

Employment Land Study

Final Report

South Kesteven District Council

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South Kesteven District Council

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Executive Summary

Study Context

AECOM was commissioned by South Kesteven District Council to undertake an Employment Land Study (ELS). The study sets out a detailed evidence base upon which an appropriate supply and mix of employment land and premises can be planned for. The study forms part of the evidence base to support the Local Plan Review.

The National Planning Policy Framework¹ outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies. The need for Local Planning Authorities to produce an up-to-date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG)². The approach to the study reflects the requirements and directions of this guidance.

The scope of the study includes employment land defined as office and industrial land and businesses falling under the following use classes:

- Offices:
 - E(g)(i) Offices; and
 - E(g)(ii) Research and Development.
- Industrial:
 - E(g)(iii) Light industrial;
 - B2 General industrial; and
 - B8 Storage and distribution.

The study also considers Sui Generis (SG) use class, within land in employment uses, although this is not central to the ELS and forecasting of demand for SG land is not considered.

The area of assessment is the whole of South Kesteven. We have surveyed clusters of employment land identified through review of:

- South Kesteven District Council, (2022); Local Plan 2011-2036;
- Information provided as a result of South Kesteven District Council's call for sites exercise; and
- AECOM research of undesignated land.

These clusters are therefore comprised primarily of designated sites, with additional sites identified by AECOM representing non-designated sites but with potential to be considered for designation given the proposed or planned use of the site for employment activities.

All employment land measuring 0.25 hectares (ha) or more has been assessed in the study, with sites smaller than this in size, where not within the cluster types listed above, forming part of the total supply identified in land and floorspace for offices and industrial uses.

¹ Department for Levelling Up, Housing and Communities, (2023); National Planning Policy Framework.

² Department for Levelling Up, Housing and Communities, (2023); Planning Practice Guidance.

Policy and Literature Review

The NPPF provides overarching guidance on the Government's development aims and describes the Government's vision for building a strong, competitive economy. It emphasises that Local Plans and Employment Land Studies should represent robust evidence to support clearly defined designations and allocations of land for employment uses. It sets out a series of recommendations which policymakers should follow to help create conditions in which businesses can invest.

The need for an evidence base to assist in understanding existing business needs, local circumstances and market conditions is also emphasised in national PPG. The PPG is a web-based resource providing detailed guidance on the implementation of the NPPF, and undergoes regular updates. Guidance includes 'Housing and Economic Needs Assessments' and 'Housing and Economic Land Availability Assessments', which were most recently updated in 2020 and 2019 respectively.

At the regional level, the Greater Lincolnshire LEP's Strategic Economic Plan and Local Industrial Strategy set out ambitious aspirations for economic development across the area including South Kesteven, including supporting industrial specialisms and emerging markets with sufficient and appropriate land to accommodate growth. This includes in South Kesteven an ambition for 205 ha of employment land by 2026.

At the local level, the Local Plan also emphasises the importance of economic growth and notes in the context of future ambitions for economic development that there is currently a shortage of available serviced and well-located employment sites and premises, which is constraining the development of new employment opportunities in key locations across the district. The importance of developing and maintaining suitable employment sites is further underlined by the direction within South Kesteven's Economic Development Strategy.

Functional Economic Market Area

The PPG requires Local Planning Authorities to assess the development needs in consideration of other LPAs in a relevant functional economic market area (FEMA), to be defined as part of needs assessments. Analysis of South Kesteven's travel to work area, housing market area, property market area, and economic governance and partnerships area, indicates that South Kesteven is relatively self-contained economically, although there are some important connections to neighbouring authorities from an economic governance perspective (administrative boundaries), market characteristics (in particular the housing market, but also commercial property market) and connectivity (travel to work and transport infrastructure).

Based on the assessment conducted, South Kesteven is viewed to be particularly connected with three other local authority areas:

- Peterborough (by virtue of inflow and outflow self-containment, part of the Housing Market Area, and strong connectivity by both rail and road);
- Rutland (important in terms of inflow, the Housing Market Area, commercial property market area, the same LEP area, and very strong road connectivity); and
- South Holland (important in terms of inflow, Housing Market Area, commercial property market area, county and LEP areas, and very strong road connectivity).

On this basis, South Kesteven is assumed to form a FEMA with Peterborough, Rutland and South Holland.

Socio-Economic Profile

An analysis of the socio-economic profile of South Kesteven was conducted in order to contextualise aspirations for economic growth and appropriate future employment land needs. Key findings include that there is lower than average projected population growth is expected in South Kesteven, although this will nonetheless require supporting growth in demand for housing, infrastructure employment land.

In South Kesteven, economic activity rates are higher than the regional level, although remain marginally lower than is recorded nationally. The ten-year average economic activity rate however is much higher in South Kesteven than recorded at wider geographies. Median earnings are higher than is typical for the East Midlands although this still remains below the level in the FEMA

There are low levels of deprivation recorded, with very low incidences of the most deprived ranked local areas nationally. With the exception of Rutland, South Kesteven is the least deprived local authority in the FEMA.

The proportion of working age residents holding degree-level qualifications in South Kesteven is in line with the national level. Nearly a third of all occupations held are considered 'professional occupations' which is higher than is typical regionally and nationally. A smaller proportion of employees have process, plant and machine operative occupations than is recorded in these wider geographies.

Most of the businesses in South Kesteven are considered to be micro in size as they employ between 1 and 9 people. These businesses are typically professional, scientific and technical (15%), with other notable shares of businesses contributed by the agriculture, retail, accommodation and food services, and business administration sectors (7% each).

The proportion of employees in industrial sectors (construction, manufacturing, transport and storage and motor trades (20.6%) is lower in South Kesteven than the East Midlands as a whole (26.0%). Proportional growth in employment has been primarily contributed between 2015 and 2020 by the information and communication, agriculture, and property sectors.

Property Market Profile

The property market assessment considers the office and industrial property markets in South Kesteven, set within the context of the wider functional economic market area, the East Midlands and England.

Office (E(g)(i) and E(g)(ii) use) Market

The office land and property market in South Kesteven accounts for around 1.1 million sqft of floorspace and represents around 16% of the office floorspace in the FEMA. The vast majority of the office properties in South Kesteven are small, being less than 5,000 sqft in size.

The vacancy rate of office floorspace in South Kesteven is currently considerably higher than the 10-year average for the district, also reflecting a higher rate than is recorded regionally and nationally, despite vacancy rates typically remaining lower than the national average.

The stock of offices is characteristically very old relative to the FEMA, regionally and nationally and on the whole are in slightly worse condition than these geographies. This is potentially reflected in lower market rental values than is typical for the East Midlands and England.

Industrial (E(g)(iii), B2 and B8 use) Market

The industrial land and property market of South Kesteven features properties dispersed across the main settlements of Grantham, Stamford, Bourne and Market Deeping, with some additional remote properties located in rural areas.

Industrial properties account for around 7.8 million sqft of floorspace, representing around 22% of the industrial floorspace in the FEMA. Of these around a third are less than 5,000 sqft in size, and around a quarter are over 20,000 sqft in size. Typically, light industrial and general distribution properties are small in size, and storage and distribution type uses occupy the largest stock of industrial properties.

Storage and distribution properties have exhibited consistently low floorspace vacancy rates since 2015. The vacancy rate of light industrial and general industrial floorspace in South Kesteven is significantly higher than the 10-year average.

Considering industrial properties in aggregate, the market rental value of industrial floorspace is typically lower than in South Kesteven than recorded in the FEMA, East Midlands and England.

Employment Land Availability Assessment

A total of 96 sites have been identified in this assessment. An assessment of existing supply was conducted based on a set of site appraisal criteria (which were agreed with South Kesteven District Council in advance) from which a detailed analysis was carried out to identify the characteristics of employment land within the district.

Economic Development Needs Assessment

The approach to assessing future employment floorspace and land requirements is in line with Planning Practice Guidance on economics needs assessments. The Economic Development Needs Assessment considers three different approaches/scenarios to determine the future land requirements in South Kesteven.

- Scenario 1: Labour Demand – using employment forecasts sourced from Experian, the change in employment in South Kesteven (by industry) is translated into the associated change in floorspace and land requirements.
- Scenario 2: Labour Supply - this scenario uses population forecasts to understand the level of additional workforce that will be available on the labour market. The additional workforce is allocated to industries and translated into associated change in floorspace and land requirements.
- Scenario 3: Past Take-Up – this scenario considers past net absorption of employment floorspace in South Kesteven and projects the historical trend over the Plan Period. Future change in floorspace is then converted into future land requirement.

Windfall

A contingency allowance is made in the EDNA which takes into account that a proportion of designated employment land may not be entirely used by B Use Class employment. This may include uses such as recycling, waste management, combined heat and power plants and bus depots.

The creation of the Class E – Commercial, Business and Service Use Class also facilitates greater flexibility in the conversion of business/employment floorspace into leisure or retail space.

This loss of employment land to non-employment activities in this ELS are known as 'windfall' losses.

Based on the lack of availability of data using sources such as SKDC's Annual Monitoring Report, or the CoStar database with respect to land use change, an approach to estimating windfall losses over the Plan Period was adopted which took into account an approximation of observed losses made during site visits. This is estimated to comprise 76.5 ha over the Plan Period, which was distributed across land uses in line with estimated land use proportions.

Churn

Allowance is also made within the EDNA for the needs of businesses (such as location or property specification) requiring them to move over time. Consideration is given to the levels of available vacant land to allow for this, known as 'churn' demand or 'frictional vacancy'.

The approach to considering this within the developed scenarios incorporated historic CoStar data on net take-up by floorspace type.

Findings

A summary of the findings of each scenario is set out in Table ES-1.

Table ES-1 Forecast requirements

Change 2021-2041	Labour Demand	Labour Supply	Past take-up
Employment (FTEs)	784	920	906
Office (E(g)(i))	1,572	174	889
R&D (E(g)(ii))	23	7	0
Light Industrial (E(g)(iii))	-327	332	-116
Industrial (B2)	-1,040	185	-610
Warehouse (B8)	556	223	743
Floorspace (square metres)	360,356	384,787	393,495
Office (E(g)(i))	70,648	52,463	61,767
R&D (E(g)(ii))	6,558	5,732	5,394
Light Industrial (E(g)(iii))	43,986	74,967	53,913
Industrial (B2)	28,560	72,633	44,042
Warehouse (B8)	210,603	178,993	228,379
Land (Ha)	79.5	88.3	89.1
Office (E(g)(i))	7.1	5.2	6.2
R&D (E(g)(ii))	1.6	1.4	1.3
Light Industrial (E(g)(iii))	11.0	18.7	13.5
Industrial (B2)	7.1	18.2	11.0
Warehouse (B8)	52.7	44.7	57.1

For the office use classes (office and R&D), there is a forecasted need for additional floorspace and land across all scenarios. This ranges from an additional circa 58,000 sqm (Labour Supply scenario) – 77,000 square metres (sqm) (Labour Demand

scenario), which equates to an estimated 6.6 ha – 8.7 ha of office use employment land respectively.

For the industrial use classes (light industrial, general industrial and warehouse), an additional growth requirement is similarly forecasted across all scenarios. This is particularly pronounced for warehouse uses, with significant growth expected to be required. Considering industrial use classes in total, there is an estimated demand for an additional circa 280,000 sqm (Labour Demand scenario) – 327,000 sqm (Labour Supply scenario), which equates to an estimated 70.8 ha – 81.6 ha of industrial use employment land respectively.

Preferred Scenario

On the basis that the Labour Demand scenario is based on established forecasting assumptions which consider wider trends influencing growth in the district, including population growth and wider social and economic inclinations and forecasts, it is considered to be the most robust scenario tested. Therefore, the Labour Demand scenario is adjudged to be the preferred scenario. To summarise, the forecasted change in needs by use class arising from this scenario is estimated as an additional:

- 7.1 ha of land for office (E(g)(i)) use;
- 1.6 ha of land for R&D (E(g)(ii)) use;
- 11.0 ha of light industrial (E(g)(iii)) use;
- 7.1 ha of land for industrial (B2) use; and
- 52.7 ha of land for warehouse (B8) use.

Comparison Between Supply and Demand

This section compares the projected future demand for office and industrial floorspace and land between 2021 and 2041 with the existing supply conditions in the district. The Economic Development Needs Assessment has identified a minimum requirement for 79.5 ha of (developable) employment land to be designated (on top of the existing developed designated sites), under the Labour Demand scenario.

This future demand is less than the amount of vacant land within the current extent of allocated land in South Kesteven (236 ha of vacant land + 35 ha of land with potential for intensification).

Recommendations

The recommendations made with regard to site-specific release/retention/designation would result in a release of up to 111 hectares of employment land (to be released or partially released). It is noted that of the 111 hectares recommended for release, the vast majority of land (102 hectares) is either undeveloped land or brownfield land and therefore will not lead to a loss of employment space.

The recommendations would result in a gain in newly allocated employment land of 182 hectares.

Overall, this would lead to a net gain of 71 hectares from the 2015 allocations (and 144 hectares when not considering the release of undeveloped or brownfield sites), comfortably meeting the expected requirement of an additional 79.5 hectares forecast to arise over the Plan period. As 168 hectares of the 182 hectares of newly allocated employment land i.e. the vast majority of it is undeveloped land within sites identified from within the Call for Sites process for which there is strong market interest, and the rest of the land not identified for release from allocation is considered to be well

performing, the gain of this extent of land in allocation for employment uses in South Kesteven is considered to be soundly justified.

It should be noted that it is not expected that this allocation will impact negatively on the delivery of housing or alternative uses in the District, given the location of newly allocated land (on new junctions along the A1).

Policy Recommendations

The demand analysis above forecasts moderate increased demand for both office and industrial land and floorspace within the District over the Local Plan period to 2041. To meet this the Council should principally consider retaining the allocation of the majority of its employment sites coupled with selective changes in allocations as outlined earlier in this section.

However, while it is important to protect employment land, there is also evidence of competition for space other than non-employment uses such as housing; employment land policies will therefore need to accommodate the Council's ambitions and objectives in these areas. This will require a flexible approach that considers the merits of each individual site and which use they are best suited for.

In practice, the selective protection of employment land and premises is recommended to ensure that the sites that are unlikely to come forward for employment use during the next Local Plan period are not left vacant. This approach would ensure that the over protection of sites, which could result in the inefficient use of assets and blight and deter investment, does not occur. Similarly, the under protection of sites, whereby the market intervenes prematurely to short-term demand indicators and adversely impacts the long term provision of employment land, also does not occur.

When forming employment land policies, the Council should follow a balanced approach such that the employment activities of all business sizes, from start-ups to large headquarters, are supported and encouraged. The Council should also recognise that demand will vary by type of space and will therefore be geographically varied.

This is one of a number of evidence base documents the Council will be considering that will feed into and inform its Local Plan evidence base. These are AECOM's independent recommendations and the Council will subsequently consider these before drafting its own Local Plan policies.

Monitoring Recommendations

The Council should monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the Local Plan period and/or monitor how employment land is performing against the objective of the Local Plan. It is important that appropriate and sufficient monitoring mechanisms are embedded within the plan making process in order to record the change in employment land available for economic growth. Good monitoring can also be a useful tool to demonstrate the work done by local authorities and their partners. It tells communities what planning is doing and who it is working with. Monitoring is central to a council's overall consideration of how it is performing and where to focus efforts in the future.

1. Introduction

Study Context

- 1.1 AECOM were commissioned by South Kesteven District Council (SKDC) to undertake an Employment Land Study (ELS). The study sets out a detailed evidence base on which an appropriate supply and mix of employment land and premises can be planned for. The study forms part of the evidence base to support the Local Plan Review. By providing an assessment of the balance of supply and demand in the context of changing employment needs, trends and challenges this study will ensure that the Plan Review contains sufficient land and policy approaches to maximise South Kesteven's future economic growth.
- 1.2 Employment land considered by the study is defined as land with business activities falling under office and industrial use classes. These include:
 - E(g)(i) Offices;
 - E(g)(ii) Research and Development;
 - E(g)(iii) Light Industrial;
 - B2 General industrial;
 - B8 Storage or distribution;
- 1.3 All employment land measuring 0.25 hectares (ha) or over has been assessed in this study. The study considers employment supply across South Kesteven district.
- 1.4 This Employment Land Study (2023) supersedes the 2015 Employment Land Review.

Objectives

- 1.5 The main objectives of the ELS are to:
 - Understand the existing situation – Provide a supply-side assessment of the quantity and quality of the district's current employment land and its suitability to continue to support employment, and establish the existing Functional Economic Market Area (FEMA);
 - Assess future needs and gap analysis – Assess the likely future demand for employment space in the district over the proposed Local Plan period; and compare quantitatively and qualitatively the supply of existing land against forecast future demand; and
 - Recommendations and actions – Set out evidence-based recommendations for appropriate employment land policies. This includes an assessment of recommendations for employment land policies that could support higher jobs growth scenario in the district, aligning with broader local economic growth objectives.

Approach

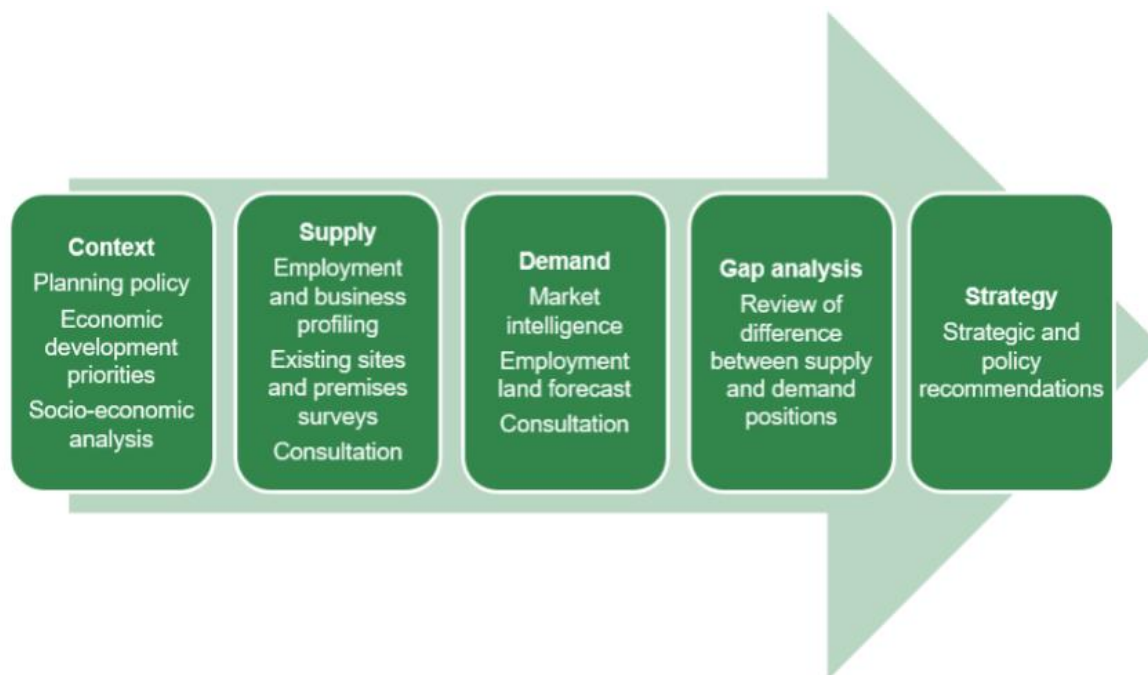
- 1.6 The National Planning Policy Framework (NPPF)³ outlines the principles that Local Planning Authorities should follow in preparing their evidence base to inform employment land policies.

³ Department for Levelling Up, Housing and Communities, (2023); National Planning Policy Framework.

1.7 The need for Local Planning Authorities to produce an up to date employment land evidence base and the suggested format is outlined in national Planning Practice Guidance (PPG)⁴ first published in March 2014. The approach to the study reflects the requirements and directions of this guidance.

1.8 The main research elements of this ELS are illustrated in Figure 1.1 below. The methodology and tasks at each stage conform to the PPG.

Figure 1.1 Approach to ELS



Report Structure

1.9 The remainder of this report is structured as follows:

- Section 2 presents a review of the relevant policy and strategic context including a review of local economic priorities;
- Section 3 defines the Functional Economic Market Area (FEMA) in which South Kesteven District is located;
- Section 4 provides a comprehensive analysis of socio-economic baseline conditions relevant to the study;
- Section 5 presents a review of the property market indicators in South Kesteven. Reference is also made to comparator geographies;
- Section 6 presents the key qualitative and quantitative results of the existing employment land assessment;
- Section 7 is an Economic Demand Needs Assessment and sets out the forecast scenarios used within the study to understand the ‘reasonable alternatives’ for potential future growth.
- Section 8 contains a quantitative comparison of projected supply and demand for employment floorspace; and
- Section 9 presents overall conclusions and employment land policy recommendations.

⁴ Department for Levelling Up, Housing and Communities, (2023); Planning Practice Guidance.

2. Policy Context

Introduction

- 2.1 This section outlines the planning policy and strategic context of relevance to employment land in the study area and the wider regional and national area.

National Planning Policy

National Planning Policy Framework 2023

- 2.2 The National Planning Policy Framework (NPPF) consolidates the Government's economic, environmental and social planning policies for England into a single document and describes how it expects these to be applied. It provides overarching guidance on the Government's development aims. The NPPF⁵ was most recently updated in December 2023, replacing the previous version from September 2023. The new NPPF incorporates policy proposals previously consulted on in the Housing White Paper and the 'Planning for the Right Homes in the Right Places' consultation.
- 2.3 At the heart of the NPPF is a presumption in favour of sustainable development, which the Government states should be seen as a common theme running through plan-making and decision-taking. The NPPF describes the Government's vision for building a strong, responsive and competitive economy. The document states that the purpose of the planning system is to contribute to the achievement of sustainable development. The United Kingdom has agreed to pursue the 17 Global Goals for Sustainable Development in the period to 2030. These goals address social progress, economic wellbeing and environmental protection.
- 2.4 In relation to the economy and employment land, the NPPF states that:

'Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. Planning policies should:

- *Set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- *Set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- *Seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- *Be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.'* (Paragraph 86).

Planning Practice Guidance 2020

- 2.5 In March 2014 the Government published the national Planning Practice Guidance (PPG)⁶, a web-based resource in support of the NPPF which undergoes regular updates. Guidance includes 'Housing and Economic Needs Assessments', which was

⁵ Department for Levelling Up, Housing and Communities, (2023); National Planning Policy Framework.

⁶ Ministry of Housing, Communities and Local Government, (2020); Planning Practice Guidance.

updated in December 2020, and the ‘Housing and Economic Land Availability Assessments’, which was updated in July 2019.

‘*Housing and Economic Needs Assessments*’ states that authorities need to prepare an evidence base to understand existing business needs, which will have to reflect local circumstances and market conditions. This includes assessing:

- *‘the best fit functional economic market area (FEMA);*
- *the existing stock of land for employment uses within the area;*
- *the recent pattern of employment land supply and loss – for example based on extant planning permissions and planning applications (or losses to permitted development);*
- *evidence of market demand (including the locational and premises requirements of particular types of businesses) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums;*
- *wider market signals relating to economic growth, diversification and innovation; and*
- *any evidence of market failure – such as physical or ownership constraints that prevent the employment site being used effectively.’*

2.6 To provide an understanding of the underlying requirements for office, general business and warehousing sites the PPG emphasises the importance of considering projections (based on past trends) and forecasts (based on future scenarios) and sites which have been developed for specialist economic uses. The PPG recommends that analysing supply and demand concurrently will enable conclusions to be drawn on whether there is a mismatch between quantitative and qualitative supply of and demand for employment sites. This, in turn, enables an understanding of which market segments are over-supplied and those which are undersupplied. By comparing availability of stock with particular requirements it is possible to identify any ‘gaps’ in local employment land provision.

2.7 ‘*Housing and economic land availability assessment*’ sets out a general methodology for assessing land availability but focuses primarily on the assessment of housing rather than employment land. With relevance to this Study, the PPG requires local planning authorities to work with other local authorities within the functional economic market area when assessing availability of land. The PPG also requires plan makers to be proactive in identifying as wide a range of sites as possible, including existing sites that could be improved, intensified or changed. The assessment of the suitability of sites for development should be guided by the relevant local development plan, regional, and national policy, as well as market and industry requirements.

The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended

2.8 In 2015, the government introduced permitted development rights (hereafter referred to as ‘PDR’) allowing certain building and development works to be carried out without the need of the normal planning process⁷. These rights exist under the General Permitted Development (GDPO) order and were introduced to facilitate housing growth to meet targets across England. Permitted development rights were introduced to make it easier for people to extend their home, create new homes in existing buildings such as offices,

⁷ HM Government, (2015); The Town and Country Planning (General Permitted Development) (England) Order 2015, as amended.

shops and warehouses or demolish vacant previously classified B1(a), B1(b), B1(c) or C3 space and rebuild as residential.

- 2.9 The Town and Country Planning (General Permitted Development) (England) (Amendment) (No. 3) Order 2020 came into effect on 31 August 2020. This dealt with PDRs for demolition and rebuilding as residential. Article 4 of the 2020 Order added a new class ZA to the 2015 Order, dealing with demolition of buildings and construction of new dwellinghouses in their place. To fall within the scope of this new PDR, the building to be demolished must have been built before 1 January 1990, be vacant, redundant and free-standing and fall within the B1(a) offices, B1 (b) research and development, B1 (c) industrial processes (light industrial), and free-standing purpose-built residential blocks of flats (C3) use classes on 12 March 2020. This PDR is subject to the prior approval process and the building must have been vacant for at least six months prior to the date of the application for prior approval.
- 2.10 The current Use Classes were last updated on 1 September 2020. Class B now comprises B2 General Industrial and B8 Storage and Distribution, while previously classified B1(a), B1(b) and B1(c) uses are now as follows:
- E(g)(i): Offices to carry out any operational or administrative functions;
 - E(g)(ii) Research and development of products or processes; and
 - E(g)(iii) Industrial processes.

Regional Planning Policy

Greater Lincolnshire LEP (GLLEP) – Strategic Economic Plan 2014 – 2030

- 2.11 The GLLEP (Greater Lincolnshire Local Enterprise Partnership) Strategic Economic Plan⁸ (SEP) sets out the priorities for growth, developed through economic analysis, commissioning studies and face-to-face interviews with local business leaders in the area. It presents five priorities and drivers for success, namely:
- To drive the growth of the area's defining and strongest sectors which offer the most competitive advantage;
 - To grow specific opportunities identified as future defining features of the area;
 - To drive this growth by putting expansion into new markets, modern telecommunications, infrastructure improvements and the skills of individuals and business owners, at the forefront of what we do;
 - To promote Greater Lincolnshire as a place for sustainable growth through improved transport infrastructure to connect us with national and international markets, enabling wider enjoyment of our world-class heritage sites, culture and strong communities; and
 - To recognise the need for new housing for the local population and potential movers to the area, and support balanced housing and economic development through promoting the area's capacity to deliver high-quality economic growth.
- 2.12 The LEP highlights that Greater Lincolnshire has the greatest proportion of grade 1 land in England, has a strong engineering heritage and has national importance in manufacturing, being home to world-class companies and supply chains. The LEP will strive to drive growth of the three sectors the area has the most competitive advantage in, namely: Agri-food, Visitor Economy and Power Engineering.

⁸ Greater Lincolnshire Local Enterprise Partnership, (2016); Strategic Economic Plan 2014-2030.

- 2.13 The LEP recognises that as well as the sectors within which it has competitive advantage, it has other strong sectors such as Care, Ports and Logistics, and Low Carbon. The SEP outlines how these sectors and business types can become nationally important increasing, wealth and job opportunities.
- 2.14 Set out within the SEP are the employment land and housing growth ambitions for authorities across the Greater Lincolnshire area. For South Kesteven (to 2026), this is 13,620 homes and 205 hectares of employment land.

Greater Lincolnshire LEP (GLLEP) – Local Industrial Strategy Evidence Base 2019

- 2.15 The GLLEP Local Industrial Strategy is currently under development and is underpinned by an evidence base⁹ that draws upon existing LEP evidence including the Strategic Economic Plan. It is supplemented with additional analysis to provide extra insight into productivity, the business base, characteristics of the labour market, and place.
- 2.16 The evidence base provides a breakdown of the sectoral composition currently within Greater Lincolnshire, acknowledging that despite recent falls in both GVA and productivity, manufacturing is its largest sector by GVA, totalling £4 billion. It also identifies the agri-food sector as a particular strength, employing over 9% of workers and being the source of 43% of new jobs. In addition to this, 50% of workers are employed in public services and retail and hospitality.
- 2.17 GLLEP has developed an Evolving Opportunities Framework which sets out to understand and describe key areas that build on existing competencies and emerging technologies in the context of local challenges and opportunities for Greater Lincolnshire. This process has led to the identification of the following five focus areas, each of which has an agreed vision:
- Future-proofing the agri-food industry – Agrifoods sector;
 - A rural innovation test bed for energy and water – Energy and water sector;
 - New solutions for supporting people to live well for longer in rural areas – Health and care sector;
 - A high-quality, inclusive visitor economy – Visitor economy sector; and
 - An adaptive ports and logistics industry driving greater connectivity – Ports and logistics sector.

Greater Lincolnshire LEP (GLLEP) – Economic Plan for Growth 2021

- 2.18 Throughout the course of the COVID-19 pandemic, GLLEP worked alongside over 25 local authority, private sector, third sector, and education organisations to support the economy. The Plan for Growth¹⁰ brings together the medium term commitments from this partnership to outline strategic objectives aimed at driving the revival of the economy post-COVID. The main ambition is to ‘future-proof’ the economy, creating a productive, resilient and low carbon economic base.
- 2.19 The Plan builds on the framework of the Local Industrial Strategy. This includes developing the visitor economy and supporting the more deprived coastal parts of the region by providing higher quality and more reliable employment for workers in the sector. It also outlines plans to increase the international competitiveness of the Agri-

⁹ Greater Lincolnshire Local Enterprise Partnership, (2022); Consolidated Local Industrial Strategy Evidence Base.

¹⁰ Greater Lincolnshire Local Enterprise Partnership, (2021); Protecting, Progressing, Prospering: Greater Lincolnshire’s Economic Plan for Growth.

food sector by championing automation and resource efficiency, to become the UK's Food Valley.

2.20 The Plan also sets out various 'Five Year Outputs', including but not limited to:

- Have an established Tourism Zone;
- Create the UK's first Food Valley;
- Establish a distinct defence cluster;
- Reverse the 12% decline in manufacturing productivity;
- A quarter of firms undertaking R&D activities; and
- Bring vacancy rates down to below 10%.

2.21 According to the Plan for Growth, southern Lincolnshire is home to the largest food logistics cluster in the UK, and it identifies the Humber Freeport as a key driver for this cluster in the future. The LEP also aims to deliver a Transformational Manufacturing Programme focussing on horizontal innovation and 'servitisation'¹¹ support as well as pilot a Greater Lincolnshire Manufacturing Network to support the growth and development of SME businesses.

Midlands Engine Strategy 2017

2.22 The Midlands Engine Strategy¹² is a demonstration of the government's commitment to making the Midlands a powerful engine for economic growth. Building on the UK's Industrial Strategy, the Midlands Engine Strategy sets out concrete actions for addressing productivity barriers across the Midlands, enabling businesses to create more jobs and grow their productivity.

2.23 The Midlands is home to a range of nationally significant clusters of industry and expertise. Among the area's sectoral strengths, Agri-food processing and drink processing is identified as a particular strength in Lincolnshire; to this end, £6.5 million was recently ringfenced through the Local Growth Fund to boost the Agri-food sector in Lincolnshire. The funding will provide services and infrastructure for the Holbeach Food Enterprise Zone and support the establishment of new Food Enterprise Zones at Holbeach and Hemswell Cliff in addition to another site near Grimsby.

Lincolnshire County Council – Corporate Plan

2.24 The Corporate Plan¹³ sets out what the council wants to achieve for local residents and communities. A key strength set out in the Plan is the expanding visitor economy, attributed mainly to the county's heritage sites such as Lincoln Castle. The Plan sets out its role in supporting businesses to succeed, enabling them to provide high-quality jobs, skills and development opportunities for residents of all ages and to attract people into the county.

2.25 The Plan states that one of the indicators for success for Lincolnshire will be businesses being at the forefront of technology, research and development. It also highlights the Council's role in ensuring local employers have the skills that they need in a diverse and successful environment.

¹¹ The servitisation of products describes the strategy of creating value by adding services to products or even replacing a product with a service. This shift in business model is important because it means the interests of clients and providers are much more closely aligned.

¹² HM Government, (2017); Midlands Engine Strategy.

¹³ Lincolnshire County Council; (2021) Corporate Plan for Lincolnshire County Council

Local Planning Policy

South Kesteven District Council Local Plan 2011 – 2036

- 2.26 The Local Plan¹⁴ was updated in 2020 to encourage sustainable growth and investment in South Kesteven up to 2036, providing greater certainty to both shape and guide development proposals. Within the Local Plan, key issues addressed include, but not limited to:
- Supporting the growth of our local economy and helping to bring forward new job opportunities;
 - Supporting the prosperity and diversification of the rural economy;
 - Ensuring development is well designed and energy efficient; and
 - Avoiding where possible the development of our best and most versatile agricultural land.
- 2.27 Taking account of projected population changes, the Local Plan estimates that the number of jobs within the district will grow to 67,000 by 2036, from 59,000 in 2011. The Local Plan subsequently establishes how much housing, employment and retail development is needed to meet the anticipated needs of the district over the plan period.
- 2.28 The Local Plan highlights that 15% of South Kesteven’s employment is home to many world-leading manufacturers, will 13% of its employment is in business services. However, it notes one of its key economic challenges is having the right amount and type of employment land/business space. There is currently a shortage of available serviced and well-located employment sites and premises, which is constraining the development of new employment opportunities in key locations across the district. The Local Plan goes on to present employment designations in each of its sub-regional centre (Grantham) and three market towns (Bourne, Stamford and The Deepings).

South Kesteven Economic Development Strategy 2016 – 2021

- 2.29 The Economic Development Strategy¹⁵ was developed to sit alongside the Council’s Corporate Plan, the Local Plan for South Kesteven and the Council’s Housing Strategy as the key documents guiding the future of South Kesteven.
- 2.30 Future economic goals within the strategy include:
- ‘more and “better” jobs to address low job density and workplace productivity; encouraging innovation and enterprise to build upon particular business strengths in sectors such as engineering, agri-food and specialist manufacturing; and making the four main towns major employment centres.’*
- 2.31 The Strategy identifies key strategic employment sites which would form a “pitch book” of opportunities attractive for both indigenous and inward investment. In order to achieve its vision, the Council sets out how it will work with partners to:
- Enable the provision of serviced land and premises to meet the current and future needs of business;
 - Provide space for innovation and high value “knowledge based” businesses;
 - Enable the creation of a skilled workforce to meet current and future needs of employers; and
 - Attracting inward investment and expand the visitor economy.

¹⁴ South Kesteven District Council, (2020); Local Plan 2011-2036.

¹⁵ South Kesteven District Council, (2016); Economic Development Strategy 2016-2021.

3. Functional Economic Market Area

Introduction

- 3.1 The PPG requires LPAs to assess development needs working with other LPAs in the relevant functional economic market area in line with the duty to cooperate. It adds, among others, that local communities, partner organisations, Local Enterprise Partnerships, businesses, business representative organisations and Higher Education Institutions should be involved in the preparation of the evidence base in relation to development needs.
- 3.2 The PPG states, needs for economic uses should be assessed in relation to the functional economic area whilst identifying and recognising smaller sub-markets with specific features and ‘market segments.’
- 3.3 The PPG advises there is no standard approach to defining a functional economic market but notes in Paragraph 012 that:

‘the geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply, often referred to as the functional economic market area.’
- 3.4 The PPG adds it is possible to define functional economic market areas by taking account of a number of factors. The factors include:
 - Spatial economic profile
 - Travel to work areas
 - Commercial property market areas
 - Housing market areas
 - Consumer market areas
 - Transport and infrastructure networks
 - Economic governance and partnerships areas
- 3.5 When it comes to statistical data the PPG suggests a single source for defining FEMAs – the Office for National Statistics (ONS) Travel-to-Work Areas (TTWAs), which are based on commuting data only. However, the TTWAs ignore administrative boundaries, and are therefore of limited value for Duty to Cooperate discussions.
- 3.6 The methodology for defining the FEMA is therefore based on commuting data, administrative boundaries and housing and commercial property markets.
- 3.7 The objective was therefore to identify an area that records the highest self-containment in terms of commuting flows, and which also best fits the administrative boundaries, housing and commercial property markets.

Travel to work area

- 3.8 The PPG does not prescribe a threshold of self-containment (people who live and work on the same area) to help define the FEMA. AECOM has adopted the ONS’s definition of Travel to Work Areas (TTWAs) that states that:

‘The current criterion for defining the TTWAs is that generally at least 75% of an area’s resident workforce work in the area and at least 75% of the people who work in the area also live in the area... however, for areas with a working

population in excess of 25,000, self-containment rates as low as 66.7% are accepted.'

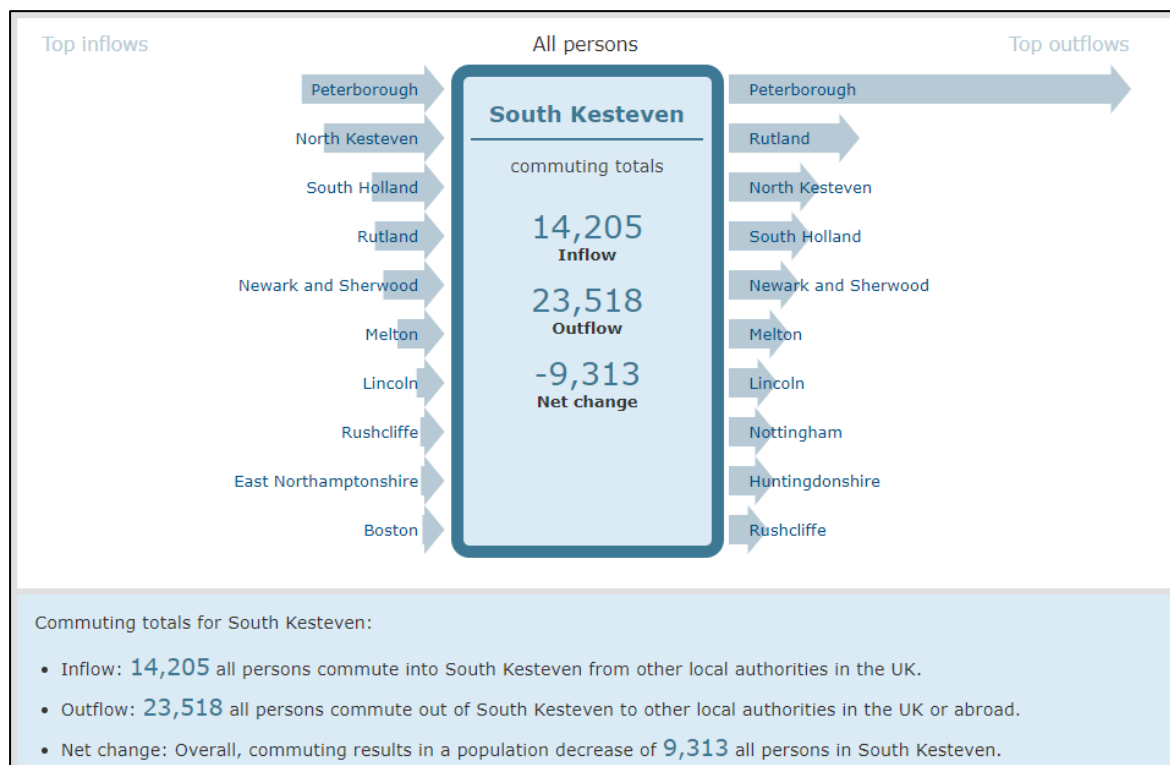
- 3.9 The lower 66.7% threshold for self-containment for origin and destination commuting is therefore appropriate in the case of South Kesteven, which has a working population in excess of 25,000.
- 3.10 The ONS publishes Origin-Destination data (also known as flow data) which include the travel-to-work patterns of individuals based on data from the 2011 Census¹⁶. Data derived from the Census 2021 dataset was published in October 2023. As the date of collection of this data was in 2021 during the Covid-19 pandemic, caution is advised by ONS around using Origin-Destination data for planning and policy purposes owing to the likelihood that national lockdowns, associated guidance and furlough measures will affect Origin-Destination data¹⁷. It is considered that the effect of these measures means that the proportion of the population working mainly at or from home represented a temporary maximum in 2021, and that gradually this proportion will tend towards the rates exhibited in 2011 albeit without likely re-converging completely given business and employ sentiment favouring hybrid working models. This is supported by recent evidence that homeworking peaked during the pandemic, and some degree of hybrid working has since become more prevalent¹⁸. Also, trends towards homeworking are likely to be relatively weaker in areas where office employment levels are relatively lower and/or are distant from areas with large concentrations of office premises/floorspaces.
- 3.11 These matters considered, such data derived from the 2011 Census is therefore considered to represent robust flow data in the absence of recent data of comparable soundness. This data was also deemed appropriate for the purposes of defining a TTWA in terms of the spatiality of flows of workers, in order to reflect where workers when travelling to work (for at least some time) would be expected to travel to.
- 3.12 Figure 3.1 provides a summary of total and top inflows and outflows for South Kesteven. The data indicates that 14,205 people commute into South Kesteven, from a different local authority, for work, whilst 23,518 commute from South Kesteven to another local authority for work, generating an overall net outflow of 9,313 people.
- 3.13 The main flow of workers are from and to Peterborough, North Kesteven, Rutland and South Holland.

¹⁶ The 2021 Census Origin-Destination dataset has not been published at the time of writing. It is expected that the Census 2021 data will not be too dissimilar to the Census 2011 data and therefore would have no significant impact on the findings of this ELS.

¹⁷<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/bulletins/origindestinationdataenglandandwales/census2021>

¹⁸ Office for National Statistics, (2023); Characteristics of homeworkers, Great Britain: September 2022 to January 2023.

Figure 3.1 South Kesteven, Location of usual residence and place of work (2011)



Source: Office for National Statistics, (2011); Census 2011 – Origin-Destination data.

Inflow self-containment

3.14 Detailed Origin-Destination data indicates that South Kesteven has a working population of 44,699 persons, of which 30,494 live in South Kesteven. This represents a share of 68.2%, above the 66.7% ONS’s self-containment definition of TTWAs. Therefore, based on this definition, South Kesteven could be considered as self-contained and as a travel to work area.

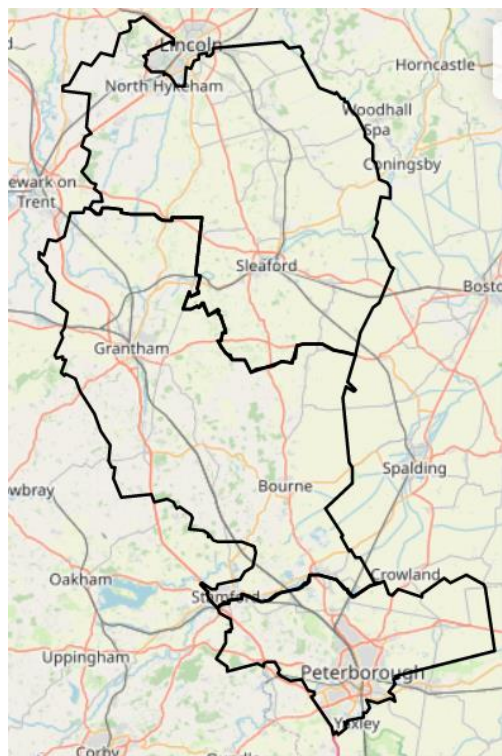
3.15 Detailed Origin-Destination data (inflows) is presented in Table 3.1 for the top 10 origins. This data suggests there is a South Kesteven centric travel to work area, from an inflow perspective. However, the District shares connections, in terms of labour market, with several neighbouring authorities and in particular with Peterborough and North Kesteven.

Table 3.1 South Kesteven, Inflows (2011)

Usual place of work	Residing in South Kesteven	Self-containment
South Kesteven	30,494	68.2%
Peterborough	2,682	74.2%
North Kesteven	2,247	79.2%
South Holland	1,303	82.2%
Rutland	1,244	84.9%
Newark and Sherwood	1,079	87.4%
Melton	801	89.2%
Lincoln	426	90.1%
Rushcliffe	352	90.9%
East Northamptonshire	340	91.7%

Source: Office for National Statistics, (2011); Census 2011 – Origin-Destination data.

Figure 3.2 South Kesteven Inflow Self-Containment



Source: AECOM

Outflow self-containment

3.16 Detailed Origin-Destination data indicates that South Kesteven has a population (residents aged 16 and over in employment) of 53,841 persons, of which 30,494 work in South Kesteven. This represents a share of 56.6%, which is below the 66.7% ONS's definition of TTWAs. Therefore, based on this definition, South Kesteven could not be considered as self-contained and as a travel to work area.

3.17 Detailed Origin-Destination data (outflows) is presented in Table 3.2 for the top 10 destinations. This data suggests there is a TTWA made of South Kesteven and Peterborough (above the 66.7% ONS's self-containment definition of TTWAs), from no outflow perspective.

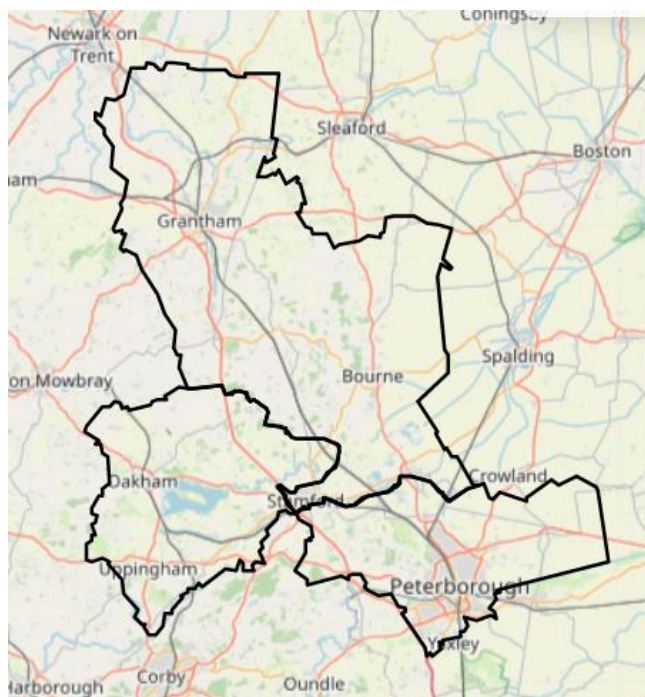
3.18 The District also share strong connections, in terms of labour market, with neighbouring authorities such as Rutland.

Table 3.2 South Kesteven, Outflows (2011)

Usual place of work	Residing in South Kesteven	Self-containment
South Kesteven	30,494	56.6%
Peterborough	7,791	71.1%
Rutland	2,301	75.4%
North Kesteven	1,501	78.2%
South Holland	1,339	80.7%
Newark and Sherwood	1,114	82.7%
Melton	894	84.4%
Lincoln	647	85.6%
Nottingham	601	86.7%
Huntingdonshire	597	87.8%

Source: Office for National Statistics, (2011); Census 2011 – Origin-Destination data.

Figure 3.3 South Kesteven Outflow Self-Containment



Source: AECOM

Transport networks

- 3.19 Similarly to the commute to work assessment, an analysis of the transport network is a useful indicator of the potential FEMA for South Kesteven. The average commute time can be applied to understand the catchment area of the District (inflow commuting of workforce), as well as the extend of the area of potential employment for local residents (outflow commuting of workforce). This defines the employment market area.
- 3.20 The average commute time in the UK is 59 minutes per day¹⁹ or 63 minutes by National Rail²⁰, or the equivalent of circa 30 minutes journeys (each way).
- 3.21 On this basis, the employment market area is defined as the geographical area reachable from South Kesteven District Council (from the outer boundaries of the District for travel by road and from a train station in South Kesteven for travel by rail).

Road

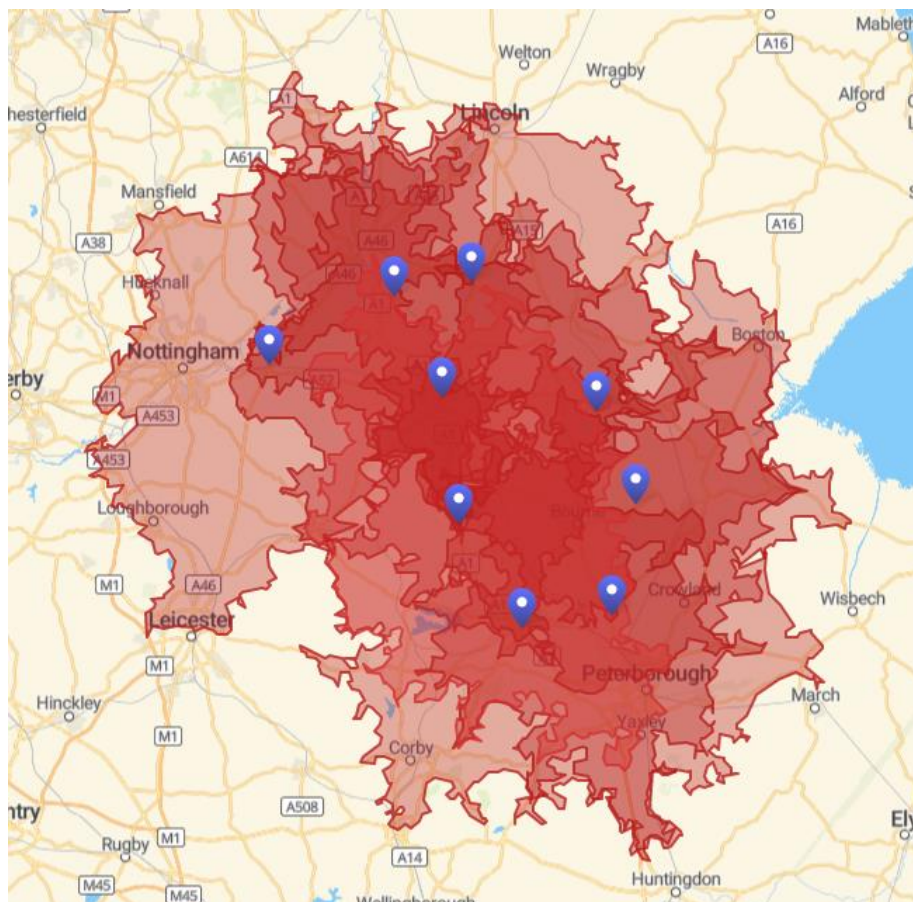
- 3.22 South Kesteven is serviced by several strategic roads which provide direct links to major urban centres outside the District such as Peterborough, Nottingham, Mansfield, Newark-on-Trent, Sleaford, Boston or Spalding. These roads include: the A1, the A15, the A17, the A52, the A607 and the A1175.
- 3.23 The District is also serviced by a wide range of secondary roads which are mainly providing connections within the District or with neighbouring Local Authorities.
- 3.24 Respecting speed regulations, 18 Local Authorities are reachable by car, within a 30-minute drive, from South Kesteven.
- 3.25 Figure 3.4 shows this 30-minute catchment area. This map shows the different areas (red highlights) reachable from different starting points located within South Kesteven (blue pins). The darker shades of red indicates that the area is reachable from different

¹⁹ Available at: <https://www.safeworkers.co.uk/health-wellbeing/effects-of-long-commutes-to-work/#:~:text=The%20average%20commute%20in%20the,and%20from%20work%20each%20day>.

²⁰ Available at: [UK: average time taken to travel to work | Statista](https://www.statista.com/statistics/262814/average-time-taken-to-travel-to-work-in-the-uk/)

parts of South Kesteven within 30-minute drive, the lighter shades of red indicates that the area is reachable within only some parts of South Kesteven.

Figure 3.4 South Kesteven 30-minute by road Catchment Area

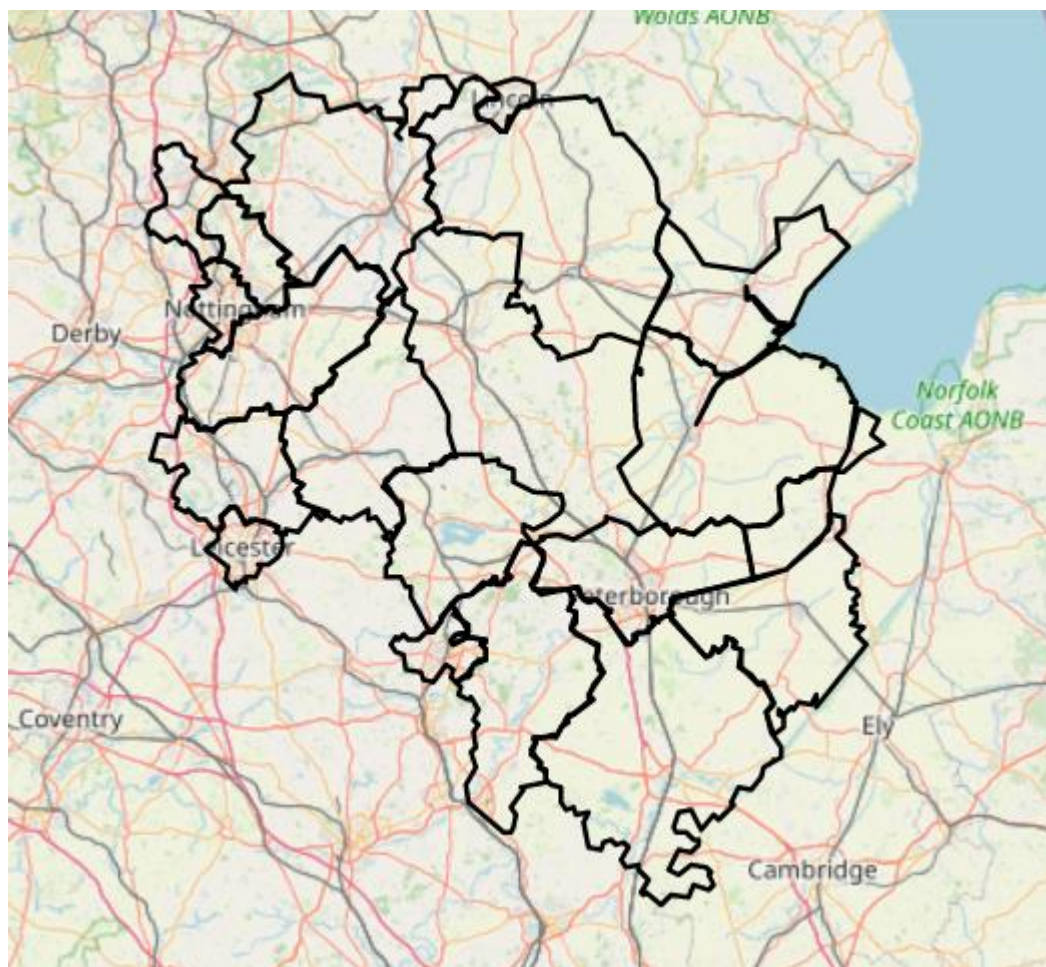


Source: Smappen, *How Far Can I Go*²¹

3.26 The 18 Local Authorities, shown in Figure 3.5, are: Ashfield, Boston, Charnwood, Corby, East Northamptonshire, Fenland, Gelding, Huntingdon, Leicester, Lincoln, Melton, Newark and Sherwood, North Kesteven, Nottingham, Peterborough, Rushcliffe, Rutland and South Holland.

²¹ Available at: [How far can I go ? - smappen](http://www.smappen.com/)

Figure 3.5 South Kesteven 30-minute by road Catchment Area (Local Authorities)



Source: AECOM

Rail

3.27 There are three train stations in South Kesteven: Ancaster, Grantham and Stamford, with rail services provided by: Cross Country, East Midlands Railway, Hull Trains and London North Eastern Railway.

3.28 Table 3.3 provides a list of station which can be reached within 30 minutes (by rail) from one of South Kesteven’s three stations.

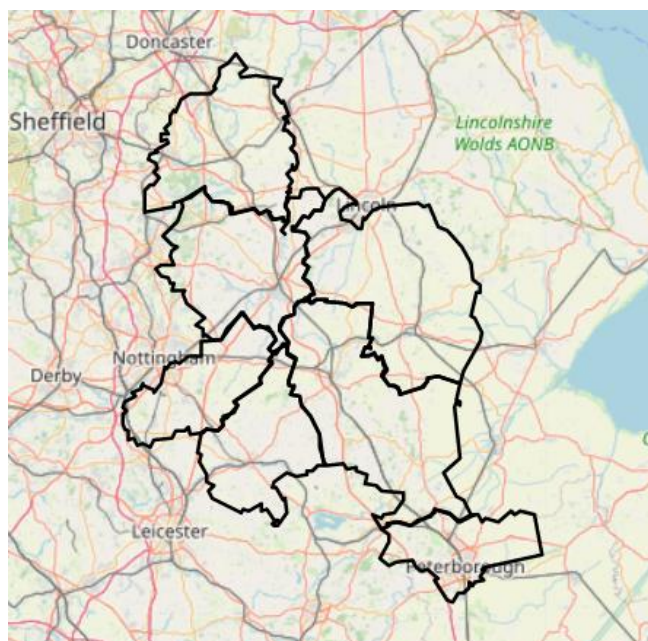
Table 3.3 Railway Stations accessible within 30min of a Railway Station in South Kesteven

Station	Borough/District
Newark-on-Trent	Newark & Sherwood
Retford	Bassetlaw
Peterborough	Peterborough
Sleaford	North Kesteven
Heckington	North Kesteven
Bottesford	Melton
Aslockton	Rushcliffe
Bingham	Rushcliffe

Source: Google Maps

3.29 Figure 3.6 shows the local authorities that are reachable from South Kesteven by rail in 30 minutes or less.

Figure 3.6 South Kesteven 30-minute by rail Catchment Area (Local Authorities)



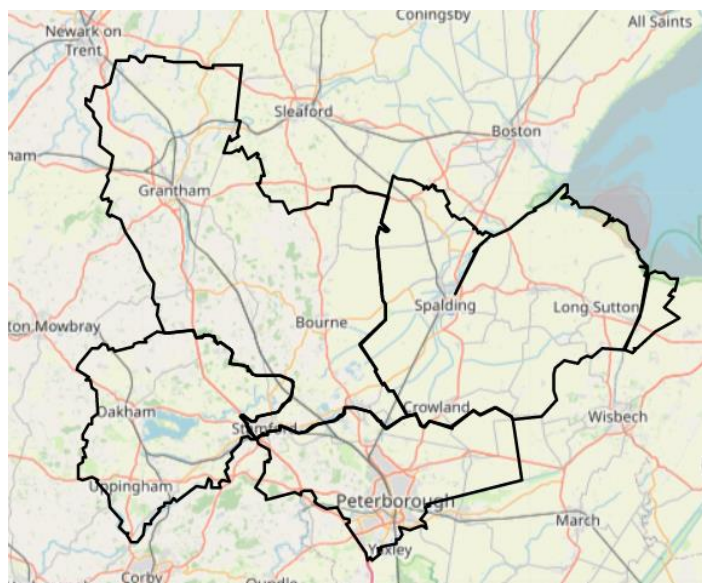
Source: AECOM

Housing market area

- 3.30 This study has not sought to redefine the Housing Market Area (HMA) incorporating South Kesteven District but has drawn on existing evidence from the latest Strategic Housing Market Assessment (SHMA) for South Kesteven.
- 3.31 It can be noted that SKDC has commissioned a new Local Housing Needs Assessment, which had not yet been published at the time of writing.
- 3.32 In August 2014, the SHMA for Peterborough City Council, Rutland County Council, South Holland District Council and South Kesteven District Council was published. This SHMA identified a Peterborough HMA which includes Peterborough, Rutland, South Holland and South Kesteven.
- 3.33 The four partner authorities published an update of the SHMA in 2017, the Peterborough and Boston Strategic Housing Market Assessment (March 2017)²² which confirms a Peterborough HMA which includes Peterborough, Rutland, South Holland and South Kesteven and a separate Boston HMA covering just the local authority area.
- 3.34 Therefore, in accordance with the previous SHMAs, it is considered that South Kesteven is part of a Peterborough HMA which includes Peterborough, Rutland, South Holland and South Kesteven.

²² Available at: [Microsoft Word - SHMA update final report 300317 \(southkesteven.gov.uk\)](https://www.southkesteven.gov.uk/microsoft-word-shma-update-final-report-300317)

Figure 3.7 South Kesteven Housing Market Area



Source: AECOM

Commercial property market area

- 3.35 The FEMA is also influenced by the commercial property market area in which South Kesteven sits.
- 3.36 Commercial property market areas are geographic boundaries that serve to define core areas that are competitive with each other. Markets are defined by building presenting similar characteristics and are formed of non-overlapping areas (i.e. a place cannot be part of two property market areas at the same time).
- 3.37 For the purpose of this ELS, it is relevant to look at both the office and industrial property markets.
- 3.38 CoStar, the most comprehensive database of real estate data throughout the UK, is a useful source of information and provides pre-defined office and industrial property market areas for the entire UK. CoStar defined markets have therefore been assumed as part of this analysis.
- 3.39 Both the industrial of office markets are defined as Lincoln, which is made of the sub-market clusters of Boston, East Lindsey, Lincoln, North Kesteven, South Holland, South Kesteven and West Lindsey.

Figure 3.8 Lincolnshire Office and Industrial Property Market Area



Source: AECOM

Economic governance and partnerships area

3.40 South Kesteven is a member of the Greater Lincolnshire Local Enterprise Partnership (GLLEP) which includes eight Local Authorities in the East Midlands and two Local Authorities in Yorkshire and Humber. Figure 3.9 shows the geographical boundaries of the GLLEP, with South Kesteven located to the south of the area.

Figure 3.9 Greater Lincolnshire Local Enterprise Partnership



Source: AECOM

3.41 Similarly, South Kesteven is part of Lincolnshire County which encompasses the same Local Authorities as the GLLEP, with the exclusion of Rutland.

Summary

3.42 South Kesteven is relatively self-contained economically, with however important connections either from an economic government point of view (administrative boundaries) or market characteristics (housing and commercial property markets) and connectivity (travel to work and transport infrastructure).

3.43 Based on the assessment made in this section, and as summarised in Table 3.4, it can be reasonably concluded that South Kesteven is particularly connected with three other Local Authorities:

- Peterborough (both important in the inflow and outflow self-containment, part of the HMA, and strong connectivity by both rail and road)
- Rutland (important in terms of inflow, part of HMA, part of commercial property market area, part of same LEP areas, very strong road connectivity)
- South Holland (important in terms of inflow, part of HMA, part of commercial property market area, part of same County and LEP areas, very strong road connectivity)

3.44 Overall, it can be noted that the FEMA for South Kesteven aligns with its Housing Market Area.

Table 3.4 Summary of FEMA Analysis

Local Authority	Inflow self-containment	Outflow self-containment	Road Network	Rail Network	Housing Market Area	Property Market Area	Greater Lincolnshire LEP / Lincolnshire County
South Kesteven	X	X	X	X	X	X	X
North Kesteven			X	X		X	X
South Holland			X		X	X	X
Peterborough		X	X	X	X		
Boston			X			X	X
Rutland			X		X		X
East Lindsey						X	X
West Lindsey						X	X
Lincoln			X			X	
Melton			X	X			
Newark and Sherwood			X	X			
Rushcliffe			X	X			
North East Lincolnshire							X
North Lincolnshire							X
Ashfield			X				
Bassetlaw				X			
Charnwood			X				
Corby			X				
East Northamptonshire			X				
Fenland			X				
Gelding			X				
Huntingdon			X				
Leicester			X				
Nottingham			X				

Source: AECOM

4. Socio-Economic Profile

Introduction

- 4.1 This section profiles the FEMA (i.e. South Kesteven, Rutland, South Holland and Peterborough) using key socio-economic indicators. The analysis forms an understanding of the local economic strengths and weaknesses that may impact upon employment land and premises requirements. Key indicators provide include:
- Population, including the working population, earnings and skill and occupational profile of residents;
 - Community patterns;
 - The workplace economy, by business stock and size; and
 - Workplace employment by industry sector
- 4.2 To provide a comparative assessment, South Kesteven is benchmarked against FEMA, East Midlands and national averages.

Population

- 4.3 The future economic needs for South Kesteven will be driven in part by trends in the size of the resident population. The most recent Office for National Statistics (ONS)²³ population estimates show that South Kesteven's population increased by 7.57% between 2010 and 2020 (from 133,144 to 143,225). This is lower than the FEMA and East Midlands average growth rates during the same period, at 9.47% and 7.95% respectively, but is higher than the national average growth rate of 7.42%.
- 4.4 The most recent ONS population projections²⁴ show that population in South Kesteven is expected to increase by 6.52% (to 154,347) between 2022 and 2040. During the same time period, the population in the FEMA as a whole is expected to increase by 9.43% (540,123), Lincolnshire by 8.19%, East Midlands by 9.56% and England as a whole by 6.77%. This growth is likely to require supporting growth in demand for housing, community facilities, infrastructure and employment land and floorspace over the Local Plan period in South Kesteven.
- 4.5 Across South Kesteven, the FEMA, and nationally the highest growth in population between 2022 and 2040 is expected to be among the over 65 age group (37.55%, 38.13% and 33.93% growth respectively). The working age population (16-64) in South Kesteven is expected to decrease by 2.18% over the same period, whereas there is expected to be growth across the FEMA as a whole (4.11%) and nationally (1.81%). The strong growth in working age population displayed by the FEMA is driven in large part by projected growth in Peterborough and South Holland.

Earnings

- 4.6 Table 4.1 presents the median gross weekly earnings recorded in the Annual Survey of Hours and Earnings (ASHE)²⁵. It shows that the median earnings of South Kesteven is approximately £583, which is higher than the median earnings of East Midlands residents (£574) but lower than the median earnings of the FEMA (£609) and England as a whole (£613). The median gross weekly earnings of those working in South Kesteven is approximately £564. This difference between residence-based²⁶ and

²³ Office for National Statistics, (2020); Population estimates.

²⁴ Office for National Statistics, (2020); Population projections.

²⁵ Office for National Statistics, (2021); Annual Survey of Hours and Earnings (ASHE)

²⁶ Earnings by people residing in South Kesteven (regardless of where they work).

workplace-based²⁷ earnings (£19 per week) suggests that a proportion of South Kesteven residents commute out of the district to access higher-paying jobs elsewhere.

Table 4.1 Comparative Resident and Workplace Median Earnings

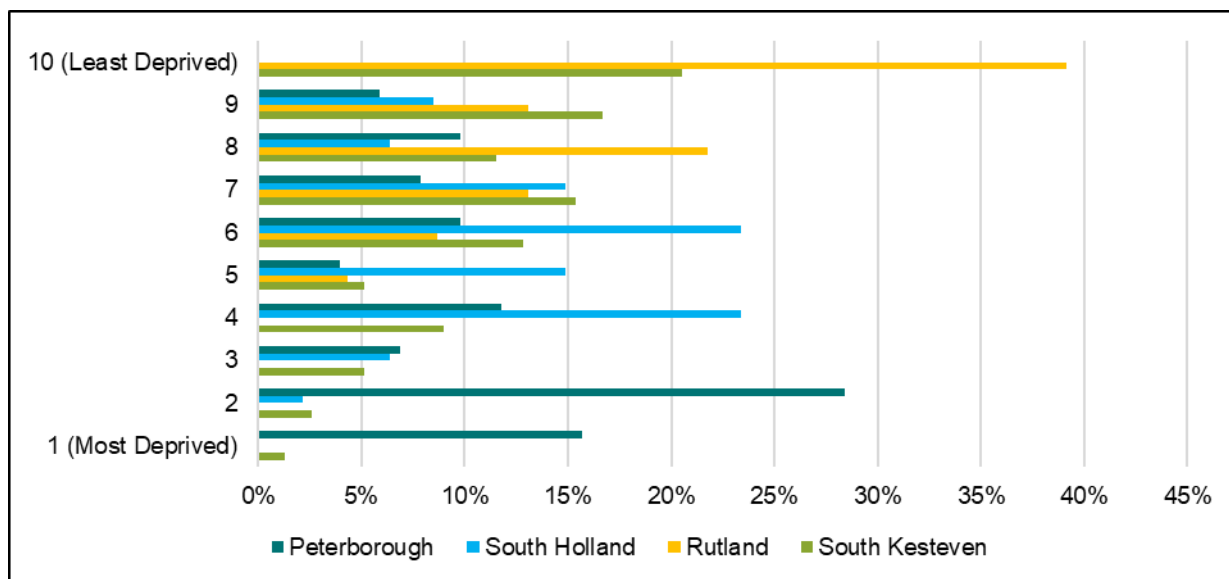
Earnings	South Kesteven (£)	FEMA (£)	East Midlands (£)	England (£)
Residence-based	583	609	574	613
Workplace-based	564	572	560	613

Source: Office for National Statistics, (2021); Annual Survey of Hours and Earnings – Resident and Workplace Analysis

Deprivation

4.7 Based on the English Indices of Deprivation 2019²⁸, South Kesteven is the 234th most deprived local authority out of the 317 local authorities in England (where 1 is the most deprived), in terms of overall index of multiple deprivation. One of South Kesteven’s 81 Lower layer Super Output Areas (LSOAs)²⁹ is ranked amongst the 10% most deprived nationally. Figure 4.1 shows the breakdown of the LSOAs in the FEMA, by decile of multiple deprivation index in England. It is evident that South Kesteven and Rutland are relatively less deprived than South Holland and Peterborough, as a smaller percentage of their LSOAs are ranked amongst the 50% most deprived LSOAs in England.

Figure 4.1 Multiple Deprivation breakdown by LSOA



Source: Ministry of Housing, Communities and Local Government (MHCLG) (2019); English Indices of Deprivation

4.8 The overall index of multiple deprivation set out above is comprised of a number of domains. Every LSOA in England is also ranked nationally in each of these domains, which include employment, income, and education, skills and training. In terms of employment, South Kesteven is ranked 199th out of 317 local authorities in England, meaning it is ranked amongst the 30-40% least deprived local authorities nationally in that domain. Similarly South Kesteven is ranked 216th out of 317 local authorities in terms of deprivation in education, skills and training, placing it in the 30-40% least deprived local authorities in England for that domain. In terms of income deprivation,

²⁷ Workplace-based earnings represent earnings by people working in South Kesteven (regardless of where they live), whereas residence-based reflect earnings of those living in South Kesteven (regardless of where they work).

²⁸ Ministry of Housing, Communities and Local Government (MHCLG), (2019); English indices of deprivation

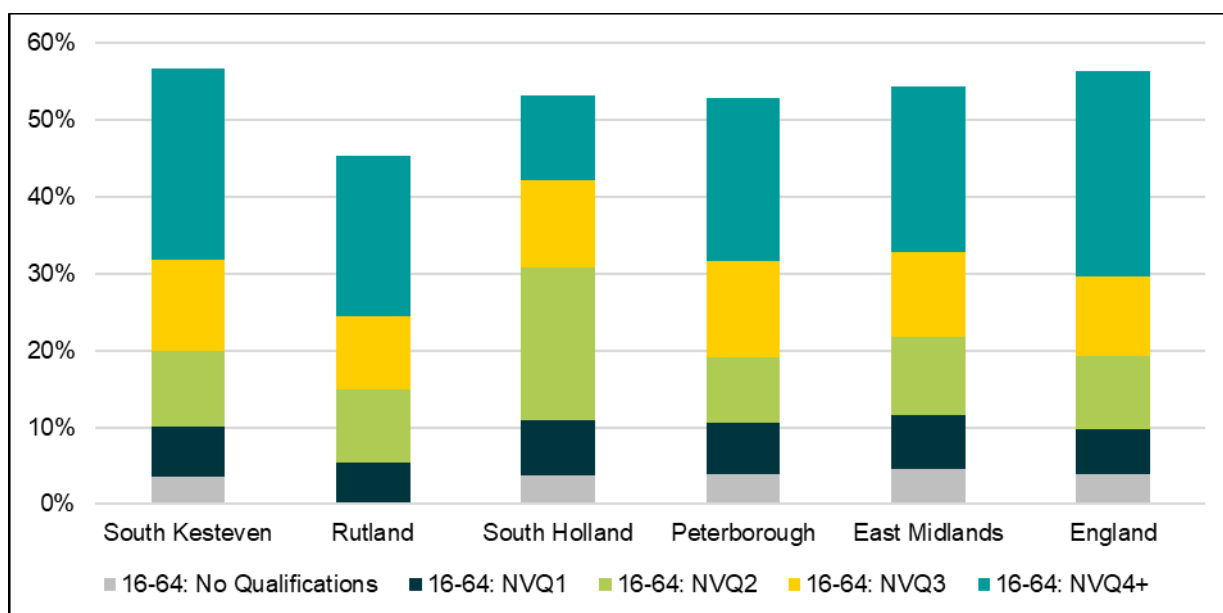
²⁹ A Lower Layer Super Output Area is a geographic area. Lower Layer Super Output Areas (LSOA) are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales.

South Kesteven is ranked 205th out of 317 local authorities, whereby it is also ranked amongst the 30-40% least deprived local authorities for that domain

Skills and training

4.9 The proportion of South Kesteven residents aged between 16 and 64 educated to a degree level and above is 25%; this is higher than the regional average (22%) but lower than the national average (27%)³⁰. Within the FEMA, South Holland displays the lowest proportion of residents aged 16 to 64 educated to a degree level and above of 11%, compared to 21% in both Rutland and Peterborough. The breakdown of the educational attainment in the FEMA, East Midlands and England is shown in Figure 4.2. It should be noted that the proportion of the population in Rutland with no qualifications is estimated to be less than 500 and is therefore displayed as zero in the ONS data.

Figure 4.2 Qualification level by proportion of total population



Source: Office for National Statistics, (2021); Annual Population Survey (January 2021 to December 2021)

Occupational profile

4.10 The Annual Population Survey conducted by the ONS provides the most recent economic activity, employment and unemployment statistics for the UK. As of March 2022, the economic activity rate in South Kesteven is 78.2%, which is slightly higher than the FEMA as a whole (77.4%) and East Midlands (77.7%), but lower than the national average of 78.8%. Like the wider geographical area, South Kesteven’s economic activity rate has decreased since the COVID-19 pandemic; in 2019 the economic activity rate in South Kesteven was 81.6%. It should be noted that the ONS has identified a large confidence interval of 6.6% indicating the potential for the percentage value to be inaccurate. Despite this, it is still recognised to be the best available estimate of economic activity for the area.

4.11 To provide a more accurate representation for South Kesteven, analysis of average economic activity rates over the last 10 years has been calculated. Between the years 2010 and 2020, South Kesteven has had an average economic activity rate of 81.1%, comparing with an average of 79.9% for the whole FEMA, 78% across East Midlands and 77.8% nationally. This represents a high proportion of the population in South Kesteven being relatively economically active historically.

³⁰ Office for National Statistics, (2021); Annual Population Survey (January 2021 to December 2021)

4.12 The employment rate in South Kesteven, as of March 2022, is 76.2%. This is higher than the FEMA average of 75.5%, the East Midlands average of 74.8% and the national average of 75.4%. The unemployment rate in South Kesteven between 2010 and 2020 (5.2%) is also lower than the FEMA, regional and national averages of 5.4%, 5.8% and 6% respectively.

4.13 Data for the economic activity rate, employment rate and unemployment rate for all geographies is summarised in Table 4.2 below.

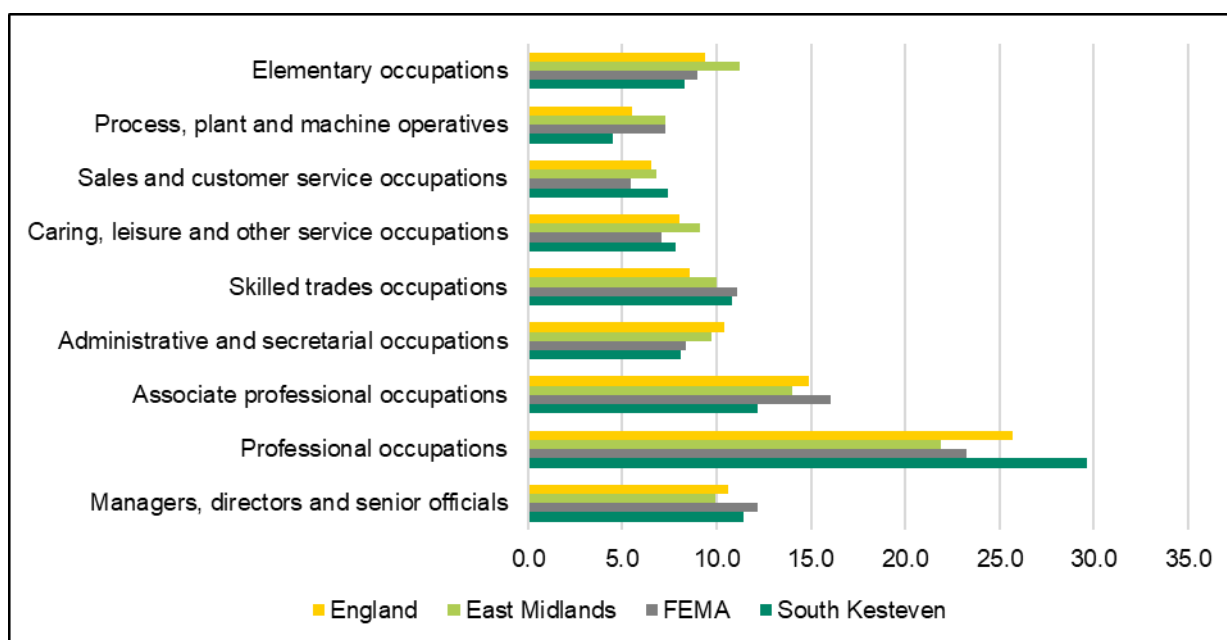
Table 4.2 Economic activity, employment and unemployment rates (aged 16 to 64)

Location	Economic activity rate (2022)	Average economic activity rate 2010-2020	Employment rate	Average unemployment rate 2010-2020
South Kesteven	78.2%	81.1%	76.2%	5.2%
FEMA	77.4%	79.9%	75.5%	5.4%
East Midlands	77.7%	78.0%	74.8%	5.8%
England	78.8%	77.8%	75.4%	6.0%

Source: Office for National Statistics, (2021); Annual Population Survey (January 2021 to December 2021)

4.14 Figure 4.3 sets out the occupational profiles of South Kesteven’s residents in comparison to the FEMA as a whole, East Midlands and England. It shows that 53.2% of South Kesteven’s residents have managerial, professional and technical occupations (standard industrial classification (SOC) groups 1-3) compared to approximately 51.4% across the FEMA, 45.8% across East Midlands and 51.2% nationally. The role with the highest proportion of South Kesteven’s residents employed is professional occupations and the role with lowest proportion are Process, plant and machine operatives.

Figure 4.3 Occupational profiles



Source: Office for National Statistics, (2021); Annual Population Survey (January 2021 to December 2021)

4.15 It follows that South Kesteven’s proportion of residents within SOC groups 4-5 (Administrative and secretarial occupations & Skilled trades occupations) is slightly lower (18.9%) than the FEMA (19.5%), East Midlands (19.7%) and England (19%) averages. The proportion of South Kesteven’s residents within SOC groups 6-9 (which

primarily comprise lower skilled occupations³¹) is also lower (28%) than the FEMA, East Midlands and England averages of 28.9%, 34.4% and 29.4% respectively.

Travel to work

4.16 The most recent travel to work data is provided through origin-destination statistics collated from the 2011 Census³². While the total figures for employment may be more than ten years old, the figures given a good indication of the pattern of movement of residents and workers into and out of South Kesteven.

4.17 The majority of the resident population in South Kesteven also work there (57%), meaning that 43% of the resident population work elsewhere. The second most popular destination is Peterborough (14%), followed by Rutland (4%) and North Kesteven (3%). A breakdown of workplace locations of South Kesteven's residents is presented in Table 4.3.

Table 4.3 Location of workplace for residents of South Kesteven

Workplace location	Number of South Kesteven residents working in location	Proportion of South Kesteven population working in location (%)
South Kesteven	30,494	57%
Peterborough	7,791	14%
Rutland	2,301	4%
North Kesteven	1,501	3%
South Holland	1,339	2%
Newark and Sherwood	1,114	2%
Melton	894	2%
Lincoln	647	1%
Total South Kesteven Employees	53,841	86%

Source: Office for National Statistics, (2011); Census 2011: Location of usual residence and place of work

4.18 Overall, South Kesteven is a net exporter of labour with approximately 14,205 residents of other local authorities commuting to South Kesteven for work but by way of contrast, approximately 23,347 of the South Kesteven resident population commute to other areas of work. This suggests that there are some employment opportunities within the district that can draw labour in from elsewhere but this is outstripped by the number of people leaving the district for work by circa 9,000 people.

4.19 Peterborough and North Kesteven, which both border South Kesteven, are the most common source of in-commuting to the district. They represent 19% and 16% of the total number of in-commuters respectively (excluding the 30,494 workers from South Kesteven). The other top origins from which people are commuting to South Kesteven are South Holland (2%), Newark and Sherwood (2%), Melton (2%) and Lincoln (1%).

4.20 Jobs density³³, which is the number of jobs in an area divided by the resident population aged 16-64 in that area, is estimated to be 0.83 in South Kesteven. This compares with 0.88 in the FEMA more widely, 0.79 in East Midlands and 0.85 in England. This reflects

³¹ Lower skill occupations are defined as: elementary occupations; process, plant and machine operatives; sales and customer service occupations. Medium skill occupations are defined as: caring, leisure and other service; skilled trades occupations; administrative and secretarial. High skill occupations are defined as: associate prof & tech occupations; professional occupations; managers, directors and senior officials.

³² The 2021 Census data had not been published at the time of writing. It is expected that the Census 2021 data will not be too dissimilar to the Census 2011 data and therefore would have no significant impact on the findings of this ELS.

³³ Office for National Statistics, (2020); Jobs density

that there are fewer jobs in the South Kesteven district as well as the primary residential nature of parts of the district.

Business stock and scale

4.21 The latest ONS UK Business Counts data³⁴ indicates that there are 2,265 businesses located in South Kesteven. Table 4.4 presents the composition of the employment size of South Kesteven's businesses. Micro-businesses (defined as companies employing up to nine employees) represent the vast majority (88%) of all businesses in South Kesteven, which is slightly lower than the East Midlands average (89%). There are a total of 655 small-sized businesses (defined as companies employing between 10 to 49 employees), 95 medium-sized businesses (employing between 50 to 249 employees), and 15 large businesses (employing more than 250 employees). Table 4.4 shows how this compares to the composition in East Midlands as a whole.

Table 4.4 Businesses by employment size in South Kesteven and East Midlands

Employment size	South Kesteven		East Midlands
	No. of businesses	% of total	% of total
1 to 9 (Micro)	5,500	88%	89%
10 to 49 (Small)	655	10%	9%
50 to 249 (Medium)	95	2%	2%
250 + (Large)	15	0%	0%
Total	6,265	-	-

Source: Office for National Statistics, (2022); UK Business Counts; Local units by industry and employment size band.

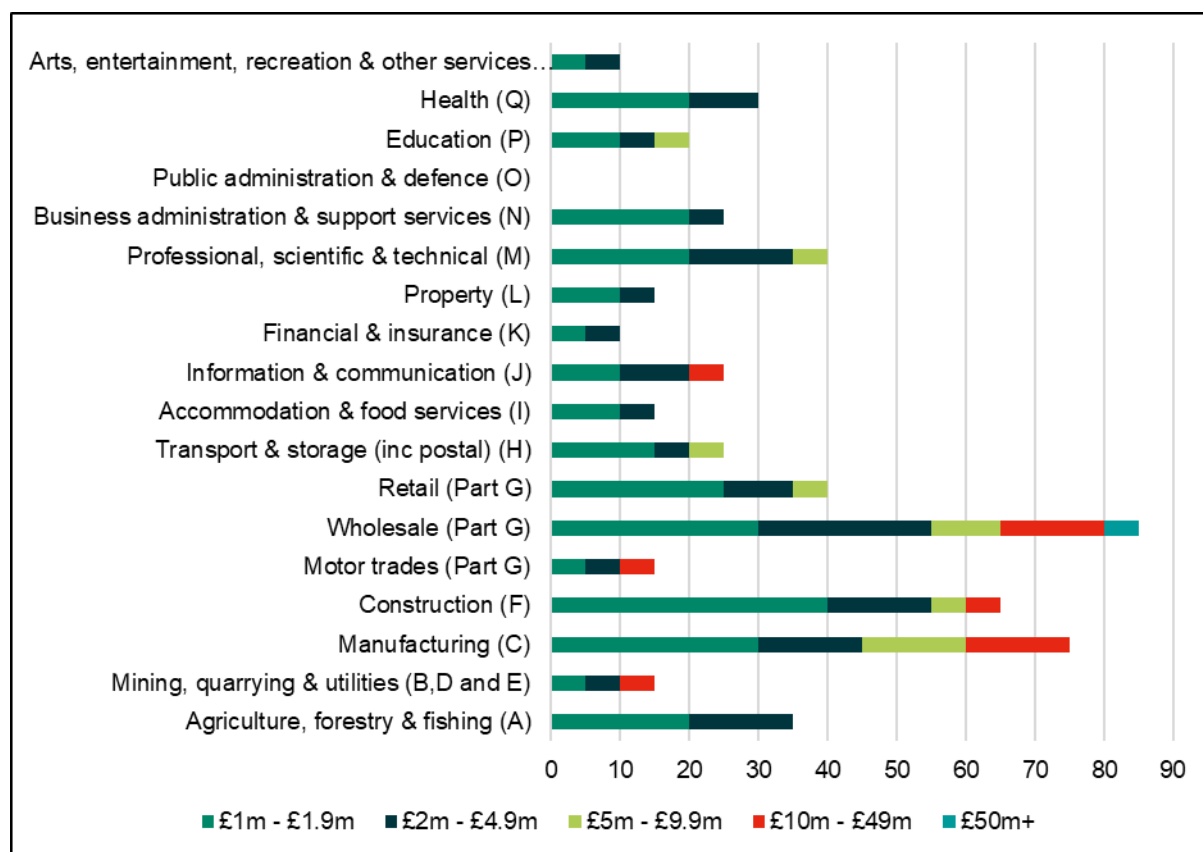
Note: Figures do not always sum due to source data rounding

4.22 Of these businesses, the construction and professional, scientific and technical sector are the largest with approximately 910 and 970 businesses in South Kesteven respectively, representing 15% each of the total share. This is followed by the agriculture, forestry & fishing (455), retail (445), accommodation & food services (410) and businesses administration & support services (445), each with 7% of the total share. There are only 15 large businesses located in South Kesteven, of which 10 are in the private sector and 5 are in the public sector.

4.23 In terms of economic performance, the highest proportion of turnover revenue generated by businesses in South Kesteven is between £100,000-£199,000 (33% of businesses). Figure 4.4 shows a breakdown of the businesses in South Kesteven which generated over £1 million in turnover in 2021. 560 businesses in total generated over £1 million in turnover, of which the wholesale sector had the highest proportion (85 / 15%). This was followed closely by the manufacturing and construction sectors, with 75 and 65 respectively. The manufacturing and wholesale sectors have 15 businesses each that generated over £10 million in turnover, while the mining, quarrying & utilities, construction, motor trade and information & communication sectors have 5 each. The wholesale sector is the only sector with businesses that turned over more than £50 million in 2021, of which there were 5.

³⁴ Office for National Statistics, (2022); UK Business Counts.

Figure 4.4 Local businesses by industry with a turnover of over £1 million



Source: Office for National Statistics, (2021); UK Business Counts; Enterprises by industry and turnover size band

Business registrations and de-registrations

4.24 VAT registration and de-registration rates for South Kesteven provide an indication of the entrepreneurial characteristics of the district. The data is sourced from the ONS business demography publication³⁵ and is available in Table 4.5 below. The data shows that from 2015 to 2020, business registrations in South Kesteven decreased from 750 to 585, a decrease of 22%. During the same period, East Midlands experienced a 5% decrease in business registrations (from 25,345 to 24,030). Business de-registrations in South Kesteven increased by 13% between 2015 and 2020 (from 495 to 560), while in East Midlands they increased by 8% (from 18,280 to 19,805).

Table 4.5 Business registrations and de-registrations in South Kesteven (2015-2020)

Year	Registration	De-registration	Net change
2015	750	495	255
2016	700	525	175
2017	615	630	-15
2018	645	540	105
2019	660	610	50
2020	585	560	25

Source: Office for National Statistics, (2022); Business demography, UK

Employment sectors

4.25 The 2020 Business Register and Employment Survey (BRES) provides a detailed breakdown of the broad industry sectors that workers in South Kesteven and East

³⁵ Office for National Statistics, (2022); Business demography, UK.

Midlands are employed in. Table 4.6 provides a comparison of employment by industry for South Kesteven and East Midlands.

- 4.26 The sectors with the highest proportion of the workforce in South Kesteven employed in are health (16.7%), manufacturing (11.1%), retail (10.2%) and education (10.2%). The proportion of the workforce in South Kesteven employed in the health sector is 3.3 percentage points higher than the regional average, evidently a predominant source of employment in the local district. Notably, 3.2% of South Kesteven's employment is in transport & storage; this is almost half of the regional average (7.1%).
- 4.27 The table shows that employment in office-related service sectors in South Kesteven is lower than the East Midlands average. The information & communication; financial & insurance; property; professional, scientific and technical and business administration & support services sectors comprise 18.4% of the district's employment (9,975 total employees). In comparison, these sectors account for 20.9% of East Midlands' total employment.
- 4.28 The proportion of employees in industrial sectors is lower than the East Midlands average. Together, construction, manufacturing, transport & storage and motor trades account for 20.6% of total employment in South Kesteven. Comparatively, employment in these sectors accounts for 26% in East Midlands.

Table 4.6 Employment by broad industry sector in South Kesteven and East Midlands (2020)

Employment sector	South Kesteven		East Midlands
	Employment (no.)	% of total	% of total
Agriculture, forestry & fishing	950	1.8%	1.1%
Mining, quarrying & utilities	900	1.7%	1.4%
Manufacturing	6,000	11.1%	12.3%
Construction	2,375	4.4%	4.5%
Motor trades	1,000	1.9%	2.1%
Wholesale	3,500	6.5%	5.1%
Retail	5,500	10.2%	9.1%
Transport & storage (incl. postal)	1,750	3.2%	7.1%
Accommodation & food services	4,000	7.4%	6.3%
Information & communication	1,625	3.0%	3.1%
Financial & insurance	600	1.1%	1.7%
Property	1,250	2.3%	1.8%
Professional, scientific & technical	3,750	6.9%	7.2%
Business administration & support services	2,750	5.1%	7.1%
Public administration & defence	1,000	1.8%	3.9%
Education	5,500	10.2%	9.2%
Health	9,000	16.7%	13.3%
Arts, entertainment, recreation & other services	2,250	4.2%	3.7%

Source: Office for National Statistics, (2022); Business Register and Employment Survey 2021

- 4.29 Table 4.7 shows the change in South Kesteven's employment between 2015 and 2020 by broad industry sector, and how this compares with the FEMA as a whole. The employment sector which experienced the largest employment growth in South Kesteven was the information & communication sector, displaying 71% growth; it also experienced 46% growth in the agriculture, forestry & fishing sector. In the FEMA, the

largest growing sector was transport & storage (70%), while it too had strong growth in the information & communication (28%) and agriculture, forestry & fishing sectors (25%).

4.30 The sector that saw the largest decrease in South Kesteven between 2015 and 2020 was the manufacturing sector (-29%). It also experienced a decrease within the construction (-21%), retail (-15%) and business administration & support services sectors (-15%). The FEMA as a whole saw a decrease in each of these sectors to a varying degree, its largest decrease being in the business administration & support services sector (-22%).

4.31 Overall, South Kesteven experienced a decline in jobs between 2015-2020 of 2%, while the FEMA experienced an overall increase of 2%.

Table 4.7 Change in employment in South Kesteven and FEMA by broad industry sector

Employment Sector	South Kesteven Jobs 2015	South Kesteven Jobs 2020	South Kesteven % change 2015-2020	FEMA % change 2015-2020
Agriculture, forestry & fishing	650	950	46%	25%
Mining, quarrying & utilities	1,125	900	-20%	9%
Manufacturing	8,500	6,000	-29%	-12%
Construction	3,000	2,375	-21%	-1%
Motor trades	850	1,000	18%	21%
Wholesale	3,250	3,500	8%	-2%
Retail	6,500	5,500	-15%	-14%
Transport & storage (incl. postal)	1,750	1,750	0%	70%
Accommodation & food services	3,750	4,000	7%	9%
Information & communication	950	1,625	71%	28%
Financial & insurance	700	600	-14%	0%
Property	900	1,250	39%	28%
Professional, scientific & technical	3,000	3,750	25%	11%
Business administration & support services	3,250	2,750	-15%	-22%
Public administration & defence	900	1,000	11%	5%
Education	5,500	5,500	0%	3%
Health	7,500	9,000	20%	24%
Arts, entertainment, recreation & other services	2,500	2,250	-10%	-11%
Total	54,575	53,700	-2%	2%

Source: Office for National Statistics, (2022); Business Register and Employment Survey 2021

Summary

4.32 This section has provided an analysis of the socio-economic profile of the socio-economic profile of South Kesteven, drawing on the latest available data and benchmarking against the wider FEMA, East Midlands and England where appropriate.

This helps provide context when considering the changes to the supply and demand for employment land, which is analysed in the following sections.

- 4.33 South Kesteven residents are, on average, educated to a better level than the wider region but not as high as the national average. The proportion of residents educated to a degree level and above is 25%, compared to 22% in East Midlands and 27% in England. This is reflected in gross median weekly earnings too, where the median earnings in South Kesteven are higher (£583) than that of East Midlands (£574) but lower than both the wider FEMA (£609) and England (£613).
- 4.34 With regards to occupational profiles, South Kesteven residents have a higher proportion in managerial, professional and technical occupations (53.2%) compared to the FEMA (51.4%), East Midlands (45.8%) and national (51.2%) averages. The proportion of South Kesteven residents in 'lower skilled occupations' is also lower than the three comparators.
- 4.35 The economic activity rate in South Kesteven is 78.2%, which is slightly higher than the FEMA as a whole (77.4%), and East Midlands (77.7%) but lower than the national average (78.8%). One explanation for this is the relative decline since the COVID-19 pandemic, as in the years 2010 to 2020 South Kesteven had a higher economic activity rate (81.1%) than the FEMA, East Midlands and England. Despite this, the employment rate in South Kesteven, as of March 2022, remains stronger than its comparators at 76.2%.
- 4.36 The size profile of businesses in South Kesteven is broadly similar to that of the East Midlands, with the vast majority of businesses having between 1 and 9 employees (88% and 89% respectively). There are only 15 large businesses in South Kesteven i.e. businesses with more than 250 employees; this is out of a total of 6,265 businesses in the district.
- 4.37 VAT registration and de-registration rates for South Kesteven provide an indication of the entrepreneurial characteristics of the district. Between 2015 and 2020, South Kesteven experienced a 22% decrease in business registrations (585 down from 750), while East Midlands experienced a decrease of only 5%. Business de-registrations in South Kesteven also increased by a greater rate (13%) than those for East Midlands (8%). A portion of this could be attributed to the disproportionate adverse impact of COVID-19 felt by the district, however the trend was already following the same trajectory pre-2020.
- 4.38 The health sector is evidently a predominant source of employment in South Kesteven, and accounts for the highest proportion of the district's workforce (16.7%); this is 3.3 percentage points higher than the regional average. Employment in office-related sectors in South Kesteven (18.4%) is lower than the East Midlands average (20.9%), while interestingly the proportion of employees in industrial sectors (20.6%) is also lower than the East Midlands average (26%). One reason for this is the fact that the proportion of employees in the transport & storage sector in South Kesteven (3.2%) is less than half the size of the regional average (7.1%). South Kesteven enjoys a higher proportion of workers in the agriculture, forestry & fishing and wholesale sectors compared to East Midlands, due in part to relatively strong growth in these sectors since 2015.
- 4.39 The wholesale sector in South Kesteven is the only sector with businesses that generated over £50 million in 2021 (5 businesses). The wholesale sector also had the highest proportion of businesses generating over £1 million (85 businesses / 15%), as well as the highest proportion generating over £10 million along with the manufacturing sector (15 businesses each). Despite the education sector being the third largest employer in the district, it was not among the highest contributors to the local economy. In contrast, the agriculture, forestry & fishing sector represents only 1.8% of the total workforce in South Kesteven but has a number of businesses turning over £1 million - £1.9 million and £2 million - £4.9 million.

5. Property Market Profile

Introduction

- 5.1 This section provides a review of property market indicators in South Kesteven. Reference is also made to comparator geographies, namely the FEMA, the wider county of Lincolnshire, the East Midlands region as a whole, and England. This reflects the fact that the commercial property market in South Kesteven is not self-contained, and instead forms part of a much wider market area encompassing the FEMA, county and region to some extent, varying somewhat by type of floorspace.
- 5.2 Data presented in this section is derived from CoStar which represents a comprehensive database of up-to-date property market data. Trends are presented where applicable, otherwise data for 2022 Q3 is shown, being the most recent period for which complete data is available. All data presented reflects that which is available and is subject to gaps and inaccuracies.
- 5.3 Employment-generating properties comprised of office, light industrial, general industrial, and storage and distribution types are considered, in line with the definition of employment land. The relationship between historic and new planning use classes, their relationship to CoStar property type primary and secondary classification, and nomenclature adopted for this report, are shown in Table 5.1 below. It is recognised that there are other property types which may contribute to employment, but these will not be analysed for the purposes of this evidence base.

Table 5.1. Property Type Classification

Pre-2021 Planning Use Class	New Planning Use Classes	CoStar Primary Type	CoStar Secondary Type
B1a (revoked) – Offices	E(g)(i) – Offices to carry out any operational or administrative function	Office	• All
B1b (revoked) – Research and development of products or processes	E(g)(ii) – Research and development of products or processes	Light Industrial	• R&D
B1c (revoked) – Industrial Processes	E(g)(iii) – Uses which can be carried out in a residential area without detriment to its amenity: industrial processes	Light Industrial	• Light Distribution • Light Manufacturing • Showroom (Light Industrial)
		Industrial	• Light Industrial
B2 – General industrial (other than E(g))	B2	Industrial	• Food Processing • Manufacturing • Service
B8 – Storage and Distribution	B8	Industrial	• Distribution • Warehouse • Refrigeration/ Cold Storage • Truck Terminal • Showroom (Industrial)

Source: AECOM

5.4 This section is divided into two sub-sections covering the office market (E(g)(i), E(g)(ii)³⁶) and the industrial market (E(g)(iii), B2, B8).

5.5 This section considers the following property market indicators for each property type:

- Total building stock and floorspace;
- Building stock size;
- Vacancy rate and vacant floorspace;
- Building stock age;
- Building stock condition;
- Market rent and asking rent; and
- Recent market activities;

Office Market

5.6 This section presents findings relating to the office property market in South Kesteven. The majority of office properties are located within the settlements of Grantham and Stamford, with an additional smaller cluster of properties in Bourne and The Deepings.

Buildings and floorspace (current)

5.7 There are approximately 215 office properties in South Kesteven, comprising around 1.1 million square feet (sqft) of floorspace. This is shown in Table 5.2.

5.8 The largest office properties, over 20,000 sqft, are located in Grantham, Bourne, and The Deepings, with notably no properties of over 10,000 sqft located within Stamford, despite there being a significant cluster of office properties located there. Office properties below 5,000 sqft are distributed widely across South Kesteven, with such properties located both within the major settlements and more rurally.

Table 5.2 Office Properties – Buildings and Floorspace (2022 Q3)

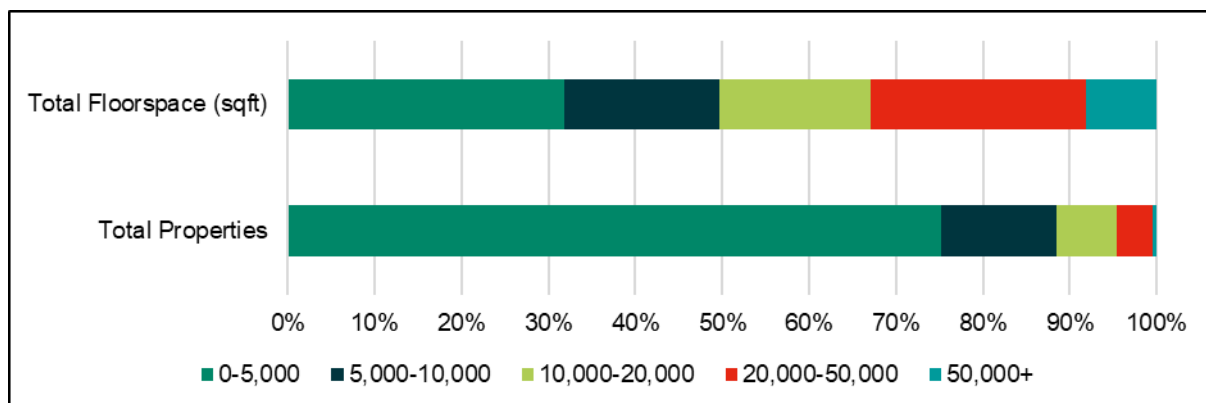
	South Kesteven	FEMA	Lincolnshire	East Midlands	England
Number of properties	215	755	1,021	7,179	95,376
Floorspace (sqft)	1,105,158	7,020,394	6,045,358	64,162,754	1,200,000,000
Floorspace (square metres)	102,673	652,216	561,632	5,960,915	111,483,648

Source: CoStar, (2022)

5.9 The majority of office properties in South Kesteven (75%) are less than 5,000 sqft in size. This is shown in Figure 5.1.

³⁶ Note that Costar data indicates that there are no E(g)(ii) properties in South Kesteven. This use class is therefore not considered further in this section.

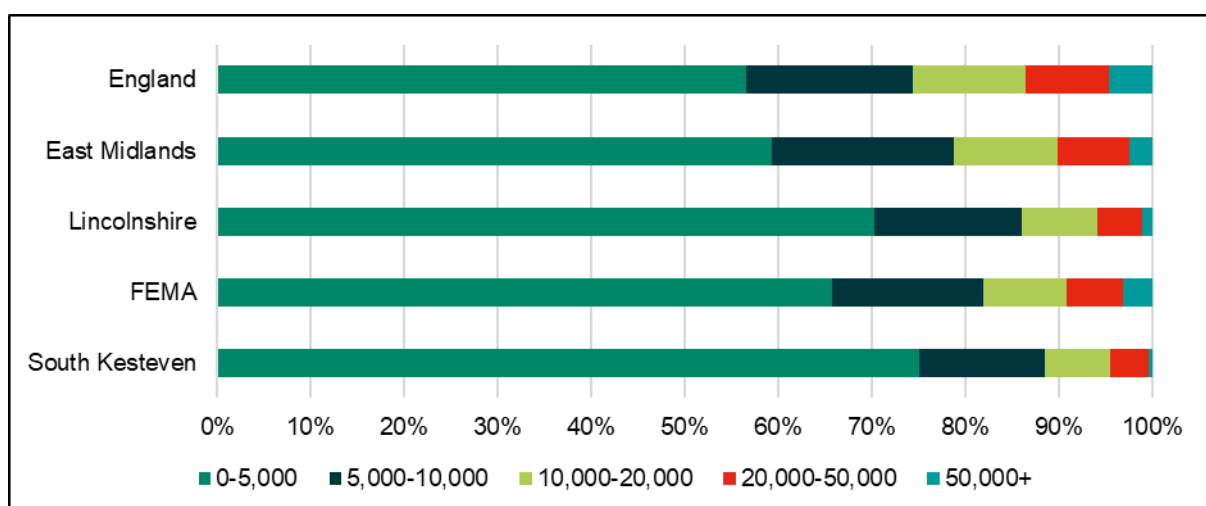
Figure 5.1 South Kesteven – Office Properties – Building Stock Size



Source: CoStar, (2022)

5.10 South Kesteven has a higher prevalence of office properties of the smallest size category (<5,000 sqft) than is typical of the FEMA, county, or region. Accordingly, only a small portion of the offering of office properties are very large in size. This can be seen in Figure 5.2.

Figure 5.2 Office Properties – Building Stock Size



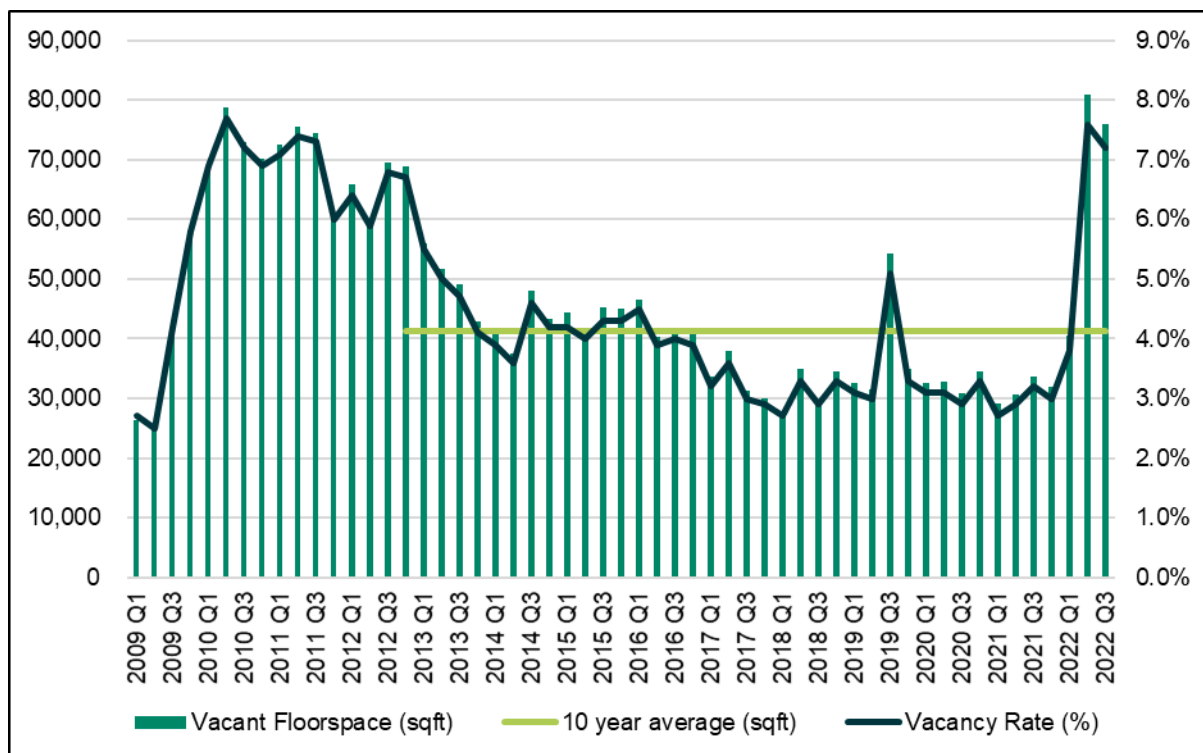
Source: CoStar, (2022)

Vacancy

5.11 The vacancy rate of office floorspace in South Kesteven is presently at one of the highest levels in the 10-year period preceding 2022 Q3. This is shown in Figure 5.3. A vacancy rate of 7.2% in 2022 Q3 was only exceeded over this period in the preceding quarter whereby the vacancy rate was 7.6%. Overall, there is around 75,000 sqft of vacant office floorspace in 2022 Q3 which is approximately 184% of the 10-year average vacant floorspace of around 40,000 sqft.

5.12 In the ten-year period preceding 2022 Q3, a broadly decreasing trend overall in vacancy rate has been recorded. The response of the office property market seemed to reflect the impact of the COVID-19 pandemic with muted response, comprising a maximum vacancy rate of 5.1% in 2019 Q3, yet falling to levels in line with broader decreasing trend in the following quarter. A significant rise in vacancy rate has been recorded in 2022 Q3 versus 2021 Q3 (+4.0%).

Figure 5.3 South Kesteven – Office Properties – Vacant Floorspace and Vacancy Rate



Source: CoStar, (2022)

5.13 In comparison, the vacancy rate of office floorspace in South Kesteven is higher than is typical across all comparator geographies, yet broadly similar to the national level of vacancy. This is shown in Table 5.3.

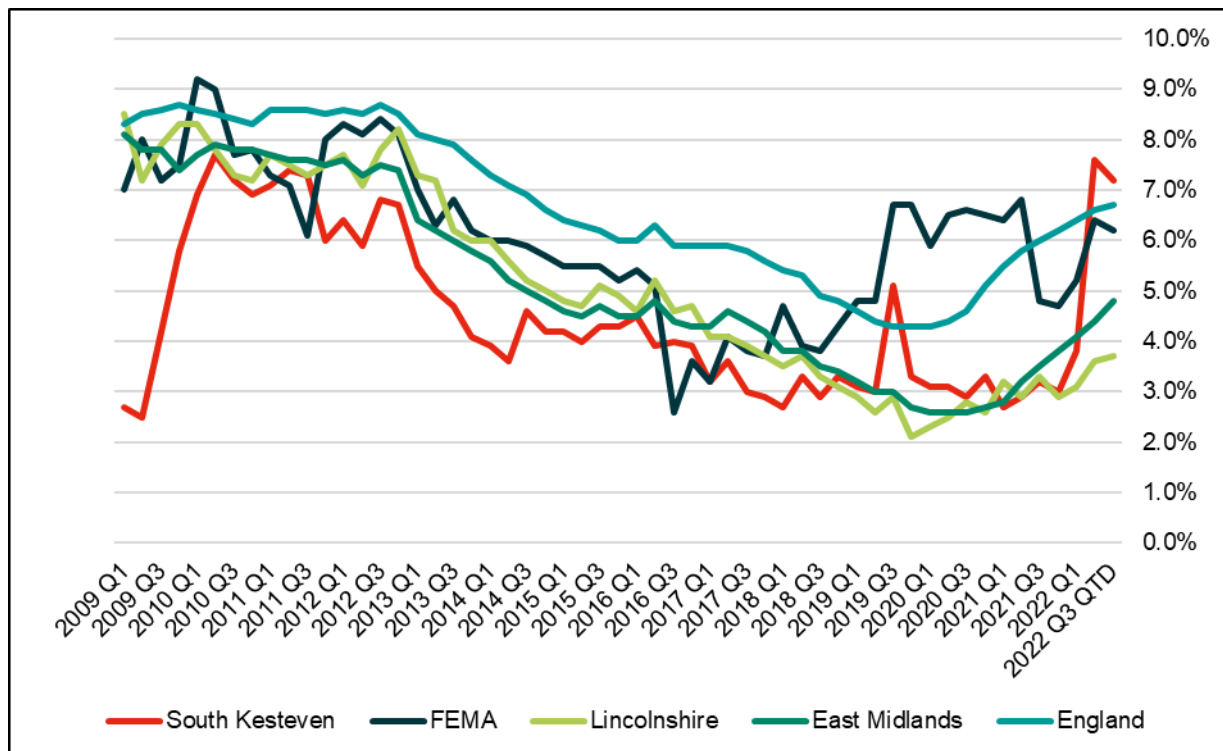
Table 5.3. Office Properties – Vacancy (2022 Q3)

	South Kesteven	FEMA	Lincolnshire	East Midlands	England
Vacancy Rate (%)	7.2%	6.2%	3.7%	4.8%	6.7%
Vacant floorspace (sqft)	76,021	436,505	222,017	3,062,687	79,421,998
Vacant floorspace (sqm)	7,063	40,553	20,626	284,533	7,378,545

Source: CoStar, (2022)

5.14 Despite recent increases in vacancy across South Kesteven, which now exceeds county, regional, and national levels rates of vacant floorspace in South Kesteven has broadly remained below these comparator areas in the ten years preceding 2022 Q3. Overall, vacancy in the office property market has followed a decreasing trend over the same period, followed by recent increases in vacancy. The office property market appears to be sensitive to wider market trends, as demonstrated by the broad tracking of vacancy trends. The response of the South Kesteven office property market to the COVID-19 pandemic however appears to be more muted than the FEMA which exhibited sustained relatively high vacancy rates. This is shown in Figure 5.4.

Figure 5.4 Office Properties – Vacancy Rate



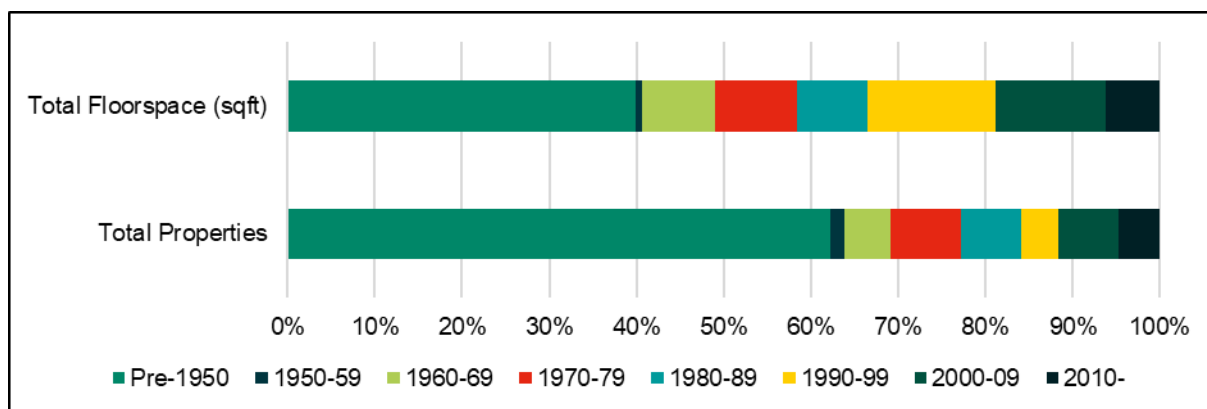
Source: CoStar, (2022)

Age

5.15 In consideration of the age of stock, office properties within South Kesteven tend to be very old in nature, with the majority built or renovated before 1950. The office properties are older in nature than is typical for the FEMA, county, and region. Accordingly, a smaller proportion of office properties were built after 2000 than is typical in the comparator geographies. This is shown in Figure 5.5 and Figure 5.6.

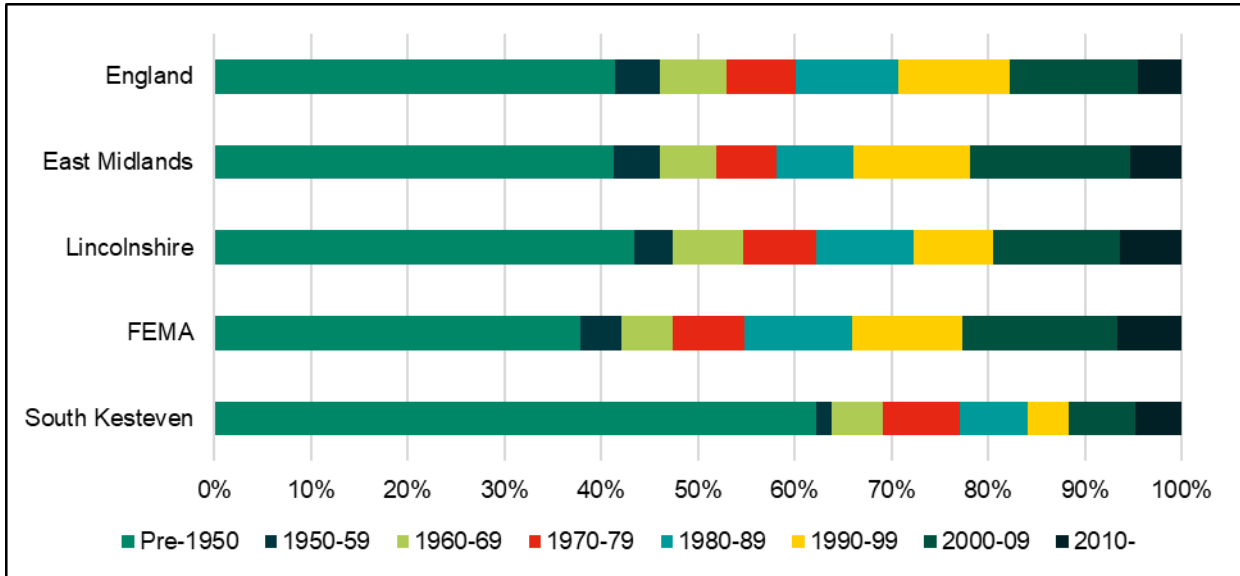
5.16 The oldest office properties are in clusters in Grantham, Bourne, and Stamford, with a number of these properties also found in rural areas. In addition to being located in these settlements, the newest properties, built or renovated after 2000, can be found in The s and Long Bennington.

Figure 5.5 South Kesteven – Office Properties – Building Stock Age



Source: CoStar, (2022)

Figure 5.6 Office Properties – Age (% of buildings)

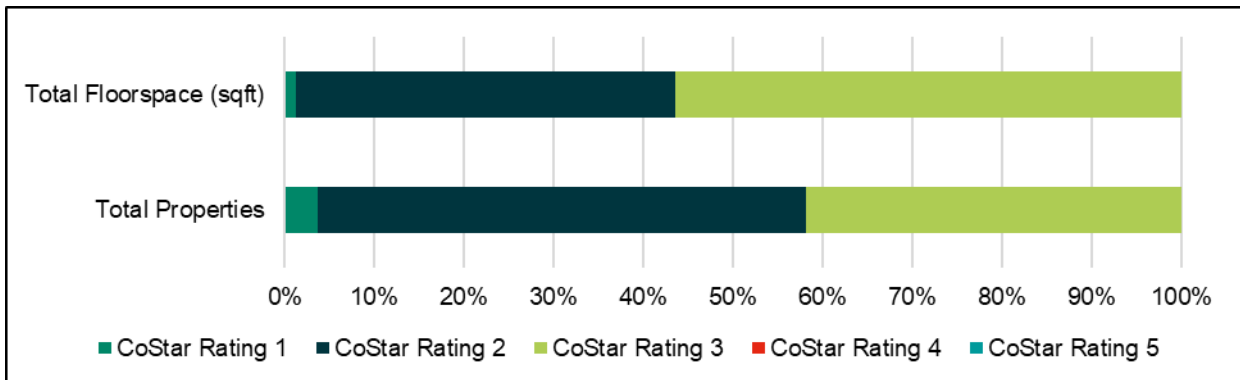


Source: CoStar, (2022)

Condition

5.17 The majority of the office properties in South Kesteven are rated average in terms of building quality, and are classified with a CoStar quality rating of 2 or 3. There are no buildings rated 4 or 5 (best). This can be seen in Figure 5.7.

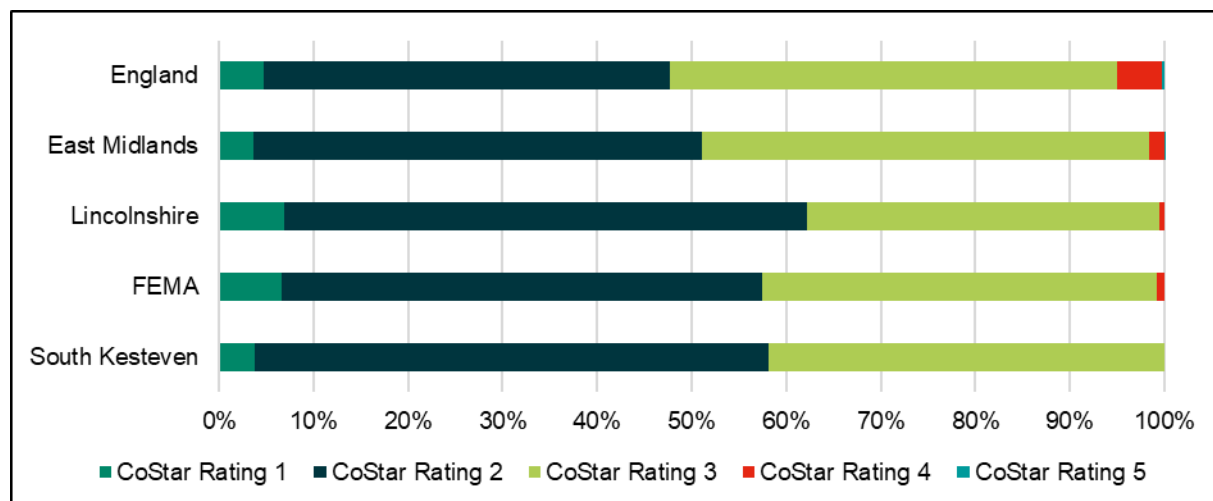
Figure 5.7 South Kesteven – Office Properties – CoStar Building Quality Score



Source: CoStar, (2022)

5.18 The building quality rating profile of South Kesteven’s office properties aligns closely with that exhibited in the FEMA, county and region. This is shown in Figure 5.8. Notably, there are some properties of higher quality in each of these geographies, but none in South Kesteven, although this is indicative of the overall rarity of such properties at wider geographical scales.

Figure 5.8 Building Stock Quality – Office



Source: CoStar, (2022)

Rent

5.19 Office properties currently attract an average market rental value of approximately £10.52/sqft. This is lower than rental values achieved in the East Midlands region, and considerably lower than is typical of England. This is shown in Table 5.4.

Table 5.4 Office Properties – Market Rent and Asking Rent (2022 Q3)

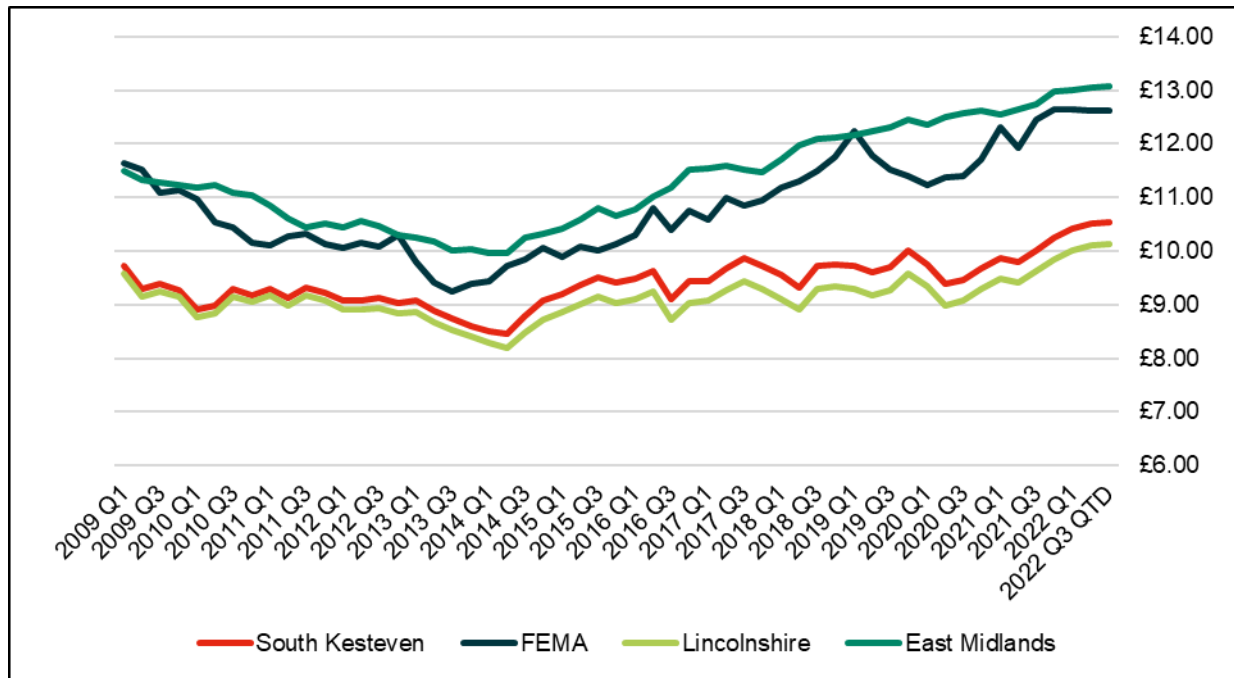
	South Kesteven	FEMA	Lincolnshire	East Midlands	England
Market Rent (£/sf)	10.53	12.61	10.12	13.07	29.23
Asking Rent (£/sf)	8.83	12.05	8.85	12.47	30.75
Market Rent (£/sqm)	113.34	135.73	108.93	140.68	314.63
Asking Rent (£/sqm)	95.05	129.71	95.26	134.23	330.99

Source: CoStar, (2022)

5.20 In the period between 2009 Q1 and 2022 Q3, the market rent achieved for office properties in South Kesteven has exhibited a broadly increasing trend, with lowest rents achieved in 2014 Q1. Market rental values have only modestly increased between £9.73/sqft in 2009 Q1 and £10.53 in 2022 Q3, representing an increase of £0.80, or 8.2%. This compares to an increase over the same period of 13.6% across the East Midlands, although aligns with an increase of 8.3% across the FEMA.

5.21 The achieved market rental value has remained closely reflective of, or marginally higher than, the rate exhibited across Lincolnshire. However, this is still much lower than is typical for the FEMA, and across the East Midlands region. This is shown in Figure 5.9.

Figure 5.9 Office Properties – Market Rent (£/sqft)

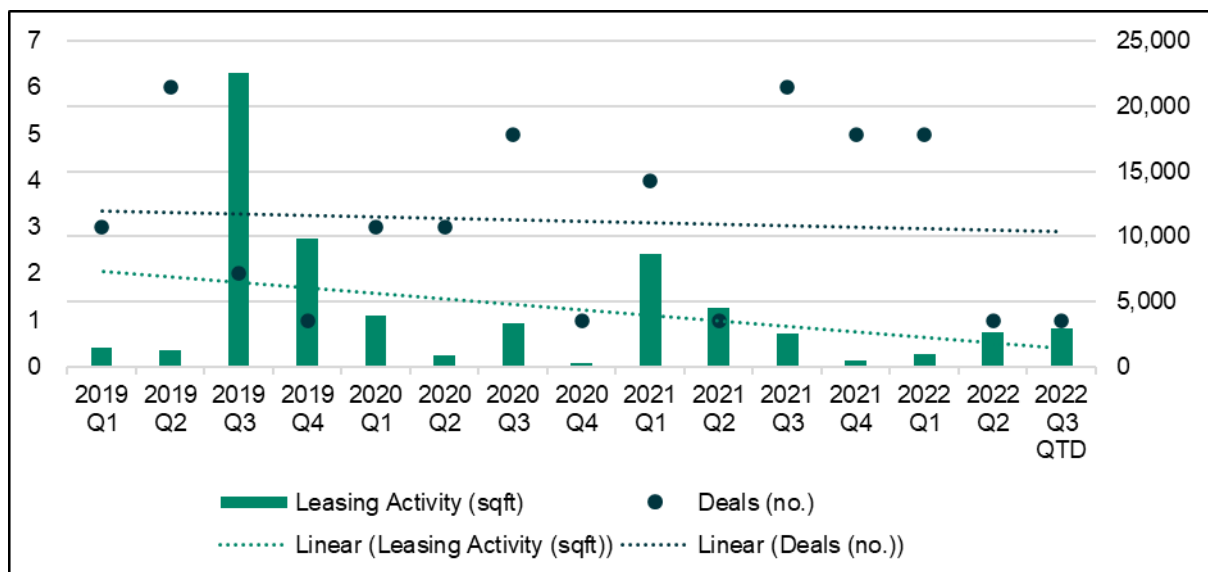


Source: CoStar, (2022)

Recent market activities

5.22 A total of 66,262 sqft of office space has been leased in the period between 2019 Q1 and 2022 Q3 through a total of 47 deals. This represents the most deals conducted over this period of any use type. In terms of floorspace the majority of leasing activity was conducted in 2019, however the in terms of the number of deals, the majority of leasing activity was conducted in 2021. Although there has been a decreasing amount of floorspace involved in leasing activity over this period, the trend in number of deals has remained broadly consistent, indicating that these deals could comprise larger office properties over time (although this is based on a limited number of deals and therefore may not be representative of the general trend).

Figure 5.10 South Kesteven – Office Properties – Leasing Activity (2019 Q1 – 2022 Q3 QTD) (sqft)

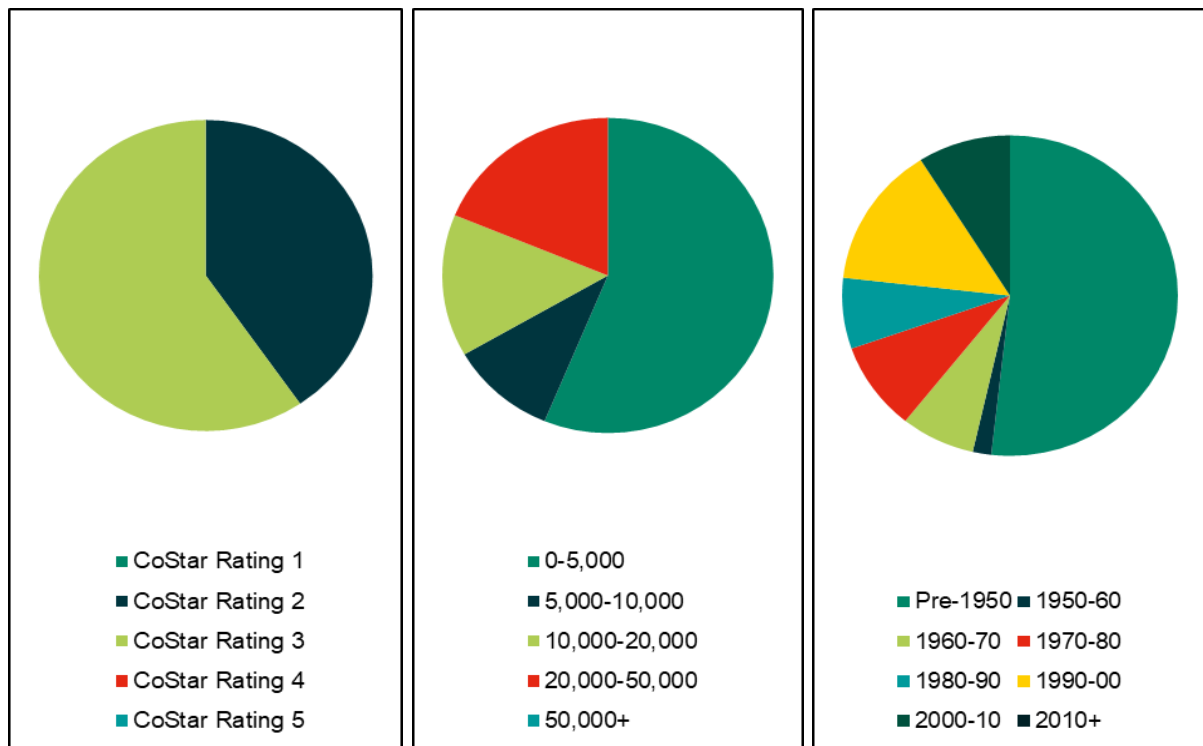


Source: CoStar, (2022)

5.23 A greater number of deals were conducted between 2019 Q1 and 2022 Q3 involving buildings with CoStar quality rating of 3 than 2. The proportion of the number of deals conducted involving buildings with a CoStar quality rating of 3 exceeds the amount of such buildings as a proportion of total stock in South Kesteven. This indicates that unsurprisingly there is greater market activity, including demand and leasing, among office buildings of higher quality. This is shown in Figure 5.11.

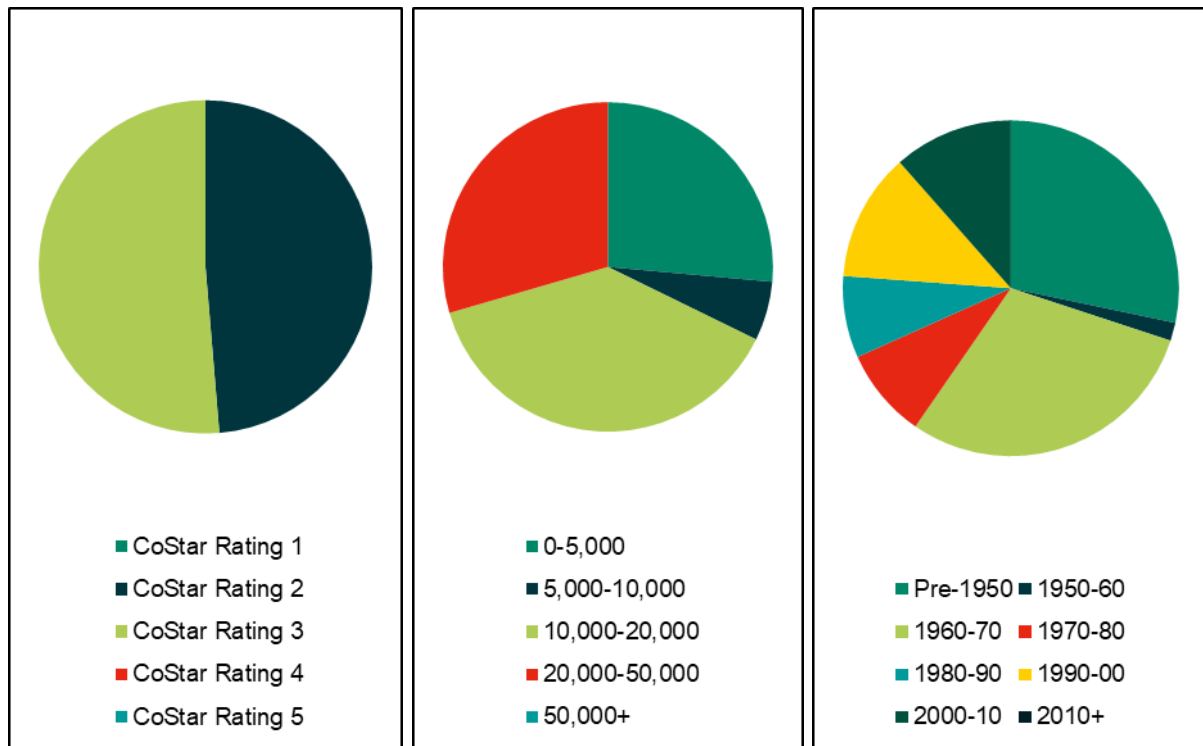
5.24 The majority of deals conducted over the same period involved properties with floorspace of less than 10,000 sqft, reflecting the prevalence of such properties in South Kesteven. Similarly, the age of properties involved in leasing deals is reflective of the age profile of buildings in the district.

Figure 5.11 South Kesteven – Office Properties – Leasing Activity (2019 Q1 – 2022 Q3) – Share of number of deals



Source: CoStar, (2022)

Figure 5.12 South Kesteven – Leasing Activity (2019 Q1 – 2022 Q3) – Share of total Floorspace



Source: CoStar, (2022)

Industrial Market

5.25 This section presents findings relating to the industrial property market in South Kesteven. Industrial properties, comprising industrial, manufacturing, light industrial, and storage and distribution functions are dispersed amongst the settlements of South Kesteven, with some remote properties also contributing industrial employment space.

Buildings and floorspace (current)

5.26 There are approximately 291 industrial properties in South Kesteven, comprising 38 properties of E(g)(iii) uses in around 550,000 sqft of floorspace, 130 properties of B2 uses in around 2 million sqft of floorspace, and 123 properties of B8 uses in around 5.4 million sqft of floorspace. This is shown in Table 5.5.

5.27 Industrial properties operating B8 functions therefore represent the greatest use of floorspace in the district. The majority of properties operating B8 functions are located in clusters mainly in Grantham, but also in Bourne and The Deepings. Approximately a quarter of Lincolnshire’s B8 use floorspace is found in South Kesteven.

5.28 Industrial properties operating E(g)(iii) properties represent the least proportional use of employment-generating floorspace in the district. Most of these properties are located in Grantham, with sparse offerings in rural locations and alongside the A1 road.

5.29 There are a number of clusters of B2 use properties, distributed widely across South Kesteven. These properties tend to be located in proximity to the Strategic Road network, in particular nearby to the A1 and A15 roads. Clusters of B2 properties can be found in each of the major settlements in South Kesteven.

Table 5.5 Industrial Properties – Buildings and Floorspace (2022 Q3)

	South Kesteven	FEMA	Lincolnshire	East Midlands	England
E(g)(iii)					
Number of properties	38	120	164	1,128	13,859
Floorspace (sqft)	555,907	2,596,353	2,459,298	21,891,379	209,157,824
Floorspace (sqm)	51,645	241,209	228,476	2,033,776	19,431,398
B2					
Number of properties	130	411	697	4,510	40,020
Floorspace (sqft)	1,932,847	9,545,729	11,050,462	86,354,590	665,713,762
Floorspace (sqm)	179,567	886,827	1,026,622	8,022,604	61,846,832
B8					
Number of properties	123	448	552	5,080	45,589
Floorspace (sqft)	5,383,483	24,178,477	20,562,847	271,233,217	1,890,026,053
Floorspace (sqm)	500,142	2,246,254	1,910,351	25,198,390	175,589,166
All Industrial					
Number of properties	291	979	1,413	10,718	99,468
Floorspace (sqft)	7,872,237	36,320,559	34,072,607	379,479,186	2,764,897,639
Floorspace (sqm)	731,355	3,374,290	3,165,449	35,254,770	256,867,396

Source: CoStar, (2022)

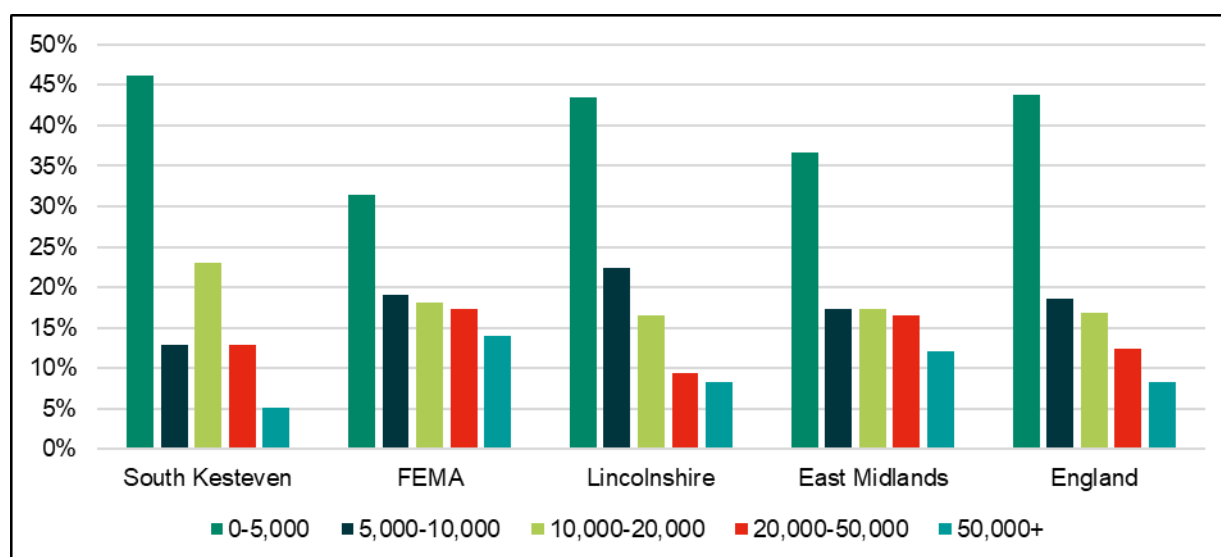
- 5.30 In terms of property size, light industrial use class properties in South Kesteven tend to be less than 5,000 sqft in size. This is reflective of a wider tendency for this use to occupy floorspaces of this size category. This is shown in Table 5.6 and Figure 5.13.
- 5.31 Similarly, B2 use properties in South Kesteven occupy relatively smaller properties, with almost all of the properties in the district serving this use being less than 10,000 sqft in size. This is also reflective of wider tendencies for properties serving these uses to be characterised by this size. This is shown in Table 5.6 and Figure 5.14.
- 5.32 In South Kesteven, most B8 use class properties have floorspaces between 10,000 and 20,000 sqft, which is also the modal average size category exhibited in wider geographies. Whereas in the wider FEMA, county, regional and national geographies, a greater proportion of B8 use class properties than in South Kesteven are between 20,000 and 50,000 sqft in size, properties in excess of 50,000 sqft represent a marginally higher proportion of all B8 use class properties than in the county, region and across England, in line with the characteristics of the FEMA size profile. This is shown in Table 5.6 and Figure 5.15.

Table 5.6 Industrial Properties – Property Size (2022 Q3)

Size (sqft)	South Kesteven	FEMA	Lincolnshire	East Midlands	England
E(g)(iii)					
0-5,000	46%	31%	44%	37%	44%
5,000-10,000	13%	19%	22%	17%	19%
10,000-20,000	23%	18%	16%	17%	17%
20,000-50,000	13%	17%	9%	16%	12%
50,000+	5%	14%	8%	12%	8%
B2					
0-5,000	55%	52%	58%	50%	50%
5,000-10,000	37%	39%	32%	40%	41%
10,000-20,000	2%	2%	2%	2%	2%
20,000-50,000	2%	1%	1%	2%	1%
50,000+	5%	7%	6%	6%	5%
B8					
0-5,000	6%	5%	9%	5%	4%
5,000-10,000	8%	4%	11%	5%	4%
10,000-20,000	39%	37%	37%	35%	38%
20,000-50,000	23%	29%	25%	32%	35%
50,000+	25%	25%	19%	23%	19%
All Industrial					
0-5,000	33%	28%	37%	27%	31%
5,000-10,000	22%	20%	22%	21%	22%
10,000-20,000	20%	20%	18%	19%	19%
20,000-50,000	12%	16%	12%	17%	16%
50,000+	13%	16%	12%	15%	12%

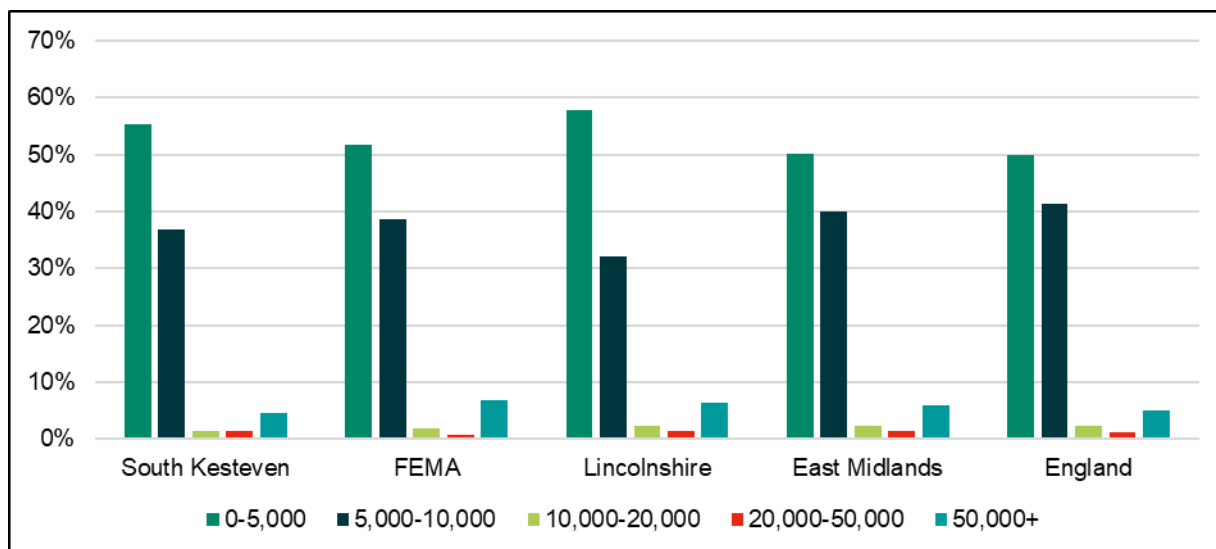
Source: CoStar, (2022)

Figure 5.13 Industrial Properties – E(g)(iii) – Property Size (2022 Q3)



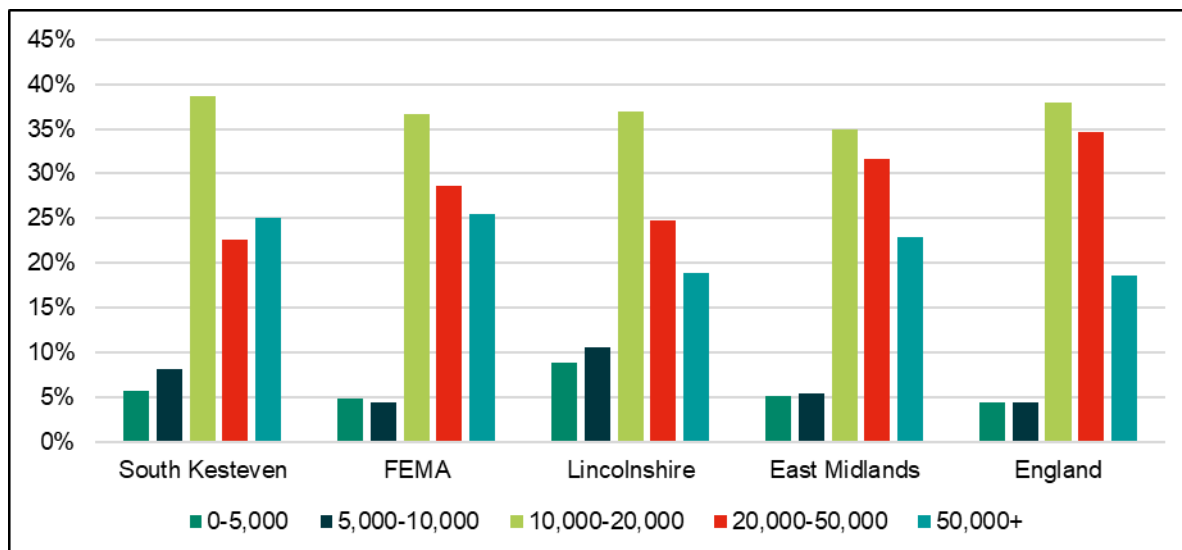
Source: CoStar, (2022)

Figure 5.14 Industrial Properties – B2 – Property Size (2022 Q3)



Source: CoStar, (2022)

Figure 5.15 Industrial Properties – B8 – Property Size (2022 Q3)

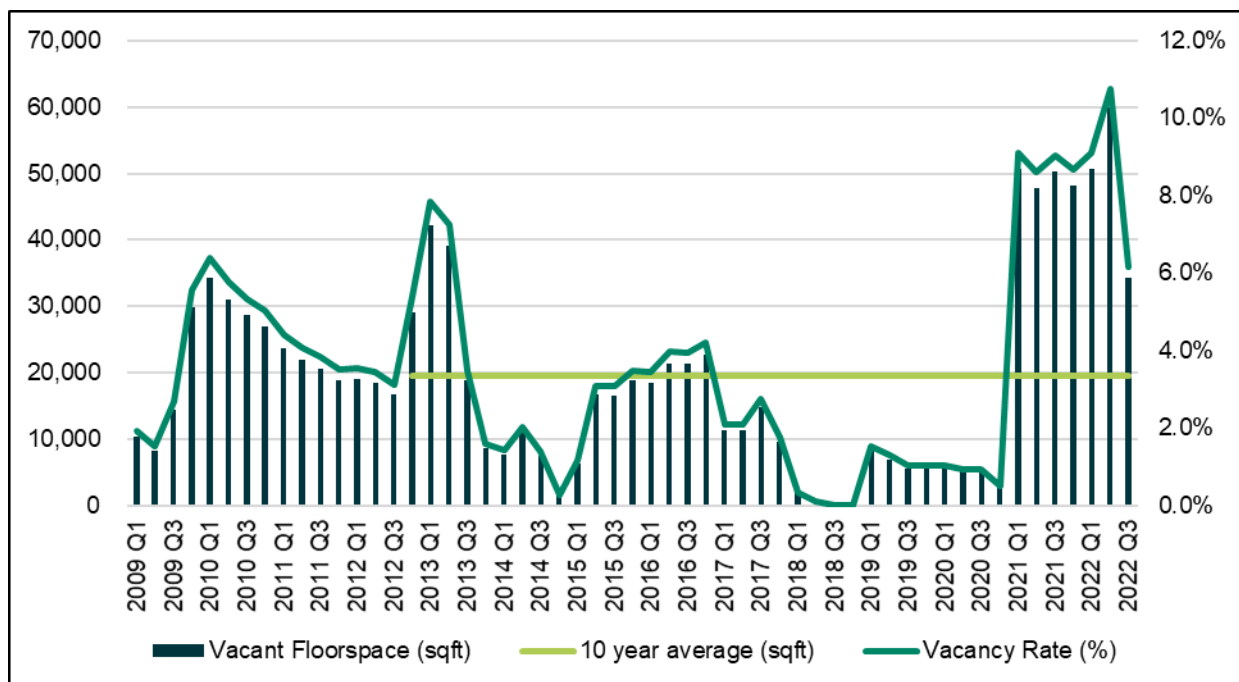


Source: CoStar, (2022)

Vacancy

5.33 The vacancy rate of E(g)(iii) use floorspace in South Kesteven is presently 6.2%, representing a reduction on the rate in the preceding two years where the vacancy remained consistently high at around 9.0%. A maximum vacancy rate of 10.8% was recorded in 2022 Q2, comprising approximately 60,000 sqft, which represents 306% of the 10-year average vacant floorspace. This is shown in Figure 5.16.

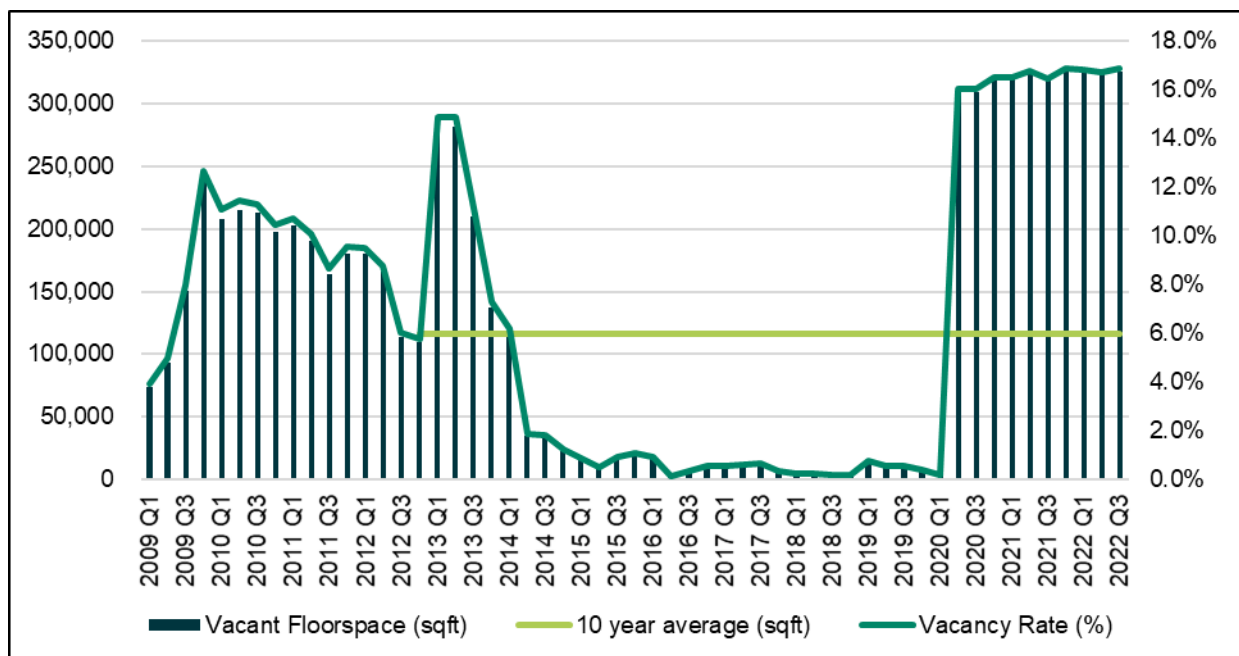
Figure 5.16 South Kesteven – E(g)(iii) – Vacancy Rate and Floorspace



Source: CoStar, (2022)

5.34 The vacancy rate of B2 use floorspace in South Kesteven is currently 16.8% and in line with a persistently high vacancy rate in the two years preceding 2022 Q3. Approximately 325,000 sqft is vacant, representing 280% of the 10-year average vacant floorspace. This is shown in Figure 5.17.

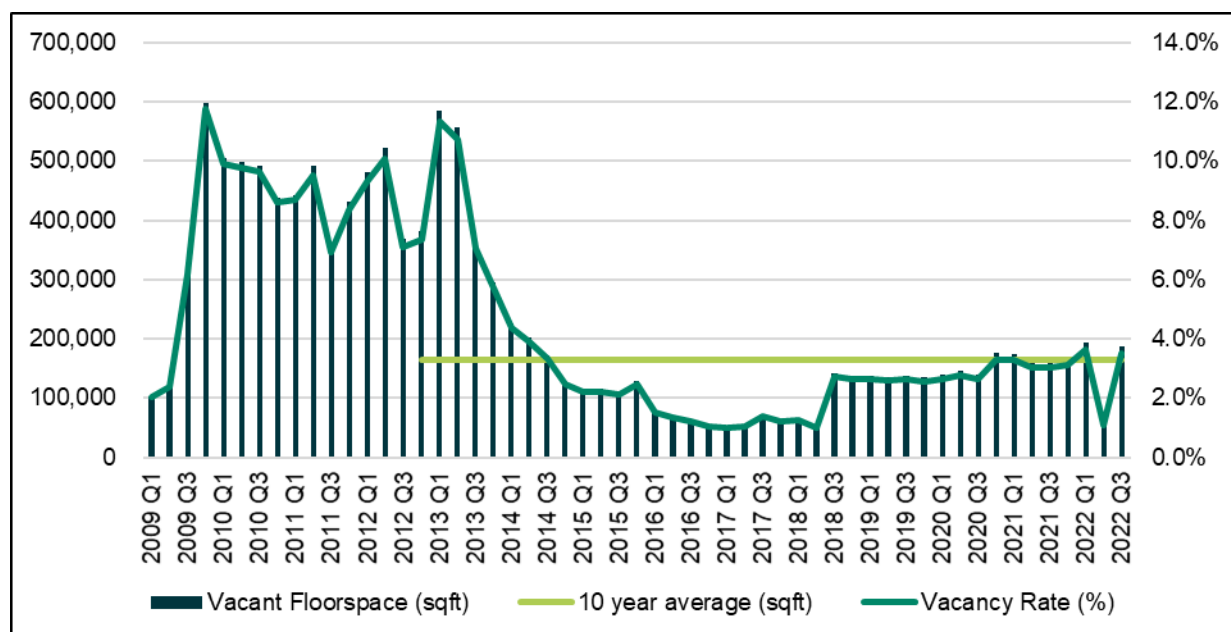
Figure 5.17 South Kesteven – B2 – Vacancy Rate and Floorspace



Source: CoStar, (2022)

5.35 In contrast to E(g)(iii) and B2 use floorspace, B8 use floorspace has exhibited persistently low vacancy rates in the ten years preceding 2022 Q3. The vacancy rate is presently around 3.5%. The current amount of vacant floorspace is roughly in line with the 10-year average vacant floorspace. This is shown in Figure 5.18 and Table 5.7.

Figure 5.18 South Kesteven – B8 – Vacancy Rate and Floorspace



Source: CoStar, (2022)

Table 5.7 Industrial Properties – Vacancy (2022 Q3)

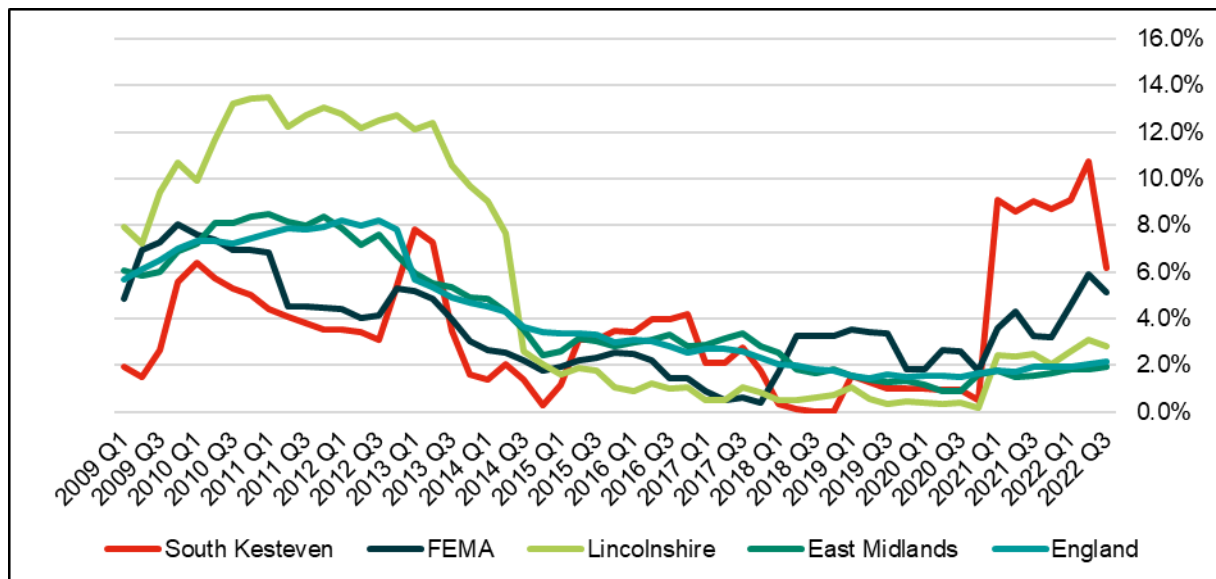
	South Kesteven	FEMA	Lincolnshire	East Midlands	England
E(g)(iii)					
Vacancy Rate (%)	6.2	5.1	2.8	2.0	2.2
Vacant floorspace (sqft)	34,197	133,475	69,299	429,811	4,538,436
Vacant floorspace (sqm)	3,177	12,400	6,438	39,931	421,635
B2					
Vacancy Rate (%)	16.8	10.7	9.9	2.4	2.4
Vacant floorspace (sqft)	325,669	1,022,226	1,099,278	2,084,684	16,304,701
Vacant floorspace (sqm)	30,256	94,968	102,126	193,673	1,514,756
B8					
Vacancy Rate (%)	3.5	4.9	2.5	2.8	3.4
Vacant floorspace (sqft)	187,623	1,173,815	522,641	7,557,139	64,125,129
Vacant floorspace (sqm)	17,431	109,051	48,555	702,081	5,957,419
All Industrial					
Vacancy Rate (%)	7.0	6.4	4.8	2.7	3.1
Vacant floorspace (sqft)	547,489	2,329,516	1,621,988	10,071,634	84,968,266
Vacant floorspace (sqm)	50,863	216,419	150,688	935,685	7,893,810

Source: CoStar, (2022)

5.36 With regard to the trend in vacancy rate, as shown in Figure 5.19 to Figure 5.21, it can be seen that overall vacancy in South Kesteven is prone to variation around the overall trend of wider comparator geographies, reflecting the sensitivity of overall vacancy rate to the vacancy of relatively fewer properties.

5.37 On the whole, the vacancy rate of E(g)(iii) use floorspace in South Kesteven, shown in Figure 5.19, has remained below the regional and national level, with the notable exception of the two years preceding 2022 Q3.

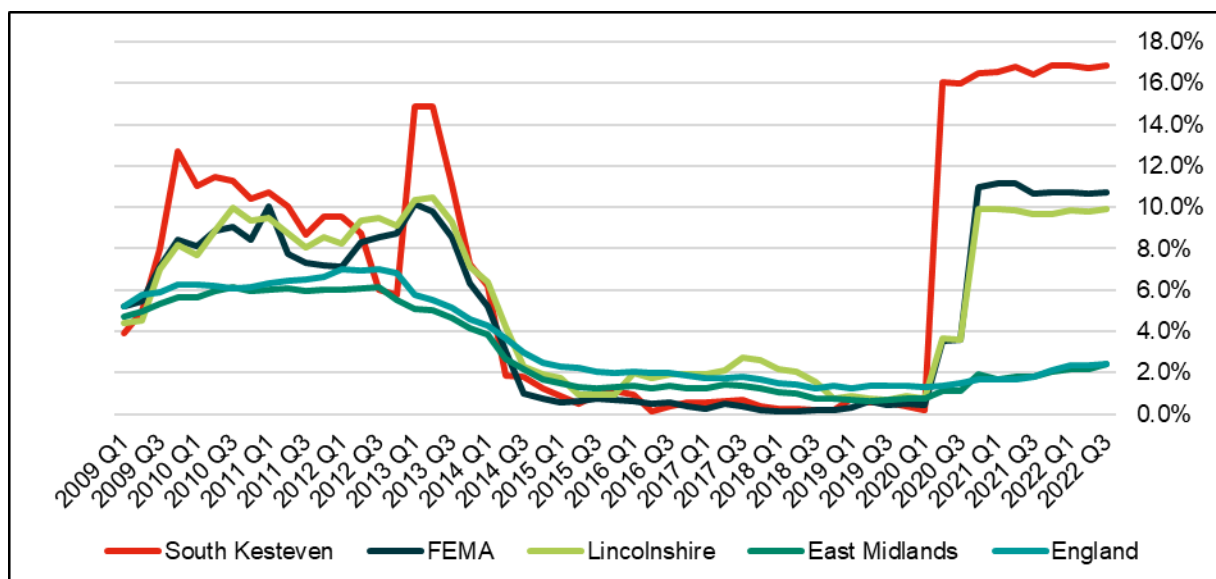
Figure 5.19 Industrial Properties – E(g)(iii) – Vacancy Rate



Source: CoStar, (2022)

5.38 As shown in Figure 5.20, the trend in vacancy rate of B2 use class floorspace in South Kesteven in the 10-year period preceding 2022 Q3, broadly reflects the market trends in the wider comparator geographies, whereby following a brief peak in vacancy in South Kesteven above equivalent rates around 2013, consistently low vacancy rates below 5.0% across all geographies were recorded in the period between 2014 and 2020. Despite only very subdued increases in vacancy rate following 2020 recorded in the East Midlands region and across England as a whole, at the more local geographies of the FEMA and Lincolnshire, significant increases in vacancy rate were recorded for this property type. In South Kesteven, this increase has been most pronounced of any geography considered, whereby the vacancy rate has remained consistently above 16.0% for the two year period preceding 2022 Q3. This represents approximately 30% of the vacant B2 use floorspace within the FEMA. This trend could be reflective of wider (decreasing) demand for general industrial use properties serving manufacturing, food processing, and service functions since the COVID-19 pandemic, when compared to other industrial use classes. This effect seems to be particularly acute within the B2 use class property market in South Kesteven.

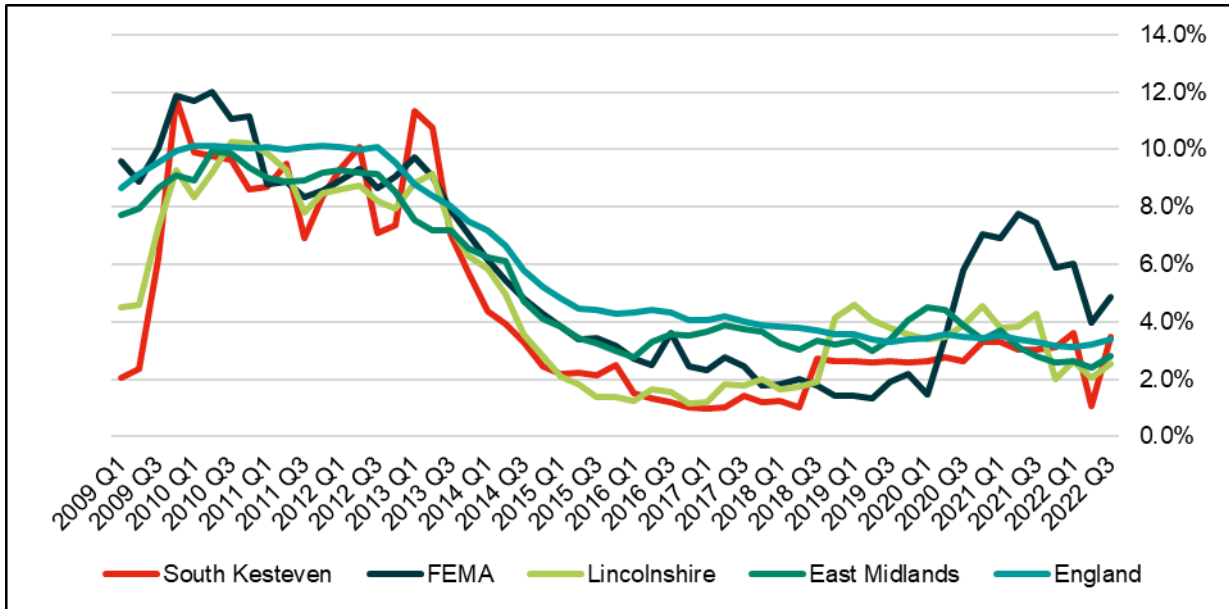
Figure 5.20 Industrial Properties – B2 – Vacancy Rate



Source: CoStar, (2022)

5.39 The broad trend of persistent demand for B8 use class properties is shown in Figure 5.21, whereby across all geographies, besides the FEMA, the vacancy rate in the seven years preceding 2022 Q3 has broadly remained below 5.0%. The floorspace vacancy rate of this property type in South Kesteven has remained mostly below the regional and national vacancy rate, which could reflect persistent demand for properties serving storage and distribution functions in this location.

Figure 5.21 Industrial Properties – B8 – Vacancy Rate

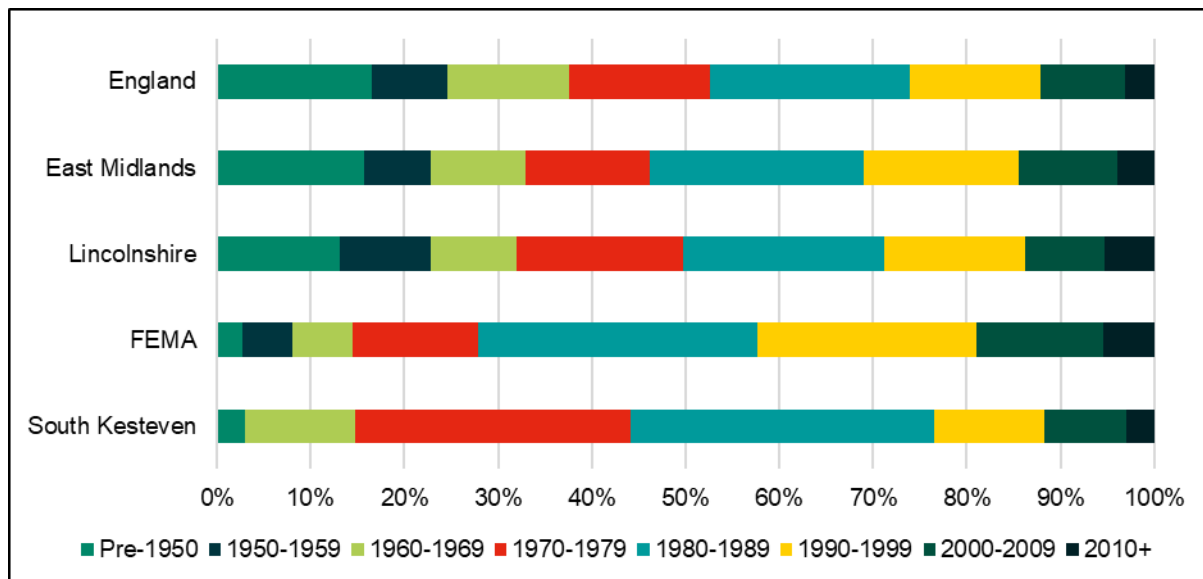


Source: CoStar, (2022)

Age

5.40 The majority of E(g)(iii) use properties in South Kesteven were built or last renovated between 1970 and 1989, as shown in Figure 5.22 and Table 5.8. Accordingly, the majority of the stock is around 30 to 50 years old. There are very few E(g)(iii) use properties remaining whose construction or last renovation predate 1960; whereas across the East Midlands region and England as a whole this portion is around a quarter of the stock, in South Kesteven this portion is less than 5%. The proportion of the building stock in South Kesteven built or last renovated since 2000 is typical, although the FEMA has a slightly higher proportion of such properties.

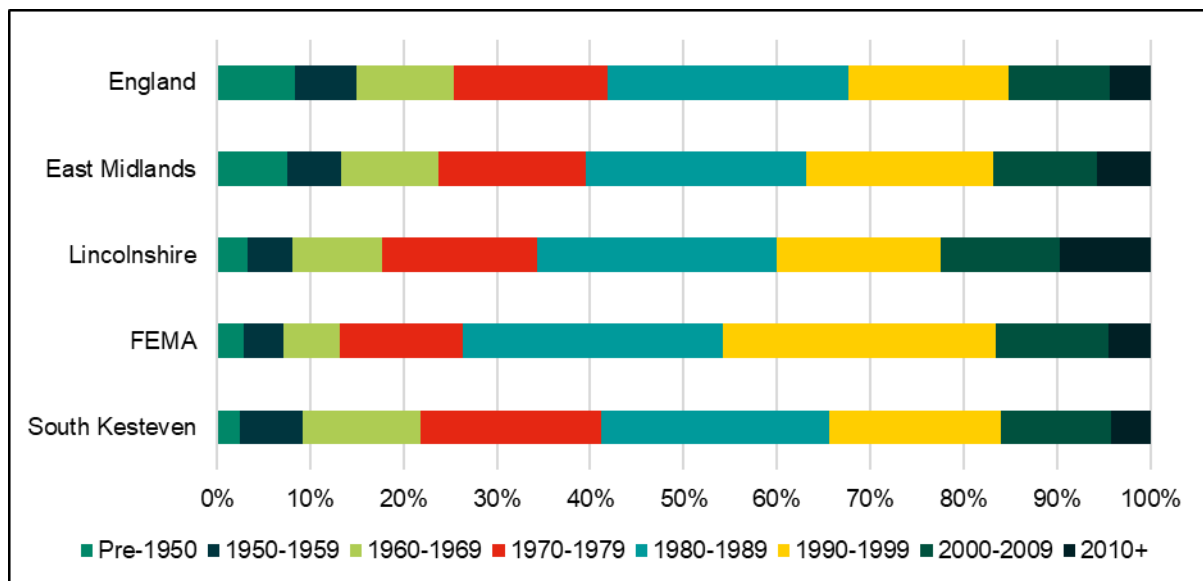
Figure 5.22 Industrial Properties – E(g)(iii) – Age



Source: CoStar, (2022)

5.41 The age profile of the stock of B2 use properties is reflective of the national and regional profile, however the FEMA on the whole has newer stock proportionally, as shown in Figure 5.23 and Table 5.8.

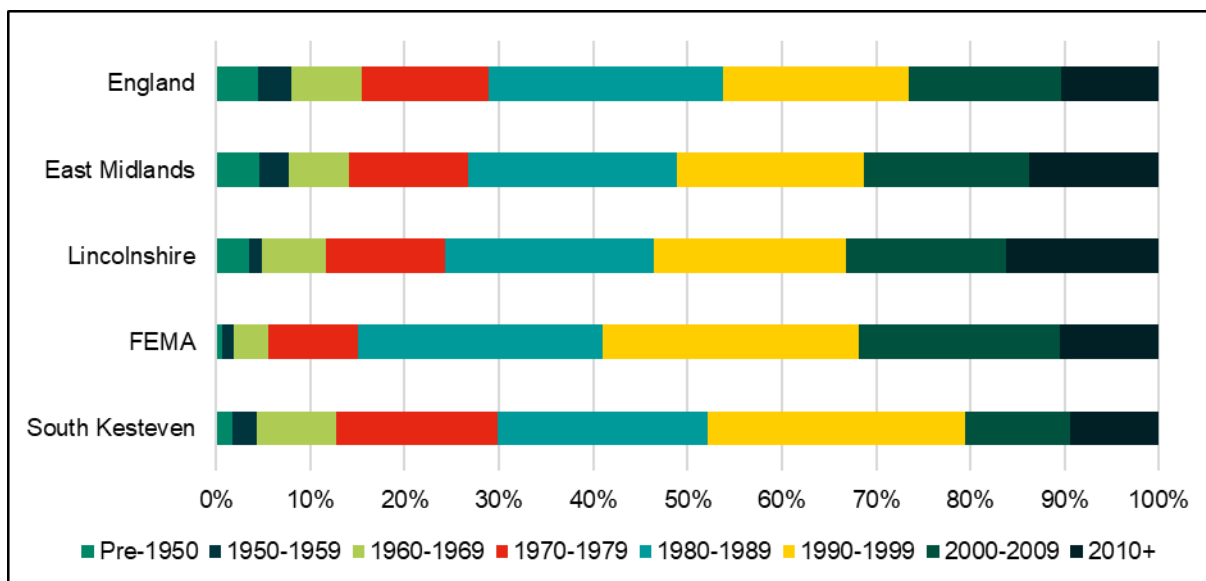
Figure 5.23 Industrial Properties – B2 – Age



Source: CoStar, (2022)

5.42 Within South Kesteven, B8 use properties built or last renovated after 2000 represents a smaller proportion of the building stock than is exhibited in the wider comparator geographies. Nonetheless, properties which were built or last renovated before 1960 represents a smaller proportion of the building stock than is evident in the East Midlands region and across England as a whole. This is shown in Figure 5.24 and Table 5.8.

Figure 5.24 Industrial Properties – B8 – Age



Source: CoStar, (2022)

Table 5.8 Industrial Properties – Building Age

	South Kesteven	FEMA	Lincolnshire	East Midlands	England
<i>E(g)(iii)</i>					
Pre-1950	3%	3%	13%	16%	17%
1950-1959	0%	5%	10%	7%	8%
1960-1969	12%	6%	9%	10%	13%
1970-1979	29%	14%	18%	13%	15%
1980-1989	32%	30%	22%	23%	21%
1990-1999	12%	23%	15%	17%	14%
2000-2009	9%	14%	8%	10%	9%
2010+	3%	5%	5%	4%	3%
<i>B2</i>					
Pre-1950	3%	3%	3%	8%	8%
1950-1959	7%	4%	5%	6%	7%
1960-1969	13%	6%	10%	10%	10%
1970-1979	19%	13%	17%	16%	16%
1980-1989	24%	28%	26%	24%	26%
1990-1999	18%	29%	18%	20%	17%
2000-2009	12%	12%	13%	11%	11%
2010+	4%	4%	10%	6%	4%
<i>B8</i>					
Pre-1950	2%	1%	4%	5%	5%
1950-1959	3%	1%	1%	3%	4%
1960-1969	9%	4%	7%	6%	7%
1970-1979	17%	10%	13%	13%	14%
1980-1989	22%	26%	22%	22%	25%
1990-1999	27%	27%	20%	20%	20%
2000-2009	11%	21%	17%	17%	16%
2010+	9%	11%	16%	14%	10%
<i>All Industrial</i>					
Pre-1950	2%	2%	5%	7%	8%
1950-1959	4%	3%	4%	5%	5%
1960-1969	11%	5%	8%	8%	9%
1970-1979	20%	12%	15%	14%	15%
1980-1989	24%	27%	24%	23%	25%
1990-1999	21%	28%	18%	20%	18%
2000-2009	11%	17%	14%	14%	13%
2010+	6%	7%	12%	9%	7%

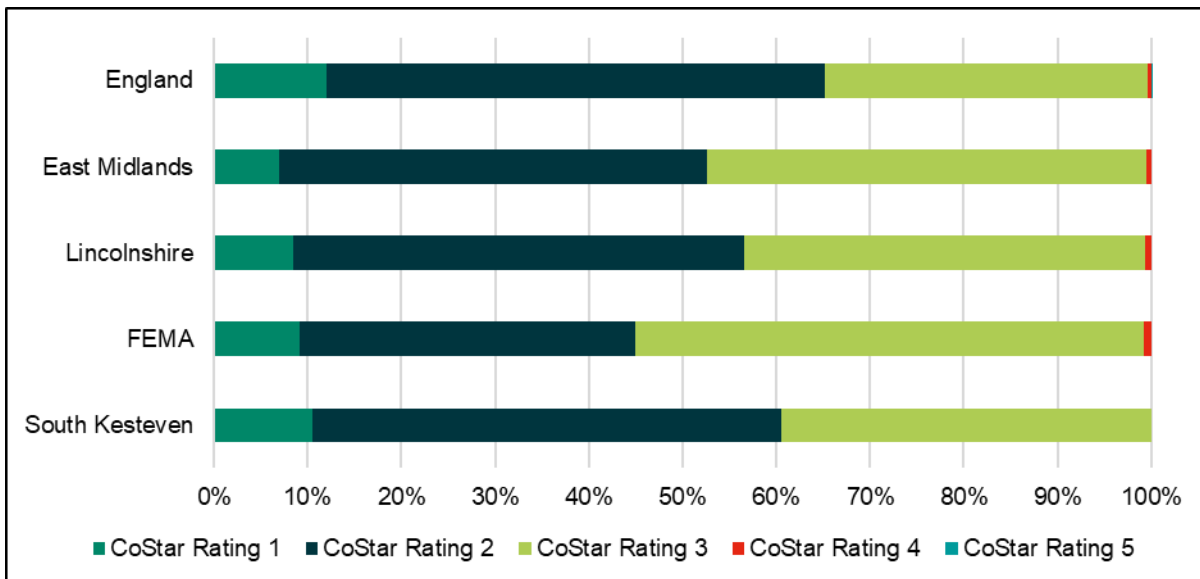
Source: CoStar, (2022)

Condition

5.43 E(g)(iii) use properties tend to be awarded CoStar quality ratings of 1, 2, or 3 (1 being the lowest quality score). Buildings of higher quality for this use are rare across all geographies. There are no E(g)(iii) use properties rated above 3 in South Kesteven, whereas in all comparator geographies a very minor proportion of the building stock have been awarded such rating. A marginally greater proportion of the building stock in

South Kesteven is considered to be of the lowest quality compared to the FEMA, county, and region. This is shown in Figure 5.25 and Table 5.9.

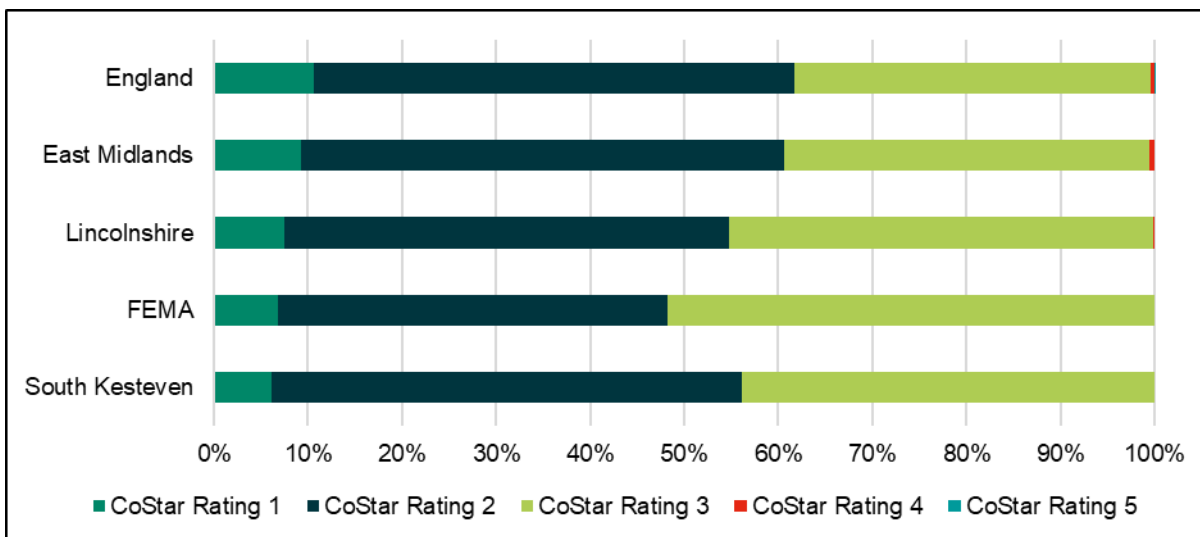
Figure 5.25 Industrial Properties – E(g)(iii) – CoStar Rating



Source: CoStar, (2022)

5.44 It is also typical that B2 use properties receive a CoStar building quality rating of 1, 2, or 3. Notably, a lower proportion of the building stock in South Kesteven is considered to be of the worst quality than in the FEMA, county, region, and across England as a whole. This is shown in Figure 5.26 and Table 5.9.

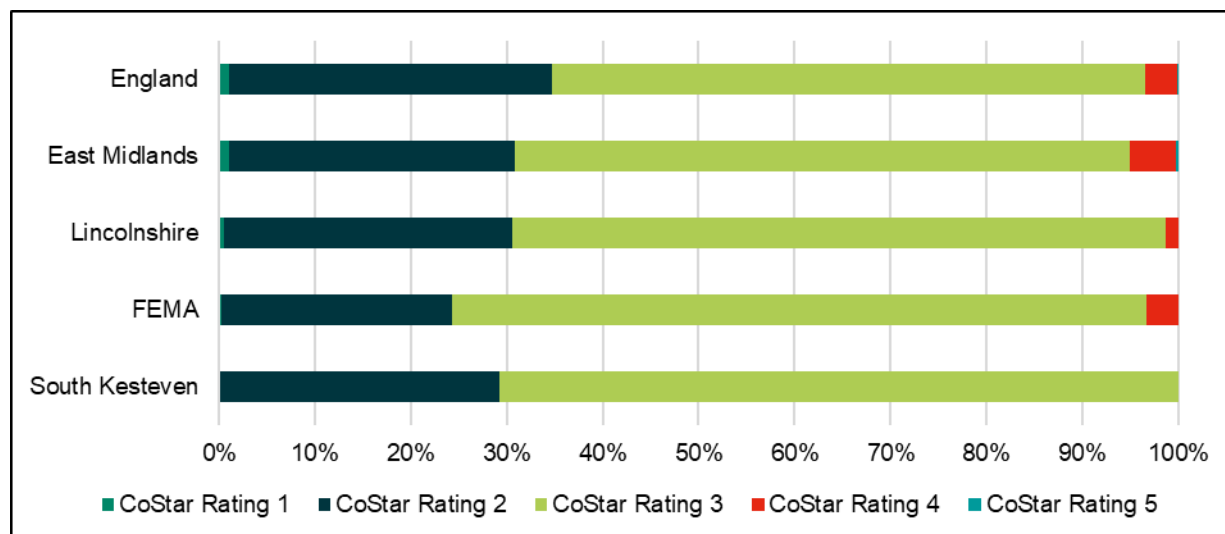
Figure 5.26 Industrial Properties – B2 – CoStar Rating



Source: CoStar, (2022)

5.45 There are no B8 use properties in South Kesteven which are considered to be amongst the worst quality with a CoStar building quality rating of 1. Conversely, there are also no high quality properties, with a rating of 4 or above, in contrast to the FEMA and county which each have a handful of such properties. This is shown in Figure 5.27 and Table 5.9.

Figure 5.27 Industrial Properties – B8 – CoStar Rating



Source: CoStar, (2022)

Table 5.9 Industrial Properties – Building Quality

	South Kesteven	FEMA	Lincolnshire	East Midlands	England
E(g)(iii)					
CoStar Rating 1	11%	9%	8%	7%	12%
CoStar Rating 2	50%	36%	48%	46%	53%
CoStar Rating 3	39%	54%	43%	47%	34%
CoStar Rating 4	0%	1%	1%	0%	0%
CoStar Rating 5	0%	0%	0%	0%	0%
B2					
CoStar Rating 1	6%	7%	58%	9%	11%
CoStar Rating 2	50%	41%	32%	51%	51%
CoStar Rating 3	44%	52%	2%	39%	38%
CoStar Rating 4	0%	0%	1%	1%	0%
CoStar Rating 5	0%	0%	6%	0%	0%
B8					
CoStar Rating 1	0%	0%	1%	1%	1%
CoStar Rating 2	29%	24%	30%	30%	34%
CoStar Rating 3	71%	72%	68%	64%	62%
CoStar Rating 4	0%	3%	1%	5%	3%
CoStar Rating 5	0%	0%	0%	0%	0%
All Industrial					
CoStar Rating 1	4%	4%	5%	5%	6%
CoStar Rating 2	41%	33%	41%	41%	43%
CoStar Rating 3	55%	61%	54%	52%	48%
CoStar Rating 4	0%	2%	1%	3%	2%
CoStar Rating 5	0%	0%	0%	0%	0%

Source: CoStar, (2022)

Rent

5.46 As shown in Table 5.10, the current market value of E(g)(iii) use properties in South Kesteven is approximately £6.08/sqft which is lower than achieved in the FEMA, in

Lincolnshire, the East Midlands region, and across England. The average market rental value is around 40% less in South Kesteven than across England.

5.47 The market rental value of B2 properties in South Kesteven is presently £6.91/sqft, which aligns with that recorded in the FEMA and East Midlands region, although is around 15% less than is recorded across England.

5.48 Regarding B8 use properties in South Kesteven, the average market rental value presently achieved is approximately £5.55/sqft, which although being relatively higher than is recorded across Lincolnshire, remains below the achieved rate in the FEMA, East Midlands region, and across England as a whole. The average market rental value is around a third lower in South Kesteven than recorded across England.

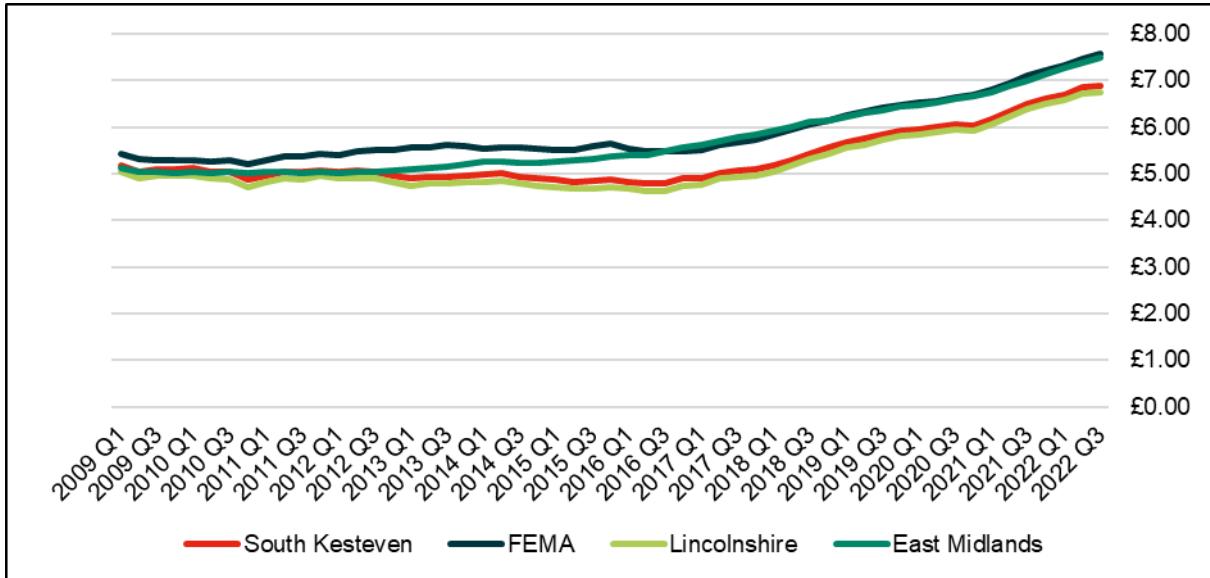
Table 5.10 Industrial Properties – Rental Values (2022 Q3)

	South Kesteven	FEMA	Lincolnshire	East Midlands	England
E(g)(iii)					
Market Rent (£/sf)	£6.08	£7.56	£6.75	£7.48	£10.15
Asking Rent (£/sf)	£6.01	£5.72	£5.26	£6.55	£10.75
Market Rent (£/sqm)	£65.44	£81.38	£72.66	£80.51	£109.25
Asking Rent (£/sqm)	£64.69	£61.57	£56.62	£70.50	£115.71
B2					
Market Rent (£/sf)	£6.91	£6.74	£5.84	£7.03	£7.99
Asking Rent (£/sf)	£5.64	£5.03	£6.04	£6.05	£7.12
Market Rent (£/sqm)	£74.38	£72.55	£62.86	£75.67	£86.00
Asking Rent (£/sqm)	£60.71	£54.14	£65.01	£65.12	£76.64
B8					
Market Rent (£/sf)	£5.55	£6.20	£4.64	£6.84	£8.30
Asking Rent (£/sf)	£4.27	£5.40	£4.54	£6.22	£7.74
Market Rent (£/sqm)	£59.74	£66.74	£49.94	£73.63	£89.34
Asking Rent (£/sqm)	£45.96	£58.13	£48.87	£66.95	£83.31
All Industrial					
Market Rent (£/sf)	£5.98	£6.46	£5.17	£6.93	£8.35
Asking Rent (£/sf)	£4.40	£5.39	£4.75	£6.21	£7.85
Market Rent (£/sqm)	£64.37	£69.53	£55.65	£74.59	£89.88
Asking Rent (£/sqm)	£47.36	£58.02	£51.13	£66.84	£84.50

Source: CoStar, (2022)

5.49 Market rental values of E(g)(iii) in South Kesteven are strongly related to the regional trend in that they have followed a broadly increasing trend over the 13 years preceding 2022 Q3, despite remaining marginally lower than that achieved in the FEMA and East Midlands region. This is shown in Figure 5.28.

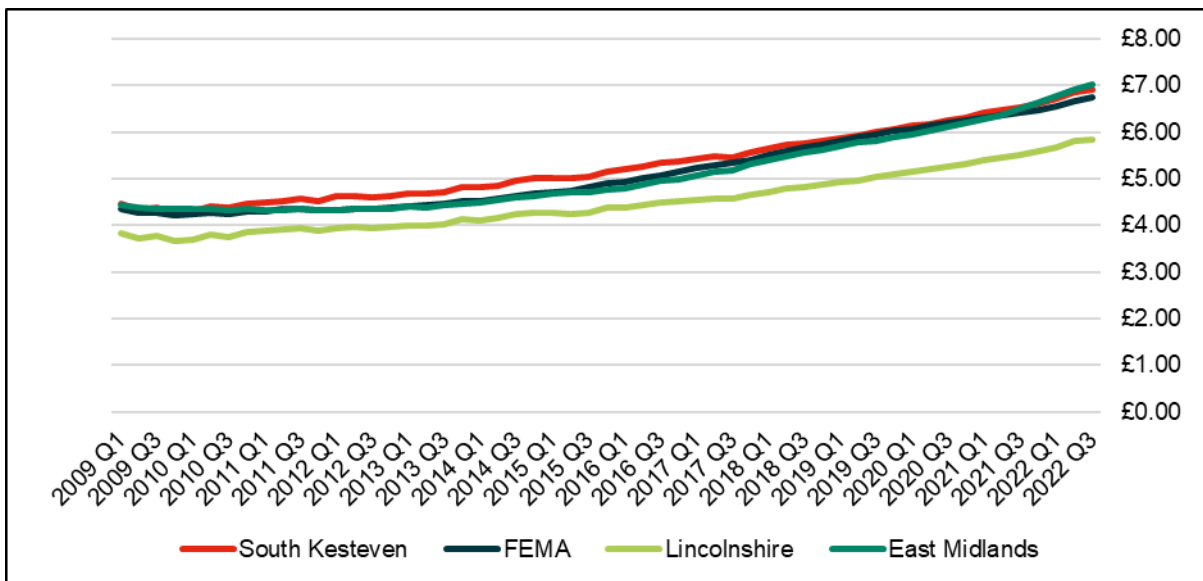
Figure 5.28 Industrial Properties – E(g)(iii) – Market Rent



Source: CoStar, (2022)

5.50 The average market rental value of B2 use properties has tracked marginally above the FEMA, county, and regional rate reasonably consistently over the 13 years preceding 2022 Q3, although these values have converged in recent years. This is presented in Figure 5.29.

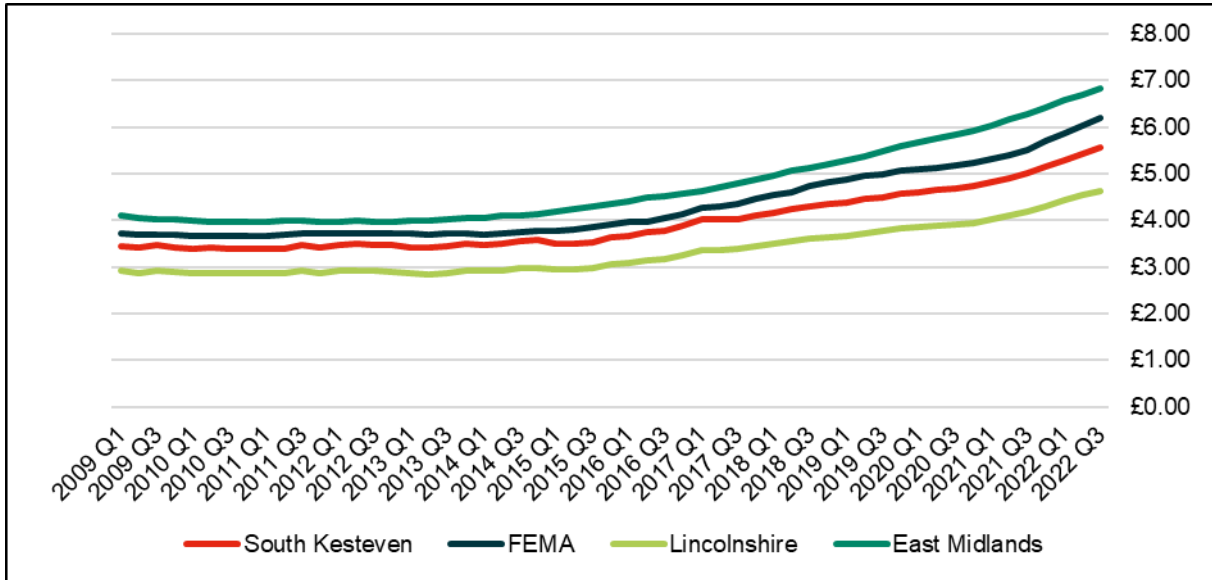
Figure 5.29 Industrial Properties – B2 – Market Rent



Source: CoStar, (2022)

5.51 The average market rental value of B8 use properties has tracked the equivalent rates in the wider geographies, yet remains consistently below the FEMA and regional rates. As shown for each industrial property types, properties within Lincolnshire on average achieve the lowest market rental values of any considered geography. This is shown in Figure 5.30.

Figure 5.30 Industrial Properties – B8 – Market Rent

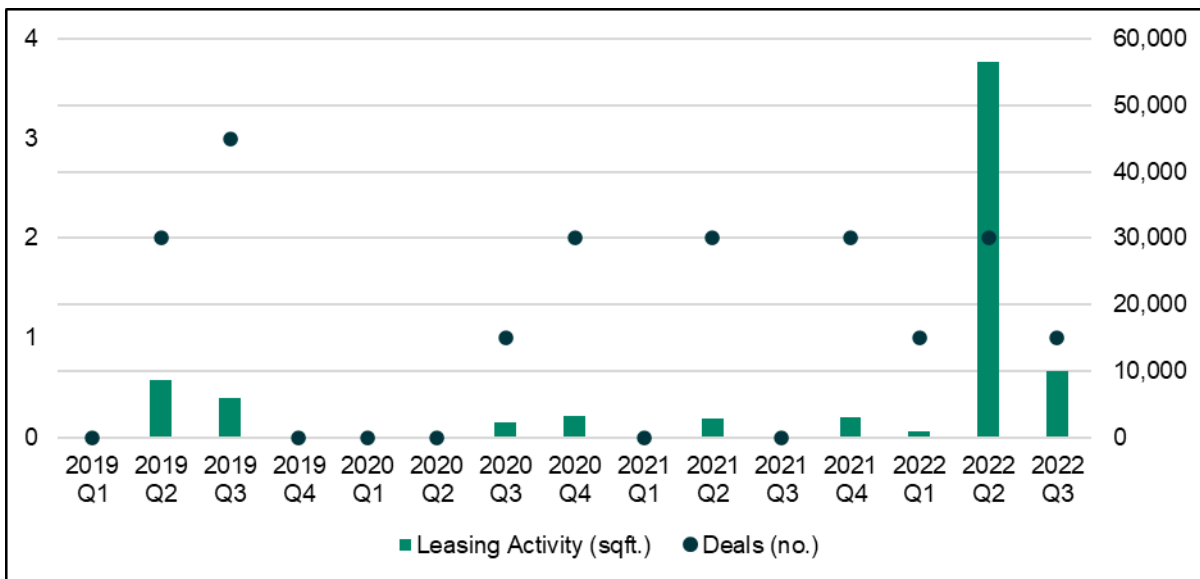


Source: CoStar, (2022)

Recent market activities

5.52 In the period between 2019 Q1 and 2022 Q3, 93,188 sqft of E(g)(iii) floorspace has been leased, comprised of 16 deals. This is shown in Figure 5.31.

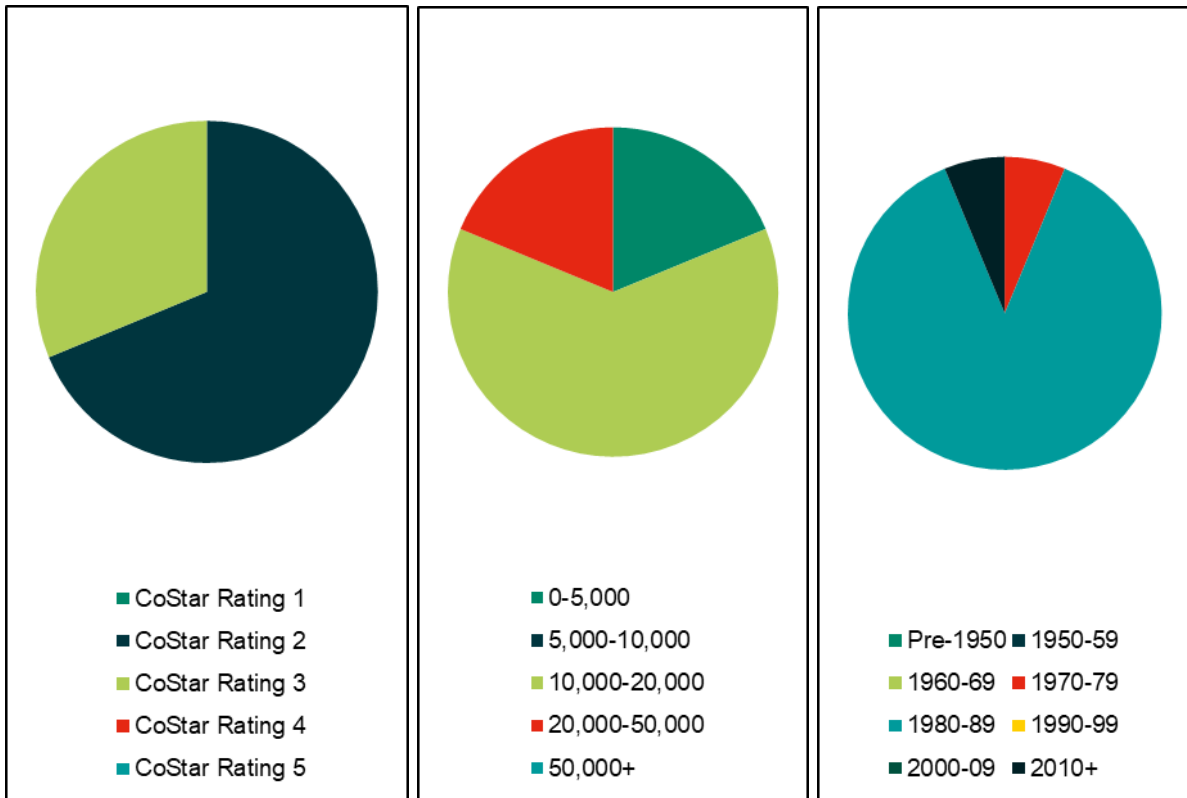
Figure 5.31 South Kesteven – E(g)(iii) – Leasing Activity (2019 Q1 – 2022 Q3) (sqft)



Source: CoStar, (2022)

5.53 The typical leasing deal features a property with a CoStar quality rating of 2, is between 10,000 and 20,000 sqft in size, and is approximately 30 to 40 years old. This is shown in Figure 5.32.

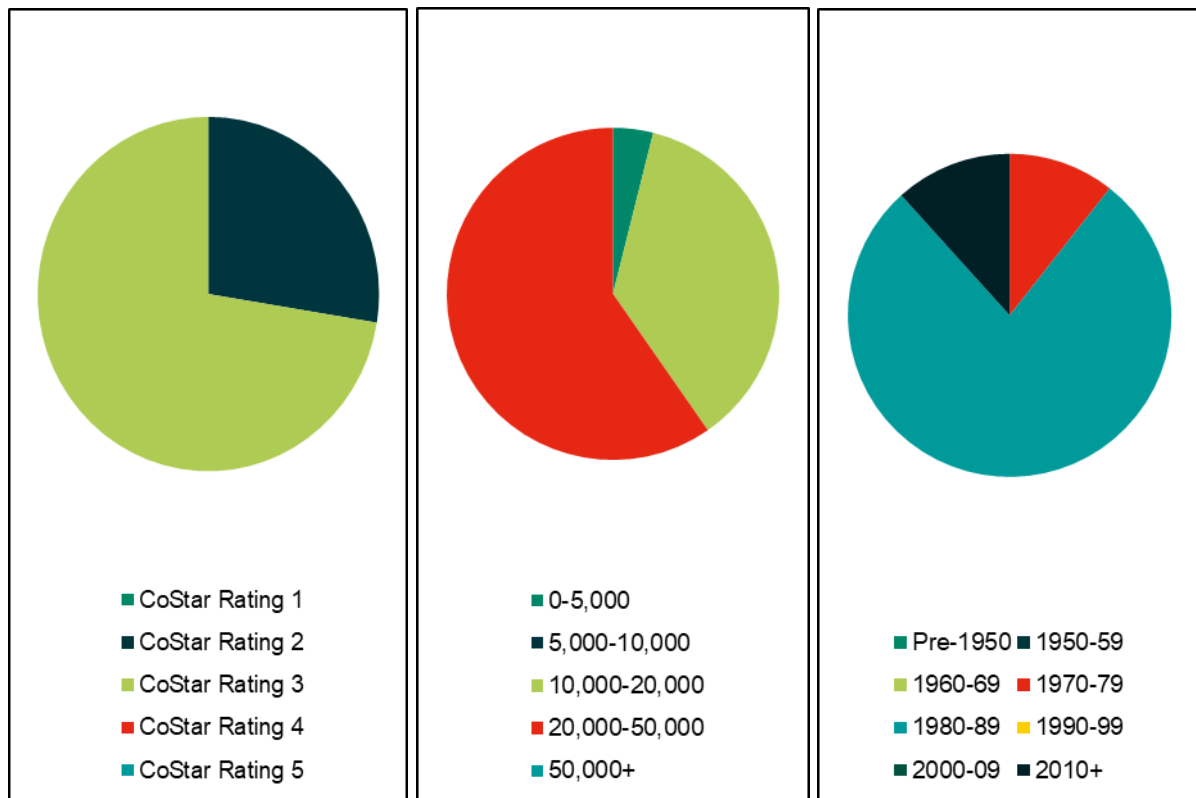
Figure 5.32 South Kesteven – E(g)(iii) Properties – Leasing Activity (2019 Q1 – 2022 Q3) – Number of deals



Source: CoStar, (2022)

5.54 The majority of the E(g)(iii) use floorspace leased has a CoStar quality rating of 3, is within a building containing floorspace between 20,000 and 50,000 sqft and is between 30 and 40 years old. This is shown in Figure 5.33.

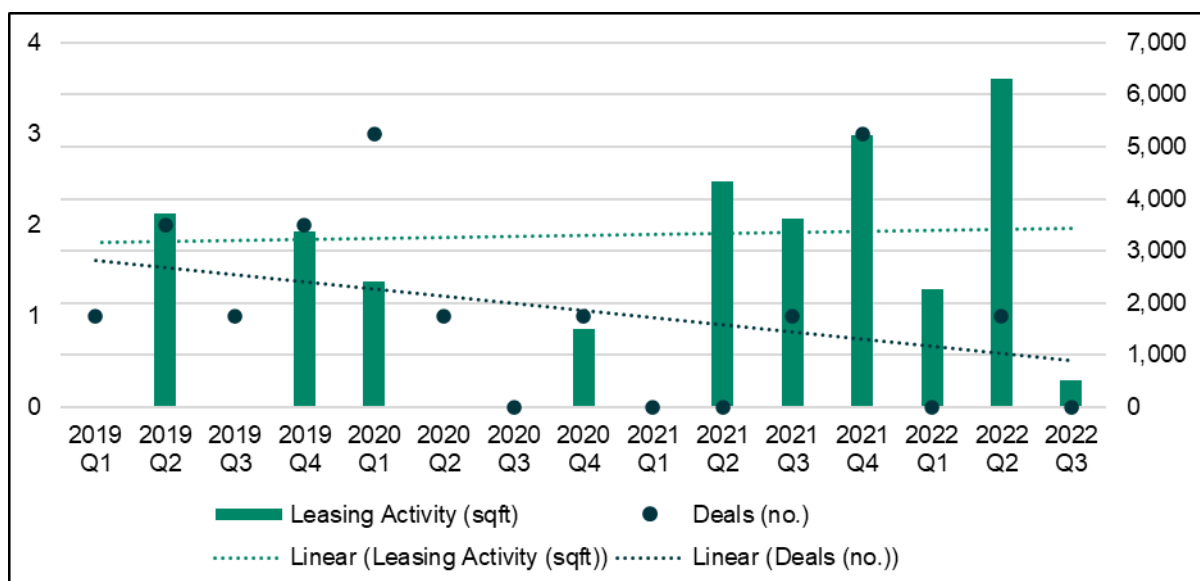
Figure 5.33 South Kesteven – E(g)(iii) Properties – Leasing Activity (2019 Q1 – 2022 Q3) – Total Floorspace



Source: CoStar, (2022)

5.55 In the period between 2019 Q1 and 2022 Q3, a total of 33,256 sqft of B2 floorspace was leased, comprising 16 deals. Over the same period, the number of deals completed has exhibited a broadly decreasing trend compared to a broadly consistent trend in floorspace leased, indicating fewer deals for greater amount of floorspace, although this is undoubtedly influenced by the small number of deals completed overall.

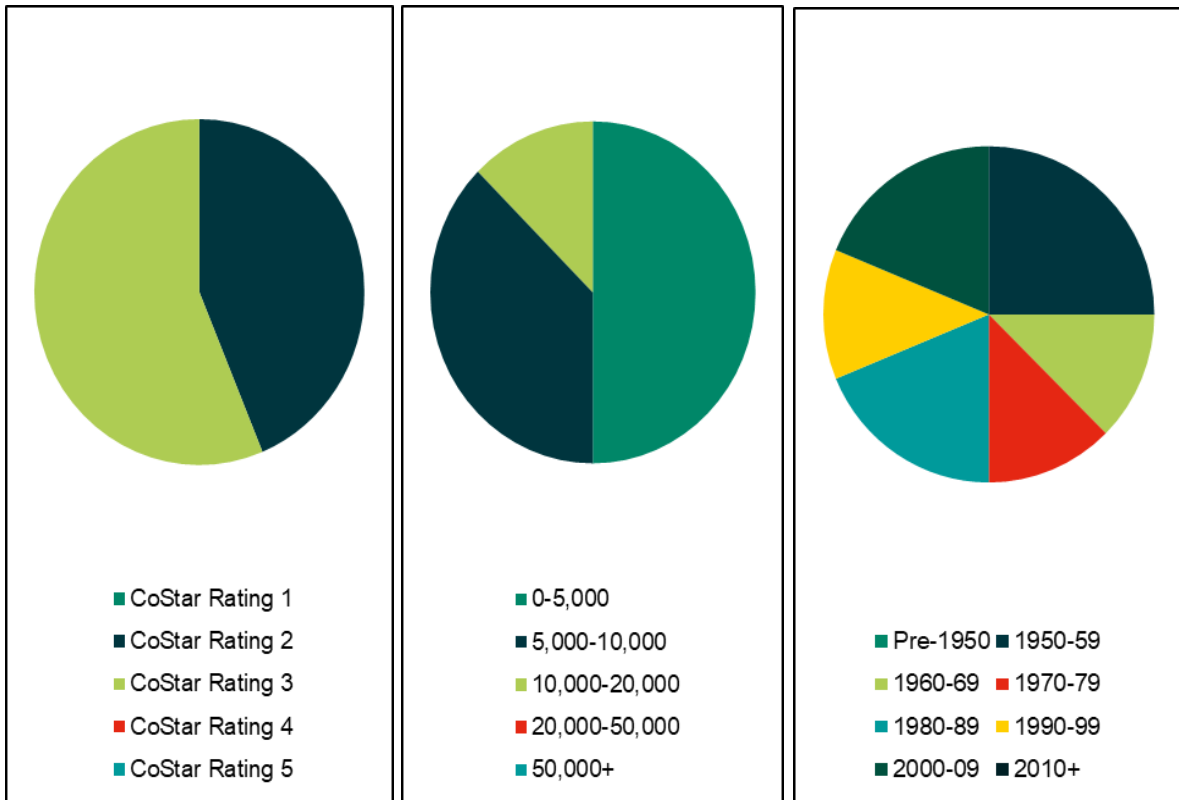
Figure 5.34 South Kesteven – B2 – Leasing Activity (2019 Q1 – 2022 Q3 QTD) (sqft)



Source: CoStar, (2022)

5.56 The typical leasing deal was of a property with a CoStar quality rating of 3 with floorspace less than 10,000 sqft. This is shown in Figure 5.35.

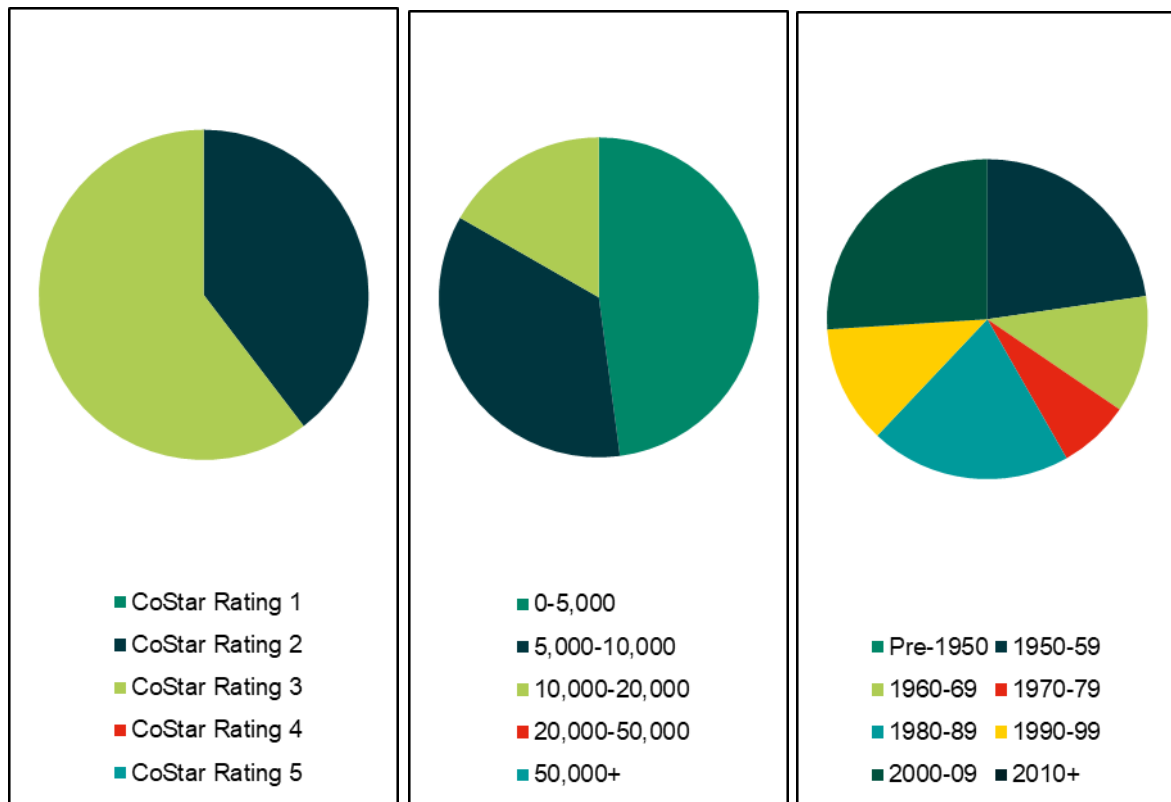
Figure 5.35 South Kesteven – B2 Properties – Leasing Activity (2019 Q1 – 2022 Q3) – Number of deals



Source: CoStar, (2022)

5.57 The majority of B2 floorspace leased similarly had a CoStar quality rating of 3 and formed a floorspace of less than 10,000 sqft. This is shown in Figure 5.36.

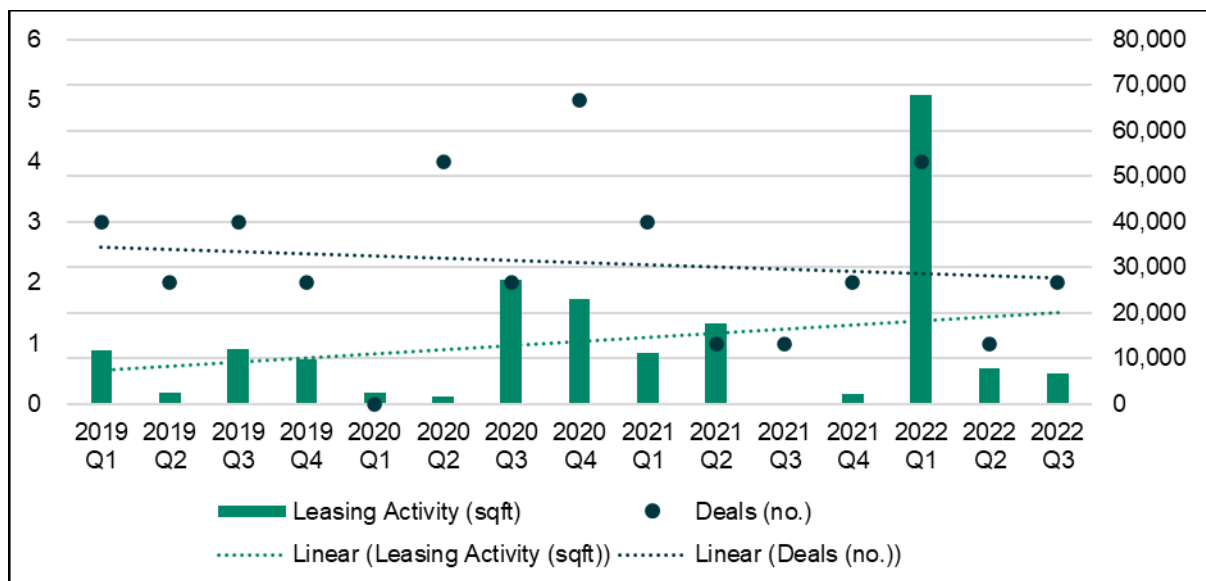
Figure 5.36 South Kesteven – B2 Properties – Leasing Activity (2019 Q1 – 2022 Q3) – Total Floorspace



Source: CoStar, (2022)

5.58 In the period between 2019 Q1 and 2022 Q3, a total of 204,447 sqft of B2 floorspace was leased, comprising 35 deals. In terms of deals completed, B8 use properties represent the most deals completed amongst industrial use type properties. This is shown in Figure 5.37.

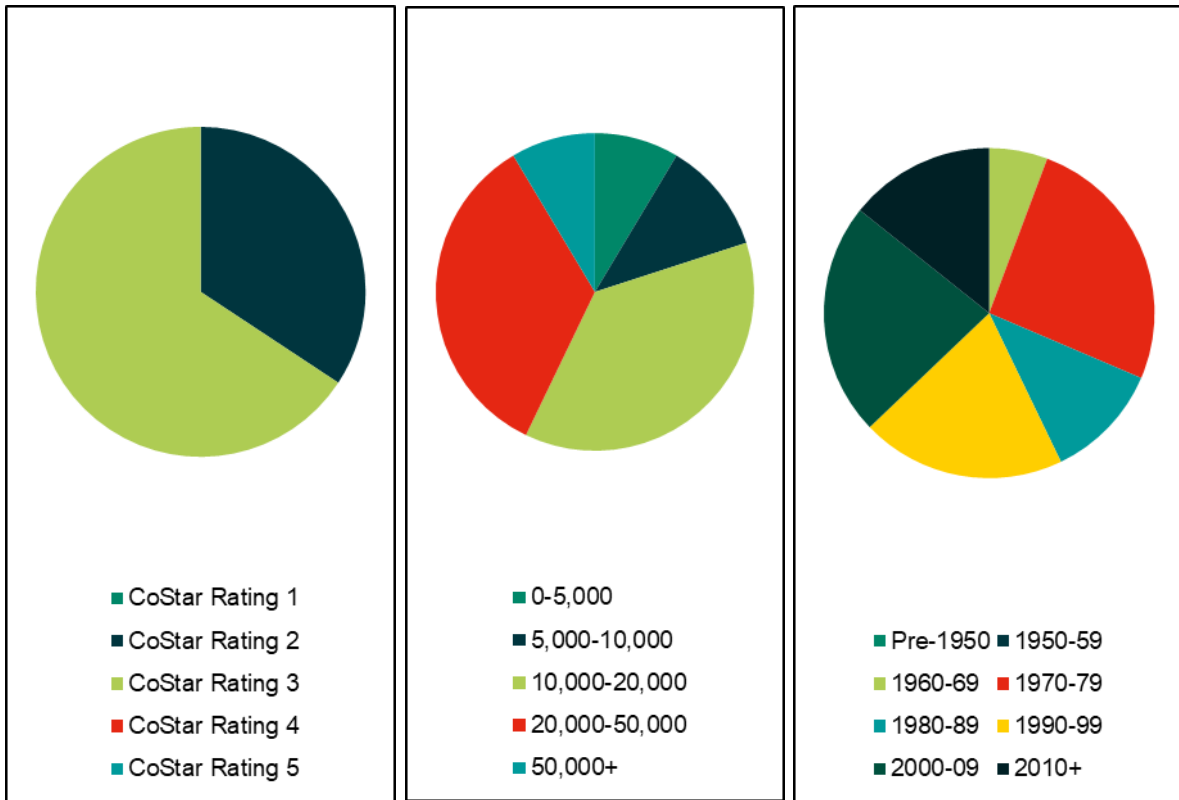
Figure 5.37 South Kesteven – B8 – Leasing Activity (2019 Q1 – 2022 Q3) (sqft)



Source: CoStar, (2022)

5.59 The typical leasing deal completed comprised a property with CoStar quality rating of 3 and a floorspace between 10,000 and 50,000 sqft. This is shown in Figure 5.38.

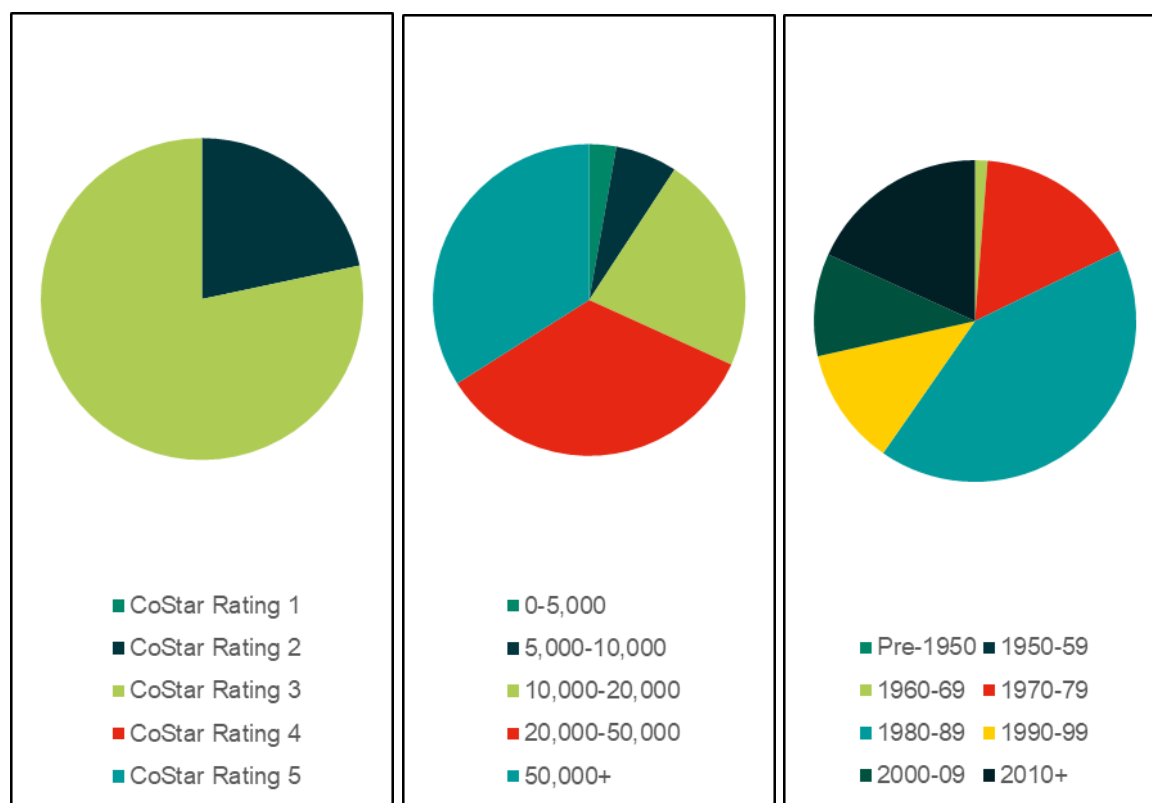
Figure 5.38 South Kesteven – B8 Properties – Leasing Activity (2019 Q1 – 2022 Q3) – Number of deals



Source: CoStar, (2022)

5.60 The majority of floorspace leased formed a floorspace similarly had a CoStar rating of 3 and formed a floorspace that was typically over 20,000 sqft in size and built or most recently renovated between 1980 and 1989. This is shown in Figure 5.39.

Figure 5.39 South Kesteven – B8 Properties – Leasing Activity (2019 Q1 – 2022 Q3) – Total Floorspace



Source: CoStar, (2022)

Summary

5.61 In summary, a detailed analysis of the property market profile in South Kesteven has demonstrated that in terms of office properties:

- There are approximately **215 properties** in South Kesteven, comprising **1.1 million sqft** of floorspace.
- The vast majority are **less than 5,000 sqft in size**, meaning office properties in South Kesteven are generally small, evident also when compared with typical floorspaces in wider comparator geographies.
- The floorspace **vacancy rate is around 7%**, and is at the highest level in 10 years, and far greater than recorded in Lincolnshire and the East Midlands.
- Properties tend to be **very old**; over 60% of properties were built or most recently renovated **before 1950**. This is abnormal for the region.
- Properties are in similar **average condition** overall to comparator geographies.
- The market rent is approximately **£10.52/sqft**, which is markedly **lower than the national and regional average**, although more typical for the immediate surrounding geographies.
- Properties have exhibited **steadily increasing market rent** over time.
- **Between 2019 Q1 and 2022 Q3**, 66,262 sqft of office space has been leased through a total of **47 deals**. Properties represent the greatest number of deals completed over this period of any property type considered.

5.62 In relation to E(g)(iii) properties, it has been found that:

- There are approximately **38 properties** in South Kesteven, comprising **550,000 sqft** of floorspace.
- Properties tend to be **less than 5,000 sqft in size**, although there are properties in this use across a range of sizes.
- The floorspace **vacancy rate is approximately 6.2%** following a two year period where the vacancy rate was at its **highest in at least 10 years**. The vacancy rate remains above the 10 year average and is considerably higher than the equivalent regional and national rate.
- Properties tend to have been built or most recently renovated between 1970 and 1989 meaning they are around **40 to 50 years old**, and very few pre-date 1950.
- Properties are in similarly **average condition** overall compared to comparator geographies.
- The market rent of properties is approximately **£6.09/sqft**, which is much lower than the local, national and regional average.
- **Between 2019 Q1 and 2022 Q3**, 93,188 sqft of floorspace has been leased through a total of **16 deals**.

5.63 In relation to B2 properties, it has been demonstrated that:

- There are approximately **130 properties** in South Kesteven, comprising **2 million sqft** of floorspace.
- The vast majority of properties are **less than 10,000 sqft in size**, which is consistent with wider comparator geographies.
- The floorspace **vacancy rate is approximately 16.8%** which has remained broadly consistently high for the previous two years. The vacancy rate is at its **highest in at least 10 years** and remains considerably higher than the 10 year average; it is considerably higher than the equivalent regional and national rate.
- Properties tend to have been built or most recently renovated between 1970 and 1999 meaning they are around **20 to 50 years old**, and very few pre-date 1950.
- Properties are in similarly **average condition** overall compared to comparator geographies.
- The market rent of properties is approximately **£6.91/sqft**, which is broadly in line with the regional average and slightly higher than is exhibited in the immediate surrounding geographies of the FEMA and county.
- **Between 2019 Q1 and 2022 Q3**, 33,256 sqft of floorspace has been leased through a total of **16 deals**.

5.64 In relation to B8 properties, it has been demonstrated that:

- There are approximately **123 properties** in South Kesteven, comprising **5.4 million sqft** of floorspace.
- Typically, properties are between 10,000 and 20,000 sqft in size, although a **notable proportion are greater than 20,000 sqft**.
- The floorspace **vacancy rate is around 3.5%** which is in line with the 10 year average; the vacancy rate has **not significantly altered** in the previous two years.
- Properties tend to have been built or most recently renovated between 1970 and 1999, meaning they are around **20 to 50 years old**.
- Properties are in similarly **average condition** overall compared to comparator geographies.

- The market rent of properties is approximately **£5.55/sqft**, which is lower than is typical in the FEMA, regionally, and nationally.
- Between **2019 Q1 and 2022 Q3**, 204,447 sqft of floorspace has been leased through a total of **35 deals**. Properties represent the greatest number of deals completed of any industrial use property.

6. Employment Land Availability Assessment

Introduction

6.1 This section provides a summary of the key findings of a detailed site assessment of the characteristics of the supply of employment land in South Kesteven. The analysis of employment land was conducted via site surveys and desk-based research.

Site data and identification

6.2 A total of 96 sites have been identified in this assessment via review of the following sources:

- South Kesteven District Council, (2022); Local Plan 2011-2036;
- Information provided as a result of South Kesteven District Council's call for sites exercise; and
- AECOM research of undesignated land.

6.3 These sites are therefore comprised primarily of designated sites, with additional undesignated sites identified by South Kesteven District Council through a call for sites or identified by AECOM as non-designated sites but with potential to be considered for designation given the current use of the site for employment activities.

6.4 The identified sites, their reference if applicable, and assigned sub-area for the purpose of this report, are shown in Table 6.1.

6.5 The identified employment land sites are also represented on maps in **Appendix A**.

Table 6.1 Identified Employment Land Sites

Ref.	Name	Sub-area
EMP S1	Land north of Barnack Road	Stamford
EMP S2	Land south of Uffington Road	Stamford
EMP S3	Land adjacent to A1 off Empingham Road, Stamford	Stamford
EMP S4	Land east of Ryhall Road, Stamford	Stamford
EMP S5	Gwash Way, East of Ryhall Road, Stamford	Stamford
EMP S6	East of Ryhall Road, Stamford	Stamford
EMP S7	North of Uffington Road, Stamford	Stamford
EMP S8	North of Barnack Road, Stamford	Stamford
EMP B1	Land north of Manning Road and west of Meadow Drove, Bourne	Bourne
EMP B2	Land south of Tunnel Bank, Bourne	Bourne
EMP B3	Land South of West Road and north of Elsea Park, Bourne	Bourne
EMP B4	Land South of Spalding Road, Bourne	Bourne
EMP B5	Land North of Bourne Eau and east of Carr Dyke, Bourne	Bourne
EMP B6	Pinfold Industrial Estate and adjacent area, Bourne	Bourne

Ref.	Name	Sub-area
EMP B7	East of Cherry Holt Road, Bourne	Bourne
EMP B8	West of Cherry Holt Road, Bourne	Bourne
EMP B9	Land at South Fen Road, Bourne	Bourne
EMP D1	Extension to Northfields Industrial Estate, The Deepings	The Deepings
EMP D2	Spitfire Way, The Deepings	The Deepings
EMP D3	Northfields Industrial Estate, The Deepings	The Deepings
EMP R1	Roseland Business Park near Long Bennington	Rural
EMP R3	Gonerby Moor, Grantham	Rural
EMP R4	Land adjacent to A1 Colsterworth	Rural
EMP R5	Long Bennington Business Park, Main Road, Long Bennington	Rural
EMP R6 (north)	White Leather Square, Billingborough	Rural
EMP R6 (south)	White Leather Square, Billingborough	Rural
EMP R7	Burton Lane/High Dyke, Easton, Grantham	Rural
EMP R8	Honey Pot Lane, Colsterworth	Rural
EMP R9	King Street Industrial Estate, Langtoft	Rural
GR-SE1 (including EMP G1)	Land west and east of A1, south of Gorse Lane, Grantham (KING 31)	Grantham
EMP G2	Land between A52 Somerby Hill and Spitalgate Level. South of Grantham, Southern Quadrant	Grantham
EMP G3	Land at junction of Harlaxton Road and Trent Road, Grantham	Grantham
EMP G5	Gonerby Hill Foot, Grantham	Grantham
EMP G6	Gonerby Road, Grantham	Grantham
EMP G7	Land at A1/A52 slip road, Barrowby Road, Grantham	Grantham
EMP G8	Dysart Road, Grantham	Grantham
EMP G9	North end of Trent Road, Grantham	Grantham
EMP G10	Venture Way, Grantham	Grantham
EMP G11	Swingbridge Road, Grantham	Grantham
EMP G12	Grantham Fire station, Harlaxton Road	Grantham
EMP G13 (south)	Springfield Park Industrial Estate, Grantham	Grantham
EMP G13 (north)	Springfield Park Industrial Estate, Grantham	Grantham
EMP G14	Land at Springfield Road/Harlaxton Road junction, Grantham	Grantham
EMP G15	Land South of Earlesfield Lane, Grantham	Grantham

Ref.	Name	Sub-area
EMP G16	Land North of Earlesfield Lane, Grantham	Grantham
EMP G17	Land at junction of Dysart Road and Kempton Way, Grantham	Grantham
EMP G18	Autumn Park Industrial Estate, Dysart Road, Grantham	Grantham
EMP G19	North of Dysart Road/West of railway line, Grantham	Grantham
EMP G20	Spitalgate Level, Grantham	Grantham
EMP G21	London Road Industrial Estate, Grantham	Grantham
EMP G22	Old School, Station Road, Grantham	Grantham
EMP G23	Aveling Barford Site, Grantham	Grantham
EMP G24	Inner Street, Grantham	Grantham
EMP G25	Belton Lane Industrial Estate, Grantham	Grantham
EMP G26	Londonthorpe Lane, Grantham	Grantham
EMP G27	Alma Park & Withabrook Park Industrial Estates, Grantham	Grantham
EMP G28	Old Hampsons Site, Harlaxton Road, Grantham	Grantham
EMP1	Hards Lane	Additional sites (The Deepings)
EMP2	S Fen Road	Additional sites (Bourne)
EMP3	Foundry Road	Additional sites (Stamford)
EMP4	Honey Pot Lane, Colsterworth (North)	Additional sites (Rural)
EMP5	Willoughby Road – Ancaster	Additional sites (Rural)
EMP6	Prince William of Gloucester Barracks	Additional sites (Grantham)
EMP7	Lincolnshire Herbs	Additional sites (Bourne)
SKPR-188	Land west of Chapel Lane, Claypole	Additional sites (Rural)
SKPR-197	Land south of Doddington Lane, Claypole	Additional sites (Rural)
SKPR-262	Land west of A1, Long Bennington	Additional sites (Rural)
SKPR-100	Land to south west Gonerby Moor, Great Gonerby	Additional sites (Grantham)
SKPR-115	Land south of A52 Barrowby Road	Additional sites (Grantham)
SKPR-182	Land to east Gonerby Moor, Great Gonerby	Additional sites (Grantham)
SKPR-185	Land to north east Gonerby Moor, Great Gonerby	Additional sites (Grantham)
SKPR-202	Land to north west Gonerby Moor, Great Gonerby	Additional sites (Grantham)
SKPR-41	Land to south east Gonerby Moor, Great Gonerby	Additional sites (Grantham)
SKPR-179	Land north of Cold Harbour Lane, Grantham	Additional sites (Grantham)
SKPR-220	Land west of B1174, Grantham	Additional sites (Grantham)
SKPR-234	Land south east of Gorse Lane, Harlaxton Manor	Additional sites (Grantham)
SKPR-235	Land east of B1174, Grantham	Additional sites (Grantham)
SKPR-268	Grantham Railway Station	Additional sites (Grantham)
SKPR-30	Land west of Swingbridge Road, Grantham	Additional sites (Grantham)

Ref.	Name	Sub-area
SKPR-230	Land east of Jubilee Service Station, Colsterworth	Additional sites (Rural)
SKPR-118	Land north of Station Street, Rippingale	Additional sites (Rural)
SKPR-219	Land at A1/A151 junction	Additional sites (Rural)
SKPR-132	Land south of Spalding Road, Bourne (West)	Additional sites (Bourne)
SKPR-246	Land south of Spalding Road, Bourne (East)	Additional sites (Bourne)
SKPR-133	Land south of The Slipe, Bourne (East)	Additional sites (Bourne)
SKPR-150	Land south of The Slipe, Bourne (West)	Additional sites (Bourne)
SKPR-60	Land east of A15, Bourne	Additional sites (Bourne)
SKPR-106	Former RAF Woolfox Lodge	Additional sites (Rural)
SKPR-108	Land west of A6121 Ryhall Road, Stamford	Additional sites (Stamford)
SKPR-87	Land north of A1175 Uffington Road, Stamford	Additional sites (Stamford)
SKPR-28	Land north of Barnack Road, Stamford	Additional sites (Stamford)
SKPR-167	Land north of River Welland, Stamford	Additional sites (Stamford)
SKPR-266	Land at A1/A606 junction	Additional sites (Stamford)
SKPR-77	Land west of A6121 Stamford Road, Carlby	Additional sites (Rural)
SKPR-225	Land at Tallington Lakes Leisure Park	Additional sites (Rural)
SKPR-90	Land north of Tallington	Additional sites (Rural)

Criteria identification

6.6 In order to characterise the function, quality and development potential of each of the employment sites in South Kesteven, a series of indicative criteria were developed in order to conduct a detailed assessment. The assessment was conducted based on a set of site appraisal criteria (agreed with South Kesteven District Council in advance and drawing on PPG and other guidance as well as AECOM's experience of producing Employment Land Studies). The following criteria were assessed:

- Business use/occupier typologies;
- Main employment/land uses;
- Quality of environment and public realm;
- Access to facilities and amenities;
- Negative effects of businesses on neighbouring sensitive uses;
- Physical site constraints;
- Land uses in close proximity;
- Servicing of businesses in the cluster;
- Potential for 24-hour working;
- Parking facilities;
- Strategic Road access;
- Strategic access to public transport;
- Access to waterways/wharves;

- Access to railhead;
- Building condition;
- Vacant developable sites;
- Redevelopment of employment cluster for other uses; and
- Possibilities for intensification/redevelopment.

Detailed site assessment

6.7 A detailed assessment of each of the criteria set out above was undertaken for each site, comprising both desk-based investigation and site surveys conducted on visits which took place in October 2022³⁷. Site visits were undertaken in order to confirm and enhance information about the sites. This section presents the overall findings of the site assessments. A RAG rating³⁸ has been applied to each of the sites in the following domains:

- Public realm, environment and surroundings;
- Suitability;
- Accessibility;
- Building condition (where applicable); and
- Redevelopment potential³⁹.

Stamford sub-area

6.8 The majority of the sites in the Stamford sub-area are located to the east of the settlement, along the A6121, A1175, and B1443 routes. The sites are typically small in size; and buildings are typically small and medium in size. Significant occupiers of employment space in this sub-area include Cummins and Alltech. A large swathe of land mostly within site EMP S8 is being redeveloped, whereby a number of very large industrial buildings have been recently demolished. Most of the employment land in the Stamford sub-area performs industrial functions in primarily average quality buildings, with the limited office space found within sites EMP S5 and SKPR-167 being of poor to average quality.

6.9 The identified occupier typologies, business types, employment uses and land uses within sites in the Stamford sub-area are shown in Table 6.2.

Table 6.2 Sites and Uses (Stamford sub-area)

Ref.	Name	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
EMP S1	Land north of Barnack Road	8.2	None	Brownfield
EMP S2	Land south of Uffington Road	3.3	Light industrial, car repair/sales, leisure/gym	B2, E(g)(iii)

³⁷ Due to access constraints, it was not possible to conduct a thorough site survey for sites EMP R1 and SKPR-106, and the information presented here represents best available information derived from desk-based investigation, and observation of the sites from their perimeters.

³⁸ A RAG (Red-Amber-Green) rating provides a representative overview of performance in each domain, whereby green represents the best performing and red represents the worst performing. Each domain is comprised of some of the assessed criteria set out in paragraph 6.6 above. A grey colouring indicates that a domain is not applicable at that location, or it was not possible to conduct an assessment.

³⁹ Potential to deliver new/additional employment space through either infill development (on vacant land), intensification or redevelopment of older stock. Note, this criterion does not assess the potential of the site for a redevelopment in alternative uses (i.e. retail, community, or residential).

Ref.	Name	Size (ha)	Business Use/Occupier Typologies	Employment/Land Uses
EMP S3	Land adjacent to A1 off Empingham Road, Stamford	28.7	Greenfield, agriculture	n/a
EMP S4	Land east of Ryhall Road, Stamford	4.2	General industrial, vacant	B2
EMP S5	Gwash Way, East of Ryhall Road, Stamford	2.8	General industrial estate, business areas, car repairs/sales, warehousing, storage and distribution, offices	B8, B2, E(g)(i), E(g)(iii)
EMP S6	East of Ryhall Road, Stamford	4.1	General industrial estate, business areas, retail, warehousing, storage and distribution, manufacturing	B8, B2, E(g)(iii)
EMP S7	North of Uffington Road, Stamford	4.3	Storage and distribution, retail, wholesale, warehousing	B8, E(g)(iii)
EMP S8	North of Barnack Road, Stamford	6.4	None	Brownfield
EMP3	Foundry Road	2.4	General industrial estate, business areas, offices, car sales/repairs, storage	B8, E(g)(i), E(g)(iii)
SKPR-108	Land west of A6121 Ryhall Road, Stamford	70.0	Greenfield, agriculture	n/a
SKPR-87	Land north of A1175 Uffington Road, Stamford	55.0	Greenfield, agriculture	n/a
SKPR-28	Land north of Barnack Road, Stamford		Refer to sites EMP S1 and EMP S8	
SKPR-167	Land north of River Welland, Stamford	1.3	Office, leisure/gym	E(g)(i)
SKPR-266	Land at A1/A606 junction		Refer to site EMP S3	

6.10 The assessed RAG rating⁴⁰ in each domain for each site in the Stamford sub-area is shown in Table 6.3. Overall, employment sites tend to be accessible, owing to their proximity to the town centre public transport options and adjacency to strategic road network. The public realm, environment and surroundings of established business parks and industrial areas are rated highly, whereas less developed sites with most redevelopment potential currently have poorer public realm and environmental conditions. Sites located closest to surrounding sensitive land uses such as residential properties are rated least favourably in terms of suitability.

⁴⁰ The RAG rating indicates the performance of the site against key criteria, with green indicating a good performance (suitable against the criterion to support employment activities), yellow an average performance and red a poor performance (unsuitable against the criterion to support employment activities). Grey indicates that the criterion is not relevant (i.e. the building condition of properties cannot be assessed when the site is undeveloped).

6.11 The RAG rating summarises the performance of each site against some of the key criteria considered in the survey of employment land.

Table 6.3 RAG rating by domain (Stamford sub-area)

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential	
EMP S1	Land north of Barnack Road	Yellow	Yellow	Green	Grey	Green	
EMP S2	Land south of Uffington Road	Green	Yellow	Green	Yellow	Red	
EMP S3	Land adj to A1 off Empingham Road, Stamford	Yellow	Red	Green	Grey	Yellow	
EMP S4	Land east of Ryhall Road, Stamford	Green	Green	Green	Red	Green	
EMP S5	Gwash Way, East of Ryhall Road, Stamford	Yellow	Yellow	Yellow	Yellow	Yellow	
EMP S6	East of Ryhall Road, Stamford	Green	Yellow	Green	Green	Red	
EMP S7	North of Uffington Road, Stamford	Green	Yellow	Green	Green	Red	
EMP S8	North of Barnack Road, Stamford	Yellow	Yellow	Yellow	Grey	Green	
EMP3	Foundry Road	Yellow	Red	Yellow	Yellow	Yellow	
SKPR-108	Land west of A6121 Ryhall Road, Stamford	Yellow	Green	Green	Grey	Green	
SKPR-87	Land N. of A1175 Uffington Road Stamford	Yellow	Yellow	Yellow	Red	Green	
SKPR-28	Land north of Barnack Road, Stamford	Refer to sites EMP S1 and EMP S8					
SKPR-167	Land north of River Welland, Stamford	Yellow	Yellow	Yellow	Yellow	Green	
SKPR-266	Land at A1/A606 junction	Refer to site EMP S3					

6.12 Sites in the Stamford sub-area are assessed variably in terms of their potential for future redevelopment and intensification. For example:

- Site EMP S6 is assessed to have very limited redevelopment potential. This site currently benefits from good quality public realm, environment and surroundings, accessibility, and building quality, and appears to have been in-part recently redeveloped. The site is already mostly occupied in terms of site area and floorspace.
- Similarly, site EMP S7 has been in-part recently redeveloped. The site forms part of the wider adopted Local Plan housing allocation STM1-H2 (Stamford East). Moreover, buildings on this site are assessed to be of good quality, as is the accessibility of the site and public realm, environment and surroundings. There is therefore limited potential for this site to be improved or intensified.
- Site EMP S1 and EMP S8, which adjoin each other, are assessed favourably in terms of redevelopment potential as the sites are highly accessible via both the

strategic road network and public transport options, including bus and train. The sites also benefit from being located at the edge of the settlement and thus have limited sensitive surrounding land uses. These sites would be suitable for redevelopment for a range of uses including both office and industrial functions. The site has been recently cleared, and remaining buildings are in the process of being demolished.

- Site EMP S4 has been assessed to be suitable for redevelopment owing to the vacant building on this site. The site has an established access route, is obscured from sensitive uses and would be suitable for redevelopment for industrial use.

It should be noted that EMP S4 now forms part of the wider current Local Plan residential allocation (STM1-H2) and employment allocation (ST.E1). Release for or loss to residential of part of the site would limit the potential of the remainder of the site for employment uses which would need to be limited to low density office and light industrial activities.

- With the exception of site SKPR-266 which is constrained by recent residential development and EMP3 which is constrained by existing residential and community uses whilst being already intensely used, all of the additional sites in this sub-area are assessed to have redevelopment potential. Despite the existing public realm being assessed to be of average quality in most cases, existing poor building quality if applicable, and undeveloped nature of sites, the sites would be able to accommodate future development. Sites SKPR-87 and SKPR-108⁴¹ benefit from proximity to the A1175 and A6121 respectively and would be most suitable for industrial functions given their notable distance from the settlement centre.

Bourne sub-area

6.13 The majority of the sites in the Bourne sub-area are clustered in the east of Bourne. Sites are located on the edge of the settlement; and benefit from virtually direct access to the strategic road network (including A1175, A151, and A15 routes). On the whole, sites are medium to large in size; buildings range from small to very large in size, and host a range of functions within established business areas. Building quality is generally good. Significant occupiers of employment land in this sub-area include Bakkavor Salads, Johnsons, Polyco Healthline, OPICO, and Northrop Grumman Park Air Systems.

6.14 The identified occupier typologies, business types, employment uses and land uses within sites in the Bourne sub-area are shown in Table 6.4.

Table 6.4 Sites and uses (Bourne sub-area)

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
EMP B1	Land north of Manning Road and west of Meadow Drove, Bourne	15.7	Greenfield, agriculture	n/a
EMP B2	Land south of Tunnel Bank, Bourne	3.0	Manufacturing, warehousing, storage and distribution, agriculture	B8, B2
EMP B3	Land South of West Road and north of Elsea Park, Bourne	2.9	Greenfield	n/a
EMP B4	Land South of Spalding Road, Bourne	8.2	Greenfield, agriculture	n/a




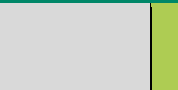

⁴¹ This site falls mostly outside of the SKDC District Boundary Area and is primarily located within Rutland County Council, but is connected to the wider cross boundary strategic allocation "STM1-H1: Stamford North".

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
EMP B5	Land North of Bourne Eau and east of Carr Dyke, Bourne	3.7	Greenfield, agriculture	n/a
EMP B6	Pinfold Industrial Estate and adjacent area, Bourne	13.4	General industrial estate, business areas, warehousing, storage and distribution, retail, car wash	B8, E(g)(iii)
EMP B7	East of Cherry Holt Road, Bourne	9.1	Warehousing, storage and distribution, food manufacturing	B8, B2
EMP B8	West of Cherry Holt Road, Bourne	6.6	General industrial estate, business areas, warehousing, storage and distribution	B8, E(g)(iii)
EMP B9	Land at South Fen Road, Bourne	18.4	General industrial estate, business areas, environmental/recycling, motor repairs/showroom, retail, leisure	B2, E(g)(iii)
EMP2	S Fen Road	5.9	Storage and distribution, warehousing	B8
EMP7	Lincolnshire Herbs	7.7	General industrial, storage and distribution, agriculture and food processing	B2, B8
SKPR-132	Land south of Spalding Road, Bourne (West)	8.9	Greenfield, agriculture	n/a
SKPR-246	Land south of Spalding Road, Bourne (East)	5.6	Greenfield, agriculture	n/a
SKPR-133	Land south of The Slipe, Bourne (East)	2.9	Greenfield, agriculture	n/a
SKPR-150	Land south of The Slipe, Bourne (West)	2.8	Greenfield, agriculture	n/a
SKPR-60	Land east of A15, Bourne	15.8	Greenfield, agriculture	n/a

6.15 A 'Red Amber Green' (RAG) rating has been used to summarise the performance of each site against key criteria. The rating is based on a more detailed assessment of each site, against detailed criteria, considered in the survey of employment land. The assessed RAG rating in each domain for each site in the Bourne sub-area is shown in Table 6.5.

6.16 Overall, the quality of public realm, environment and surroundings is assessed to be average and poor. Although, as discussed, sites are generally assessed positively in terms of accessibility owing to the proximity of sites to the strategic road network. The suitability of sites is rated poorly particularly where there are sensitive surrounding land uses such as residential properties.

Table 6.5 RAG rating by domain (Bourne sub-area)

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
EMP B1	Land north of Manning Road and west of					

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
	Meadow Drove, Bourne	Yellow	Red	Light Green	Light Grey	Light Green
EMP B2	Land south of Tunnel Bank, Bourne	Yellow	Yellow	Yellow	Light Green	Light Green
EMP B3	Land South of West Road and north of Elsea Park, Bourne	Yellow	Red	Light Green	Light Grey	Yellow
EMP B4	Land South of Spalding Road, Bourne	Yellow	Light Green	Light Green	Yellow	Light Green
EMP B5	Land North of Bourne Eau and east of Carr Dyke, Bourne	Yellow	Light Green	Light Green	Light Grey	Light Green
EMP B6	Pinfold Industrial Estate and adjacent area, Bourne	Yellow	Yellow	Light Green	Light Green	Yellow
EMP B7	East of Cherry Holt Road, Bourne	Yellow	Light Green	Light Green	Light Green	Light Green
EMP B8	West of Cherry Holt Road, Bourne	Yellow	Yellow	Light Green	Light Green	Red
EMP B9	Land at South Fen Road, Bourne	Yellow	Yellow	Yellow	Yellow	Yellow
EMP2	S Fen Road	Yellow	Light Green	Yellow	Light Green	Red
EMP7	Lincolnshire Herbs	Yellow	Light Green	Light Green	Light Green	Red
SKPR-132	Land south of Spalding Road, Bourne (West)	Yellow	Light Green	Light Green	Light Grey	Light Green
SKPR-246	Land south of Spalding Road, Bourne (East)	Yellow	Light Green	Light Green	Red	Light Green
SKPR-133	Land south of The Slipe, Bourne (East)	Yellow	Yellow	Light Green	Light Grey	Light Green
SKPR-150	Land south of The Slipe, Bourne (West)	Yellow	Yellow	Light Green	Light Grey	Light Green
SKPR-60	Land east of A15, Bourne	Yellow	Red	Yellow	Light Grey	Light Green

6.17 As noted, sites in the Bourne sub-area are assessed variably in terms of their potential to accommodate future redevelopment or intensification:

- Site EMP B8 is assessed to have very limited redevelopment potential. This site is also intensely used in terms of activity and land use. Buildings are currently already of a generally good quality, and surrounding sensitive land uses such as residential properties inhibit the prospect of further intensification or redevelopment.
- Sites EMP2 is deemed unsuitable for further redevelopment or intensification because it is already intensely used and appear to have been recently renovated and/or buildings are of a high quality.
- Most of the remaining designated and undesignated sites in this sub-area (EMP B1, EMP B2, EMP B4, EMP B5, EMP B7, SKPR-132, SKPR-246, SKPR-133, SKPR-150, and SKPR-60) are rated favourably in terms of their potential for redevelopment. They are generally currently characterised by low intensity use, or greenfield/agricultural use indicating high potential for redevelopment or intensification. They also benefit from a reasonable degree of accessibility and are located contiguously with existing employment areas suggesting future development would be sympathetic to existing uses and the morphology of the settlements they are located adjacent to. Some of these sites represent infill sites which could sensitively but effectively increase the supply of employment land.
- Sites EMP B3, EMP B4, and EMP B5 currently form part of the adopted Local Plan allocated employment sites BO-E1 (Adjacent to A151 Raymond Mays Way – Elsea Park), BO-SE1 (Land south of Spalding Road) and BO-E2 (Land north of Bourne Eau and East of Car Dyke) respectively.
- The Bourne sub-area has limited access to a railway station, yet is served well by the strategic road network, suggesting that rather than supporting commuter-intensive employment uses such as offices, these locations would be highly suitable for additional industrial, light industrial, storage and distribution, and manufacturing functions.

The Deepings sub-area

6.18 Most of the sites in The Deepings sub-area are clustered in the north of Market Deeping.

6.19 Sites are located on the edge of the settlement; and benefit from virtually direct access to the strategic road network (including A1175, A151, and A15 routes). On the whole, sites are medium to large in size; buildings range from small to very large in size, and host a range of functions within established business areas. Building quality is generally good.

6.20 The identified occupier typologies, business types, employment uses and land uses within sites in The Deepings sub-area are shown in Table 6.6.

Table 6.6 Sites and uses (The Deepings sub-area)

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
EMP D1	Extension to Northfields Industrial Estate, The Deepings	12.3	Greenfield, agriculture	n/a
EMP D2	Spitfire Way, The Deepings	15.3	Greenfield, light industrial, residential	E(g)(iii)
EMP D3	Northfields Industrial Estate, The Deepings	21.2	General industrial estate, business areas, warehousing, manufacturing, storage and distribution, motor repairs/sales, retail, environmental/recycling, leisure/gym	B8, B2, E(g)(iii)

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
EMP1	Hards Lane	3.9	General industrial areas, business areas, car sales/repairs, manufacturing, storage	B8, B2, E(g)(iii)

6.21 The assessed RAG rating in each domain for each site in The Deepings sub-area is shown in Table 6.7. Overall, the quality of public realm, environment and surroundings is assessed to be average and good. Although, as discussed, sites are generally assessed positively in terms of accessibility owing to the proximity of sites to the strategic road network. The suitability of sites is rated mostly good with the exception of site D2 which has been partially lost to residential.

6.22 The RAG rating summarises the performance of each site against key criteria. The rating is based on a more detailed assessment of each site, against detailed criteria, considered in the survey of employment land.

Table 6.7 RAG rating by domain (The Deepings sub-area)

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
EMP D1	Extension to Northfields Industrial Estate, The Deepings					
EMP D2	Spitfire Way, The Deepings					
EMP D3	Northfields Industrial Estate, The Deepings					
EMP1	Hards Lane					

6.23 As noted, sites in The Deepings sub-area are assessed as mostly good in terms of their potential to accommodate future redevelopment or intensification:

- Site EMP D1 is rated favourably in terms of its potential for redevelopment. The site forms part of the wider adopted Local Plan employment allocation DEP-SE1 (Extension to Northfields Industrial Estate). The site is currently greenfield/agricultural use with access points to the site already delivered. This site is highly suitable to accommodate additional demand in The Deepings, as an extension of site EMP D3.
- Site EMP D3 is assessed to have very limited redevelopment potential as it is currently intensively used in terms of activity and land use. Although this site benefits from accessibility and suitability, these qualities have established this site as attractive to existing occupants.
- Site EMP D2 is deemed average in terms of future potential for accommodating employment opportunities. Part of the site (eastern side) has been lost to residential use and therefore is now undevelopable for employment use. The remaining site contains some high quality, low density employment stock (light industrial) and vacant land which could be used to deliver additional employment stock.

- Site EMP1⁴² is deemed unsuitable for further redevelopment or intensification because it is already intensely used and some buildings appear to have been recently renovated and/or are of a high quality.
- The Deepings sub-area has limited access to a railway station, yet is served well by the strategic road network. This suggests that rather than supporting commuter-intensive employment uses such as offices, these locations would be suitable for additional industrial, light industrial, storage and distribution, and manufacturing functions.

Rural sub-area

6.24 In addition to the employment land sites in South Kesteven which are located in and around the major settlements of the district, a number of sites are located sparsely across the area in rural locations. These sites range from small to very large in size. Although some of the sites in these areas benefit from proximity to the strategic road network (including the A1 route), some are more limited in terms of accessibility owing to their remote location. Buildings within these sites tend to be of average and good quality.

6.25 The identified occupier typologies, business types, employment uses and land uses within sites in the Rural sub-area are shown in Table 6.8.

Table 6.8 Sites and uses (Rural sub-area)

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
EMP R1	Roseland Business Park near Long Bennington ⁴³	26.6	General industrial estate, manufacturing, business park, storage	B8, B2, E(g)(iii)
EMP R3	Gonerby Moor, Grantham	45.4	General industrial estate, service station, hotel, environmental/recycling, warehousing, manufacturing, storage and distribution	B8, B2
EMP R4	Land adjacent to A1 Colsterworth	9.5	Service station	Brownfield
EMP R5	Long Bennington Business Park, Main Road, Long Bennington	2.8	General industrial estate, business areas, offices, warehousing, storage and distribution	B8, E(g)(i)
EMP R6 (north)	White Leather Square, Billingborough	3.0	General industrial estate, car sales/repairs, manufacturing, light industrial, retail	B2, E(g)(iii)
EMP R6 (south)	White Leather Square, Billingborough	1.3	Manufacturing	B2,
EMP R7	Burton Lane/High Dyke, Easton, Grantham	26.6	Manufacturing, food processing, storage and distribution, environmental	B8, B2
EMP R8	Honey Pot Lane, Colsterworth	10.2	Manufacturing, warehousing, storage and distribution, retail	B8, B2

⁴² This site is allocated in the Deepings Neighbourhood Plan

⁴³ During the course of this study, it was not possible to conduct a thorough site visit due to access constraints, therefore this assessment is based on available information and data sourced from desk-based research.

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
EMP R9	King Street Industrial Estate, Langtoft	2.65	General industrial estate, business areas, warehousing, manufacturing, retail, storage and distribution	B8, B2, E(g)(iii)
EMP4	Honey Pot Lane, Colsterworth (North)	28.6	General industrial estate, business areas, recycling/environmental, storage, agricultural	B8,
EMP5	Willoughby Road – Ancaster	3.1	Storage, warehousing, sui generis, agricultural	B8, E(g)(i),
SKPR-225	Land at Tallington Lakes Leisure Park	8.7	Leisure, car sales/repairs, storage	B8, E(g)(iii)
SKPR-90	Land north of Tallington	79.8	Greenfield, agriculture, storage, car sales/repairs	B8, E(g)(iii)
SKPR-106	Former RAF Woolfox Lodge	503	Greenfield, agriculture	n/a
SKPR-77	Land west of A6121 Stamford Road, Carlby	2.7	Greenfield, agriculture	n/a
SKPR-219	Land at A1/A151 junction	1.6	Greenfield, agriculture	n/a
SKPR-230	Land east of Jubilee Service Station, Colsterworth	3.6	Greenfield, agriculture	n/a
SKPR-118	Land north of Station Street, Rippingale	4.5	Greenfield, agriculture, community uses – allotments	n/a
SKPR-262	Land west of A1, Long Bennington	6.3	Greenfield, agriculture	n/a
SKPR-188	Land west of Chapel Lane, Claypole	0.5	Greenfield, agriculture	n/a
SKPR-197	Land south of Doddington Lane, Claypole	9.2	Greenfield, agriculture	n/a

6.26 The assessed RAG rating in each domain for each site in the Rural sub-area is shown in Table 6.9. Overall, the public realm, environment and surroundings of these sites is very poor in quality owing to the lack of amenities and facilities in their remote settings. Similarly, accessibility tends to be limited, particularly for pedestrians and via public transport. Sites are nonetheless rated suitable to accommodate employment functions on the basis that there are limited surrounding sensitive land uses. However, on the whole, site constraints present obstacles to redevelopment and sites within the rural sub-area are generally assessed to have limited redevelopment or intensification potential when considering designated sites. Conversely however some of the additional sites identified through the call for sites are assessed to be much more suitable to accommodate future development.

6.27 The RAG rating summarises the performance of each site against key criteria. The rating is based on a more detailed assessment of each site, against detailed criteria, considered in the survey of employment land.

Table 6.9 RAG rating by domain (Rural sub-area)

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
EMP R1	Roseland Business Park near Long Bennington ⁴⁴	Red	Green	Yellow	Grey	Grey
EMP R3	Gonerby Moor, Grantham	Yellow	Green	Yellow	Yellow	Red
EMP R4	Land adjacent to A1 Colsterworth	Red	Green	Green	Yellow	Yellow
EMP R5	Long Bennington Business Park, Main Road, Long Bennington	Yellow	Yellow	Yellow	Green	Red
EMP R6 (north)	White Leather Square, Billingborough	Yellow	Yellow	Yellow	Yellow	Yellow
EMP R6 (south)	White Leather Square, Billingborough	Yellow	Yellow	Yellow	Yellow	Yellow
EMP R7	Burton Lane/High Dyke, Easton, Grantham	Red	Green	Yellow	Green	Red
EMP R8	Honey Pot Lane, Colsterworth	Yellow	Green	Yellow	Yellow	Yellow
EMP R9	King Street Industrial Estate, Langtoft	Yellow	Green	Red	Green	Red
EMP4	Honey Pot Lane, Colsterworth (North)	Yellow	Green	Yellow	Yellow	Yellow
EMP5	Willoughby Road – Ancaster	Yellow	Green	Green	Yellow	Yellow
SKPR-225	Land at Tallington Lakes Leisure Park	Red	Red	Yellow	Grey	Green
SKPR-90	Land north of Tallington	Yellow	Yellow	Green	Yellow	Green
SKPR-77	Land west of A6121 Stamford Road, Carlby	Red	Yellow	Green	Grey	Green
SKPR-106	Former RAF Woolfox Lodge	Red	Yellow	Yellow	Grey	Green
SKPR-219	Land at A1/A151 junction	Yellow	Green	Green	Grey	Green
SKPR-230	Land east of Jubilee Service Station, Colsterworth	Yellow	Green	Green	Grey	Green

⁴⁴ During the course of this study, it was not possible to conduct a thorough site visit due to access constraints, therefore this assessment is based on available information and data sourced from desk-based research.

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
SKPR-118	Land north of Station Street, Rippingale	Yellow	Red	Yellow	Grey	Yellow
SKPR-262	Land west of A1, Long Bennington	Red	Light Green	Yellow	Grey	Light Green
SKPR-188	Land west of Chapel Lane, Claypole	Red	Red	Red	Grey	Yellow
SKPR-197	Land south of Doddington Lane, Claypole	Red	Red	Red	Grey	Yellow

6.28 As discussed, all of the designated sites within the rural sub-area (in particular EMP R3, EMP R5, EMP R7, EMP R9, and EMP R10) are assessed unfavourably in terms of potential to accommodate future development. This results from their poor quality public realm owing to lack of amenities, meaning development of office space would be unsuitable. Similarly, constrained access owing to poor quality or narrow roads means these locations are mostly unsuitable for new or intensified HGV movements.

- Site EMP R3 is constrained by existing sensitive land uses including a hotel, and neighbouring uses including a recycling centre present environmental considerations in terms of noise and odour.
- Site EMP R5 is a high quality, recently redeveloped site which is intensely used in terms of occupancy and land use and would ostensibly not be able to accommodate any further development at its current extent.
- Site EMP R7 is currently being extensively redeveloped and intensified and therefore does not present as being suitable for further redevelopment in the immediate future given the anticipated delivery of additional employment floorspace.
- Site EMP R9 is also a high quality, recently redeveloped site which is intensely used both in terms of occupancy and land use. The site is constrained by its extent and rural location limiting ease of access for HGV movements.

6.29 Contrastingly, most of the additional undesignated sites located within the rural sub-area are rated more favourably in terms of potential to accommodate future development or intensification of use. This largely results from these sites currently having no significant buildings and being used for low intensity agricultural purposes. These sites are unlikely to be suitable for the development of office space given their significant distance from public transport connections, yet other industrial and light industrial functions may be suitable.

- Site SKPR-225 is currently a low quality site in ad hoc use which is unfit for purpose given lack of paving. This site could benefit from redevelopment if sympathetic to neighbouring sensitive uses for residential/holiday accommodation.
- Site SKPR-90 is a large site comprising a large swathe of land around the north of the village of Tallington. This site benefits from adjacency to the A1175 road in parts and would be suitable for the development of industrial uses, including manufacturing.
- Site SKPR-77 is adjacent to the A6121 and is currently undeveloped indicating there is the potential for intensification of use versus current agricultural use,

however the adjacency to residential uses in an undeveloped rural location is likely to suggest light industrial would be most suitable future use, if industrial at all.

- Site SKPR-106 is a vast 400 ha site with reasonable accessibility from the A1. The site has some existing storage and light functions but could accommodate intensification and radical redevelopment, although it would be unsuitable to develop the site in its entirety for a single use. This site, if fully developed, should comprise a range of uses, including residential components to complement industrial/employment functions. Note that this site does not fall within SKDC boundary and is located within Rutland County Council. This site, identified through the “call for sites” was however considered as part of the ELS due to its size and close proximity to SKDC.
- Site SKPR-219 is nestled adjacent to at the A1 junction at Colsterworth, and although small in size, would be highly suitable for storage and distribution functions.
- Site SKPR-230 similarly is located at the A1 junction at Colsterworth and is not neighbouring sensitive uses (service station). The site would therefore be most suitable for storage distribution and light industrial functions.
- Site SKPR-262 is also located adjacent to an A1 junction and thus is highly accessible to the strategic road network meaning uses requiring HGV movements could be accommodated here.

Grantham sub-area

6.30 Employment land sites in the Grantham sub-area are located across the settlement, and although are found loosely clustered in the centre of the settlement, can also be found located interspersed with residential uses across the town. The greatest number of sites of any sub-area are located here. Sites in the centre of the town tend to be more limited in size, whereas those at the edge of the settlement are large and very large in size. Many of the sites benefit from the direct and indirect access to the strategic road network (including the A1, A52, and A607 routes). There is also a railway station in Grantham offering nationwide connectivity for commuters via the East Coast Main Line.

6.31 The identified occupier typologies, business types, employment uses and land uses within sites in the Grantham sub-area are shown in Table 6.10.

Table 6.10 Sites and uses (Grantham sub-area)

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
GR-SE1 (including EMP G1)	Land west and east of A1, south of Gorse Lane, Grantham (KING 31)	119.6	Greenfield, agriculture	n/a
EMP G2	Land between A52 Somerby Hill and Spitalgate Level. South of Grantham, Southern Quadrant	45.9	Greenfield, agriculture	n/a
EMP G3	Land at junction of Harlaxton Road and Trent Road, Grantham	2.1	Retail	Brownfield
EMP G5	Gonerby Hill Foot, Grantham	4.1	Manufacturing, storage and distribution	B8, B2
EMP G6	Gonerby Road, Grantham	8.0	Storage and distribution, manufacturing, food processing	B8, B2
EMP G7	Land at A1/A52 slip road, Barrowby Road, Grantham	3.9	Storage/self-storage	B8

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
EMP G8	Dysart Road, Grantham	0.7	Manufacturing, storage and distribution, offices	B8, B2, E(g)(i)
EMP G9	North end of Trent Road, Grantham	2.1	General industrial estate, business areas, storage and distribution, warehousing	B8, B2
EMP G10	Venture Way, Grantham	11.0	Storage and distribution, warehousing	B8
EMP G11	Swingbridge Road, Grantham	14.3	General industrial estate, business areas, offices, community uses, storage and distribution, warehousing	B8, E(g)(i), E(g)(iii)
EMP G12	Grantham Fire station, Harlaxton Road	3.7	Community uses, car repairs/sales	B8, Vacant, E(g)(iii)
EMP G13 (south)	Springfield Park Industrial Estate, Grantham	5.7	General industrial estate, business areas, leisure/gym, offices	E(g)(i), E(g)(iii)
EMP G13 (north)	Springfield Park Industrial Estate, Grantham	2.0	Offices, retail	E(g)(i), E(g)(iii)
EMP G14	Land at Springfield Road/Harlaxton Road junction, Grantham	4.5	General industrial estate, business areas, retail, residential	E(g)(iii)
EMP G15	Land South of Earlesfield Lane, Grantham	5.6	Manufacturing, storage and distribution, community uses, car repair/sales/showroom	B8, B2, E(g)(iii)
EMP G16	Land North of Earlesfield Lane, Grantham	10.6	General industry, manufacturing, storage	B8, B2
EMP G17	Land at junction of Dysart Road and Kempton Way, Grantham	7.1	Offices, leisure/gym	E(g)(i), E(g)(iii)
EMP G18	Autumn Park Industrial Estate, Dysart Road, Grantham	4.6	General industrial estate, business areas, manufacturing, retail, offices	B2, E(g)(iii)
EMP G19	North of Dysart Road/West of railway line, Grantham	4.1	General industrial estate, manufacturing	B2, B8
EMP G20	Spittlegate Level, Grantham	15.9	General industrial estate, business areas, car sales/showroom	E(g)(iii)
EMP G21	London Road Industrial Estate, Grantham	3.2	General industrial estate, warehousing, storage and distribution, car repairs/sales	B8, E(g)(iii)
EMP G22	Old School, Station Road, Grantham	0.4	None	Brownfield
EMP G23	Aveling Barford Site, Grantham	15.4	Manufacturing, storage and distribution	B8, B2
EMP G24	Inner Street, Grantham	2.4	Business areas, manufacturing, car repairs/sales, environmental/recycling	B2, E(g)(iii)
EMP G25	Belton Lane Industrial Estate, Grantham	2.0	General industrial estate, business areas, storage and distribution,	B8, E(g)(iii)

Ref.	Name	Size (ha)	Occupier Typologies	Employment Uses
			warehousing, car repairs/sales	
EMP G26	Londonthorpe Lane, Grantham	5.1	Manufacturing, offices, storage and distribution	B8, B2, E(g)(i)
EMP G27	Alma Park & Withabrook Park Industrial Estates, Grantham	35.1	General industrial estate, business areas, car repairs/sales, storage, environmental/recycling, utilities	B8, E(g)(iii)
EMP G28	Old Hampsons Site, Harlaxton Road, Grantham	0.8	Car repairs/sales, retail	E(g)(iii)
SKPR-30	Land west of Swingbridge Road, Grantham	0.4	Community uses – GP surgery	n/a
SKPR-115	Land south of A52 Barrowby Road	1.4	Greenfield (wooded), agriculture, residential	n/a
SKPR-234	Land south east of Gorse Lane, Harlaxton Manor	45.0	Greenfield, agriculture	n/a
SKPR-235	Land east of B1174, Grantham	10.9	Greenfield, agriculture	n/a
SKPR-220	Land west of B1174, Grantham	11.0	Greenfield, agriculture	n/a
SKPR-179	Land north of Cold Harbour Lane, Grantham	1.5	Greenfield, agriculture	n/a
SKPR-41	Land to south east Gonerby Moor, Great Gonerby	23.5	Greenfield, agriculture	n/a
SKPR-268	Grantham Railway Station	7.4	Transport – railway station, town centre uses, parking, storage, warehousing	B8, E(g)(iii)
SKPR-100	Land to south west Gonerby Moor, Great Gonerby	63.7	Greenfield, agriculture	n/a
SKPR-182	Land at Gonerby Moor, Grantham	80.0	Greenfield, agriculture	n/a
SKPR-185	Land to north east Gonerby Moor, Great Gonerby	45.5	Greenfield, agriculture	n/a
SKPR-202	Land to north west Gonerby Moor, Great Gonerby	29.0	Greenfield, agriculture	n/a
EMP6	Prince William of Gloucester Barracks	184.6	Army facility, greenfield	SG

6.32 The assessed RAG rating in each domain for each site in the Grantham sub-area is shown in Table 6.11. Given the dispersed nature of sites, characteristics reflected in assigned RAG rating are highly variable. Of the designated sites, with the exception of those as yet underdeveloped to the south of Grantham which are inaccessible to pedestrians and limited in terms of amenities, most of the sites in Grantham have favourable public realm qualities, owing to their proximity to the range of town centre amenities and services, but also established pedestrian routes and lighting. The embeddedness of the sites within the settlement also provides good accessibility for both pedestrians and HGVs, although in part the adjacency of sensitive uses to industrial functions is unsuitable. Typically, as yet undeveloped sites have poor public realms but high potential for redevelopment.

6.33 The RAG rating summarises the performance of each site against key criteria. The rating is based on a more detailed assessment of each site, against detailed criteria, considered in the survey of employment land.

Table 6.11 RAG rating by domain (Grantham sub-area)

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
GR-SE1 (including) EMP G1	Land west and east of A1, south of Gorse Lane, Grantham (KING 31)	Red	Yellow	Light Green	Red	Light Green
EMP G2	Land between A52 Somerby Hill and Spitalgate Level. South of Grantham, Southern Quadrant	Red	Light Green	Yellow	Grey	Yellow
EMP G3	Land at junction of Harlaxton Road and Trent Road, Grantham	Yellow	Yellow	Light Green	Grey	Yellow
EMP G5	Gonerby Hill Foot, Grantham	Yellow	Yellow	Light Green	Yellow	Red
EMP G6	Gonerby Road, Grantham	Light Green	Yellow	Light Green	Yellow	Red
EMP G7	Land at A1/A52 slip road, Barrowby Road, Grantham	Yellow	Yellow	Light Green	Light Green	Yellow
EMP G8	Dysart Road, Grantham	Yellow	Yellow	Red	Light Green	Red
EMP G9	North end of Trent Road, Grantham	Light Green	Yellow	Yellow	Light Green	Red
EMP G10	Venture Way, Grantham	Yellow	Yellow	Yellow	Yellow	Yellow
EMP G11	Swingbridge Road, Grantham	Yellow	Yellow	Yellow	Light Green	Yellow
EMP G12	Grantham Fire station, Harlaxton Road	Light Green	Yellow	Light Green	Yellow	Red
EMP G13 (south)	Springfield Park Industrial Estate, Grantham	Light Green	Yellow	Light Green	Light Green	Red
EMP G13 (north)	Springfield Park Industrial Estate, Grantham	Light Green	Yellow	Yellow	Light Green	Red
EMP G14	Land at Springfield	Light Green	Light Green	Light Green	Yellow	Yellow

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
	Road/Harlaxton Road junction, Grantham					
EMP G15	Land South of Earlesfield Lane, Grantham					
EMP G16	Land North of Earlesfield Lane, Grantham					
EMP G17	Land at junction of Dysart Road and Kempton Way, Grantham					
EMP G18	Autumn Park Industrial Estate, Dysart Road, Grantham					
EMP G19	North of Dysart Road/West of railway line, Grantham					
EMP G20	Spitalgate Level, Grantham					
EMP G21	London Road Industrial Estate, Grantham					
EMP G22	Old School, Station Road, Grantham					
EMP G23	Aveling Barford Site, Grantham					
EMP G24	Inner Street, Grantham					
EMP G25	Belton Lane Industrial Estate, Grantham					
EMP G26	Londonthorpe Lane, Grantham					
EMP G27	Alma Park & Withabrook Park Industrial Estates, Grantham					
EMP G28	Old Hampsons Site, Harlaxton Road, Grantham					
SKPR-30	Land west of Swingbridge					

Ref.	Name	Public Realm, Environment and Surroundings	Suitability	Accessibility	Building Condition	Redevelopment Potential
	Road, Grantham					
SKPR-115	Land south of A52 Barrowby Road					
SKPR-234	Land south east of Gorse Lane, Harlaxton Manor					
SKPR-235	Land east of B1174, Grantham					
SKPR-220	Land west of B1174, Grantham					
SKPR-179	Land north of Cold Harbour Lane, Grantham					
SKPR-41	Land to south east Gonerby Moor, Great Gonerby					
SKPR-268	Grantham Railway Station					
SKPR-100	Land to south west Gonerby Moor, Great Gonerby					
SKPR-182	Land to east Gonerby Moor, Great Gonerby					
SKPR-185	Land to north east Gonerby Moor, Great Gonerby					
SKPR-202	Land to north west Gonerby Moor, Great Gonerby					
EMP6	Prince William of Gloucester Barracks					

6.34 As discussed, redevelopment and intensification potential of sites is assessed to be variable within the Grantham sub-area. Firstly, with respect to designated sites:

- Site GR-SE1 (including EMP G1) is rated highly favourably in terms of redevelopment potential. The site represents the adopted Local Plan allocation GR-SE1 (Grantham Southern Gateway Strategic Employment Opportunity). Contained within this wider allocation is the identified smaller EMP G1 allocation. The overall GR-SE1 site is a large site adjacent to the A1 and benefits from the recent installation of a motorway junction, meaning access to the strategic road network is direct. The site also has limited surrounding sensitive land uses and

adjoins an existing designated industrial area. This site would be highly suitable for industrial, and storage and distribution functions.

- Site EMP G22 is similarly rated highly favourably in terms of redevelopment potential. This small site is adjacent to Grantham railway station meaning accessibility by local and nationwide commuters is easily facilitated, and the site would be highly suitable for the development of office floorspace. Moreover, the site is supported by a vast range of local amenities and town centre services, including adjacent car parking facilities.
- Many of the sites in this sub-area are assessed to be unfavourable in terms of future development owing to their proximity to surrounding sensitive land uses including residential properties, community uses, and town centre services. Sites in Grantham are typified by very intensive use and sites which are not identified as being suitable for redevelopment are characterised by dense and varied functions, whereby employment sites are at their maximum capacity.
- Site SKPR-182 is also rated highly favourably in terms of redevelopment potential. The site forms part of the wider adopted Local Plan housing allocation GR3-H1 (Spitalgate Heath – Garden Village). This is a very large site adjacent to the A1 and B1174 routes meaning access to the strategic road network is virtually direct and a high volume of HGV movements could be easily facilitated. Moreover, there are no sensitive surrounding land uses. Ambitious redevelopment of the currently agricultural use site may utilise the adjacent railway line. The site would be suitable for a range of industrial and storage and distribution functions owing to its high accessibility.

6.35 With respect to the additional sites which fall within the Grantham sub-area, most are rated favourably in terms of their potential for redevelopment and intensification:

- Site SKPR-30 is currently in community use as a GP surgery but presents as being suitable for development, potentially for office functions given proximity to residential uses to complement the adjacent existing business park.
- Site SKPR-234 is a large greenfield site which presents as being suitable for redevelopment in light of present low intensity agricultural use. The site could support a range of industrial functions given the lack of sensitive surrounding land uses, although in reality the lack of suitable access is prohibitive for most uses. The unsuitable access routes represent constraints on the viability of future developments in this location without significant investment in upgrading access routes.
- Site SKPR-235 aligns with existing designated sites to the south of Grantham and is contiguous with existing employment sites. The site benefits from being virtually directly accessible to the strategic road network, namely the A1, owing to the recent installation of a new junction in this location. The development of a range of employment uses which could include industrial, storage and distribution, or broader business park uses such as offices, could complement the wider development of designated and additional sites in this emerging cluster to the south of Grantham.
- Site SKPR-220 is similarly located to the south of Grantham and benefits from likewise accessibility to the recently developed strategic road network. This site could support a range of uses, although is slightly constrained by neighbouring school.
- Site SKPR-268 currently comprises Grantham railway station and adjacent car parks. This site includes designated employment sites (EMP G21 and EMP G22). The site is highly suitable for redevelopment in particular for mixed-use and office functions whose commuting occupants would benefit heavily from nationwide

connectivity to the site by rail. The Council has a long-term ambition for the redevelopment of this site as a comprehensive mixed-use development.

- Sites SKPR-100, SKPR-185, SKPR-202, and SKPR-41 comprise a suite of additional sites located around the A1 junction at Gonerby Moor and thus benefit from virtually direct access to the strategic road network and could facilitate intense HGV movements. The current low intensity of use on these sites, primarily for agriculture, presents opportunity for future development and intensification of use which, potentially in complement, could significantly increase the provision of employment land in this location. The adjacency of these sites indicates that, although suitable for a range of uses, industrial, storage and distribution functions could be successful here.
- Site EMP6 is currently allocated in the Local Plan as a mixed-use site (GR3-H4: Prince William of Gloucester Barracks), which is earmarked to deliver 1,775 homes by 2036 (with a total capacity estimated as 4,000 homes), and around 8 hectares of employment generating land. Whilst the site is suitable for employment use, the type of employment the site could cater for will be dependent on the location of the housing on the site (with potential conflict between uses) and the average connectivity between the site and the A1 (made via the A52, running through Grantham, or Whalebone Lane). This poor connectivity and potential proximity to new housing will limit the type of employment uses that could be delivered on site to office (E(g)(i) and low density light industrial activities (E(g)(iii)).

Future supply

- 6.36 The current Local Plan (2011-2036) remains the development plan for the District and will be used in determining planning applications until the Council completes its review by the end of April 2025. The Local Plan Review will set out the planning framework for the District over the next 20 years up to 2041 and will cover issues such as the future supply of employment land. It will also set out policies by which planning applications will be determine.
- 6.37 A review of the SKDC planning portal over the last 3 years has been undertaken to identify employment land development that has been approved but undelivered as of yet.
- 6.38 The review identified a total of 275,192 sqm in the planning pipeline of employment space; this is predominantly for B8 and B2 space, followed by a handful of applications for E(g).
- 6.39 The identified employment land includes two major developments: one at Spitalgate Level, Grantham and another at Roseland Business Park, Long Bennington.
- 6.40 The application at Spitalgate Level is from Carta Real Estate Limited and comprises 43,200 sqm of B2-class floorspace and 43,200 sqm of B8-class floorspace. The application at Roseland Business Park is from Roseland Estates Limited and comprises 82,700 sqm of B8-class storage uses.
- 6.41 Other significant developments yet to be delivered include two applications by Summer Estate Holdings for 23,000 sqm and 24,400 sqm of B1⁴⁵/B2/B8-class space across two sites at Roseland Business Park. The land is currently vacant having been a WW2 airfield in its previous use.
- 6.42 Through consultation with landowners, agents and developers, the review also identified the potential for major developments at Gonerby Moor (SKPR-100 and SKPR-202, to

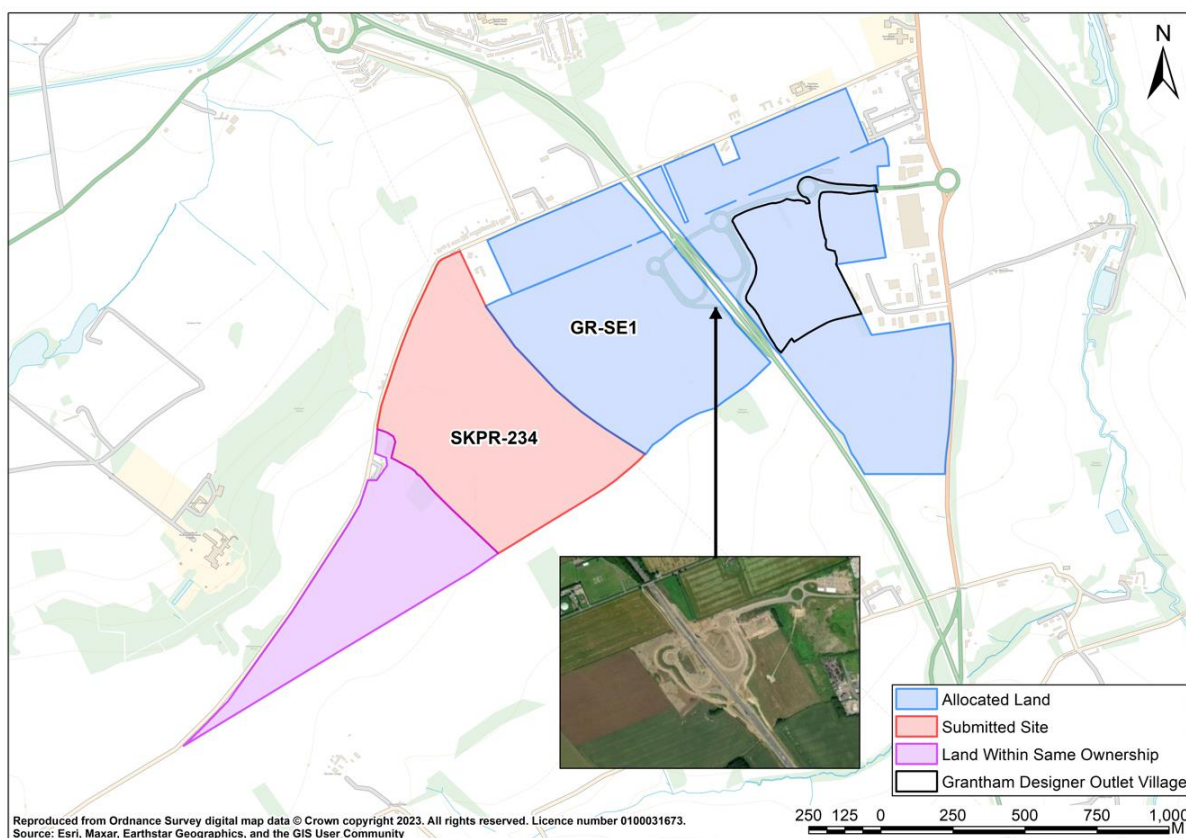
⁴⁵ Now use class E(g)

the west of the A1) and Gorse Lane (SKPR-234, to the west of the A1). These sites were identified through SKDC's "call for sites" process.

6.43 Two sites at Gonerby Moor were put forwards through a "call for sites". The sites are referenced as SKPR-100 and SKPR-202 (see Table 6.10 and Table 6.11), both are open greenfield/agricultural land and located north of Grantham, on the west of the A1. The sites are in two different ownerships, with both developers coming together to propose a combined delivery of their site. In total, the sites (based on master plans shared by developers) are expected to deliver in the region of 370,000 sqm of B2 and B8 space (4,000,000 sqft).

6.44 A third site, on Gorse Lane, south of Grantham, was also put forwards through the call for sites. This site is referenced as SKPR-234 (see Table 6.10 and Table 6.11). The site is 45ha of greenfield land west of the A1 and in close proximity to a new access junction onto the A1. This site is also directly adjacent to designated site GR-SE1, as shown in Figure 6.1, of which a portion was granted Planning Permission in April 2019 for the Grantham Designer Outlet Village (application reference S17/1262).

Figure 6.1 Land southeast of Gorse Lane, Harlaxton Manor (SKPR-234)



Source: AECOM

Summary

6.45 AECOM's qualitative survey of existing supply of employment land within South Kesteven district comprised a site visit to 95 sites, combined with elements of desk-based research.

6.46 The assessment of existing supply was conducted based on a set of site appraisal criteria (which were agreed with South Kesteven District Council in advance) from which detailed analysis was carried out to identify the typologies of employment land within the district.

- 6.47 The survey identifies that employment land in South Kesteven district is primarily occupied by industrial and light industrial activity. There are a number of well performing industrial areas particularly around Grantham (Gonerby Moor⁴⁶, Grantham Southern Gateway⁴⁷ or the Alma Park Industrial Estate⁴⁸) and in The Deepings (Northfields Industrial Estate⁴⁹). There are also smaller, highly active clusters of employment or employment sites located across the district, notably in Grantham town centre, Stamford (Ryhall Road), or Bourne (Cherry Holt Road and Spalding Road).
- 6.48 One of the drivers of future success for these sites appears to be their location with direct strategic road access. Clusters less well connected to the road network appear to be far smaller and have older/poorer quality buildings.
- 6.49 The low vacancy rate in B8 space indicates demand for warehousing floorspace within South Kesteven district is high. A growing concern is the capacity for existing employers to expand their operations given low vacancy rates and the potential lack of suitable sites allocation for this type of activities in South Kesteven (close proximity to the strategic road network and adequate junction to this network is primordial).
- 6.50 The higher vacancy observed for industrial space (B2) and light industrial space (E(g)(iii)) is reflected on the ground, with a certain number of functional units which appeared to be vacant during the site visits.
- 6.51 Office space within South Kesteven District is more limited and primarily located in Grantham and Stamford town centres, on non-designated employment land. There are small office units on designated employment land, which are predominantly in industrial use. Again, this is primarily located in Grantham and Stamford town centres – with the office space often being ancillary to industrial activities.
- 6.52 The supply assessment concludes that most sites surveyed are functioning well, have high occupancy rates and support a diverse range of business types. There is evidence of loss of employment sites to other uses, particularly to residential development and retail on the outskirts of town centres. This is evidenced at Sites EMP S3 (Stamford Gateway), EMP G14 and EMP B3 for example which have been partially released to residential, or Site EMP S7 which has been partially lost to retail.
- 6.53 South Kesteven district has a large amount of vacant land. This land is either located within existing employment areas (i.e. part of the site remains undeveloped or brownfield)⁵⁰ and provides opportunities for intensification, or is within entirely undeveloped designated sites⁵¹.
- 6.54 The survey identified potential opportunities for intensification and development to provide further employment use in the district, within both existing and potentially new site boundaries. This was principally where vacant land or clearly underused land exists. Opportunities to intensify employment activity also include developing on vacant agricultural land and redeveloping older and poorer quality premises which are not currently efficiently used, where there would be market demand for this.

⁴⁶ Sites EMP R3 and EMP R10

⁴⁷ Site EMP G20

⁴⁸ Sites EMP G26 and EMP G27

⁴⁹ Site EMP D3

⁵⁰ Sites such as EMP D2 or EMP D3

⁵¹ Sites such as EMP D1, GR-SE1 (including EMP G1), or EMP G2

7. Economic Development Needs Assessment

Introduction

- 7.1 In understanding the range and portfolio of future employment land and floorspace needs in South Kesteven it is important to determine the potential nature of employment growth over the Plan period (and beyond to 2041) to ensure sufficient provision is made and protected within the District’s employment sites. Such an assessment can be termed an Economic Development Needs Assessment.
- 7.2 This section sets out the forecasting scenarios’ that have been considered within the Economic Development Needs Assessment in this Study to understand the ‘reasonable alternatives’ for potential future growth. It comprises a detailed technical assessment and key outputs, and identifies a ‘synthesis’ forecast which should form the basis of future planning for employment needs.
- 7.3 The Economic Development Needs Assessment considers three different approaches/scenarios to determine these reasonable alternatives:
- Scenario 1 – Labour Demand: using employment forecasts sourced from Experian, the change in employment in South Kesteven (by industrial) is translated into the associated change in floorspace and land requirements.
 - Scenario 2 – Labour Supply: this scenario uses population forecasts to understand the level of additional workforce that will be available on the labour market. Additional workforce is allocated to industries and translated into associated change in floorspace and land requirements.
 - Scenario 3 – Past Take-Up: this scenario considers past net absorption of employment floorspace in South Kesteven and projects historical trend over the Plan Period. Future change in floorspace is then converted into future land requirement.
- 7.4 The model is based on the employment forecasts provided by Experian (September 2022). The employment land requirement forecast delineates growth into major sectors which, in turn, are aggregated into land use types. This approach provides a land and floorspace requirement for office (E(g)(i)/b), industrial (E(g)(iii)/B2) and warehousing (B8) activity. Whilst this approach aligns with the guidance provided by the NPPF and PPG and provides a robust basis for planning purposes, it should be recognised that future delivery may not be as neatly categorised.

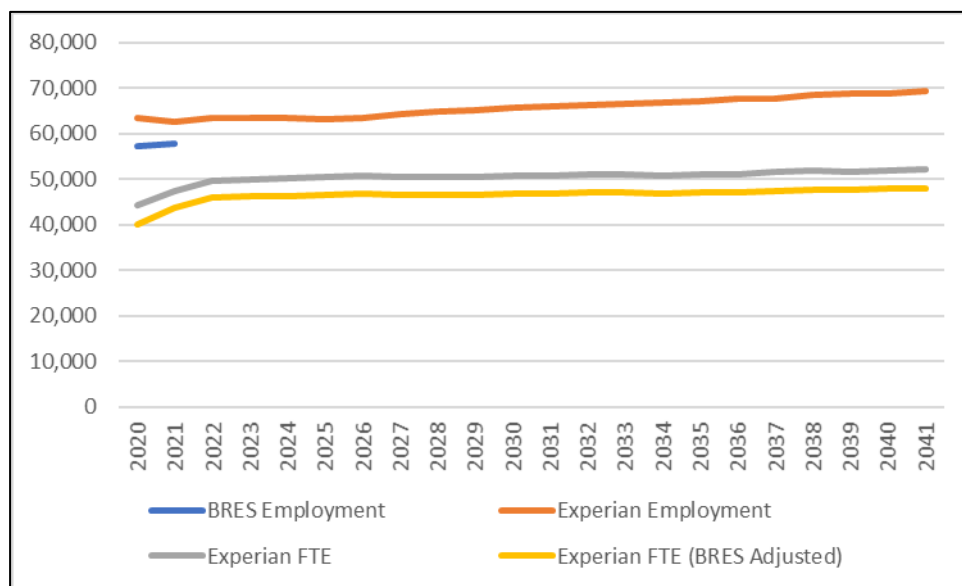
Scenario 1 – Labour Demand

- 7.5 The base Experian forecast for South Kesteven sets out the ‘business as usual’⁵² employment growth scenario for the District to 2041 across 38 economic sectors. For robustness, the Experian forecast is rebased for 2020 and 2021 using BRES data, which provides the official historical employment provision for these years. Employment is presented in Full Time Equivalent (FTE) to allow for appropriate comparison over time and direct translation into floorspace needs.

⁵² Without the impact of unforeseen economic shock or policy strategy and public intervention

- 7.6 Figure 7.1 shows the evolution of total employment to 2041 in South Kesteven and how Experian FTE job numbers (adjusted based BRES employment data) compare with BRES employment data and Experian employment data⁵³.
- 7.7 This figure shows that BRES employment in 2020 and 2021 was below the level of employment predicted by Experian data, therefore, for accuracy, Experian FTE job numbers have been rebased to take into consideration this discrepancy between Experian and BRES employment numbers.
- 7.8 The data shows that between 2021 and 2041, FTE jobs are predicted to increase from 43,713 to 48,060 (+7,919 FTEs).

Figure 7.1 Employment Forecast (2020-2041)

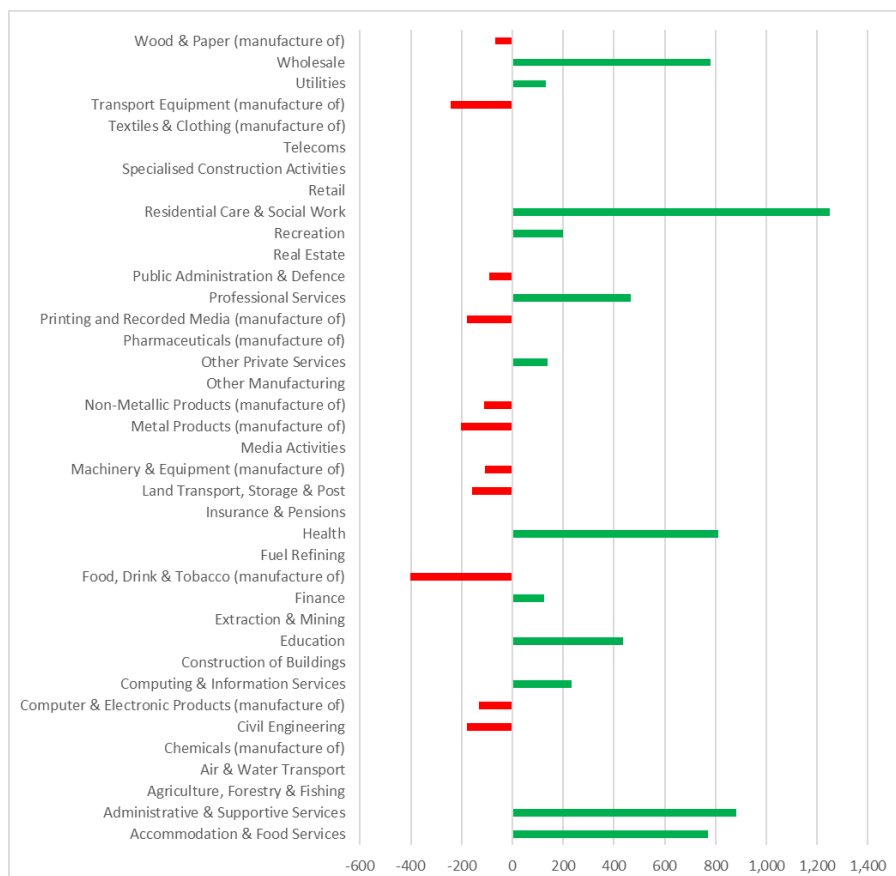


Source: AECOM, based on Experian September 2022 and BRES 2022

- 7.9 Figure 7.2 shows the change in FTE jobs by economic sector (based on the BRES adjusted Experian forecast) between 2021 and 2041 (forecasted period to the end of the Plan period). This shows that the majority of sectors are expected to experience growth over the Plan period with a few exceptions most notably manufacturing and related industrial sectors.
- 7.10 It is expected that the Residential Care & Social Work sector (non-employment uses) will see the largest growth, with an additional 1,249 FTE jobs by 2041. It is followed by the Administrative & Supportive Services sector (+883 FTE jobs) and Wholesale sector (+780 FTE jobs) (both employment activities are considered under this ELS).
- 7.11 The Food, Drink & Tobacco (manufacture of) and the Transport Equipment (manufacture of) sectors are expected to see the largest decline in employment, with losses of 403 and 244 FTE jobs respectively.

⁵³ Note that employment can be full-time or part-time, whilst FTE provide the equivalent of part and full time in full-time employment.

Figure 7.2 FTE jobs change by economic sector between 2021 and 2041



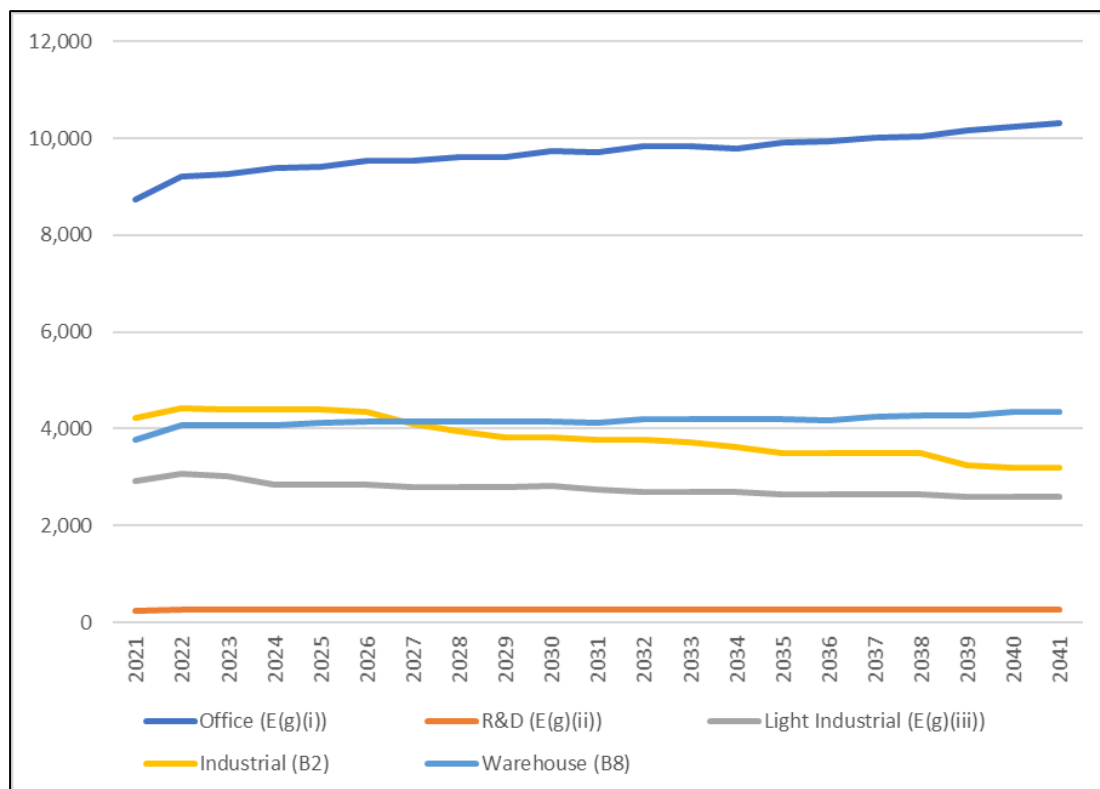
Source: AECOM, based on Experian September 2022 and BRES 2022

7.12 Using this as a base forecast, FTE jobs in each of the 38 Experian economic sectors are allocated between the 729 industrial classifications provided by the ONS (5-digit 2007 SIC level)⁵⁴. The allocation following the split provided by the latest BRES data (2022) between those industrial classifications. Following this, industrial classification is matched to the most relevant planning use class.

7.13 The evolution of employment between these use classes is shown in Figure 7.3. For clarity, only employment uses classes are shown.

⁵⁴ BRES

Figure 7.3 FTE jobs Planning Use Class (2021 to 2041) – Labour Demand Scenario



Source: AECOM

- 7.14 This shows that the fastest growth in employment is expected to be in E(g)(i) use (office) with an additional 1,572 FTE jobs expected to be created in South Kesteven over the Plan period (+18%). This is followed by employment in B8 use (warehousing) which is expected to grow by an additional 556 FTE jobs (+15%). It is also expected that employment in E(g)(ii) use (research and development) will marginally progress over the period to 2041 with an additional 23 FTE jobs to be created (+9%).
- 7.15 Employment in light industrial activities (E(g)(iii)) and industrial activities (B2) are both expected the decline between 2021 and 2041, with a respective reduction in FTEs over the period of 327 FTEs (-11%) and 1,040 FTE jobs (-25%).
- 7.16 Note that excluding employment in sectors not covered by the ELS (all non-employment use classes), it is expected that South Kesteven will have an additional 784 FTE jobs by 2041 (+4%). The overall additional FTEs in South Kesteven (including use classes not covered by this ELS) is expected to grow by 4,348 FTE jobs. This shows that employment growth is mainly expected to happen in the non-employment use classes and therefore not expected to be accommodated on designated employment land.
- 7.17 Employment by use class is converted into floorspace requirement by applying an appropriate employment density (sqm required by job) for each use class.
- 7.18 AECOM used the Homes and Communities Agency's Employment Density Guidance as the source for employment densities⁵⁵. Employment densities applied in the modelling are summarised in Table 7.1.

⁵⁵ It should be noted that the Employment Density Guidance has been withdrawn by Central Government but has not been replaced by an alternative guidance. It has therefore been decided to keep applying this guidance in the absence of a more suitable alternative.

Table 7.1 Employment densities

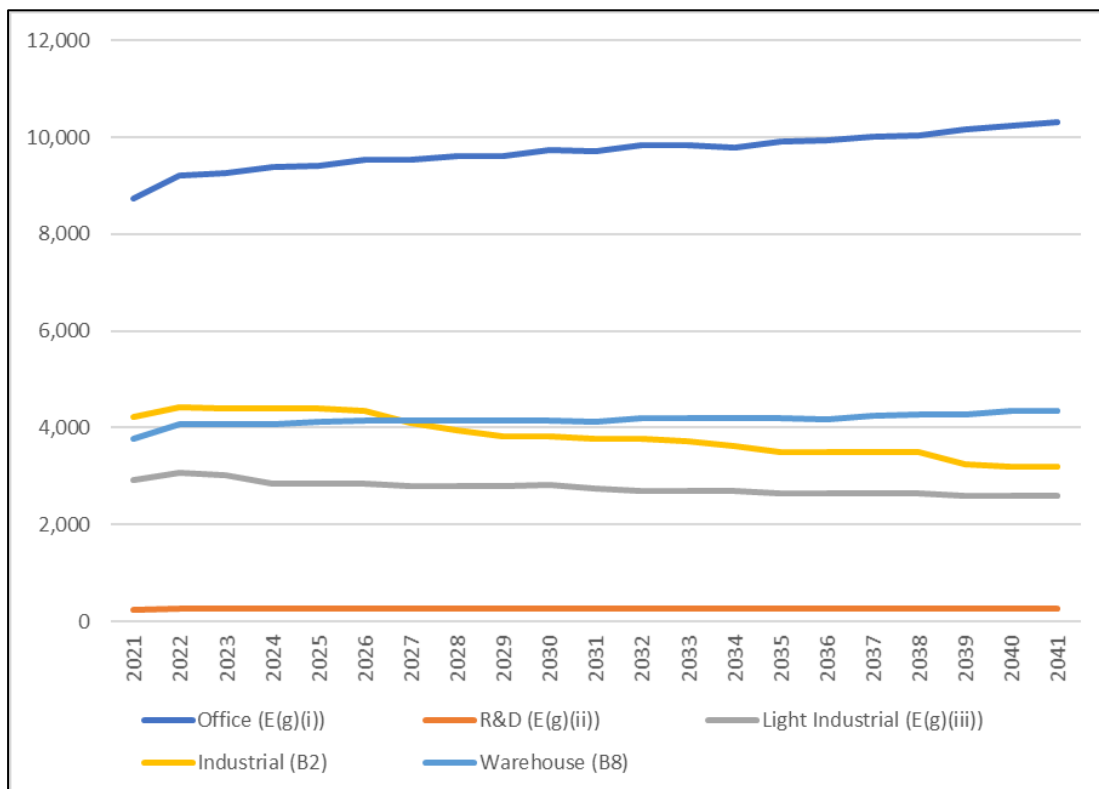
	Employment density (sqm/job)
Office (E(g)(i))	13
R&D (E(g)(ii))	50
Light Industrial (E(g)(iii))	47
Industrial (B2)	36
Warehouse (B8)	95

Source: Homes & Communities Agency, Employment Density Guide 3rd Edition 2015

7.19 Figure 7.4 shows the evolution of floorspace requirements in South Kesteven to 2041. This shows that based on labour supply, there is, by 2041, a requirement for:

- +20,442 sqm of E(g)(i) floorspace (office);
- +1,165 sqm of E(g)(ii) floorspace (research and development);
- -15,379 sqm of E(g)(iii) floorspace (light industrial);
- -37,428 sqm of B2 floorspace (industrial); and
- +52,782 sqm of B8 floorspace (warehousing).

Figure 7.4 Floorspace Requirement (sqm) (2021 to 2041) – Labour Demand scenario



Source: AECOM

7.20 Finally, applying relevant plot ratios (presented in Table 7.2), floorspace requirements can be converted into land requirements (presented in hectares).

Table 7.2 Plot ratios

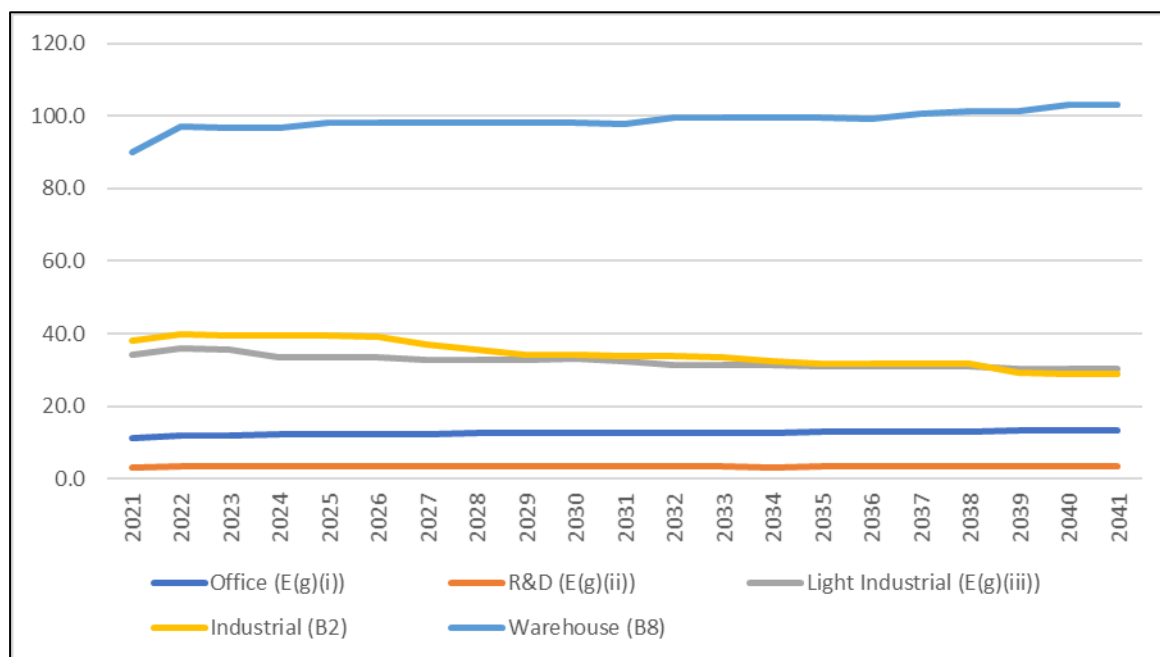
	Plot ratios
Office (E(g)(i))	1
R&D (E(g)(ii))	0.4
Light Industrial (E(g)(iii))	0.4
Industrial (B2)	0.4
Warehouse (B8)	0.4

Source: AECOM

7.21 Based on this, the evolution of land requirements in South Kesteven to 2041, shown in Figure 7.5, indicates a requirement for:

- +2 ha of land for E(g)(i)(office) use;
- +0.3 ha of land for E(g)(ii) (research and development) use;
- -3.8 ha of land for E(g)(iii) (light industrial) use;
- -9.4 ha of land for B2 (industrial) use; and
- 13.2 ha of land for B8 (warehousing) use.

Figure 7.5 Land requirement (ha) (2021-2041) – Labour Demand scenario



Source: AECOM

Scenario 2 – Labour Supply

7.22 To forecast labour supply, AECOM used the latest population forecast published by the ONS⁵⁶.

7.23 The population forecast was converted into local labour supply through of process in several stage:

- The projection is available for the working age group (16-64 years old) and used as the base for the forecast of the local labour supply.

⁵⁶ ONS Population projections - local authority based by single year of age

- The working age population is converted into economically active population (working age population in employment and searching for a job), applying the rate of economic activity as reported by the ONS for South Kesteven for 2020⁵⁷. The rate is 75.30%
- The economically active population is converted into local labour supply applying the rate of self-containment for South Kesteven (% of population living which is also working in South Kesteven) as reported by the ONS Census 2011⁵⁸ of 56.64%

7.24 The conversion from working age population to local labour supply is presented in Table 7.3 for 2021 and 2041.

Table 7.3 Conversion of population to local labour

	2021	2041	Change
Working age population	83,165	81,498	-1,667
Economically active population	62,623	61,368	-1,255
Local labour supply	35,468	34,757	-711

Source: AECOM

7.25 The local labour supply for South Kesteven, from local residents alone, is expected to decline by 711 workers between 2021 and 2041, which is well below the expect future demand for employment as forecasted by Experian (see paragraph 7.8).

7.26 It is likely that some of this demand will be addressed by external workforce, commuting into South Kesteven District to access employment. In order to estimate the level of workforce that could be attracted to South Kesteven from elsewhere, we have produced the same analysis for the top five Local Authorities in terms of inflow commuting of labour (into South Kesteven). These Local Authorities are Peterborough, North Kesteven, South Holland, Rutland and Newark and Sherwood. Together, the five Local Authorities represented 86% of the inflow commuting of labour into South Kesteven.

7.27 Instead of applying the rate of self-containment to the economically active population, the percentage rate of residents from those Local Authorities who commute into South Kesteven has been calculated.

7.28 This analysis has shown that labour supply into South Kesteven from the five Local Authorities is expected to increase from 11,402 in 2021 to 12,044 in 2041. To capture the total change in labour supply (coming from other Local Authorities), these figures were increase by 14%⁵⁹. The change between 2021 and 2041 is therefore expected to be +735 workers.

7.29 The total increase in labour supply is then distributed between the different planning use classes following the growth forecasted by Experian in terms of labour demand.

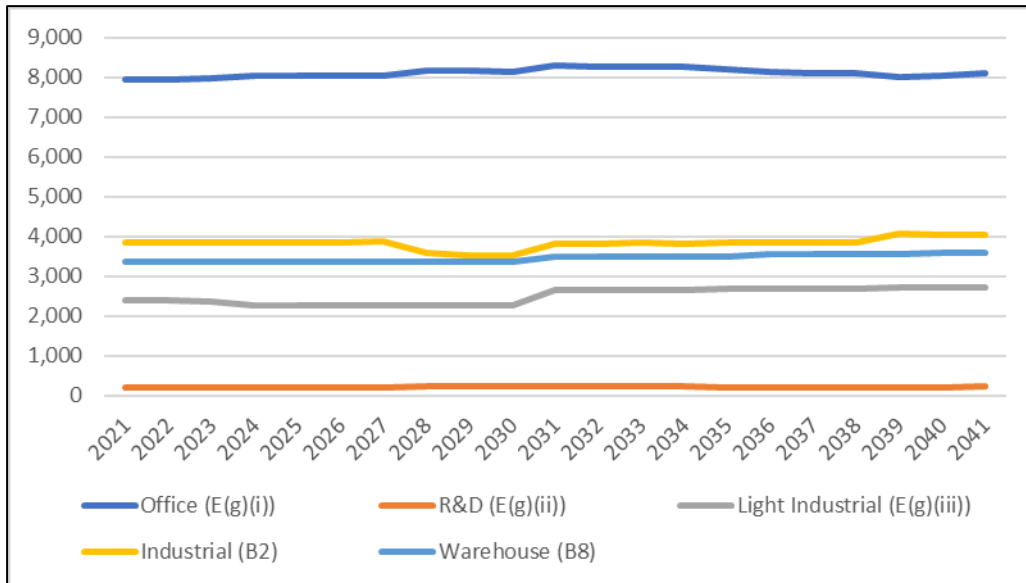
7.30 This shows that the fastest growth in employment is expected to be in E(g)(iii) use (light industrial space) with an additional 332 FTE jobs expected to be created in South Kesteven between 2021 and 2041 (+14%). This is closely followed by employment in B8 use (warehousing) with an additional 223 FTE jobs(+7%), B2 (general industrial) with an additional 185 FTE jobs (+5%) and E(g)(i) use (office) with 174 FTE jobs (+2%). Increase in employment in E(g)(ii) use (research and development) is more limited with an additional 7 FTE jobs (+2%).

⁵⁷ ONS annual population survey (July 2021- June 2020)

⁵⁸ Location of usual residence and place of work

⁵⁹ 14% of in-commuting into South Kesteven does not come from the top five Local Authorities (see paragraph 7.26)

Figure 7.6 FTE jobs by Planning Use Class (2021 to 2041) – Labour Supply Scenario



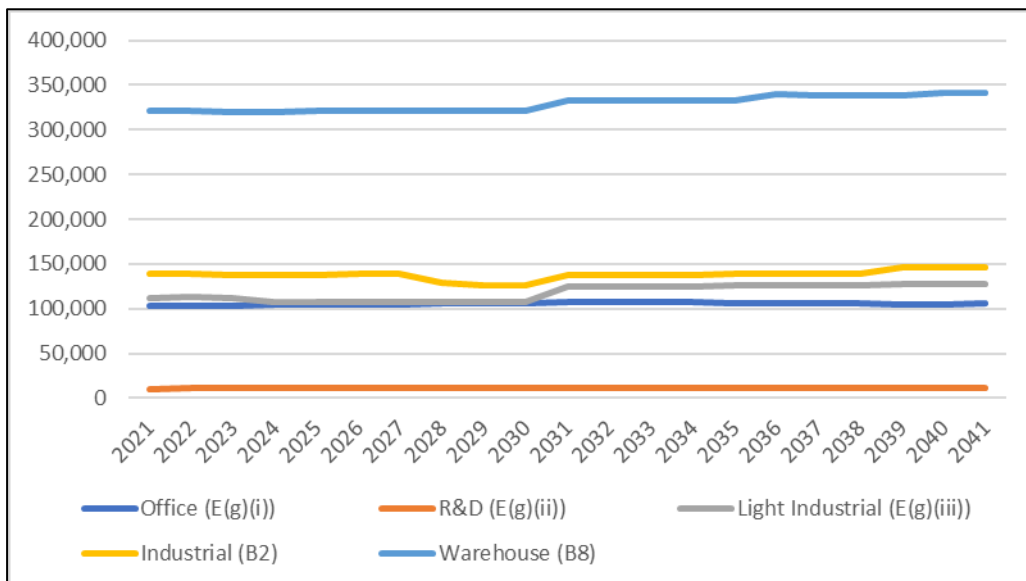
Source: AECOM

7.31 Employment by use class is converted into floorspace requirement, applying the same methodology and assumptions as for the Labour Demand scenario (see Table 7.1 for employment densities applied).

7.32 Figure 7.7 shows the evolution of floorspace requirements in South Kesteven between 2021 and 2041. This shows that based on labour supply, there is, by 2041, a requirement for:

- +2,258 sqm of E(g)(i) floorspace;
- +338 sqm of E(g)(ii) floorspace;
- +15,601 sqm of E(g)(iii) floorspace;
- +6,644 sqm of B2 floorspace; and
- +21,171 sqm of B8 floorspace.

Figure 7.7 Floorspace Requirement (sqm) (2021 to 2041) – Labour Supply scenario



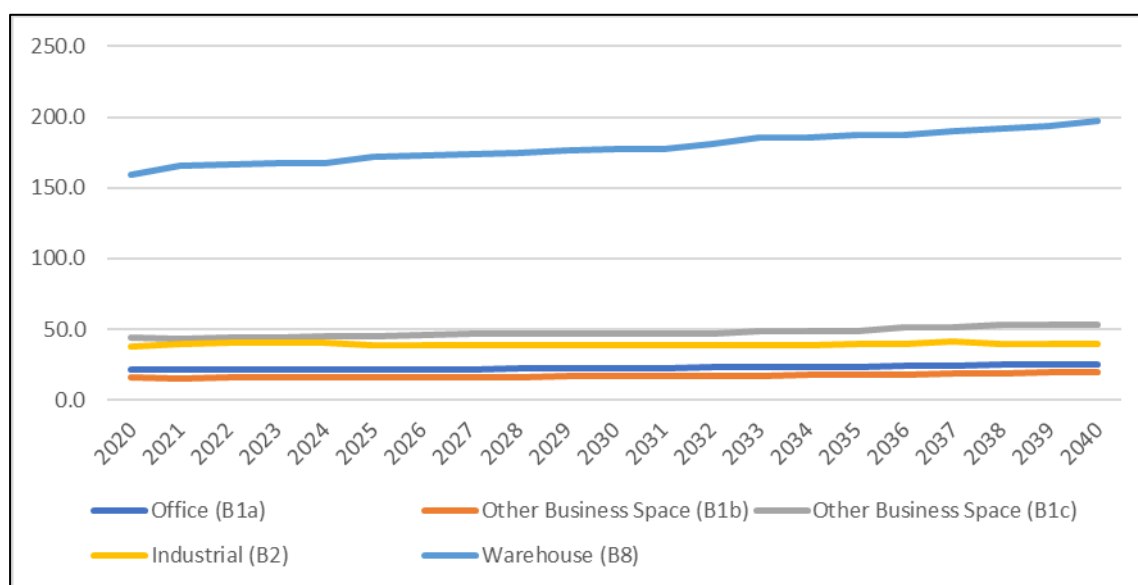
Source: AECOM

7.33 Finally, applying relevant plot ratios (presented in Table 7.2), floorspace requirements can be converted into land requirements (presented in hectares).

7.34 Based on this, the evolution of land requirements in South Kesteven to 2041, shown in Figure 7.8, indicates a requirement for:

- +0.2 ha of land for E(g)(i) use;
- +0.1 ha of land for E(g)(ii) use;
- +3.9 ha of land for E(g)(iii) use;
- +1.7 ha of land for B2 use; and
- +5.3 ha of land for B8 use.

Figure 7.8 Land Requirement (ha) (2021 to 2041) – Labour Supply scenario



Source: AECOM

Scenario 3 – Past Take-Up scenario

7.35 To determine the needs arising from a scenario of change based on ‘Past Take-Up’, AECOM used data from CoStar on net absorption of employment floorspace by planning use class for South Kesteven. CoStar provides data from 2009.

7.36 The historical net absorption (annual average), by planning use class, is projected forwards to inform the future demand for employment floorspace. As part of this exercise, several historical periods were considered (past 5 years, past 10 years, past 13 years). It was considered that the past 10-year average was the most robust, as it was not overly impacted by the 2008 financial crisis (unlike the past 13-year average) and was long enough to smooth the impact of Covid-19 (unlike the past 5-year average).

7.37 The average historical annual net absorption of employment floorspace was projected forward to 2041 starting from the 2021 baseline position.

7.38 Table 7.4 provides a summary of the average net absorption of employment floorspace, by planning use class over the past 5, 10 and 13 years.

Table 7.4 Average Annual Net Absorption of Floorspace (sqm)

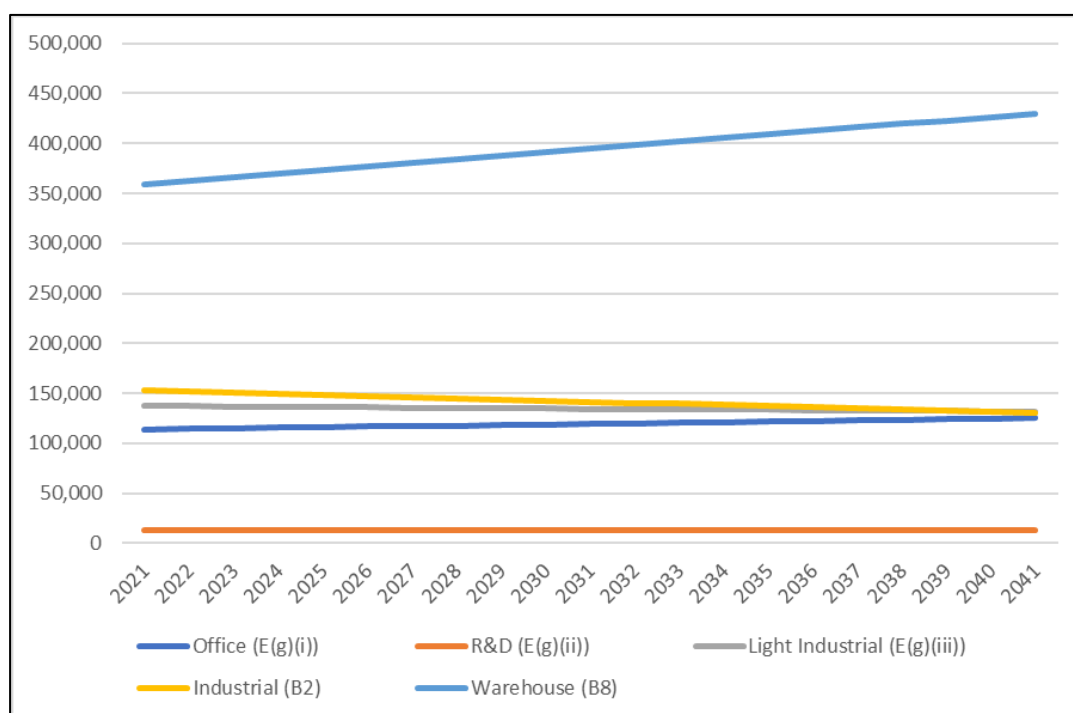
	5-year	10-year	13-year
Office (E(g)(i))	432	578	511
R&D (E(g)(ii))	0	0	0
Light Industrial (E(g)(iii))	-475	-273	-270
Industrial (B2)	-5,540	-1,097	-1,532
Warehouse (B8)	-1,117	3,528	1,093

Source: AECOM, based on CoStar

7.39 Figure 7.9 shows the evolution of floorspace requirements in South Kesteven between 2021 and 2041. This shows that based on labour supply, there is, by 2041, a requirement for:

- +11,562 sqm of E(g)(i) floorspace;
- +0 sqm of E(g)(ii) floorspace;
- -5,452 sqm of E(g)(iii) floorspace;
- -21,946 sqm of B2 floorspace; and
- +70,558 sqm of B8 floorspace.

Figure 7.9 Floorspace Requirement (sqm) (2021 to 2041) – Past Take-Up scenario



Source: AECOM

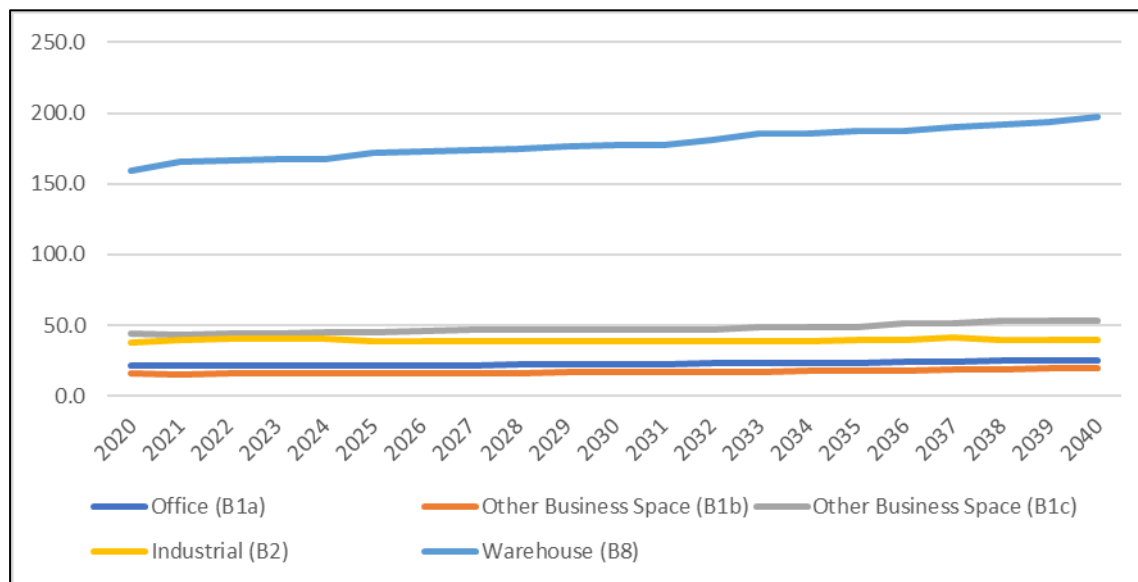
7.40 Finally, applying relevant plot ratios (presented in Table 7.2), floorspace requirements can be converted into land requirements (presented in hectare).

7.41 Based on this, the evolution of land requirements in South Kesteven to 2041, shown in Figure 7.10, indicates a requirement for:

- +1.2 ha of land for E(g)(i) use;
- +0 ha of land for E(g)(ii) use;

- -1.4 ha of land for E(g)(iii) use;
- -5.5 ha of land for B2 use; and
- +17.6 ha of land for B8 use.

Figure 7.10 Land Requirement (ha) (2021 to 2041) – Past Take-Up scenario



Source: AECOM

Windfall and Churn

7.42 In order for future employment forecasts to be based on more than economic growth ‘predictions’ and to better reflect the fluid nature of land allocations, the forecasting model makes two ‘additional’ allowances:

- Windfall losses: employment floorspace lost to other activities; and
- Churn: accepted level of ‘healthy’ vacancy required to enable the movement of businesses within current stock

Windfall

7.43 Firstly, a contingency allowance is made which takes into account the fact that a proportion of designated employment land will not be entirely used by B Use Class employment. Land uses such as: recycling, waste management, combined heat and power plants and bus depots, can under certain circumstances and where appropriate, be located on employment land, sometimes being collectively referred to as “wider industrial uses”.

7.44 A significant part of the projected employment growth also arises from sectors which have traditionally not been located on employment land such as healthcare, education, hotels and leisure.

7.45 The use class update of September 2020 has created a new use (Class E – Commercial, Business and Service) which combines some former B-class uses (revoked E(g)(i) office; E(g)(ii) R&D; E(g)(iii) light industrial)⁶⁰, some former D-class uses (revoked D1a medical or health services; D1b creche and day nursery; D2e indoor sport)⁶¹ and all former A-class uses (commercial and services) which authorise the change of use

⁶⁰ Now designated as E(g)(i); E(g)(ii) and E(g)(iii) respectively

⁶¹ Now designated as E(a); E(b); E(c); E(e); E(f) and E(d) respectively

between this group. This facilitates greater flexibility in the conversion of business/employment space into leisure or retail space.

- 7.46 This loss of employment land to non-employment activities considered in this ELS are known as ‘windfall’ losses. To estimate the amount of land that may be used for non-employment use activities, historic losses of employment land to other uses such as housing, retail or leisure would usually be reported in the Council’s Annual Monitoring Report (AMR). However, SKDC’s latest AMR does not provide detailed data on floorspace or land loss by use class and therefore alternative actions to determine this were undertaken.
- 7.47 The CoStar database provides a useful source of information on the loss of existing floorspace. An analysis of the data shows that no floorspace has been lost in the past 10 years in South Kesteven. However, CoStar analysis is limited to consideration of floorspace only and does not take into consideration the loss of land to alternative uses.
- 7.48 The site survey undertaken by AECOM provided useful insights into the loss of employment land, with sites such as Site EMP S7 (lost to retail), Site EMP S3 (partially lost to residential), Site EMP S8 (partially lost to leisure), Site EMP G12 (partially lost to retail), Site EMP B3 (partially lost to residential).
- 7.49 Overall, we estimate that between 2015 (when the last ELS was prepared) and 2022 (year this ELS was done), about 26.8 ha of designated employment land have been developed for non-employment uses. This is summarised in Table 7.5. It should be noted that in the absence of Annual Monitoring Report to confirm the precise amount of employment land lost to alternative uses, the percentage of the site and corresponding size in hectares developed for non-employment uses was estimated by AECOM based on observations made during the sites visits and is therefore approximate.

Table 7.5 Employment Land Lost since 2015 (ha)

Site	Area (ha)	Approx. proportion of site redeveloped for non-employment uses	Approx. area redeveloped for non-employment uses (ha)	New Use
EMP S2	2.0	70%	1.4	Residential, care home
EMP S3	14.0	70%	9.8	Residential
EMP S7	4.3	40%	1.7	Retail ⁶²
EMP D2	6.0	25%	1.5	Residential
EMP R8	10.2	20%	2.0	Retail
EMP G12	14.2	60%	8.5	Retail
EMP G14	4.5	40%	1.8	Care Home, retail

Source: AECOM, based on site visits

- 7.50 Based on this, it is judged that, should this trend continue, 3.8 hectares of designated employment land could be used for alternative uses each year, or 76.5 hectares over the Plan Period. This has been distributed between different uses, based on the estimated 2021 land split. The total predicted windfall losses are shown in Table 7.6.

⁶² Note that retail use class order is within the Group E and therefore could be returned to employment use without the need for planning approval. In reality, as those new developments are recent (after 2015), it is unlikely that any of the employment land lost to retail would be re-converted to employment uses over the Plan Period (to 2041).

Table 7.6 Windfall Losses, 2021-2041 (ha)

	2021-2041 (ha)
Office (E(g)(i))	4.9
R&D (E(g)(ii))	1.3
Light Industrial (E(g)(iii))	14.8
Industrial (B2)	16.5
Warehouse (B8)	38.9

Source: AECOM, based on site visits

Churn

7.51 As well as making an allowance for unexpected losses of employment land, allowance is made for the fact that the needs of businesses (such as location or property specification) changes over time, requiring them to move. In other instances, an existing business might cease its operations and a new business take over a site for redevelopment. For this to happen smoothly there is a need for certain levels of available vacant land. This type of demand has been called 'churn' demand or 'frictional vacancy'.

7.52 An allowance for 'churn' is calculated from the average net take-up in employment floorspace within the District as recorded by CoStar. This is shown in Table 7.7.

Table 7.7 Floorspace Net Absorption 2009-2021 (sqm)

	Office (E(g)(i))	R&D (E(g)(ii))	Light Industrial (E(g)(iii))	Industrial B2	Warehouse (B8)
2009	-1,441	-	-1,811	-15,291	-45,800
2010	1,161	-	270	4,775	16,071
2011	1,142	-	753	1,571	8,654
2012	-541	-	-945	6,629	4,751
2013	4,014	-	1,902	-2,618	7,981
2014	21	-	660	10,687	18,810
2015	-115	-	-1,605	125	3,210
2016	242	-	-364	1,902	6,113
2017	1,031	-	1,223	624	-879
2018	-420	-	886	232	-6,945
2019	1,063	-	-514	-719	958
2020	253	-	257	-29,005	-853
2021	233	-	-4,225	1,169	2,131
Annual Average	511	-	-270	-1,532	1,093

Source: CoStar

7.53 It typically takes two years to achieve a planning consent, site preparation and construction after a site has changed hands. For these reasons the annual net take-up of employment floorspace is multiplied by two to estimate the churn demand, reflected as 'allowance for churn'. This is, in effect, an allowance for the necessary frictional vacancy to allow the market and relocation chains to operate, taking into account commercial property market realities.

Conclusion

7.54 All three scenarios outlined above forecast modest change in employment in South Kesteven over the new Local Plan period, before taking into consideration allowances for windfall and churn. The future demand for employment land ranges between 2.3 hectares and 11.9 hectares.

7.55 However, when considering windfall and churn, the amount of land required increases to between 79.5 hectares and 89.1 hectares depending on the scenario. It can be noted that the three scenarios forecast a comparable level of future demand, which provides reassurances over the robustness of the forecasts. This is shown in Table 7.8 by planning use class.

Table 7.8 Forecast Requirements

Change 2021-2041	Labour Demand	Labour Supply	Past take-up
Employment (FTEs)	784	920	906
Office (E(g)(i))	1,572	174	889
R&D (E(g)(ii))	23	7	0
Light Industrial (E(g)(iii))	-327	332	-116
Industrial B2	-1,040	185	-610
Warehouse (B8)	556	223	743
Floorspace (sqm)	360,356	384,787	393,495
Office (E(g)(i))	70,648	52,463	61,767
R&D (E(g)(ii))	6,558	5,732	5,394
Light Industrial (E(g)(iii))	43,986	74,967	53,913
Industrial B2	28,560	72,633	44,042
Warehouse (B8)	210,603	178,993	228,379
Land (Ha)	79.5	88.3	89.1
Office (E(g)(i))	7.1	5.2	6.2
R&D (E(g)(ii))	1.6	1.4	1.3
Light Industrial (E(g)(iii))	11.0	18.7	13.5
Industrial B2	7.1	18.2	11.0
Warehouse (B8)	52.7	44.7	57.1

Source: AECOM

7.56 Scenario 1 – Labour Demand, based on Experian data, whilst generating the most modest outlook on growth, is considered to be the most robust scenario tested as it draws on established forecasting assumptions originating from the Experian employment forecasts. This most readily takes into account the wider trends influencing growth in the District, including population growth and wider social and economic inclinations and forecasts.

7.57 Scenario 2 – Labour Supply considers the growth possible should jobs growth track population growth. However as it does not take into account wider influences on growth, and is overlaid on Experian projections, it could be double counting growth. This scenario is therefore not considered to be the most robust.

7.58 Scenario 3 – Past Take-Up provides an analysis of historic trends only rather than the potential for these to change through wider influences and for this reason is judged not to be the most robust projection of future change.

7.59 Scenario 1 (Labour Demand) is therefore judged to be the preferred scenario for considering future employment floorspace needs in South Kesteven over the new Local Plan period to 2041. To recap, the forecast change in needs by use class arising under this scenario is estimated as an additional:

- 7.1 ha of land for E(g)(i) use;
- 1.6 ha of land for E(g)(ii) use;
- 11 ha of land for E(g)(iii) use;
- 7.1 ha of land for B2 use; and
- 52.7 ha of land for B8 use.

8. Comparison Between Supply and Demand

Introduction

- 8.1 This section compares the projected future demand for office and industrial land between 2022 and 2041, as earlier described in Section 7, with the existing supply conditions in the District, as earlier described in Section 5 and Section 6.
- 8.2 Section 5 and Section 6 also provide information on the presence of vacant land, or land with potential for intensification/redevelopment. Finally, this section also considers the pipelines for development of office and industrial land to inform a position of how supply may change over the planning period, and how that would be anticipated to affect the overall supply and demand balance.
- 8.3 This analysis uses the demand projections from the labour demand scenario defined in Section 7 as the preferred scenario.
- 8.4 Broadly, supply in excess of demand suggests a demand constrained position; and where demand is in excess of supply, a supply constrained position with the requirement to identify additional land for employment activities and ensure growth is adequately supported.
- 8.5 Further consideration of the balance of supply and demand in terms of quantitative and quality requirements is given in the conclusions and recommendations section.

Supply-Demand Balance

- 8.6 Table 8.1 provides a summary of the current supply of land in South Kesteven. This is divided between current allocated employment land, sites identified through the call for sites, as well as other sites (identified by AECOM as potential land in employment use which could be considered for allocation in the new Local Plan). This is further divided between developed land, vacant sites (sites which are fully vacant) and intensification/infill potential (sites which are partially developed, with potential for infill development or intensification).
- 8.7 There are currently 657 hectares of employment land allocated in South Kesteven, of which 377 hectares are fully developed. The supply assessment has identified 244 hectares of land currently allocated which is fully vacant, as well as an additional 36 hectares of land that could be intensified.
- 8.8 AECOM has also identified a number of sites that are in employment use but currently not designated. These are categorised as “others” in Table 8.1. These sites comprise a further 55 hectares of built-out employment land.
- 8.9 Finally, SKDC organised a call for sites, giving the opportunity to land owners to submit their site(s) to be considered for allocation to employment use. These sites could provide additional employment space, should additional land be required. In total, the sites identified through the call for sites offer 1,102 hectares, of which the vast majority, 1,084 hectares, is vacant land⁶³).

⁶³ Mainly agricultural and greenfield land

Table 8.1 Summary of Supply (hectares)

	Currently allocated	Call for sites	Others
Developed	377.4	13.1	54.6
Vacant Sites	243.8	1,084.2	0.0
Intensification/infill potential	35.5	4.4	0.0
Total	656.8	1,101.6	54.6

Source: AECOM

8.10 The Economic Development Needs Assessment has identified a minimum requirement for 79.5 hectares of (developable) employment land to be allocated (on top of the existing developed allocated sites). This requirement increases to 89.1 hectares under the Past Take-Up scenario.

8.11 This future demand is less than the amount of available vacant land within allocated areas (244 hectares of vacant land + 36 hectares of land with potential for intensification) and therefore it is considered that no additional allocation of land should be required over the Plan Period to 2041 to respond to the future demand for employment space.

8.12 However, SKDC's Local Plan should take into consideration the opportunities of each site, their strengths and weaknesses as an employment location as well as the surrounding context and environment when making the new designations. For instance, it might be appropriate to release some existing allocated sites and allocate new sites. It would also be recommended that SKDC protects the most suitable employment sites to ensure that unforeseen growth (or growth beyond the Plan Period) can be met. This is discussed further in Section 9: Conclusion and recommendations.

9. Conclusions and Recommendations

Site Specific Recommendations

9.1 Each site considered in the ELS has been given a recommendation based on consideration of their individual and comparative suitability in meeting the overall need for employment land identified for South Kesteven over the Local Plan period. This is complemented by identification of the employment uses most appropriate to being accommodated at the site, being set out together in the sub-area tables (Table 9.1, Table 9.2, Table 9.3, Table 9.4, and Table 9.5) which follow. The recommendations have been made in the following terms:

- *Release*: permit non-employment development on the site and where applicable do not retain the allocation of the site where this currently exists within subsequent Local Plan iterations.
- *Allocate*: afford employment uses on the site protection by allocating the site within subsequent Local Plan iterations.
- *Do not allocate*: do not protect unallocated site for employment uses in subsequent Local Plan iterations.
- *Retain*: maintain employment allocation.

Table 9.1 Recommendations Stamford sub-area

Ref.	Name	Current Use	Size (ha)	Vacant land?	Recommendation	Proposed Suitable Employment Types
EMP S1	Land north of Barnack Road	Brownfield	8.2	Yes	Release (mixed-used) ⁶⁴	N/A
EMP S2	Land south of Uffington Road	B2, E(g)(iii)	3.3	No	Release ⁶⁵	N/A
EMP S3	Land adjacent to A1 off Empingham Road, Stamford	N/A	28.7	Yes	Release ^{66,67}	N/A
EMP S4	Land east of Ryhall Road, Stamford ⁶⁸	B2	4.2	No	Partial Release (southern half of site)	N/A
EMP S5	Gwash Way, East of Ryhall Road, Stamford	B8, B2, E(g)(i), E(g)(iii)	2.8	No	Retain	B8, B2, E(g)(i), E(g)(ii)
EMP S6	East of Ryhall Road, Stamford	B8, B2, E(g)(iii)	4.1	No	Retain	B8, B2, E(g)(iii)
EMP S7	North of Uffington Road, Stamford	B8, E(g)(iii)	4.3	No	Partial Release (part of site lost to retail) ⁶⁹	N/A
EMP S8	North of Barnack Road, Stamford	Brownfield	6.4	Yes	Release (mixed-use) ⁷⁰	N/A
EMP3	Foundry Road	B8, E(g)(i), E(g)(iii)	2.4	No	Allocate	B8, E(g)(iii)
SKPR-108	Land west of A6121 Ryhall Road, Stamford ⁷¹	N/A	70.0	Yes	Do not allocate	N/A
SKPR-87	Land north of A1175 Uffington Road, Stamford	N/A	55.0	No	Do not allocate	N/A
SKPR-28	Land north of Barnack Road, Stamford	Refer to Sites EMP S1 and EMP S8				
SKPR-167	Land north of River Welland, Stamford	E(g)(i)	1.3	No	Do not allocate	N/A
SKPR-266	Land at A1/A606 junction	Refer to Site EMP S3				

⁶⁴ Recommendation to release on the basis that a mixed-use development has been approved on the site (planning reference S20/2056).

⁶⁵ Recommendation to release on the basis that development has been approved on the site for a residential development (planning reference S19/1807) and a care home (planning reference S17/1331).

⁶⁶ Site forms part of the wider adopted Local Plan employment allocation ST-SE1 (Exeter Fields, Empingham Road).

⁶⁷ Recommendation to release on the basis that the site is being built out primarily for residential development.

⁶⁸ Site forms part of the wider adopted Local Plan employment allocation STM1-H2 (Stamford East) and ST-E1.

⁶⁹ Site forms part of the wider adopted Local Plan housing allocation STM1-H2 (Stamford East).

⁷⁰ Recommendation to release on the basis that a mixed-use development has been approved on the site (planning reference S20/2056).

⁷¹ This site is located outside of the South Kesteven District Council boundary, and is located within the Rutland County Council area. However, the site is adjacent to the cross-boundary strategic allocation STM1-H1 (Stamford North).

Table 9.2 Recommendations Bourne sub-area

Ref.	Name	Current Use	Size (ha)	Vacant land?	Recommendation	Proposed Suitable Employment Types
EMP B1	Land north of Manning Road and west of Meadow Drove, Bourne	N/A	15.7	Yes	Release ⁷²	N/A
EMP B2	Land south of Tunnel Bank, Bourne	B8, B2	3.0	Yes	Allocate ⁷³	B8, B2
EMP B3	Land South of West Road and north of Elsea Park, Bourne	N/A	2.9	Yes	Release ⁷⁴	N/A
EMP B4	Land South of Spalding Road, Bourne ⁷⁵	N/A	8.2	Yes	Retain	B2, B8, E(g)(iii)
EMP B5	Land North of Bourne Eau and east of Carr Dyke, Bourne ⁷⁶	N/A	3.7	Yes	Retain	B2, B8, E(g)(iii)
EMP B6	Pinfold Industrial Estate and adjacent area, Bourne	B8, E(g)(iii)	13.4	No	Retain	B8, E(g)(iii)
EMP B7	East of Cherry Holt Road, Bourne	B8, B2	9.1	No	Retain	B8, B2
EMP B8	West of Cherry Holt Road, Bourne	B8, E(g)(iii)	6.6	No	Retain	B8, E(g)(iii)
EMP B9	Land at South Fen Road, Bourne	B2, E(g)(iii)	18.4	No	Retain	B2, E(g)(iii)
EMP2	S Fen Road	B8	5.9	No	Do not allocate	B8
EMP7	Lincolnshire Herbs	B2, B8	7.7	No	Allocate ⁷⁷	B2, B8
SKPR-132	Land south of Spalding Road, Bourne (West)	N/A	8.9	Yes	Do not allocate	N/A
SKPR-246	Land south of Spalding Road, Bourne (East)	N/A	5.6	Yes	Do not allocate	N/A
SKPR-133	Land south of The Slupe, Bourne (East)	N/A	2.9	Yes	Do not allocate	N/A
SKPR-150	Land south of The Slupe, Bourne (West)	N/A	2.8	Yes	Do not allocate	N/A
SKPR-60	Land east of A15, Bourne	N/A	15.8	Yes	Do not allocate	N/A

⁷² Southern section of the site has already been released to residential use.

⁷³ Area comprises in-use employment land considered to be well-performing.

⁷⁴ This site has now received approval for residential development (planning reference S22/1240).

⁷⁵ Site forms part of the wider adopted Local Plan employment allocation BO-E2.

⁷⁶ Site forms part of the wider adopted Local Plan employment allocation BO-SE1.

⁷⁷ Area comprises in-use employment land considered to be well-performing.

Table 9.3 Recommendations The Deepings sub-area

Ref.	Name	Current Use	Size (ha)	Vacant land?	Recommendation	Proposed Suitable Employment Types
EMP D1	Extension to Northfields Industrial Estate, The Deepings	N/A	12.3	Yes	Retain ⁷⁸	B2, B8, E(g)(iii)
EMP D2	Spitfire Way, The Deepings	E(g)(iii)	15.3	No	Partial release (eastern part) ⁷⁹	N/A
EMP D3	Northfields Industrial Estate, The Deepings	B8, B2, E(g)(iii)	21.2	No	Retain	B2, B8, E(g)(iii)
EMP1	Hards Lane	B8, B2, E(g)(iii)	3.9	No	Retain	B2, B8, E(g)(iii)

⁷⁸ Site forms part of the wider adopted Local Plan allocation DEP-SE1 (Extension to Northfields Industrial Estate).

⁷⁹ Site already partially released to residential. Eastern side to be released to residential, with retention of western site of the site (current industrial estate and vacant land to its west).

Table 9.4 Recommendations Rural sub-area

Ref.	Name	Current Use	Size (ha)	Vacant land?	Recommendation	Proposed Suitable Employment Types
EMP R1	Roseland Business Park near Long Bennington	B8, B2, E(g)(iii)	26.6	No	Retain	B8, B2, E(g)(iii)
EMP R3	Gonerby Moor, Grantham	B8, B2	45.4	No	Partial Release (part of site lost to retail) ⁸⁰	B8, B2, E(g)(iii)
EMP R4	Land adjacent to A1 Colsterworth	Brownfield	9.5	Yes	Retain	n/a
EMP R5	Long Bennington Business Park, Main Road, Long Bennington	B8, E(g)(i)	2.8	No	Retain	B8, E(g)(i)
EMP R6 (north)	White Leather Square, Billingborough	B2, E(g)(iii)	3.0	No	Retain	B2, E(g)(iii)
EMP R6 (south)	White Leather Square, Billingborough	B2	1.3	No	Retain	B2, E(g)(iii)
EMP R7	Burton Lane/High Dyke, Easton, Grantham	B8, B2	26.6	No	Retain	B8, B2
EMP R8	Honey Pot Lane, Colsterworth	B8, B2	10.2	No	Retain	B8, B2, E(g)(iii)
EMP R9	King Street Industrial Estate, Langtoft	B8, B2, E(g)(iii)	2.65	No	Retain	B8, B2, E(g)(iii)
EMP4	Honey Pot Lane, Colsterworth (North)	B8,	28.6	No	Retain	B8, B2, E(g)(iii)
EMP5	Willoughby Road - Ancaster	B8, E(g)(i),	3.1	No	Retain	E(g)(i), E(g)(iii)
SKPR-225	Land at Tallington Lakes Leisure Park	B8, E(g)(iii)	8.7	No	Do not allocate	N/A
SKPR-90	Land north of Tallington	B8, E(g)(iii)	79.8	Yes	Do not allocate	N/A
SKPR-106	Former RAF Woolfox Lodge	N/A	503	Yes	Do not allocate	N/A
SKPR-77	Land west of A6121 Stamford Road, Carlby	N/A	2.7	Yes	Do not allocate	N/A
SKPR-219	Land at A1/A151 junction	N/A	1.6	Yes	Do not allocate	N/A
SKPR-230	Land east of Jubilee Service Station, Colsterworth	N/A	3.6	Yes	Do not allocate	N/A
SKPR-118	Land north of Station Street, Ripplingale	N/A	4.5	Yes	Do not allocate	N/A
SKPR-262	Land west of A1, Long Bennington	N/A	6.3	Yes	Allocate	B8, B2, E(g)(iii), E(g)(i)
SKPR-188	Land west of Chapel Lane, Claypole	N/A	0.5	Yes	Do not allocate	N/A
SKPR-197	Land south of Doddington Lane, Claypole	N/A	9.2	Yes	Do not allocate	N/A

⁸⁰ Recommendation for partial release on the basis that a retail development has been approved on part of the site (planning reference S17/2155). This will reflect that this part has already been released from allocation in the adopted Local Plan.

Table 9.5 Recommendations Grantham sub-area

Ref.	Name	Current Use	Size (ha)	Vacant land?	Recommendation	Proposed Suitable Employment Types
Gonerby Moor						
SKPR-182	Gonerby Moor, Grantham	N/A	80.0	Yes	Allocate	E(g)(i), E(g)(iii), B2, B8
SKPR-100	Land to south west Gonerby Moor, Great Gonerby	N/A	63.7	Yes	Allocate ⁸¹	E(g)(i), E(g)(iii), B2, B8
SKPR-202	Land to north west Gonerby Moor, Great Gonerby	N/A	29.0	Yes	Allocate ⁸²	E(g)(i), E(g)(iii), B2, B8
SKPR-41	Land to south east Gonerby Moor, Great Gonerby	N/A	23.5	Yes	Do not allocate	N/A
SKPR-185	Land to north east Gonerby Moor, Great Gonerby	N/A	45.5	Yes	Do not allocate	N/A
Gorse Lane						
GR-SE1 (including EMP G1)	Land west and east of A1, south of Gorse Lane, Grantham (KING 31)	N/A	119.6	Yes	Partial Release ⁸³	E(g)(iii), B8
EMP G2	Land between A52 Somerby Hill and Spitalgate Level. South of Grantham, Southern Quadrant	N/A	45.9	Yes	Retain ⁸⁴	E(g)(i), E(g)(iii), B2, B8
EMP G20	Spittlegate Level, Grantham	E(g)(iii)	15.9	Yes	Retain	E(g)(iii)
SKPR-234	Land southeast of Gorse Lane, Harlaxton Manor	N/A	45.0	Yes	Do not allocate	N/A
EMP G3	Land at junction of Harlaxton Road and Trent Road, Grantham	SG, Brownfield	2.1	Yes	Retain	E(g)(i), E(g)(iii), B2, B8
EMP G12	Grantham Fire station, Harlaxton Road	B8, Vacant, E(g)(iii)	3.7	No	Partial Release (part of site lost to retail)	N/A
EMP G13 (south)	Springfield Park Industrial Estate, Grantham	E(g)(i), E(g)(iii)	5.7	Yes	Retain	E(g)(i), E(g)(iii)
EMP G13 (north)	Springfield Park Industrial Estate, Grantham	E(g)(i), E(g)(iii)	2.0	No	Retain	E(g)(i), E(g)(iii)
EMP G15	Land South of Earlesfield Lane, Grantham	B8, B2, E(g)(iii)	5.6	Yes	Retain	B8, B2, E(g)(iii)

⁸¹ Currently proposed strategic designation – masterplan in place for development

⁸² Currently proposed strategic designation – masterplan in place for development

⁸³ Partial release comprising three plots totalling 51.2 hectares in area; SKPR-190 and SKPR-189 identified via the Call for Sites for housing and a consented retail park

⁸⁴ Potential for release if demand for other use. Site forms part of the wider adopted Local Plan housing allocation GR3-H11.

Ref.	Name	Current Use	Size (ha)	Vacant land?	Recommendation	Proposed Suitable Employment Types
EMP G16	Land North of Earlesfield Lane, Grantham	B8, B2	10.6	Yes	Retain	B8, B2
EMP G17	Land at junction of Dysart Road and Kempton Way, Grantham	E(g)(i), E(g)(iii)	7.1	No	Retain	E(g)(i), E(g)(iii)
EMP G18	Autumn Park Industrial Estate, Dysart Road, Grantham	B2, E(g)(iii)	4.6	No	Retain	B2, E(g)(iii)
EMP G19	North of Dysart Road/West of railway line, Grantham	B2, B8	4.1	No	Retain	B2, B8
EMP G21	London Road Industrial Estate, Grantham	B8, E(g)(iii)	3.2	Limited	Retain	B8, E(g)(iii)
EMP G22	Old School, Station Road, Grantham	Brownfield	0.4	Yes	Release	N/A
EMP G23	Aveling Barford Site, Grantham	B8, B2	15.4	Yes	Retain	B8, B2
EMP G24	Inner Street, Grantham	B2, E(g)(iii)	2.4		Retain	B2, E(g)(iii)
EMP G28	Old Hampsons Site, Harlaxton Road, Grantham	E(g)(iii)	0.8	No	Retain	E(g)(iii)
EMP G14	Land at Springfield Road/Harlaxton Road junction, Grantham	E(g)(iii)	4.5	Yes	Release ⁸⁵	N/A
SKPR-268	Grantham Railway Station	B8, E(g)(iii)	7.4	No	Do not allocate ⁸⁶	N/A
EMP6	Prince William of Gloucester Barracks	SG	184.6	Yes	Retain ⁸⁷	E(g)(i), E(g)(iii), B2, B8
Other						
EMP G5	Gonerby Hill Foot, Grantham	B8, B2	4.1	No	Retain	B8, B2
EMP G6	Gonerby Road, Grantham	B8, B2	8.0	No	Retain	B8, B2
EMP G7	Land at A1/A52 slip road, Barrowby Road, Grantham	B8	3.9	Yes	Retain	B8
EMP G8	Dysart Road, Grantham	B8, B2, E(g)(i)	0.7	No	Retain	B8, B2, E(g)(i)
EMP G9	North end of Trent Road, Grantham	B8, B2	2.1	No	Retain	B8, B2
EMP G10	Venture Way, Grantham	B8	11.0	Yes	Retain	B8
EMP G11	Swingbridge Road, Grantham	B8, E(g)(i), E(g)(iii)	14.3	Yes	Retain	B8, E(g)(i), E(g)(iii)

⁸⁵ Site is already partially redeveloped and lost to housing (care home)

⁸⁶ Long term opportunity for residential-led mixed use

⁸⁷ This site is allocated as mixed-use, with an employment generating allocation of about 8 hectares

Ref.	Name	Current Use	Size (ha)	Vacant land?	Recommendation	Proposed Suitable Employment Types
EMP G25	Belton Lane Industrial Estate, Grantham	B8, E(g)(iii)	2.0	No	Retain	B8, E(g)(iii)
EMP G26	Londonthorpe Lane, Grantham	B8, B2, E(g)(i)	5.1	No	Retain	B8, B2, E(g)(i)
EMP G27	Alma Park & Withabrook Park Industrial Estates, Grantham	B8, E(g)(iii)	35.1	No	Retain	B8, E(g)(iii)
SKPR-30	Land west of Swingbridge Road, Grantham	N/A	0.4	No	Do not allocate	N/A
SKPR-115	Land south of A52 Barrowby Road	N/A	1.4	Yes	Do not allocate	N/A
SKPR-235	Land east of B1174, Grantham	N/A	10.9	Yes	Do not allocate	N/A
SKPR-220	Land west of B1174, Grantham	N/A	11.0	Yes	Do not allocate	N/A
SKPR-179	Land north of Cold Harbour Lane, Grantham	N/A	1.5	Yes	Do not allocate	N/A

- 9.2 The recommendations made with regard to site-specific release/retention/designation would result in a release of up to 141 hectares of employment land (to be released or partially released). It is noted that of the 141 hectares recommended for release, the vast majority of land (131 hectares) is either undeveloped land or brownfield land and therefore will not lead to a loss of employment space.
- 9.3 The recommendations would result in a gain in newly allocated employment land of 187 hectares.
- 9.4 Overall, this would lead to a net gain of 46 hectares from the 2015 allocations (and 177 hectares when not considering the release of undeveloped or brownfield sites), comfortably meeting the expected requirement of an additional 79.5 hectares forecast to arise over the Plan period. As 179 hectares of the 187 hectares of newly allocated employment land is undeveloped land within sites identified from within the Call for Sites process for which there is strong market interest, and the rest of the land not identified for release from allocation is considered to be well performing, the gain of this extent of land in allocation for employment uses in South Kesteven is considered to be soundly justified.
- 9.5 It should be noted that it is not expected that this allocation will impact negatively on the delivery of housing or alternative uses in the District, given the location of newly allocated land (on new junctions along the A1).

Policy Recommendations

- 9.6 The demand analysis above forecasts moderate increased demand for both office and industrial land and floorspace within the District over the Local Plan period to 2041. To meet this the Council should principally consider retaining the allocation of the majority of its employment sites coupled with selective changes in allocations as outlined earlier in this section.
- 9.7 However, while it is important to protect employment land, there is also evidence of competition for space other than non-employment uses such as housing; employment land policies will therefore need to accommodate the Council's ambitions and objectives

in these areas. This will require a flexible approach that considers the merits of each individual site and which use they are best suited for.

- 9.8 In practice, the selective protection of employment land and premises is recommended to ensure that the sites that are unlikely to come forward for employment use during the next Local Plan period are not left vacant. This approach would ensure that the over protection of sites, which could result in the inefficient use of assets and blight and deter investment, does not occur. Similarly, the under protection of sites, whereby the market intervenes prematurely in response to short-term demand indicators and adversely impacts the long term provision of employment land, also does not occur.
- 9.9 When forming employment land policies, the Council should follow a balanced approach such that the employment activities of all business sizes, from start-ups to large headquarters, are supported and encouraged. The Council should also recognise that demand will vary by type of space and will therefore be geographically varied.
- 9.10 This is one of a number of evidence base documents the Council will be considering that will feed into and inform its Local Plan evidence base. These are AECOM's independent recommendations and the Council will subsequently consider these before drafting its own Local Plan policies.

Monitoring Recommendations

- 9.11 The Council should monitor changes of employment land through planning permissions to ensure that sufficient land is available for economic growth over the Local Plan period and/or monitor how employment land is performing against the objective of the Local Plan.
- 9.12 It is important that appropriate and sufficient monitoring mechanisms are embedded within the plan making process in order to record the change in employment land available for economic growth.
- 9.13 Good monitoring can also be a useful tool to demonstrate the work done by local authorities and their partners. It tells communities what planning is doing and who it is working with. Monitoring is central to a council's overall consideration of how it is performing and where to focus efforts in the future.
- 9.14 Thinking through which are the most useful and most significant local issues, and linking these to output focused measures is key to a readable monitoring report.
- 9.15 Government guidance on undertaking and implementing employment land reviews through the planning system includes minimum recommended employment monitoring within Local Plans. The NPPG (2019) recommends the monitoring of employment land supply and local demand information including:
 - Employment land and premises database (including the recording of E(g)(i), E(g)(ii), E(g)(iii), B2, B8 and sui generis land);
 - Employment permissions granted by use classes order;
 - Employment permissions developed out by use classes order;
 - Permissions and development of sites and premises previously in employment use for non-employment uses;
 - Employment land and premises available and recent transactions;
 - Employment premises enquiries; and
 - Employment requirements and aspirations (from periodic surveys or consultation).

9.16 Monitoring of employment space should be used to report and demonstrate progress against key priorities for South Kesteven District Council. These priorities could include (but are not be limited to):

- Regeneration of the town centre and development of key strategic sites through the monitoring of employment land (as above) at the sub-regional level
- Monitoring of PDR to understand its impact on employment space in town centres;
- Access to jobs requiring a range of skills and qualities: monitoring of loss and delivery of employment floorspace by use class, and by location to demonstrate the level of accessibility to new employment. This could be supplemented by estimated employment as either provided by the applicant or estimated by the Council;
- Contribution of employment space to the livelihood of communities: monitoring of developers' contributions towards community infrastructure;
- Sustainability: given the upcoming changes to building energy efficiency standards, it would be appropriate to monitor the EPC rating of employment space in SKDC.

9.17 The monitoring of employment floorspace could be presented in the following form (presenting sqm of floorspace or hectares of land, or both):

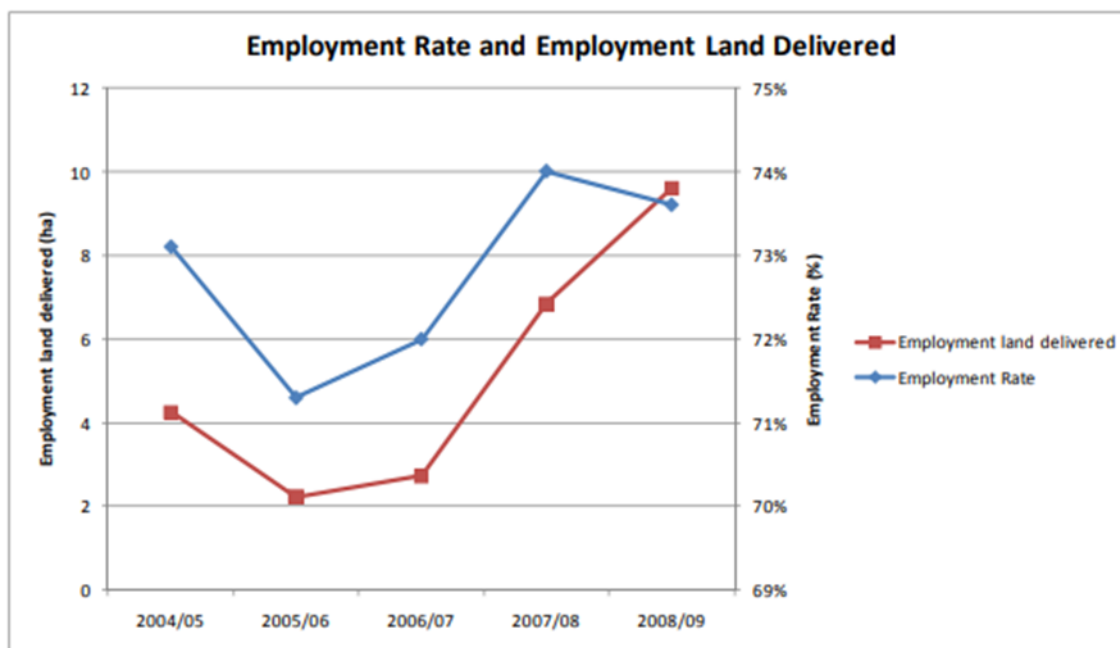
	Gross Approved	Gross Approved Loss	Net Approved
Office (E(g)(i))	XX	XX	= Gross Approved – Gross Loss
R&D (E(g)(ii))	XX	XX	= Gross Approved – Gross Loss
Light Industrial (E(g)(iii))	XX	XX	= Gross Approved – Gross Loss
Industrial (B2)	XX	XX	= Gross Approved – Gross Loss
Warehouse (B8)	XX	XX	= Gross Approved – Gross Loss

	Gross Completed	Gross Demolished/Converted	Net Completion
Office (E(g)(i))	XX	XX	= Gross Completed – Gross Demolished/Converted
R&D (E(g)(ii))	XX	XX	= Gross Completed – Gross Demolished/Converted
Light Industrial (E(g)(iii))	XX	XX	= Gross Completed – Gross Demolished/Converted
Industrial (B2)	XX	XX	= Gross Completed – Gross Demolished/Converted
Warehouse (B8)	XX	XX	= Gross Completed – Gross Demolished/Converted

9.18 These tables could be further broken down to provide a locational indication of where development (or loss) of employment space is taking place, or duplicated (with one table covering South Kesteven as a whole and tables for each sub-region).

9.19 Delivery of employment space could also be cross-referenced with employment rates in the district to show the positive impact for local communities and demonstrate that employment land is delivering jobs for local people, as shown in for example.

Figure 9.1 Correlation between employment land delivered and employment rate



Source: Local Government Association, Monitoring that matters

9.20 As mentioned above, the council may consider monitoring and reporting on the contributions of new developments towards local infrastructure, as shown in Figure 9.2. This could provide useful information to support economic development in the district by demonstrating to the community the positive contribution made by developers through the delivery of employment space.

Figure 9.2 The contributions from new development toward local infrastructure (example London Borough of Wandsworth)

Application Number	Completion date	Address	Type of contribution	Value of contribution
2001/2599	19/06/2009	177 Wandsworth High Street, SW18	Financial contribution upgrade Dutch Yard and lighting provision. Pedestrian access.	£6,500 Dutch Yard contribution.
2006/4033	18/01/2010	Charterhouse Works, 21 Eltringham Street, SW18	25% affordable housing provision (14 units) and phasing of, alterations to footway, diversion utility services, CPZ hours financial contribution, car park management plan, car club, secure cycle parking, considerate contractors.	Pedestrian walkway and footpath contribution of £40,000
2007/1869	31/12/2009	81-85 St Johns Hill, SW11	a) Highway works. b) Financial assistance for transport vouchers, cycles, car club. c) Construction management plan.	Controlled parking zone £25,000, £16,000 highway works, £25,000 off-site railway improvements, £11,500 facilities, £22,000 public footway

Source: Local Government Association, Monitoring that matters

