of the District. Given the need to promote on-going rural diversification through a variety of enterprise activity, it is important that the LDF supports this

process. Later in this section, we identify the key criteria that we consider should be adopted to manage employment-related development in rural areas.

- 6.21 In addition to providing for the particular needs of small rural businesses, there is a general requirement to significantly increase the availability of premises for small businesses which are growing in all key sectors. In this regard, it is important for the LDF not to over-rely on a small number of large sites in meeting all future needs. Whilst the Council should ensure that these relatively large sites do include sufficient provision for SMEs, specific policy priorities should also be developed to ensure the provision of appropriate premises across the District. Particular emphasis should also be given to developing close links between the provision of premises and the business support network: this may include direct development of enterprise centres, managed workspace and incubator / move-on units.
- 6.22 Key to accommodating future requirements, and the issues set out above, will be the effective management of the existing stock to proactively prevent losses, respond to future demands and fully enhance the District’s employment offer. We consider that in planning for future business requirements, it is imperative that the Council adopts a strong approach to the safeguarding of its most appropriate sites in order to not compromise the supply of land required to meet business needs in the future.

#### **LDF POLICY REQUIREMENTS**

- 6.23 In addition to key policy initiatives aimed at redeveloping / upgrading existing employment sites, allocating a small number of new sites and providing specifically for rural and small businesses, we recommend that a criteria-based approach is adopted in the LDF to safeguard employment areas.
- 6.24 A typology of employment locations has been derived which considers the existing and future floorspace requirements for the District up to 2021 and the capability of existing sites and premises to meet these requirements. The typology of locations is shown in Table 6.2. Each of the employment location types identified in Table 6.2 should be regarded as “employment protection areas”.

**Table 6.2 - Typology of Employment Locations**

Designation Type	Description
<b>Strategic Employment Sites</b>	<p>Employment sites of strategic significance for the District. These should be predominantly located within the major towns of the District, such as Rushden, Raunds, Higham Ferrers, Irthlingborough, Thrapston and Raunds. Strategic Employment Sites should be located in viable locations for supporting B1, B2 and B8 land uses. Limited only to one or two sites, these should be protected strongly by policies opposing change of use.</p> <p>Strategic Employment Sites will clearly contribute to sub-regional or regional needs.</p>
<b>Locally Important Employment Location</b>	<p>Smaller sites that provide a significant local employment offer within or close to the main towns and villages of the District. These sites should encompass B1/B2/B8 uses, and provide hubs for locally based enterprises. Such sites should be strongly safeguarded for B-use development. Criteria for defining these sites may include the following.</p> <ul style="list-style-type: none"> <li>• Form part of established area of existing industrial, warehousing or office-based activity. Employment floorspace should represent a minimum of 60% of the total area of floorspace within the area;</li> <li>• Support clusters of economic activity which are of particular importance to the future growth of the East Northamptonshire economy. Such clusters may include light industrial and other manufacturing activity, business and professional services, distribution &amp; logistics, environmental industries.</li> <li>• Well located in proximity to the road network and are normally accessed directly from the strategic road network.</li> <li>• The quality of the employment building stock and the state of the physical environment and public realm are attractive to business or have the physical potential to be upgraded to meet those needs;</li> <li>• Provides an existing role or offers potential with regard to the provision of premises serving small and medium sized businesses (including start-up, expanding and relocating businesses);</li> <li>• Provides lower cost accommodation suitable for small, start-up or lower-value industrial, warehousing or office uses or other business important to the local economy;</li> <li>• Contributes to local employment objectives and local economic diversity.</li> </ul>
<b>Rural Enterprise Locations</b>	<p>Key locations for rural enterprise should be identified as firm allocations and mapped accordingly. These should be defined according to a comprehensive needs assessment. Whilst the rural enterprise locations should represent the areas where greatest need is demonstrated to exist, it is important that supporting policies do not exclude other rural areas from the development of employment and enterprise generating activities. Based on the presumption of prioritising the re-use of existing buildings in the countryside, the criteria based approach outlined below should be used to guide development.</p>
<b>SME Sites and Premises</b>	<p>The aim of this designation would be to ensure that sufficient sites and premises are made available for the establishment and expansion of small firms. This should include specific opportunities to provide affordable and/or managed workspace, incubation and business centres. The identification of these sites and premises should be undertaken as part of an integrated</p>

Designation Type	Description
	<p>approach to land-use planning and economic development. Key public and private sector providers of workspace should also be involved in the identification of sites and in defining the most appropriate mechanisms for delivery (including associated business support and training services).</p>
<p><b>Town Centre Enterprise Locations</b></p>	<p>Town Centres represent Locally Significant Employment sites encompassing viable locations for supporting B1a land uses due to their accessibility by public transport. Sites on the periphery of town centres are also established locations selected B1c and Sui Generis employment generating uses. Employment uses within town centres should normally be protected. The same policies and criteria applicable to Strategic Sites should also be appropriate for use in relation to town centre employment uses.</p>

## RURAL ENTERPRISE

6.25 It was highlighted in Section 2 that PPS7 requires local authorities to set out, in LDFs, criteria for permitting economic development in different locations. Based on a policy principle of encouraging sustainable economic diversification and rural enterprise, we consider that the following factors should be used to define the criteria in rural areas in East Northamptonshire:

- (i) Presumption in favour of maximising the re-use / conversion of existing buildings in the countryside. Proposals for new development should demonstrate that no disused buildings are available within a reasonable catchment area (subject to factors of viability).
- (ii) Need for social and/or economic investment to sustain the local economy including the retention of existing employment. This should be based on a local authority-led definition and assessment of need reflecting a thorough analysis of local socio-economic conditions including: amount and extent of unemployment / deprivation; patterns of in/out commuting; and economic health of village centres. The LDF could identify priority areas based on this analysis where rural enterprise is particularly required to meet need (but not to the exclusion of all other areas). Applicants should be encouraged to demonstrate the positive socio-economic impact of development proposals relative to identified priorities.
- (iii) Demonstrable social or economic need for proposals to be located in the countryside relative to an urban location (e.g. access to a specific market, raw material or particular labour force);

- (iv) Definition of a size threshold to guide the scale of development (e.g. maximum 200m<sup>2</sup>). Development or occupation of floorspace in excess of this threshold should be subject to a more rigorous demonstration of need for the particular scheme.
- (v) No adverse impact on the character or environment of the rural area (as defined by the assessment of rural need and priorities). Proposals which provide a net benefit to the environment should be promoted (e.g. reduction in out-commuting).
- (vi) Demonstrate that traffic generation from the scheme can be accommodated by the existing or planned local road system. Also ensure that access arrangements are acceptable for the scale and type of development.
- (vii) Safeguard the employment function of the development from other uses through planning conditions/planning gain mechanisms.

## **IMPLEMENTATION**

### **The Marketing Tests**

- 6.26 We consider that the District should adopt policies which strongly protect the best employment sites identified earlier in the employment site typology. Loss of these sites to alternative uses runs the risk of constraining employment growth, limiting economic diversification and fuelling a significant imbalance between the size of the resident workforce and the number of locally available jobs. The site typologies identified in Table 6.2 reflect a variety of economic and employment roles that should be catered for in the District. Consequently, sites which have been assessed and demonstrated that they meet the criteria outlined for each site type should be protected against loss. In identifying the sites and the supporting policies, it will be important for the LDF to demonstrate that a rigorous process of assessment has been undertaken. However, the LDF should also build in periodic reviews in order to update, and if necessary, revise the employment land assessment.
- 6.27 Other types of employment sites should also be subject to robust policies which protect the sites from transfer to other uses except when it can be demonstrated that clear criteria can be met. This should include evidence of marketing activity which has taken place over a defined period of time (2 years):
- Policies should highlight the need for applicants to demonstrate the land and rental values being sought through the marketing process. It is important that these are appropriate in light of local and sub-regional market conditions and

in relation to the specific characteristics of the site or premises being offered to the market.

- Also of particular importance, policies should require developers or landowners to demonstrate that sites have appropriately been offered to the market in terms of potential redevelopment opportunities for employment use. It is critical that the marketing process is not constrained by the current condition and/or specification of the buildings on the site.

6.28 It is also appropriate for the policies to give wider consideration to issues of viability of sites for employment use. This could include the potential intervention of public bodies to ensure viability for key sectors and/or types of businesses (e.g. start-ups). In guiding the viability of development proposals, it will be important that applicants have regard to guidance prepared by the local authority. We recommend that benchmarks should be established jointly with surrounding Districts having regard to variations in location, size, type / quality of premises (fit for purpose), lease length and conditions, business sector and affordability.

6.29 Critically it will be essential for benchmarks to compare like with like. Moreover, a standard monitoring and review process should be established to account for changing local, sub-regional and regional market conditions. This should form part of an annual monitoring review process undertaken jointly with surrounding local authorities. This should include the involvement of private and public sector property professionals who are active in the area.

6.30 In addition to the marketing tests, other exception criteria which could be adopted to manage the potential loss of other employment sites could include circumstances where it can be demonstrated that:

- a) the proposal is for other non-residential uses that provides significant employment, and there is no identified need for the site or buildings for Class B uses; or
- b) the proposal is wholly for affordable housing, the site is vacant and the development would not prejudice the continuation of adjacent employment uses; or
- c) the proposal is for any other use and the application is supported by a statement of the efforts made to secure re-use for Class B1-B8 or similar uses or other non-residential use that provides employment, which indicates that there is no realistic prospect of the site or buildings being used or re-used including redevelopment for these purposes; or

- d) the site or buildings would be physically unsuitable for re-use for Class B1-B8 or similar use, even after adaptation (including sub-division into smaller units), refurbishment or redevelopment, in terms of siting, design, access, layout and relationship to neighbouring buildings and uses.

6.31 The supporting text should state that, where an application is made under clause (c) the applicant should include as a minimum requirement:

- The length of time the property has been unused for employment purposes;
- The length of period during which it has been actively marketed for such purposes which should include the possibility of redevelopment and should provide evidence of this marketing (not normally less than 24 months). The evidence should show where the property has been marketed including publications and a wide circulation such as property journals;
- The prices at which the land and buildings have been marketed during this period which should reflect that obtained for similar property in the locality;
- A list of all expressions of interest during this period;
- An evaluation of why it is considered that the property has failed to attract interest from potential occupiers or for redevelopment for B Class use.

### **Positive Planning**

6.32 The research carried out for ODPM in respect of planning for economic development highlighted the importance of planning positively. It is particularly important for East Northamptonshire Council to ensure that they can take a proactive planning approach which is well integrated with local economic development objectives. Moreover, proactive planning is likely to have the effect of improving engagement with the development market and local businesses. In the face of ongoing economic change and growing competition (particularly in the manufacturing sector), it is essential that East Northamptonshire Council takes all steps to marshal the forces of growth. This is appropriate to ensure that the high dependency on public sector employment in the District does not increase the vulnerability of the local economies to cyclical changes in the future.