


# Proposed
# Local Development Plan 2

2020



## Monitoring Statement Appendix 1 - Business Land Requirement Report

September 2020

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East Dunbartonshire Council
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# Business and Employment Land Requirement in East Dunbartonshire

## 1.0 <u>Background</u>

East Dunbartonshire's location to the north of Glasgow and 1 hour's drive from Edinburgh has both advantages and disadvantages for business growth. Despite towns in the area being well-linked by transport routes to both of these major cities, enterprises have historically targeted locations further south such as Hamilton and East Kilbride. As a consequence of having a lower value business base than surrounding areas, profitable land for housing development, and a desirable semi-rural setting, much of East Dunbartonshire has effectively developed into a commuter suburb of Glasgow (only 25% of residents also work within the local authority area).

The growth of suburban commuter areas is not sustainable over the long term, and can lead to increasing wealth inequality due to a lack of local job opportunities. Inequalities in economic growth are beginning to be addressed in Scotland's Economic Action Plan (refreshed in January 2020), which emphasises 'the importance of every place in Scotland'. Similarly, Scottish Enterprise has put inclusive growth at the fore of their Strategic Framework for 2019-2022, 'Building Scotland's Future Today'. Inclusive growth is not only about targeting economic growth in regional centres, but ensuring that business and employment opportunities are available in all communities.

Planning plays an important role in helping business opportunities to be realised and economic growth and employment to be distributed. Scottish Planning Policy (SPP) necessitates that due weight be given to net economic benefit in planning policies and decisions as part of supporting economically, environmentally and socially sustainable places. Local development plans are required to align with relevant local economic strategies and to allocate a range of sites for business. When allocating sites, local authorities are to take account of: current market demand; site location, size and quality; infrastructure requirements; whether sites are serviced or serviceable within five years; the potential for a mix of uses; and site accessibility via existing road, public transport and active travel networks.

SPP also requires business land audits to be undertaken regularly by local authorities to inform reviews of development plans, and updated more frequently if relevant. Business land audits are to include all sites within the existing business land supply (i.e. all sites allocated for class 4, 5 and 6 uses), capturing: location; size; planning status; existing uses; neighbouring land uses; and any significant land uses issues. If it is determined that existing sites no longer meet current needs and market expectations, new sites should be identified and/or reallocation of 'underused' sites should be considered, taking careful account of the potential impacts on existing businesses.

## 2.0 Purpose of this Report

The purpose of this report is to assess the land which is currently allocated for business and employment in East Dunbartonshire's Local Development Plan, and set out the Council's strategy for determining how much vacant business and employment land is required.

In accordance with Scottish Planning Policy, the Council has made conducting an annual Business Land Audit one of the actions in East Dunbartonshire's Economic Development Strategy. The 2020 Business Land Audit (BLA20) was the first of its kind to be published by East Dunbartonshire Council, the previous years' Audits having been on internal spreadsheets only. As part of the Clydeplan area, East Dunbartonshire also carries out annual monitoring of: Industry and Business Land Supply; Industry and Business Land Take Up; and Industry and Business related Planning Applications.

BLA20 was largely informed by a Business Land Review commissioned by the Council from independent consultants GL Hearn, which itself used information provided by the Council from previous years' audits and the Clydeplan monitoring data, and combined this with site analysis and office and industrial market analysis.

In the process of building and refining the data about East Dunbartonshire's business sites and triangulating this with the information that can be gathered about current and predicted market activity, it has become apparent that attempts to quantify exactly how much business and employment land is required are more indicative than an exact science. Indeed, an independent research report on 'Assessing Demand for Commercial Development', commissioned from Ryden by the Scottish Futures Trust in 2019, concluded that there is no standardised approach to demand assessment across planning authorities in Scotland. Nevertheless, maintaining a supply of business and employment land is necessary to support the growth of East Dunbartonshire's local economy. It is therefore essential that the Council continues to analyse the current business and employment land supply and adopt an informed view on how much vacant land would constitute a *strategic reserve*, with the awareness that any final figure arrived at will be a general indication for the purposes of assessing the current supply – not a target.

This report synthesises all of the evidence gathered to date in order to form a strategy for East Dunbartonshire's business land that will facilitate its development in the most advantageous way for the local community. In this respect, qualitative assessment is necessary to support any estimates of the number of hectares required.

The report is presented in three sections:

- Analysis of East Dunbartonshire's Current Business and Employment Land Supply
- Analysis of Market Demand for Business Land and Business Activity in East Dunbartonshire
- Analysis of Land Requirement for Business and Employment in East Dunbartonshire

## 3.0 Analysis of East Dunbartonshire's Current Business and Employment Land Supply

This section sets out the vacant areas across all sites allocated for business and employment and how much of this land is likely to be 'available' for development within the next five years based on analysis of each site. These figures are then used to calculate East Dunbartonshire's overall supply of available business and employment land.

### 3.1 Data

The following data is used:

| Data | Source |
|---|---|
| Amount of land currently safeguarded for business and employment | Business Land Audit / GIS |
| Amount of land within this that is vacant | Business Land Audit / GIS |
| Analysis of vacant plots on site by site basis. | Business Land Audit |
| Analysis of distribution of business land and its functioning on a site by site basis | Business Land Audit |

The data shows that there is a total of 181.08 hectares of land across East Dunbartonshire which is allocated for business and employment. Of this, 105.35 hectares are currently in use – i.e. built out and occupied by businesses. The total vacant supply of business and employment land is therefore 75.73 hectares.

Of the vacant supply, 16.61 hectares, across 7 sites, is considered to be immediately available for development. 'Available' land is defined as having no major constraints to development, and a 'major constraint' is defined as one which would be likely to delay development of the site for more than five years. Major constraints might relate to accessibility, connection to services and ground conditions. A breakdown of all vacant land allocated for business and employment by site and availability can be found in the table below:

| Site Name | Vacant Area (ha) | Available? (ha) | Constraints? |
|---|---|---|---|
| Garscadden Depot | 2.2 | 2.2 | The existing access road from the A810 would require upgrading; the site has contaminated land as a result of former use; development will require the delivery of supporting utilities infrastructure; there may be flooding from the water course that travels directly east of the site. |
| Bishopbriggs Industrial Estate | 0.24 | 0.24 | The site has inadequate parking space for additional development; improvements to pavements and internal roads may be required. |
| Low Moss Industrial Estate | 0.1 | 0.1 | The vacant plot on this site has no significant development constraints. |
| Westerhill Industrial Estate | 14.81 | 8.89 | The site is part of a city deal project and is planned for mixed use development, so any business use will need to be compatible with other uses and the entire vacant area cannot be assumed as available for business and employment use. An indicative 60% has been |

| Site Name | Vacant Area (ha) | Available? (ha) | Constraints? |
|---|---|---|---|
| | | | estimated for business use, to be updated upon the production of a masterplan. |
| Kirkintilloch Industrial Estate East | 0.39 | 0.39 | The river Kelvin runs through the site therefore the site is within a medium flood risk zone, with a high flood risk zone to the north. However, the vacant portion of the site is to the south, which is furthest from the river. |
| Milton Road | 0.46 | 0.46 | The site is within a medium flood risk zone due to its proximity to the River Kelvin. |
| Woodilee Industrial Estate (Kirkintilloch Gateway) | 7.23 | 4.34 | The vacant site to the west is being marketed for a residential opportunity and there are pressures for reallocating the site to other uses. A mixed use development is sought. An indicative 60% has been estimated for business use, to be updated upon the production of a masterplan. |
| Badenheath | 50.3 | 0 | The site has no internal roads or servicing and is not directly linked to any settlements within East Dunbartonshire via public transport or active travel. |
| | TOTAL | 16.61 ha available | 50.3 ha constrained |

## 3.2 Limitations

The Council notes that there are several limitations to the methodology used to calculate the available business and employment land supply.

Firstly, two of the larger sites – Westerhill, and Woodilee (also referred to as Kirkintilloch Gateway), are recommended in the BLA to be developed for mixed use using masterplans. Both of these sites are well-located and would represent strategic opportunities for business development, but attracting investment has been challenging. Westerhill is now part of the Council's City Deal project with significant financial support and a dedicated City Deal team within the Council's Land Planning and Development Service. Kirkintilloch Gateway includes land which has been vacant for a period of time, which some of the landowners are keen to promote for alternative uses, as such the Council is facilitating a joint masterplanning process. In order to include some element of the land on these sites in the business and employment land supply, the assumption has been made that 60% of the vacant area already allocated as business and employment land will be promoted for business development. However, this is just an estimate and cannot be accurately determined until the masterplanning processes for these sites are completed. The yet-to-be-ascertained future of these two sites has major implications for East Dunbartonshire's overall business and employment land supply, as total removal of the sites reduces the vacant supply to 3.39 ha available and 50.3 ha constrained (representing one site, Badenheath, which was added to the supply as part of the adopted LDP process).

It should also be noted that calculations of vacant business and employment land in the GL Hearn Business Land Review produced a larger figure that the 16.61 ha identified in this report – 32.51 ha, or 19.86 ha excluding the majority of the Westerhill site. This is due to multiple factors: the site measurements have been updated and made more accurate using GIS since the Business Land

Review was conducted; some of the areas which were vacant at the time of the review have since been developed for employment use, lost to other uses, or are in informal use by existing businesses in a way which would prevent additional development on the site; and there are some differences in the areas which have been excluded as not immediately developable. The table below highlights the differences on a site by site basis:

| Site Name | Business Land Review | Business Land Requirement Report | Explanation for Differences |
|---|---|---|---|
| Garscadden Depot | 2.51 ha | 2.2 ha | Site remains vacant – measurements have been updated via GIS |
| Cloberfield Industrial Estate | 0.31 ha | 0 ha | Small plot of land indicated as vacant in the Business Land Review is actually in use informally for parking and/or storage, and does not offer space for additional businesses. |
| Bishopbriggs Industrial Estate | 0.64 ha | 0.24 ha | Vacant area to the north was not included in the Business Land Review, and the area at the south of the site that was in the Review is no longer vacant. |
| Low Moss Industrial Estate | 0.27 ha | 0.1 ha | Measurements have been updated via GIS. |
| Westerhill Business Park | 2.21 ha | 8.89 ha | Business Land Review has included one of the two vacant plots on this site, while this report assumes 60% of the total vacant area at present until further updates from masterplan. |
| Kirkintilloch Industrial Estate | 0.40 ha | 0.39 ha | Site measurements have been updated via GIS. Depending on SEA assessment, the site may be removed from the list of immediately available land due to flood risk. |
| Milton Road | 0 ha | 0.46 ha | This site was not included in the list of brownfield opportunities in the Business Land Review. Depending on SEA assessment, the site may be removed from the list of immediately available land due to flood risk. |
| Lower Whitegates | 1.31 ha | 0 ha | Vacant land on this site is being developed for housing and is no longer available for business use. |
| Southbank Works | 4.15 ha | 0 ha | Planning permission has been granted for a community sports facility on the vacant portion of |

| Site Name | Business Land Review | Business Land Requirement Report | Explanation for Differences |
|---|---|---|---|
| | | | this site, and it is therefore no longer available for business use. |
| Woodilee Industrial Estate (Kirkintilloch Gateway) | 8.97 ha | 4.34 ha | Business Land Review has included all of the vacant land on this site, while this report assumes 60% of the total vacant area at present until further updates from masterplan. |
| TOTAL | 19.86 | 16.61 | |

## 3.3 Conclusion

Although it is essential to quantify the available land for business and employment use, analysis on a site-by-site basis is also required to fully understand the supply, and plan for how it is likely to change over time.

In East Dunbartonshire, three sites provide the majority of the vacant land currently allocated for business and employment use (72.34 ha of the total 75.73 ha). Of these sites, the largest – Badenheath – was added to the supply in 2017 following its inclusion in the adopted LDP. Large-scale sites like this, which the landowners are keen to develop for business use, but which are not representative of the usual, more modest pace of development within the local area, are problematic for business land calculations. Keeping this land allocated for business and employment inflates the supply, but removing it from allocation may be a barrier to the landowners' development aspirations and prevents economic development. Additionally, it is not 'the norm' in East Dunbartonshire for sites of this scale to be proposed for business use – so, if developed, this site would exceed the expected level of sectoral growth, which would have implications for future projections of the amount of business land needed were these projections to be based on past permissions. The complications of assessing demand for business land will be further explored in the next section of this report.

The other two large sites allocated for business and employment use are Westerhill and Kirkintilloch Gateway (Woodilee). Both of these sites have been identified as opportunity sites for business development: they both have existing business uses, large plots of vacant brownfield land, and strategic locations with connections to the M80. However, given the slow pace of development for business use in East Dunbartonshire, there is pressure to deallocate all or part of the vacant land on these sites for alternative uses. As has been discussed above, the Council's position regarding these sites is that development should be facilitated through a masterplan for mixed use, with the presumption that 60% of the available land already allocated for business and employment use will be developed for business and employment in order to provide a basis for calculations.

In summary, East Dunbartonshire is calculated to have 16.61 hectares within its supply of available business and employment land. This is, however, with the caveat that the regeneration opportunity sites, Westerhill and Kirkintilloch Gateway, incorporate 8.89 ha and 4.34 ha of business and employment land into their respective masterplans. Failing this, there will only be 3.39 hectares remaining which is available over the short-term, and a further 50.3 hectares on the stand-alone Badenheath site which should be developable over the longer term.

## 4.0 Analysis of Market Demand for Business Land and Business Activity in East Dunbartonshire

This section gives an overview of business and employment activity in East Dunbartonshire, and looks at various models predicting employment growth by industrial sector to give an indication of market demand.

### 4.1 Data

The following data is used:

| Data | Source |
|---|---|
| Qualitative research on demand for business land from market | Monitoring Statement Appendix 3 - GL Hearn Business Land Review |
| Jobs growth data | GL Hearn Business Land Review<br>Skills Development Scotland – Regional Skills Assessment<br>NOMIS |
| Sectoral performance | Glasgow City Region – Regional Strategic Assessment<br>Skills Development Scotland – Regional Skills Assessment |

Around 60.5% of East Dunbartonshire's resident population are of working age. The local employment level is above the Scottish average, at 75.6%; whereas the percentage of people claiming out-of-work benefits is lower at 6.4% than Scotland's 10.2%. Residents of East Dunbartonshire earn £171.50 more per week on average than people who work in the area, and only 25% of residents also work here. The area has the second lowest (after East Renfrewshire) job density in Glasgow City Region, with only 0.45 jobs per resident of working age.

According to Skills Development Scotland's 2019 Regional Skills Assessment (RSA), there were 30,200 jobs in East Dunbartonshire in 2019, which is an 8% increase from 2009 (compared to Scotland's 1% increase). Between 2019 and 2029 it is forecast that total employment will increase by 3%; an additional 1,000 jobs. Average annual employment growth is expected to be 0.3%, which is the same as for Scotland as a whole. The top 3 employing sectors in 2029 are forecast to be: Wholesale and Retail (5,400 jobs); Human Health (4,000 jobs); and Education (3,800 jobs). The largest employment growth from 2019 to 2029 is forecast in: Admin and Support Services (15%); Professional, Scientific and Technical (13%); and Construction (11%).

Industry Employment Projections for Scotland and East Dunbartonshire 2019-2029

| **Industry** | **Replacement Jobs Scotland** | **Replacement Jobs East Dunbartonshire** | **Expansion Jobs Scotland** | **Expansion Jobs East Dunbartonshire** | **Net Jobs Scotland** | **Net Jobs East Dunbartonshire** |
|---|---|---|---|---|---|---|
| Agriculture, forestry and fishing | 41,000 | 200 | -400 | 0 | 40,600 | 200 |
| Mining and quarrying | 7,400 | 0 | -9,000 | 0 | -1,600 | 0 |
| Manufacturing | 35,200 | 700 | -28,500 | -300 | 6,700 | 400 |
| Electricity, gas, steam and air conditioning supply | 5,000 | 100 | -1,900 | 0 | 3,100 | 100 |
| Water supply, sewerage, waste management and remediation activities | 20,700 | 500 | -1,600 | 0 | 19,100 | 500 |
| Construction | 51,400 | 1,100 | 20,100 | 300 | 71,500 | 1,400 |
| Wholesale and retail trade; repair of motor vehicles and motorcycles | 206,300 | 4,400 | 8,000 | 200 | 214,300 | 4,600 |
| Transportation and storage | 81,400 | 600 | 2,300 | 0 | 83,700 | 600 |
| Accommodation and food service activities | 105,400 | 1,500 | 9,400 | 100 | 114,800 | 1,600 |
| Information and communication | 1,800 | 200 | 2,200 | 0 | 4,000 | 200 |
| Financial and insurance activities | 1,800 | 100 | -2,000 | 0 | -200 | 100 |
| Real estate activities | 0 | 0 | 3,100 | 0 | 3,100 | 0 |
| Professional, scientific and technical activities | 400 | 200 | 28,400 | 200 | 28,800 | 400 |
| Administrative and support service activities | 120,300 | 1,200 | 32,900 | 200 | 153,200 | 1,400 |
| Public administration and defence; compulsory social security | 63,800 | 1,000 | -11,700 | -200 | 52,100 | 800 |
| Education | 85,600 | 2,200 | 4,700 | 100 | 90,300 | 2,300 |
| Human health and social work activities | 106,600 | 1,600 | 20,700 | 200 | 127,300 | 1,800 |
| Arts, entertainment and recreation | 47,600 | 1,200 | 10,000 | 100 | 57,600 | 1,300 |
| Other service activities | 500 | 300 | 3,000 | 100 | 3,500 | 400 |
| **Total** | **982,200** | **17,100** | **89,700** | **1,000** | **1,071,900** | **18,100** |

Source: Skills Development Scotland RSA 2019

Occupation Employment Projections for Scotland and East Dunbartonshire 2019-2029

| **Occupation** | **Replacement Jobs Scotland** | **Replacement Jobs East Dunbartonshire** | **Expansion Jobs Scotland** | **Expansion Jobs East Dunbartonshire** | **Net Jobs Scotland** | **Net Jobs East Dunbartonshire** |
|---|---|---|---|---|---|---|
| Managers, directors and senior officials | 49,800 | 800 | 12,900 | 100 | 62,700 | 900 |
| Professional occupations | 248,500 | 4,400 | 25,100 | 200 | 273,600 | 4,600 |
| Associate professional and technical occupations | 84,700 | 1,500 | 15,500 | 100 | 100,200 | 1,600 |
| Administrative and secretarial occupations | 73,700 | 800 | -3,900 | 0 | 69,800 | 800 |
| Skilled trades occupations | 80,100 | 900 | 5,000 | 100 | 85,100 | 1,000 |
| Caring, leisure and other service occupations | 65,200 | 1,500 | 14,500 | 100 | 79,700 | 1,600 |
| Sales and customer service occupations | 97,500 | 2,300 | 3,500 | 100 | 101,000 | 2,400 |
| Process, plant and machine operatives | 34,900 | 900 | -2,900 | 0 | 32,000 | 900 |
| Elementary occupations | 178,500 | 3,000 | 9,700 | 200 | 188,200 | 3,200 |
| **Total** | **912,900** | **16,100** | **79,400** | **900** | **992,300** | **17,000** |

Source: Skills Development Scotland RSA 2019

A report was produced by Glasgow City Region's Economic Intelligence Working Group (the Regional Strategic Assessment) in 2019, analysing industrial sections in the region. This report used location quotients (a means of highlighting concentrations/specialisms in certain industries by comparing the area's employment share in that industry with the national share). The industries in which East Dunbartonshire was found to have a high location quotient (specialism) were: remediation activities – manufacture of paper products – and publishing activities.

In the Scottish Government's Economic Strategy, six sectors are identified as 'Growth Sectors' for Scotland – areas in which the government has assessed that Scotland can be competitive globally: Creative Industries; Energy; Financial and Business Services; Food and Drink; Life Sciences; and Sustainable Tourism. From 2009 to 2018 the number of people employed in Growth Sector industries in East Dunbartonshire increased 29%, from around 5 thousand to over 7 thousand – this is above the rate of increase in employment across all industries, which was 8% from 2009-2019. Since 2015, all 6 sectors have been represented locally, and analysis by Skills Development Scotland shows East Dunbartonshire to have a level of specialism in two growth sectors: Creative Industries and Life Sciences.

Scottish Growth Sector Employment in East Dunbartonshire 2018

| Scottish Growth Sector | Jobs | Specialisation (relative to Scotland) |
|---|---|---|
| Creative Industries (including Digital) | 1,520 | 169% |
| Energy (including Renewables) | 225 | 32% |
| Financial and Business Services | 2,500 | 98% |
| Food and Drink | 400 | 32% |
| Life Sciences | 300 | 152% |
| Sustainable Tourism (Tourism related Industries) | 2,250 | 100% |

Note: a specialisation value of 100% means the level of employment in that sector is in proportion to Scotland as a whole, whereas anything over 100% denotes a specialism
Source: Skills Development Scotland RSA 2019

There are around 3,010 active businesses in the area (accounting for 2% of the Scottish total) and 91% of enterprises are micro businesses, with 9 employees or less. The large numbers of small businesses in the area means that there is potential for indigenous growth. Additionally, the strong local housing market and high levels of education may present opportunities to develop small business spaces and homeworking hubs.

Despite the positive overall employment picture, there are still local inequalities. The age group with the most benefit claimants was 18-24, which suggests a lack of employment opportunities for younger people. Additionally, those who live in East Dunbartonshire earn significantly more than those who work in the area, and the gender pay gap is larger than the Scottish average, with men earning more than women. Demographic projections also show that the percentage of working age people is set to continue to decrease in favour of those past retirement age.

GL Hearn's Business Land Review describes East Dunbartonshire's commercial market as buoyant, as indicated by low vacancy rates and increasing rents. However, it is noted that competition from elsewhere in the Glasgow City Region may make it difficult to attract large scale investment to the area – for example, through actively targeting the Scottish Growth Industries like Glasgow City, or through specialising based on existing market-leading businesses like Renfrewshire. East Dunbartonshire's geographical location has shaped its growth as a semi-urban extension of Glasgow, and its business base is therefore likely to remain comparatively modest.

To gather information about the market opportunities and constraints, GL Hearn conducted two surveys – one asking businesses in East Dunbartonshire about their growth ambitions and requirements and the other asking businesses outside of the Council area if they were satisfied with their current accommodation. The local survey found that East Dunbartonshire is seen to be able to sufficiently accommodate the existing business community's needs for the short-medium term future, although there were some concerns regarding the general state of East Dunbartonshire's economy. Responses to the wider business survey suggested that businesses based elsewhere in the region were not considering relocation to East Dunbartonshire, predominantly for geographic reasons. The conclusion from both surveys was that East Dunbartonshire should plan for a fairly conservative level of employment growth, but that good quality but reasonably priced additional employment floorspace in accessible central locations would be welcome, particularly as expansion space for existing businesses. It should be noted, however, that the sample size for both surveys was very small, with 13 local businesses and 4 externally-located businesses taking part.

As will be discussed in the next section of this report, the GL Hearn Business Land Review uses a combination of methods to estimate demand for employment land and floorspace for use classes 4, 5 and 6 from 2018-38. One of these methods used a baseline projection of jobs growth (continuing current trends), which was then adjusted to produce a growth scenario. The adjustments were based on known investment and on-going economic strategies for East Dunbartonshire and Glasgow City Region, as well as being informed by the two business surveys carried out for the Review. These adjustments include a reduction in the level of decline expected in Manufacturing and Utilities, and a further boost to the expected increase in the number of jobs within the Professional, Scientific and Technical, Construction, Arts Recreation and Leisure, and Hospitality sectors.

Jobs Growth (2018-38) Baseline and Growth Scenarios

| **Sector** | **2018** | **2038 (Baseline Scenario)** | **2038 (Growth Scenario)** |
|---|---|---|---|
| Agriculture Etc. | 320 | 280 | 280 |
| Mining | 20 | 10 | 10 |
| Manufacturing | 1,640 | 1200 | 1,380 |
| Utilities | 150 | 120 | 160 |
| Water and Waste | 340 | 280 | 340 |
| Construction | 2,300 | 2,770 | 2,770 |
| Wholesale and Retail | 5,170 | 5,320 | 5,400 |
| Transportation and Storage | 590 | 570 | 610 |
| Hospitality | 2,040 | 2,100 | 2,240 |
| Info and Comms | 1,170 | 1,260 | 1,260 |
| Finance | 380 | 350 | 350 |
| Real Estate Activities | 470 | 510 | 520 |
| Prof, Tech and Sci | 2,030 | 2,410 | 2,430 |
| Admin and Support Services | 1,250 | 1,520 | 1,530 |
| Public Admin | 1,940 | 1,610 | 1,610 |
| Education | 3,670 | 3,610 | 3,670 |
| Health and Social Work | 4,010 | 4,280 | 4,280 |
| Arts and Rec | 1,360 | 14,90 | 1,530 |
| Other Services | 1,960 | 2,070 | 2,130 |
| **TOTAL** | **30,810** | **31,780** | **32,500** |

Source: OE, 2018; GL Hearn, 2019 (Table 4 and Table 5 combined)

The Review's baseline forecast predicted a growth of just 970 jobs across all sectors in East Dunbartonshire from 2018-2038, which is very low when compared to Skills Development Scotland's RSA projection of an additional 1,000 jobs for 2019-2029 (GL Hearn have predicted 30 fewer jobs for a twenty year period than Skills Development Scotland have for a ten year period). The growth scenario adds an additional 720 jobs, giving an overall 1,690 for 2018-38, which is more in line with (but still below) the RSA figure.

## 4.2 Limitations

There is clearly uncertainty in any model aiming to predict the sectoral composition of jobs growth over several years – particularly given the tumultuous nature of the national and global economy at present. This is exemplified in the vastly different figures produced for overlapping 10 and 20 year periods by Skills Development Scotland and GL Hearn. This uncertainty will have a bearing on any labour-demand-based projections of need for business land, as described in the next section of this report.

The Council also notes that much of the analysis of East Dunbartonshire's economy hinges upon its geographical position as a barrier to the types of economic resurgence being experienced in post-industrial areas elsewhere in Glasgow City Region. Although geography is undoubtedly a contributing factor, there are other things which may be having a prohibitive effect on business growth – some of which, unlike the physical location of the area, it may be possible to take mitigating action against. For example, avoiding loss of existing businesses to other areas by providing support to local businesses which may wish to expand their operations in East Dunbartonshire, or working with landowners to make sites more attractive for business development. It could be that more promotion of East Dunbartonshire as a business location is required to change potential investors' impression of the area – and this will only be possible if developable sites in accessible locations are retained in the business and employment land supply.

## 4.3 Conclusion

As with any statistically-based projections, employment growth predictions over a longer term period are likely to be less precise than for a shorter timeframe. Given this issue, and the fact that the 2019-2029 Skills Development Scotland figures were released more recently than the 2018-2038 figures used by GL Hearn, it would seem wise to rely more on the newer 10 year figures. However, it should be noted that the impact of COVID-19 on the UK (and global) economy casts doubt on any figures produced at present, not to mention the challenges of Brexit. Since the GL Hearn figures predict more modest levels of employment growth, and include a tailored 'growth scenario' based on local and national policy, these will continue to be the figures which are taken by East Dunbartonshire Council in the meantime, with the caveat that updated employment predictions will be substituted into the growth model once available.

## 5.0 Analysis of Land Requirement for Business and Employment in East Dunbartonshire

This section sets out the different methods used by GL Hearn in the Business Land Review to calculate East Dunbartonshire's business and employment land requirements to 2038 based on past permissions data and employment growth scenarios. It then sets out what the Council's approach will be to gathering the data required to improve the precision of these methods going forward.

### 5.1 Data

The following data is used:

| Data | Source |
|---|---|
| Business land requirement for anticipated jobs growth, using past permissions data, in order to produce Growth Scenario<br><br>Years of supply | GL Hearn Business Land Review<br><br>Clydeplan Industrial and Business Land supply Monitoring Reports |
| Past Trends / Take up | GL Hearn Business Land Review<br><br>Clydeplan Industrial and Business Land supply Monitoring Reports |

To produce their demand analysis for the Business Land Review, GL Hearn started with the baseline and growth scenarios for jobs growth in East Dunbartonshire to 2038 (as discussed in the previous section of this report), and then translated the number of jobs they had predicted to Full Time Equivalent. This was based on current estimates (at the time of the Review) that 83% of employment in East Dunbartonshire was full-time. They then assumed what percentage of jobs within the sub-sectors would fall into use class 4, 5 and 6 for the baseline (250) and growth (540) scenarios.

Estimated Number of FTE Jobs by Use Class and Employment Demand Scenario (2018-38)

| **Use Class** | **Baseline** | **Growth** |
|---|---|---|
| Class 4ab | 460 | 530 |
| Class 4c | -50 | 30 |
| Class 5 | -240 | -160 |
| Class 6 | 80 | 140 |
| TOTAL (Business Use Classes) | **250** | **540** |
| TOTAL (Non-Business Use Classes) | 550 | 900 |
| **TOTAL (All Use Classes)** | **800** | **1,440** |

Source: OE and GL Hearn, 2018 (Table 6)

Based on these FTE figures, GL Hearn used estimated employment densities from the HCA Employment Densities Guide: 3rd Edition (2015) to model how much floorspace (in square metres) would be required per FTE employee. A plot ratio was also added to the total floorspace growth to account for space that would be required for parking, storage and other external uses (with the assumption that offices would take up 50% of the space on a plot and industrial and warehousing would take up 40% due to their greater need for yard space).

Employment-Based Floorspace Modelling Assumptions

| Use Class | Employment Density (Sq. m per FTE) | Plot Ratio |
|---|---|---|
| Class 4ab | 9 | 0.5 |
| Class 4c | 47 | 0.4 |
| Class 5 | 36 | 0.4 |
| Class 6 | 73.5 | 0.4 |

Source: OE and GL Hearn, 2018 (Table 7)

Using their modelling assumptions against the identified number of jobs in each use class, GL Hearn predicted demand for business land from 2018-2039 to fall by 0.45 ha (974 sq. m floorspace) for the baseline scenario, and increase by 2.43 ha (10.668 sq. m floorspace) for the growth scenario. However, it was noted that this does not take account of replacement demand, and so a 'buffer' was added based on the average additional space permitted per use class from 5 years' worth of gross permissions data (2007-2018) provided to the consultants by the Council. This resulted in estimated business land requirements of 5.08 ha for the baseline scenario and 7.96 ha for the growth scenario (see table below).

Additional Business Land Requirements

| | Use Class 4ab | Use Classes 4c and 5 | Use Class 6 | All Use Classes (4, 5, 6) |
|---|---|---|---|---|
| **Average annual permissions 2007-18 Sq. m** | 1,996 | 2,609 | 218 | **4,823** |
| **Buffer (Sq. m)** | 9,981 | 13,046 | 1,089 | **24,116** |
| **Buffer (Ha)** | 2 | 3.26 | 0.27 | **5.53** |
| **Baseline Scenario 2018-38 Excluding Buffer (Ha)** | 0.83 | -2.71 | 1.42 | **-0.45** |
| **Baseline Scenario 2018-38 Including Buffer (Ha)** | 2.83 | 0.55 | 1.70 | **5.08** |
| **Growth Scenario 2018-38 Excluding Buffer (Ha)** | 0.95 | -1.07 | 2.55 | **2.43** |
| **Growth Scenario 2018-38 Including Buffer (Ha)** | 2.95 | 2.19 | 2.82 | **7.96** |

Source: OE and GL Hearn, 2018 (Tables 9, 10 and 11 combined)

Another means of estimating future demand for business land (other than the labour demand forecasting method described above) is to extrapolate from past trends of business land take-up. East Dunbartonshire Council have not historically monitored completions of business development, therefore only permissions data is available. GL Hearn used this permissions data (from 2007 to 2018) to produce indicative demand projections for different potential completions percentages. With this method, if 100% of permissions are built out, 22.1 Ha of additional employment land will be required between 2018 and 2038, whereas a completions rate of 50% or 25% would only require 11.1 Ha or 5.5 Ha respectively.

Projected Additional Business and Employment Land Required Based on % Completions for 2018-2038

| Use Class | % Completion | Assumed Average Annual Completions (2007-2018) | Trend Based Demand (2018-2038) – Sq. m | Trend Based Demand (2018-2038) – Ha |
|---|---|---|---|---|
| Class 4 | 100% | 1,996 | 39,925 | 8.0 |
| | 50% | 998 | 19,963 | 4.0 |
| | 25% | 499 | 9,981 | 2.0 |
| Class 5 | 100% | 2,609 | 52,185 | 13.0 |
| | 50% | 1,305 | 26,093 | 6.5 |
| | 25% | 652 | 13,046 | 3.3 |
| Class 6 | 100% | 218 | 4,355 | 1.1 |
| | 50% | 109 | 2,178 | 0.6 |
| | 25% | 55 | 1,089 | 0.3 |
| **ALL** | **100%** | **4,823** | **96,465** | **22.1** |
| | **50%** | **2,412** | **48,234** | **11.1** |
| | **25%** | **1,206** | **24,116** | **5.5** |

Source: OE and GL Hearn, 2018 (Tables 13, 14 and 15 combined)

To refine their projections further, and arrive at an overall recommendation given the differences in the figures produced through the different demand analyses and scenarios, GL Hearn created what they refer to as a 'hybrid' model. This model results in an estimated need for 13.32 ha of business and employment land for 2018-2038. Broken down by use class, this would provide an additional: 20,000 sq. m floorspace for Class 4ab; 26,100 sq. m floorspace for Class 4c and 5; and 11,300 sq. m floorspace for Class 6.

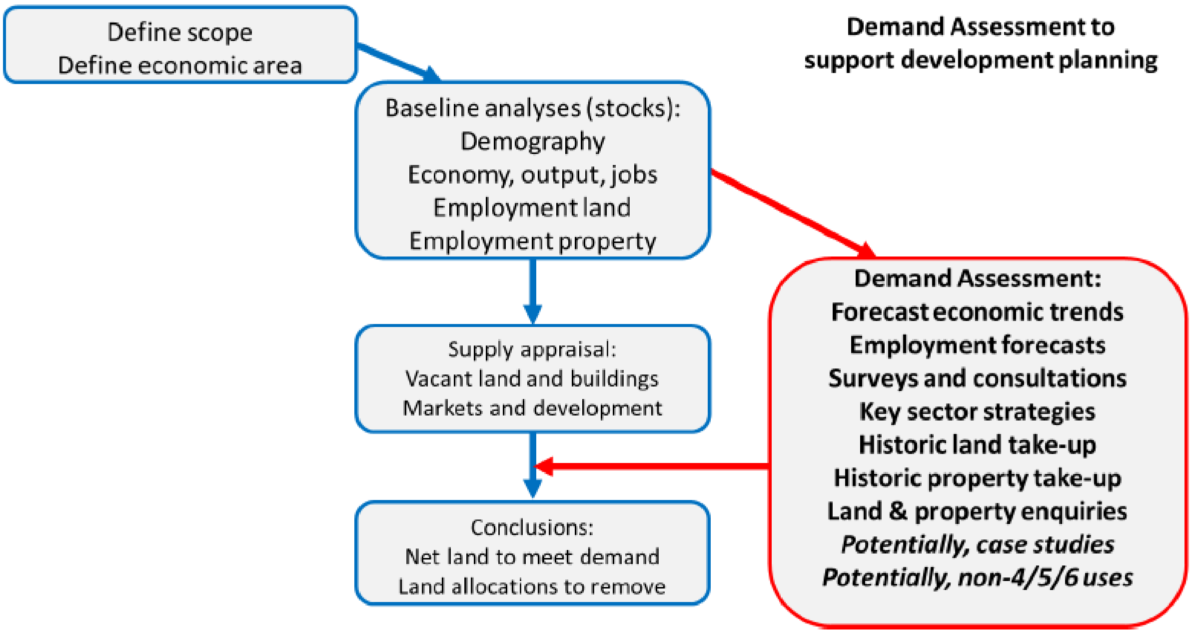
Overall Employment Land Demand (2018-2038)

| Use Class | Trend Based 100% | Trend Based 50% | Trend Based 25% | Baseline Labour Demand | Growth Labour Demand | Hybrid |
|---|---|---|---|---|---|---|
| Office | 8.0 | 4.0 | 2.0 | 2.83 | 2.95 | 4.0 |
| Factory | 13.0 | 6.5 | 3.3 | 0.55 | 2.19 | 6.5 |
| Warehouse | 1.1 | 0.6 | 0.3 | 1.70 | 2.82 | 2.82 |
| **TOTAL** | **22.1** | **11.1** | **5.5** | **5.08** | **7.96** | **13.32** |

Source: Councils monitoring data, OE and GL Hearn, 2018 (Table 16)

Based on the Business Land Audit's figures (19.86 ha of vacant brownfield land allocated for business and employment vs an estimated need of 13.32 ha), GL Hearn's recommendation is that there is no requirement to identify additional employment land and some of the identified supply could be considered for alternative uses. As can be seen in the table on page 6, some of the vacant business and employment land identified at the time of the Review has now been reallocated for other uses, and the remaining supply is 16.61 ha (with a portion of Westerhill and Kirkintilloch Gateway included, the extent of which may changing pending the creation of masterplans for these sites).

In a report commissioned by the Scottish Futures Trust ('Assessing Demand for Commercial Development', Ryden, 2020) it was recommended that the following approach be taken for comprehensive demand assessment for use in development planning:




This recommended process is not dissimilar to GL Hearn's approach in the Business Land Review, although there are a few areas within the full list in the 'Demand Assessment' box which were not included, or were only lightly explored. For example, some more extensive survey/consultation work may have been helpful, as would inclusion of non-4/5/6 uses given the current 'mixed-use' nature of many of East Dunbartonshire's occupied business and employment sites. Indeed, the report emphasises the need to make the analysis of allocated employment land as complex as is required to accurately reflect the sub-sectors, property types, occupancy levels, rents/prices and development viability. The use of scenarios as part of appraisal of projected land requirements is also considered appropriate, and it is noted that the final stage – drawing together the supply and demand analyses – may also be complex and include "scoring and ranking of sites against specific criteria, and linkages to other areas of policy and economic development activity to help support and unlock potential demand."

## 5.2 Limitations

As was noted in 4.1, any model using predictions of employment growth has its limitations, and the current tumultuous financial situation in the UK adds some additional uncertainty to any labour demand based forecasts. In particular, it is currently unknown what the impacts of the COVID-19 virus will be on businesses, and then it is likely that Brexit will also have financial ramifications – the former of these factors was not known to be a threat at the time of the employment forecasts used by GL Hearn.

The alternative 'trend based' method for projecting requirements for business and employment land uses past completions and then adjusts for expected fluctuations in the local markets. There are limitations with this method as well. For example, if larger sites come forward as a result of one-off planning permissions and are not included in the existing business land supply this can exaggerate predictions for the amount of land required in future, while still not bringing forward any existing sites for development. It should also be noted that the permissions data collected for Clydeplan monitoring, from which the completions were assumed, is for all new class 4, 5 and 6 developments across East Dunbartonshire, and is not limited to only developments which take place on allocated business and employment sites. Additionally, the comprehensiveness of this completions data is questionable, as floorspace created is not always recorded with every new application.

Although the GL Hearn model used different plot ratios for different use classes when converting predicted number of employees to floorspace required, it should be noted that there is still a vast array of businesses within each use class with different development needs, particularly in areas like East Dunbartonshire where business activity is of a more modest scale and is also more diverse in form.

To further complicate matters, there are instances captured within the Business Land Audit where land allocated for business and employment use has become mixed use over time, with non-business/industrial uses being permitted to locate there. For example, industrial units are often occupied by gyms, softplays, or other leisure uses which could not find a large and affordable unit in a town centre location. This results in a scenario where more land is required on allocated business and employment sites than the projections for just classes 4, 5 and 6. The obvious solution to this issue would be to tighten the policy around business and employment land to prohibit alternative uses from encroaching upon the space allocated for classes 4, 5 and 6. However, to do so may make it impossible for these businesses (many of which may be locally-owned SMEs) from finding any suitable premises in East Dunbartonshire, which would be contrary to the overarching principle of supporting business growth as set out in the Economic Development Strategy.

As a compromise between reserving allocated sites for traditional business uses, and allowing some development of businesses outwith the standard class 4, 5 and 6 uses, it is necessary to ensure that the sites are considered on their individual merits, rather than just as part of a total quantity of land. For example, a distinction could be made between 'prime' marketable business locations which are appropriate only for class 4, 5 and 6, and sites where alternative (but compatible) uses can be permitted as part of a mixed use development. To make this work, it will be essential to ensure that there is some spare capacity within the business and employment land supply above the expected growth of class 4, 5 and 6, while also avoiding retention of what could be perceived as an excessive supply. An unjustifiable surplus of business and employment land would be detrimental not only because it would likely mean several sites would remain vacant for an extended period of time, but because it could increase the likelihood of losing the better-located, more 'developable' sites to other uses such as housing, thus leaving only the poorer-quality sites which are more challenging to develop for business use. This sentiment is echoed in the report produced by Ryden for the Scottish Futures Trust on 'Assessing Demand for Commercial Development' (see 5.0) which emphasises the importance of allowing there to be complexity in the analysis of business and employment land where it is required to understand the local market, and notes that it may be acceptable to include non-4/5/6 uses within the demand assessment.

The Ryden report also found that a minority of Local Development Plans in Scotland use economic forecasts to infer market implications and development planning requirements in their demand assessments. It was stated that other major land uses, such as housing, education and retail, use sophisticated forecasts to justify their extent within local development plans based on existing allocations, whereas this is not the case for employment land, which is fully reflected in policy and strategy but "much less embedded in the process of land use planning". The report included a survey of local authorities, to which 90% of respondents said they would welcome published guidance on undertaking demand assessments. Without this guidance in place, there remains no consistent, tried-and-tested approach to demand assessment for business and employment land , which (as East Dunbartonshire Council has experienced) makes it more challenging to know what information needs to go into this process to get the outputs that will allow the local authority to anticipate future demand and guide land use decisions accordingly.

## 5.3 Conclusion

To summarise the above, whilst useful indicators of land requirement have been produced, there is no definitive method for doing this. It is also important that the figures quantifying the land required are considered indicators rather than targets. East Dunbartonshire Council needs to maintain an adequate supply of land for class 4, 5 and 6 uses, but flexibility is needed to ensure that the range of additional – still acceptable – uses can be allowed on a case-by-case basis to meet local needs and provide other types of local employment. The appropriateness of alternative uses also depends on the specific site, with some business and employment sites being more suited to mixed-use, while others should be reserved for traditional business and industrial use.

GL Hearn's Business Land Review estimated a requirement for 13.32 ha business and employment land in East Dunbartonshire for 2018-2038. GL Hearn therefore recommended that there was no requirement to identify additional employment land and that some of the identified supply could be considered for alternative uses. The Council took these recommendations into account, and the available supply of allocated business and employment land has since been reduced from 19.86 hectares (recorded in the GL Hearn review) to 16.61 hectares. There remains an additional 50.3 hectares of allocated constrained (un-serviced) land on one large site (Badenheath), which it would not be practical to include in supply vs need calculations – this site represents a one-off large-scale development opportunity, which does not reflect the modest pace and scale of development in the trends for East Dunbartonshire.

## 6.0 Conclusions and Next Steps

This section brings together the above analysis in order to set out East Dunbartonshire Council's position.

Regarding the supply of, and demand for, business and employment land in East Dunbartonshire, the Council's position is that there are 16.61 ha available to meet an estimated demand of 13.32 ha until 2038. These figures are, however, dependent upon a number of assumptions and subject to change due to the limitations within the methodologies described in 3.1, 4.1 and 5.1 of this report.

The calculation of the available business and employment land supply is based on the assumption that 60% of the vacant land on the Westerhill and Kirkintilloch Gateway sites will remain allocated for business use. The Council are taking steps to develop business uses on some of the vacant land on these sites through masterplans, after which the amount of land allocated will be revised. Without Westerhill and Kirkintilloch gateway included, the remaining vacant supply is 3.39 ha available and 50.3 ha constrained. The constrained land is on one large site, Badenheath, which was added to the supply in 2017 following its inclusion in the adopted LDP. The other 3.39 hectares of vacant land is distributed across small plots on sites with adjacent existing business and employment uses. Overall, East Dunbartonshire does not have a large amount of vacant land allocated for business and employment use.

GL Hearn's analysis of business activity in East Dunbartonshire predicts an increase of 800-1,440 jobs between 2018 and 2038, 250-540 of which would be in sectors which equate to class 4, 5 and 6 land uses. GL Hearn translated these jobs into floorspace, and then created a hybrid model using past completions data. The model results in an estimated need for 13.32 ha of business and employment land for 2018-2038. Broken down by use class, this would provide an additional: 20,000 sq. m floorspace for Class 4ab; 26,100 sq. m floorspace for Class 4c and 5; and 11,300 sq. m floorspace for Class 6.

It should be noted that other predictions of future job growth in East Dunbartonshire have produced different figures. For instance, Skills Development Scotland's Regional Skills Assessment gave a projection of an additional 1,000 jobs for 2019-2029 (GL Hearn have predicted 30 fewer jobs for a twenty year period than Skills Development Scotland have for a ten year period). Although useful, jobs projections are not definitive. Further complicating matters is the current financial situation as a result of Covid-19, the long-term economic impact of which is yet to be determined, and the continuing uncertainty around the UK's exit from the EU.

Another necessary consideration is that the estimate for business and employment land required (13.32 ha) is based on use classes 4, 5 and 6. While this should account for the majority of uses on East Dunbartonshire's business and employment sites, there is also a need for some additional space for alternative uses. From a strategic viewpoint, it is better to have slightly more than the 'required' land, than to have slightly less. Additionally, the nature of the vacant land available must be considered – with the exception of the large site at Badenheath, all of East Dunbartonshire's business and employment land supply is on sites with existing business uses. Losing too much of this land to alternative uses would not only risk the loss of these existing businesses, but would mean sourcing additional land in the future. It would be challenging to find new locations that would be integrated with existing business areas or town centres and sustainable transport provision.

The table below summarises the key figures and conclusions from each section of this report:

| **Section** | **Key Figures** | **Limitations/Conclusion** |
|---|---|---|
| 3.0 Current Business and Employment Land Supply | 16.61 ha available<br>50.3 ha constrained | The figure of 16.61 hectares is with the assumption that the regeneration opportunity sites, Westerhill and Kirkintilloch Gateway, incorporate 8.89 ha and 4.34 ha of business and employment land into their respective masterplans. Failing this, there will only be 3.39 hectares of available land remaining, and a further (constrained) 50.3 hectares on one large site (Badenheath).<br>Although it is essential to quantify the available land for business and employment use, analysis on a site-by-site basis is also required to fully understand the supply, and plan for how it is likely to change over time. |
| 4.0 Market Demand for Business Land and Business Activity | Between 250 (baseline scenario) and 540 (growth scenario) additional jobs in industries requiring land for use classes 4, 5 and 6 from 2018-2038. | Since the GL Hearn figures predict more modest levels of employment growth, and include a tailored 'growth scenario' based on local and national policy, these will continue to be the figures which are taken by East Dunbartonshire Council in the meantime, with the caveat that updated employment predictions will be substituted into the growth model once available. This should allow a more accurate estimation of business and employment land requirements, but the figure will remain indicative, rather than a target. |
| 5.0 Land Requirement for Business and Employment | 13.32 ha required to 2038 for use classes 4, 5 and 6 | East Dunbartonshire Council needs to maintain an adequate supply of land for class 4, 5 and 6 uses, but flexibility is needed to ensure that the range of additional – still acceptable – uses can be allowed on a case-by-case basis to meet local needs and provide other types of local employment. The appropriateness of alternative uses also depends on the specific site, with some business and employment sites being more suited to mixed-use, while others should be reserved for traditional business and industrial use.<br>The allocated 16.61 hectares of available business and employment land is therefore not excessive, given the estimated need for 13.32 hectares of land for purely classes 4, 5 and 6. |

Based on the above, East Dunbartonshire's current business and employment land supply should continue to be protected in order to provide flexibility for growth and change in the local economy, and work started to develop strategic sites at Westerhill and Kirkintilloch Gateway should be continued. Additionally, as the economic impacts of Covid-19, the UK's exit from the EU, and the policy approaches to these become clearer, the Council will update its business land requirements model accordingly – this work will be considered during the production of the next Economic Development Strategy.