

Fife Employment Land Strategy 2014-2021



Strategy Document August 2014

Contents

1.0	Executive Summary	Page 3
2.0	Introduction	Page 6
3.0	Background	Page 7
4.0	Economic Strategy and Planning Policy	Page 10
5.0	Fife Council Policy Context	Page 16
6.0	Calculating the Employment Land Requirement	Page 19
7.0	Delivering the 7 year Employment Land Requirement	Page 25
8.0	Delivering the Strategy	Page 26
9.0	FELS Action Plan	Page 28
10.0	Compensation for the loss of Employment Land in Fife	Page 29
11.0	Conclusions and Recommendations	Page 30
	Appendix 1 - 20 Key Settlements in Fife	Page 31
	Appendix 2 – Employment Land Provision in Fife	Page 32

Front Cover Photographs (Clockwise from top left):

BASSAGUARD – Regeneration, AMAZON - Major Inward Investment, DIAGEO - Major Inward Investment, THE AVENUE, LOCHGELLY – Infrastructure, NETHERTON TRACTORS – Business Expansion, JOHN SMITH BUSINESS PARK Strategic Location

1.0 Executive Summary

- 1.1 The aim of this strategy is to deliver an effective supply of available employment land to meet the needs of those businesses located in Fife or seeking to invest in Fife and to support and develop the economy of Fife. This version supersedes both the Fife Employment Land Strategy 2006-2015 (2006) and the Fife Employment Land Strategy 2006-2015 Mid-Term Review (Final Report, Feb 2012).
- 1.2 The objectives of this strategy are:
- The provision of a marketable and deliverable supply of employment land across the 20 key settlements of Fife (listed in Table A1 in Appendix 1)
 - To ensure that those locations of highest demand have land available for strategic development
 - The recognition of the need to safeguard land provision for specialist operators , key sectors and the future major expansion of existing businesses
 - The promotion of employment land through the Development Plan process
 - The encouragement of Private Sector investment by ensuring that those sites attractive to the market are promoted
 - That Fife Council addresses market failure to support sustainable communities and unlocks investment potential across Fife using its Capital budget and other funding sources.
- 1.3 For the fragile economic recovery to be sustainable, the changing property requirements of businesses will be supported by an effective supply of available employment land that is capable of accommodating a diverse range of uses and development solutions. This approach is supported through Scottish Planning Policy. The Development Plan for Fife has changed in line with Scottish Government Policy and with it, the accepted approach to the provision of employment land. The Fife Structure Plan 2009 has been superseded by TAYplan 2012 and SESplan 2013
- 1.4 The average take up of employment land from 2009 to 2013 was approximately 20 hectares per year (Ref Table 1.0). However, in 2012 employment land take up rose to approx. 37 ha (Amazon development at Dunfermline) resulting in a 15-year high. Figures for 2013 reinforced this trend of increased demand with predicted land take up over the next 7 years expected to be at least 34 ha per annum. (Diageo's bonded warehousing development at Begg Farm which is adjacent to the A92 at Cluny has a total development capacity of 236 ha which is forecast to be delivered over the next 7 years, i.e. 34 ha per annum).

1.5 Whilst the UK and Scotland as a whole have been experiencing slower growth rates during this recent recession, Fife has been successful in attracting significant inward investment and the relocation of major employers to the area. Analysis of the take up figures has shown that, during the recession, micro/small/medium indigenous companies have been affected by the lack of available funding sources. This demonstrates the need to provide more support for SME (Small and Medium Enterprises) to enable them to fulfil their growth potential. Recent development and take up has highlighted that the focus of major employers is on the availability of a significant quantity of land in the right location to meet their requirements with less expectation of full site servicing. However, SME businesses serving the local market have a higher expectation for serviced sites. It is now recognised that there is a requirement for a greater quantity of land provision in strategic locations, and a lesser quantity but greater quality (i.e. with site servicing already in place) in areas of local demand.

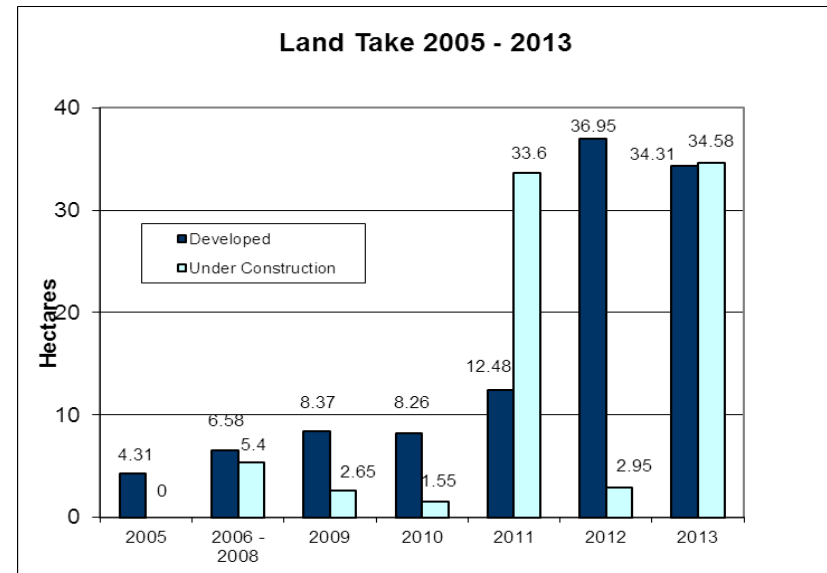


Table 1.0

1.6 This updated strategy prescribes a tiered approach to employment land supply recognising:

- The need to maintain a 7 year land supply for employment linked to levels of take up and employment levels (within Use Classes 4, 5 and 6) at settlement level. This 7 year land supply requirement equates to a total of 33 ha per annum across the 20 key settlements of Fife.
- A strategic employment land supply requirement focused on the 10 identified strategic settlements in Fife where there is higher demand. The total land employment land supply requirement for the 7 years across the whole of Fife Council area is **208** ha.
- Land which does not form part of the mainstream supply as it meets the specific need to safeguard land for specialist/expansion needs of specific businesses, e.g. Mossmorran expansion site.

- 1.7 The current and future obsolescence issues of ageing industrial estates in Fife is being tackled with the introduction of Estate Improvement Areas. These will guide appropriate regeneration and/or redevelopment in those areas no longer fit for modern business purposes through the preparation and implementation of Estate Improvement Plans.
- 1.8 The overall principles of this document will be embedded in the forthcoming FIFEplan, the Local Development Plan for Fife and as a material consideration in the preparation of the plan. In addition to the Fife Employment Land Strategy an Action Plan has been prepared for both the public and private sector. It will be used to guide and prioritise areas of investment as part of the Economic Development Capital Budget Programme.

2.0 Introduction

- 2.1 The Fife Employment Land Strategy (FELS) sets out the essential elements required to ensure that an adequate supply of available employment land is provided in Fife. Employment land is defined as being suitable for any use within, or ancillary to, those specified in Use Classes 4, 5 or 6 of the Town and Country Planning (Use Classes) (Scotland) Order 1997. These are defined as Use Class 4 – Office, business or light industrial, Use Class 5 - General Industry and Use Class 6 - Storage and Distribution. Employment in this context is defined as wealth generation and a direct addition to the economy. Retail, tourism and leisure uses are excluded from the definition of employment land. The Fife Employment Land Strategy is based on the focused drive of the Scottish Government, through economic strategy and planning policy at national, regional and local level, to create sustainable economic growth.
- 2.2 In order to ensure Fife Council contributes to this aim, facilitating an effective supply of available land for employment is one of Fife Council's important economic development functions.
- Fife Council's role is vital in:
- Setting out the strategy which dictates the level and location of provision necessary to meet business needs
 - Setting out appropriate land allocation, policy and guidance to support the strategy and
 - Direct intervention, where necessary, in delivering employment land where market failure exists.
- 2.3 An adequate employment land supply allows businesses to grow, invest and create jobs. The provision is therefore important in terms of the quantity of land available, but it is also essential that the supply provides for a wide range of quality offering a breadth of choice, and that it is located in the right places to meet the needs of employers and communities alike, as indicated in the Scottish Planning Policy 2010 (SPP 2010). The Fife Employment Land Strategy guides development and investment to the most appropriate locations, supported through the Development Plan Framework, with the objective of *making Fife the best place to do business and growing a vibrant economy* which are key drivers for Fife Council.

3.0 Background

3.1 The first Fife Employment Land Strategy 2006-2015 (FELS) was approved by Fife Council's Environment and Development Committee on 1st June 2006. The most recent review, the Fife Employment Land Strategy 2006-2015 Mid-Term Review (Final Report, February 2012) was approved on 8th March 2012 by the Environment, Enterprise and Transportation Committee with the agreement that the strategy should continue to be reviewed as appropriate. In the intervening period a number of significant changes have taken place which provide the justification for a further review being carried out at this time. These changes include:-

- The adoption of TAYplan and SESplan Strategic Development Plans
- The preparation of FIFEplan Local Development Plan
- Recent major inward investment and established future demand patterns
- The continued obsolescence and dereliction of the existing employment land and building stock
- The changing market conditions to date both during and post recession
- Continued pressure on Fife Council's Capital budget funding.

On the basis of the above, it was considered important to take cognisance of these significant changes and review the employment land requirement and supply position across Fife.

3.2 The primary aim of the original Fife Employment Land Strategy, of ensuring adequate immediately available land for employment across Fife, remains. The current strategy is guided by the now superseded Fife Structure Plan which required a 7 year employment land supply across the 20 key settlements of Fife. A key settlement is a town, or cluster of smaller settlements with a population of at least 5000. [The original 7 year land supply methodology is based on an assumption of 1 job per household and based on 70 jobs per hectare. On this premise, a requirement of 1 ha of employment land per 2500 population was established.]

3.3 The recent changes to the Development Plan Framework in Scotland mean that the former Fife Structure Plan has been superseded by City Region Planning and the Strategic Development Plans - TAYplan (covering North Fife) and SESplan (covering South Fife). Both strategic development plan methodologies differ in their requirement for employment land and this has necessitated the review of how the employment land requirement in Fife is calculated. At the local level, Fife has embarked on the process of producing a Local Development Plan, FIFEplan which is at consultation stage. FIFEplan will replace the three Local Plans that are currently adopted, i.e. Mid Fife Local Plan

(January 2012), St Andrews and East Fife Local Plan (October 2012) and Dunfermline & West Fife Local Plan (November 2012). The figures held within this version of FELS now accord with the Employment Land figures in the latest draft FIFEplan (June 2014)

- 3.3 In addition, recent major investment and ongoing land enquiry patterns recorded by Invest in Fife allow a better understanding of those areas of highest demand and allow an appropriate response through the support and promotion of supply in those areas. The focus of previous strategies was to make equal provision at the level of one job per household across all 20 key settlements to support sustainable communities. Supporting sustainable communities remains at the heart of the strategy, however, the general provision (7 year land supply) across key settlements has been revised to reflect actual employment within Use Classes 4, 5 or 6 in settlements (based on the 2011 census, published in Oct 2013) with provision focusing on those settlements where higher demand is evidenced. The general land supply will be augmented with a strategic land supply and safeguarded land will be secured for specialist and key sector needs.
- 3.4 There is also a need to tackle obsolescence and dereliction across the existing employment land and building stock and the need to prioritise re-use of brownfield land within existing estates in preference to new allocations in greenfield locations. It is proposed that Fife Employment Land Strategy should have a much closer alignment to the Local Development Plan to ensure policy support is given to deliver this strategy.
- 3.5 Fife Employment Land Strategy has always been a mechanism to direct improvements to the employment land supply position across Fife and has guided where direct intervention should happen with the use of, Fife Council's Economic Development Capital Budget or other funding sources. In the past this budget has been used to acquire land in areas of low or no supply and service land to ensure, for example, the provision of roads, drainage and utilities, thereby making land both available and attractive to businesses.

The images below show examples of business development that has taken place on Council-owned land, following Council investment in infrastructure provision.



3.6 Challenges and Opportunities

Given the continued pressure to deliver essential Council services within the context of budget cuts, it is more important than ever that Fife Council concentrates investment in those areas which will bring the most significant benefits. Fife Council must also continually investigate alternative and innovative sources of funding. By revising this strategy at a time when budgets are under pressure, Fife Council needs to target more effectively the limited funds available to either:

- Those areas of highest demand which will result in the quickest return on investment, thereby allowing future re-investment or
- Those areas most suffering from lack of private sector investment in order to address market failure. These areas tend to be where return on investment can be deemed to be longer term i.e. areas of low demand or areas where there are barriers to investment.

3.7 The planning system can also help deliver the strategy by guiding private sector investment through development obligations in the Local Development Plan (FIFEplan) , ensuring that allocations, proposals and policies align with the Fife Employment Land Strategy, and, through this mechanism, negotiate with landowners and developers to secure the requirements set out in the Development Plan. FIFEPlan also supports the requirement for payment of a commuted sum payment gathered as compensation for the loss of land supply in instances where it is otherwise appropriate to grant approval for alternative development. (FIFEplan: Planning Obligations Supplementary Guidance)

3.8 Fife Employment Land Audit (FELA)

The Fife Employment Land Audit is undertaken annually and records the take up and development of land for employment purposes across Fife. This Audit is an integral part of the background of this Strategy and measures the success of the strategy and relevant development plan policies and allocations aimed at supporting job growth and investment in employment related development. It also helps Fife Council to measure its own success in delivering the Fife Employment Land Strategy as well as providing important feedback on patterns of demand. The Audit allows the recording and gathering of evidence of those areas of highest demand as well as highlighting blockages to delivery.

4.0 Economic Strategy and Planning Policy

4.1 Government strategies, policies and guidance, with the primary aim of supporting sustainable economic growth, underpin the requirement for Fife Council to produce an employment land strategy. The need for a strategy is to meet the requirements of businesses and employers in order to:

- Support employment
- Support the safeguarding and provision of jobs
- Support a skilled labour supply
- Create wealth
- Support the economy of Fife.

4.2 **The Scottish Government Economic Strategy 2011**

The Scottish Government Economic Strategy, in recognition of the change in economic conditions, provides clear guidance on the requirement to accelerate economic recovery in Scotland. This overarching aim focuses 'on six Strategic Priorities which will drive sustainable economic growth and develop a more resilient and adaptable economy.' *

These priorities are:

- Supportive Business Environment;
- Transition to a Low Carbon Economy;
- Learning, Skills and Well-being;
- Infrastructure Development and Place;
- Effective Government; and
- Equity

Fife Economic Land Strategy supports government priorities by producing a strategy which provides an effective supply of available employment land across the key settlements of Fife.

*(The Government Economic Strategy 2011, pg7)



4.3

Climate Change

The Climate Change (Scotland) Act 2009 introduced new measures requiring public bodies to act in ways that are sustainable, that contribute to ambitious emissions targets, and that deliver change. The planning system has a vital role to play in this, including promoting a development pattern which reduces the need to travel, and ensuring the appropriate siting of new development in ways to limit greenhouse gas emissions. The strategy will be instrumental in influencing how these objectives are met by promoting employment land allocations within key settlements which reduce the need to travel for work and allow more sustainable travel choices to be made.

4.4

Scottish Planning Policy (SPP)

The publication of SPP in February 2010 was a radical change in National Planning Policy as it brought together 21 separate existing policy documents into one. Increasing sustainable economic growth is a recurring key theme throughout the document, and is identified as a desired outcome.

SPP directs local authorities to:-

- Respond to the diverse needs and locational requirements of different sectors and sizes of business and take a flexible approach to ensure that changing circumstances can be accommodated and new economic opportunities realised
- Remove unnecessary planning barriers to business development and provide scope for expansion and growth
- Support economic development in all areas
- Accommodate the requirements of inward investment
- Ensure that there is a range and choice of marketable sites and locations for businesses allocated in development plans, including opportunities for mixed-use development, to meet anticipated requirements and a variety of size and quality requirements.

Specific direction is also given in relation to the identification of Strategic Business Locations and Strategic High Amenity Sites. This review addresses the key objectives of the SPP, ensuring a strategy exists to combat barriers to economic growth and business development through considering a variety of delivery models in providing for adequate provision for land for employment.



4.5 City Region Planning.

Fife is in the unique position of being located within 2 city regions. The Council area has been split across two Strategic Development Plan (SDP) Areas - TAYplan to the north and SESplan to the south. Both set out the strategic planning context, superseding the Fife Structure Plan. This unique position has placed Fife in a pivotal position in both forming and implementing economic policy across partner authorities. Each of the Strategic Development Plans below set out a 20-year vision of land requirement.

4.6 TAYplan.

TAYplan was approved by Scottish Ministers in June 2012 and has the following vision statement :

'By 2032 the TAYplan region will be sustainable, more attractive, competitive and vibrant without creating an unacceptable burden on our planet. The quality of life will make it a place of first choice where more people choose to live, work, study and visit, and where businesses choose to invest and create jobs.'



Diagram 4.1

Land requirements within the plan stipulate that a 5 year employment land supply is required across the plan area. Diagram 4.1 is the proposals map for TAYplan area from 2012-2032. Of the numbered circles, 10 and 11 relate to the strategic land allocations at Cupar North (10ha employment land and bulky goods retail) and St Andrews West (10ha employment land and 10ha Science Park) respectively.

The Local Development Plan is required to ensure that these strategic allocations are maintained and promoted for development.



Diagram 4.2

4.7

SESplan. SESplan was approved in June 2013 and requires:

- That an adequate supply of employment land is maintained within Local Development Plans (LDPs) which responds to the diverse needs and locational requirements through a generous range and choice which are highly accessible to communities;
- The need to safeguard sites for specialist uses is also expected to support key employment sectors;
- That LDPs identify circumstances and locations where non-conforming uses may be appropriate on strategic employment sites provided there is no net loss to the strategic employment land supply.

SUPPLY AND LOCATION OF EMPLOYMENT LAND

The Strategic Development Plan supports the development of a range of marketable sites of the size and quality to meet the requirements of business and industry within the SESplan area. Local Development Plans will support the retention of the quantity of the established strategic employment land supply as identified below:

Sub Regional Area	Hectares*
Regional Core	247
East Coast	76
Fife Forth**	411
Midlothian / Borders	124
West Lothian	123

* Site sourced from Figure 13, Economy Technical Note
 ** Fife Forth excludes Mossmoran allocation of 260 ha

Diagram 4.3

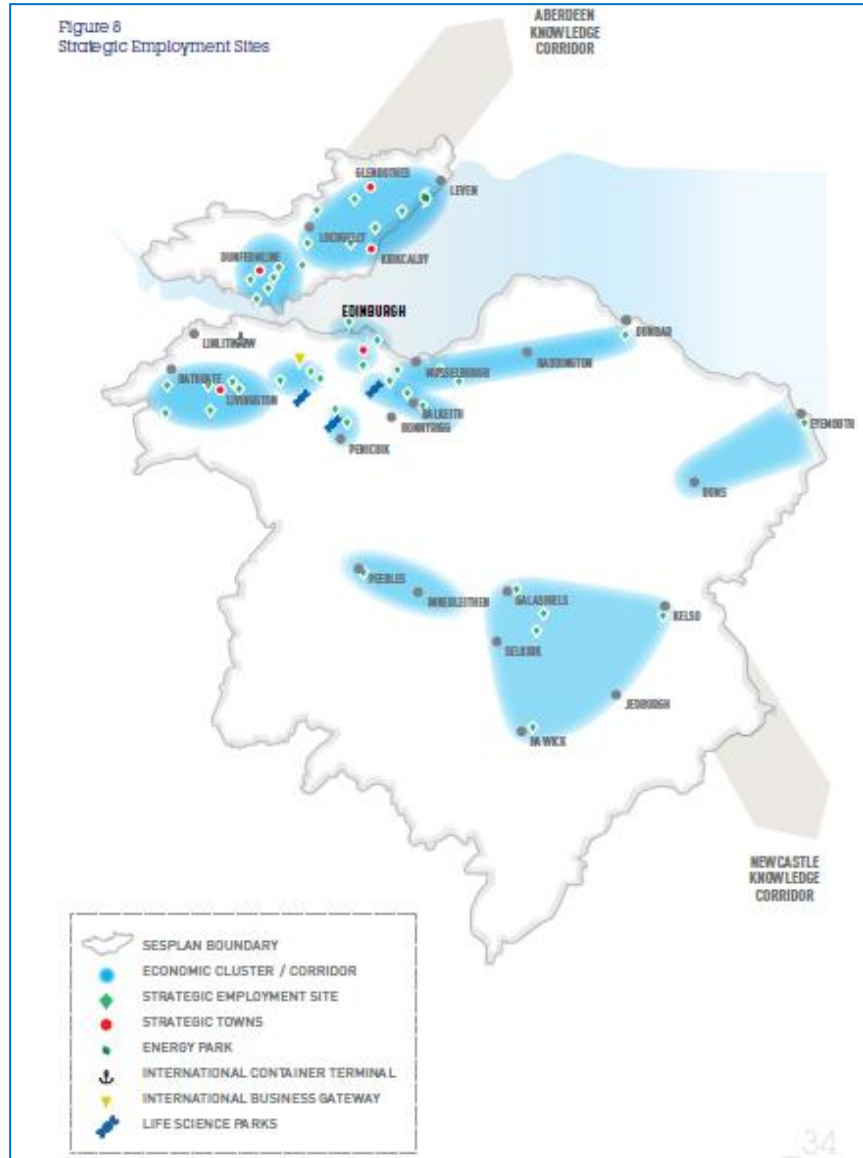


Diagram 4.4

4.8

FIFEplan.

FIFEplan, once adopted by Scottish Ministers, will be the Local Development Plan (LDP) for Fife. The Development Plan for Fife incorporates the LDP and the Strategic Development Plans of SESplan and TAYplan. On adoption, the LDP will replace all three existing Local Plans and will guide all development in Fife and include policy guidance and allocations for employment land. This Fife Employment Land Strategy feeds into the development plan and runs in parallel with the LDP process allowing a full review of the methodology, policy and strategy in relation to the provision of land for employment across Fife. FELS should be regarded as a material consideration in the preparation of FIFEplan

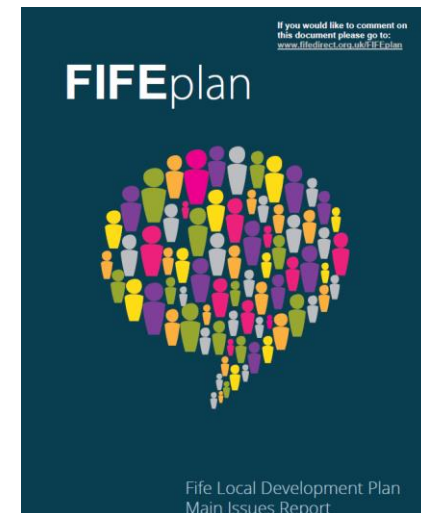
4.9

The Main Issues Report (MIR) for FIFEplan sets out the Council's proposals for the development of Fife. It concentrates on the key changes that have occurred since the publication of the previous Local Plans, and on Fife Council's ideas for future development. Emphasis is on what is new. The MIR has highlighted the need for employment land to serve three primary functions:

1. Safeguarded land for critical expansion of existing businesses and specialist key sector growth
2. Strategic supply in areas of highest demand
3. General supply across a wider geographical spread serving the key settlements of Fife

One of the main issues highlighted is the different approaches to the supply of employment land between the Strategic Development Plans. Therefore it is for FIFEplan to take direction from both SDPs and determine an appropriate local approach to employment land supply which best meets the needs of the Fife economy and its business base. Safeguarded land will not, by virtue of its specialist nature, be able to accommodate general employment or inward investment uses therefore it will not be counted as forming part of the employment land supply.

In response to the differing approaches to employment land provision in the two SDPs, FIFEplan retains the 7 year employment land supply requirement.



4.10

The issue of obsolescence of Fife's traditional industrial areas has also been highlighted and options are being considered which include the following:

- The designation of Estate Improvement Areas. These designations will apply where there is a recognised need for change whether that be regeneration, reinvestment or re-use of an area for future employment uses or whether historic development patterns have simply changed and the best prospect of securing positive development and associated benefits is to accept change to alternative, more appropriate, uses.
- In instances where change of use is considered appropriate, a commuted payment would be required in compensation for the loss of the employment land which would be used to make improvements to the remaining employment land supply. This mechanism would enable the setting up of an Employment Land Fund which would be used to improve availability, quality or quantity of the employment land supply across Fife.

5.0 Fife Council Policy Context

5.1

Fife Community Plan

The Fife Community Plan sets out objectives and aims of the community plan partners of public sector bodies serving Fife. The objectives, set out to the right, have the overarching aim of **'Strengthening Fife's Future'**. One of the key objectives is **'Improving the performance of the Fife Economy'** with one of the main challenges to achieving this being **'providing flexible business infrastructure...to make Fife the easiest place to do business'**.

Fife must meet these challenges by 2020 by:

- Investing in those sectors of the economy with long term sustainability, where Fife has an advantage and which will bring jobs to Fife, notably renewable energy and tourism.
- Creating more, dynamic businesses.
- Enabling people to find employment and to become economically active.
- Providing a flexible business infrastructure and responsive services to make Fife the easiest place to do business.



Ensuring the provision and availability of a supply of employment land is one solution to meeting this challenge and reference to the need to maintain a 7 year employment land supply is a key indicator of the **Single Outcome Agreement**.

National Outcome	Local Outcome	Indicator	Baseline	Target
1. We live in a Scotland that is the most attractive place for doing business in Europe.	Developing a modern business infrastructure	Percentage of settlements (5000 + population) with an immediately available 7 year supply of employment land	20%	40% by 2020

Extract from Single Outcome Agreement

5.2

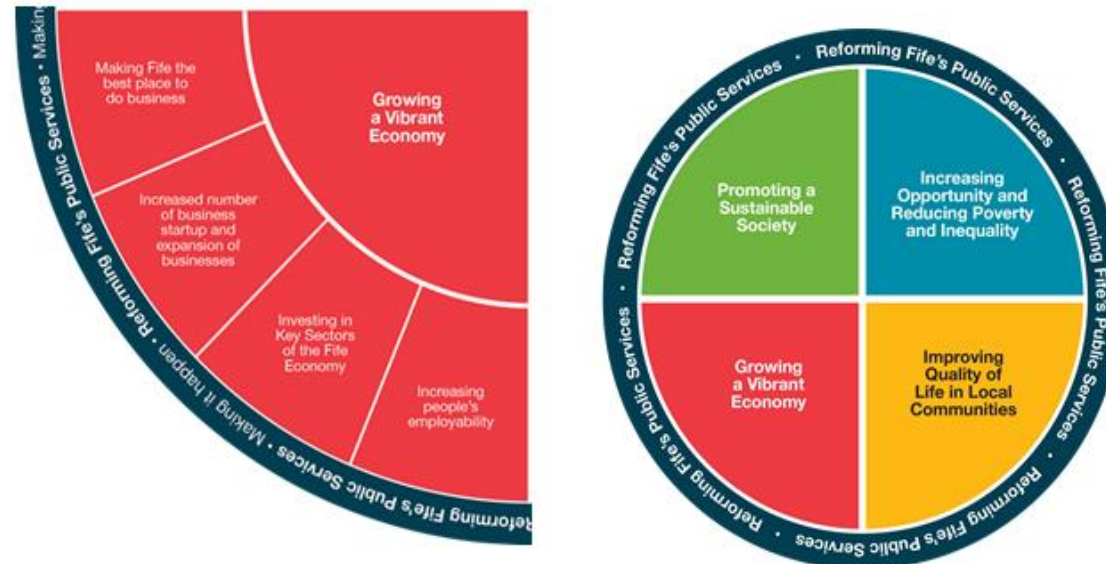
Fife Council Plan

Fife Council's Plan 2012-2017 has a clear vision and 4 distinct priorities, one of which is 'Growing a Vibrant Economy'. By stimulating economic growth, supporting business development and increasing employment and investment, the other Council priorities of reducing poverty, improving quality of life and promoting a sustainable society will be addressed.

By focusing on the growth of a vibrant economy, all 4 aims of the Council will be supported with the overarching aim "to strengthen Fife's future to make Fife a great place to live, work, visit and invest."

"We want to create an environment for economic growth that supports businesses in Fife with growth potential, regardless of size or sector."

*Chris Parr – Chair, Fife Economy Partnership
FES 2013-23*



What the council aims to achieve next

The council can contribute to increasing employment by growing a vibrant Fife economy by delivering training opportunities, investment and reducing the local regulatory burden on businesses.

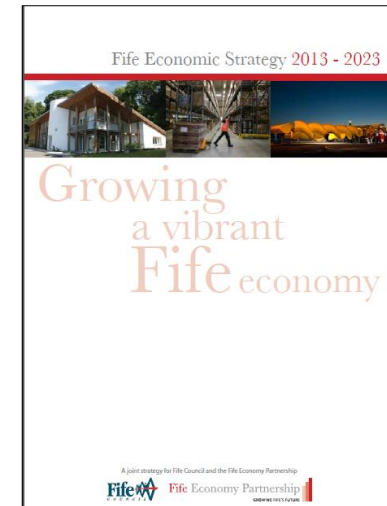
5.3

Fife Economic Strategy 2013-23

The Fife Economic Strategy (FES) is produced on behalf of the Fife Economy Partnership. Members have a shared interest in Fife's economic development and come from the business sector, from Fife Chamber of Commerce, Fife Council, Scottish Enterprise, the University of St Andrews, Fife College, Business Gateway and the business community of Fife. The economic strategy recognises that:

- *Many settlements lack a local land supply to meet demand from local businesses.*
- *Too little of the employment land is immediately available, the majority is constrained.*
- *Much of Fife's commercial property stock is ageing, not meeting current requirements.*
- *The challenge is to develop innovative funding models to reduce investment barriers.*

FES therefore supports the need for an employment land strategy to increase the amount of immediately available employment land in order to make Fife a competitive location with modern infrastructure.



5.4

LDP Supporting Document

This document augments the economic strategies and planning policies set down by the Scottish Government and the development plan and, therefore, should be considered as being material to the overall planning process. The overall strategy contained within this review and associated monitoring is considered to be a material consideration for any future planning application and should be considered when development is proposed which has the potential to affect or impact this strategy.

It is not considered necessary to develop this strategy as supplementary planning guidance as it will be referenced directly within the local development plan and will be used as a supporting document to guide development within Classes 4, 5 & 6 of the Town and Country Planning (Scotland) (Use Classes) Order 1997 and to protect established, allocated or safeguarded employment land.

6.0 Calculating the Employment Land Requirement

6.1 In order to calculate the employment land requirement to serve the business base of Fife and the needs of inward investors, the following was considered:

- The economic and planning policy context; and
- Demand, based on:
 - Take up patterns
 - Enquiries made to Fife Council for employment land and property
 - Patterns of employment within Use Classes 4, 5 or 6 across the 20 key settlements
 - Location of Fife's Top 100 Businesses.

6.2 Having collated this information, it was then possible to calculate the employment land requirement using an evidence-based methodology. Detailed research of Supply and Demand is listed in Section 1 of the Technical Report. The results of the research are summarised as follows:

- Guidance and strategies at national, local and council level all advocate the provision of employment land and related infrastructure as a marker of economic stimulus
- Strategic development plans support the need for both strategic and general employment land supply
- Strategic development plans bring the opportunity to reflect on current practices and allow a review to take place of the current methodology and requirements
- This employment land strategy is a land use document which requires to be embedded in planning policy
- Safeguarded land is required for specific needs (reserved land for company expansion and specialist growth areas) and cannot be considered to augment or form part of the mainstream employment land supply
- The employment land requirement can continue to be based on the need to provide a 7 year land supply across the 20 key settlements of Fife
- Take-up has averaged around 20 ha per annum over the last 5 years and has reached levels in excess of 36 ha in a single year
- Based on current known commitments, demand is likely to increase to a minimum of 34ha per annum over the next 7 years

- Major investment projects account for the majority of the recent development in strategic locations
- Investment and development patterns indicate that demand patterns vary across Fife according to certain economic drivers such as location, centres of population and logistical needs i.e. quayside/ motorway access
- Certain key settlements attract higher levels of investment/development whilst others provide for a more localised, general demand
- Without major investment, take-up is 4.5ha per annum i.e. general demand
- Major investment makes up 29.5ha per annum of projected demand, i.e. strategic demand
- Enquiry levels indicate latent demand exists in areas with no available employment land supply
- If the supply position is improved it is logical to assume that take-up would also improve
- In areas where traditional employment is within Use Classes 4, 5 and 6, there has been higher demand and take up and, conversely, in those areas where traditional working patterns were not within Use Classes 4, 5 and 6, demand was lower
- St Andrews, West Fife Villages and the East Neuk have been identified as areas of highest latent demand in Fife. These settlements are included in list of settlements where current identified land supply is not available.

6.3 **Criteria used to determine the Employment Land provision in Fife**

There is a level of provision considered necessary to provide local, sustainable, accessible employment across all 20 key settlements in Fife that is classed as General. However, from the evidence, it is clear there is a need for a higher level of provision in certain settlements and it was necessary to explore where best to locate the strategic land supply as demand patterns vary across Fife. These settlements have a provision level of both General and Strategic.

6.4 Table A2 in Appendix 2 provides a detailed picture of the assessment of the demand for strategic employment land in Fife. Each Key settlement was assessed against the following criteria:

1. If the settlement was either at a Logistical or Specialist Advantage due to location and/or demand for type of location
2. If the settlement was located within an Area of High Demand
3. If the settlement was classed as a Larger Centre of Population (i.e. above 10,000 population)
4. If the settlement was labelled as having a Strategic Focus in the Development Plan
5. If the settlement was located within an Investment Zone

Strategic demand is therefore focused on 11 of the key settlements. (Table A2, Appendix 2)

6.5 **Strategic Requirement**

Based on take-up figures, the strategic supply requirement is 29.5ha per annum. This is calculated by deducting the general take-up figure of 4.5ha per annum from the overall projected take-up figure of 34ha per annum. In order to make provision for a 7 year land supply, this figure is then multiplied by 7 to give a Fife wide total requirement of 208 ha.

6.6 At both Dalgety Bay and Burntisland, although considered to be strategic employment settlements where major employers operate and where the market has focused employment development, the primary aim is to protect the existing land supply and to support re-development of land for employment uses when opportunities arise. The provision in St Andrews and Cupar has been set at the levels proposed in TAYplan. These exceptions are shown in Table 6.1.

Strategic Settlement	Score	Exception to Fife-wide supply	Strategic Employment Land Requirement Area (Ha)
St Andrews	8**	Provision set by TAYplan	10
Cupar	5**	Provision set by TAYplan	10
Dalgety Bay	9*	Priority - Protect Existing Supply	-
Burntisland	4*	Priority - Protect Existing Quayside	-
Total			20

Table 6.1

6.7 As stated, based on past rates of take up, the strategic requirement total for the next 7 years for Fife is 208ha. This is reduced by 20ha in order to accommodate the provision set by the Strategic Development Plan, TAYplan. This means that the strategic employment Land Requirement for the remaining seven Key Settlements stands at 188 ha. (This does not take into account the requirement for 10ha of Science Park at St. Andrews by 2032) This has been calculated by using the scoring system from Table A2 (Appendix 2) and applying the appropriate proportion of strategic requirement in order to establish the required amount of Strategic Employment Land that is required. (Ref. Table 6.2 overleaf). On the basis that major investors and businesses focus on the right quantity of land in the right location, the strategic land supply **must be marketable** in order to contribute effectively towards the 7 year land supply requirement.

Strategic Settlement	Score	Proportion of Strategic requirement (%)	Strategic Employment Land Requirement Area (Ha)
Dunfermline	24	26	49
Glenrothes	21	23	43
Kirkcaldy	14	15	28
Rosyth	13	14	26
Levenmouth	11	12	23
Inverkeithing	6	6	11
Lochgelly	4	4	8
Total		100	188

Table 6.2

6.8

General Requirement

General employment land supply will continue to be provided across the 20 key settlements of Fife. The 7 year land supply requirement was calculated primarily based on the average of take up at 4.5 ha per annum multiplied by 7. This figure was augmented in St Andrews and the East Neuk where latent demand and recent development interest necessitates additional provision. This provides a full General Employment Land 7 Year Requirement of **33 ha**. From evidence gathered, small /medium scale employers are more reliant on the need for serviced sites. Therefore in order to be responsive to business needs the general 7 year land supply must be, at least, marketable, if not immediately available in order to contribute effectively to business requirements.

6.9

Employment Land Requirement – Summary

- Safeguarded employment land will be defined and protected within the Development Plan from development for alternative uses and reserved specifically for either specialist use or expansion
- The 7 year employment land requirement approach will be retained and will reflect patterns of demand
- The 20 key settlements approach will be retained but revised to better reflect demand and to protect supply – resulting in:
 - A 7 year general employment land supply of 33 ha is required across the 20 key settlements which must be immediately available to be effective
 - A 7 year strategic employment land supply of 188 ha is required across 7 of the 11 strategic settlements where higher demand exists which must be marketable to be effective
 - Effective supply must be met at settlement level, not at Fife level, to meet employment requirements

- The requirements for employment land will be embedded in the Development Plan for Fife through policies and proposals
- To meet demand, and the aspirations of National, Strategic and Council policies and strategies, it is necessary to allocate a variety of sites across a number of locations to optimise delivery of employment. The result is the need to allocate more land than the minimum requirement to meet the 7 year land supply, in order to provide choice to the market. 7 out of the 20 Key settlements have a Green RAG Status overall.

Table 6.3

Key Settlement	Total Supply	Total 7 Year Employment Land Requirement #	Marketable Supply	OVERALL RAG Status for Key Settlement
Ballingry, Lochore, Crosshill	5.2	1.9	5.2	Green
Burntisland	3.5	1.7	1.1	Yellow
Cardenden/ Bowhill	3.8	1.6	1.5	Yellow
Cowdenbeath	2.9	1.8	2.9	Green
Cupar	20.4	11.1	0.0	Red
Dalgety Bay	1.9	2.0	1.9	Yellow
Dunfermline	159.6	50.9	68.7	Green
East Neuk	5.1	1.5	4.1	Green
Glenrothes	73.8	44.9	48.2	Green
Howe of Fife	5.5	1.1	3.5	Green
Inverkeithing	11.2	12.9	0.0	Red
Kelty	3.2	1.9	0.0	Red
Kennoway/ Windygates	3.5	1.4	1.0	Yellow
Kirkcaldy/ Dysart	79.2	29.4	10.5	Red
Levenmouth (Buckhaven/ Methil/Leven)	42.6	24.4	7.8	Red
Lochgelly	43.4	9.8	2.5	Red
Rosyth	39.8	27.9	39.8	Green
St Andrews	24.5	11.5	0.5	Red
Newport/ Tayport	1.8	1.2	0.3	Red
West Fife Villages	18.5	1.8	0.9	Red
Total	549.4	240.4	200.4	

6.10 In Summary,

- The employment land requirement calculation is based on projected take-up of 33ha per annum across Fife.
- The total 7 year employment land requirement for Fife is 240 ha.
- The general 7 year land requirement is 33ha (based on average 4.5ha per annum take-up, *with additional provision in St Andrews and East Neuk settlements) and must be 'immediately available' to be effective.
- The strategic 7 year land requirement is 208ha (based on 29.5ha per annum take-up) and must be 'marketable' to be effective.
- There is a need identified in the Development Plan to include safeguarded land for specialist uses and major expansion needs. This amounts to 98.3ha of safeguarded land.
- The total supply across the 20 key settlements is 549.4ha.
- The total employment land supply across Fife is 1172.1ha which includes land outside the key settlements.
- On the basis that historic employment levels within Use Class 4, 5 and 6 vary across Fife and that evidence suggests a correlation between employment levels and related demand for employment land, as a sensitivity check, the provision at settlement level was projected based on levels of employment within Use Classes 4, 5 and 6 across the 20 key settlements. *

7.0 Delivering the 7 Year Employment Land Requirement

7.1 Gap Analysis

Having established the employment land requirement it is necessary to consider the availability and effectiveness of the employment land supply in Fife using the following criteria:

- Quantity
- Location
- Availability

In order to be receptive to market demands, availability of each site is assessed against categories of immediately available, minor constrained or major constrained

The assessment of sites included allocated employment sites within existing local plans, areas of mixed use, strategic development allocations and those sites within existing industrial estates. The detail of the Gap Analysis is in Section 2 of the FELS Technical Report and includes all the sites and the assessment of availability across the 20 key settlements. The full list of all sites across Fife including those recommended for inclusion and removal in the forthcoming Local Development Plan is also in the FELS Technical Report. A number of additional new sites are recommended for inclusion in FELS and the LDP in order further improve the effectiveness of the supply position by increasing the options and choice available to the market. This is particularly important in those areas experiencing medium to long term constrained land supply.

7.2 Seven of the 20 key settlements have an adequate 7 year general land supply which is marketable. Four of the 11 strategic settlements have an adequate marketable 7 year land supply to meet employment requirements; however it should be noted that two of the strategic settlements, Dalgety Bay and Burntisland do not require additional land supply, priority is given to protecting the existing supply.

7.3 In order to maintain a healthy employment land supply, and to meet the aspiration of attaining a 40% effective supply position across the 20 key settlements by 2020, an action plan is required to progress and improve the land supply position. This includes embedding the Fife Employment Land Strategy within the Development Plan process in addition to a programme of direct interventions for Fife Council to support and, in some cases, directly deliver, effective land for employment development.

8.0 Delivering the Strategy

8.1 Local Development Plan

The Fife Employment Land Strategy is recognised as an important land use document and a guide to businesses, private developers and land owners. It is proposed that this latest revision of the strategy will be a part of the forthcoming Local Development Plan. The LDP will identify

- Allocated employment sites which will serve future employment investment and development categorised as:
 - General
 - Strategic
 - Safeguarded
- Established employment areas – serving the needs of established employers
- Estate Improvement Areas – those areas in need of change within existing industrial estates and business parks
- Appropriate policies to ensure the availability and provision of land for employment which will include:
 - Policies to protect established and allocated land for employment and resist inappropriate changes of use
 - Ensuring the provision of a 7 year employment land supply across the 20 key settlements
 - Criteria to assess the appropriateness of changes of use.

8.2 Fife Council Intervention

The need for intervention from Fife Council is recognised as necessary in certain settlements where development for employment is marginal at best, and where return on initial investment is not attractive to investors or landowners. Historically, in those areas where Fife Council has made the initial investment in servicing sites, the private sector and businesses have then followed with investment in units and business space.

Experience has shown that major inward investors are attracted to large sites in strategic locations but are less concerned with servicing whilst smaller businesses and startups rely on smaller, local sites which are serviced and ready for occupation and/or development. Fife Council's budget is becoming more constrained and investment must be focused on those projects which deliver the most significant results. This can be both interventions in areas of market failure or in areas of high turnover where the return on the initial investment can be reinvested quickly.

On balance of the competing issues, the council's interventions will be focused on

- Maximising the availability of the general land supply
- A select few strategic sites where Fife council has direct control over the assets
- Turning the RAG Status of key settlements from Red to Green
- Investing in areas where there is greatest demand
- In brownfield sites, tackling areas of obsolescence where there are higher vacancy rates and dereliction
- Re-investing capital receipts in the above.

9.0

FELS Action Plan

9.1

The Action Plan to deliver FELS is outlined in detail in an accompanying document to the FELS Strategy Document and FELS Technical Report. The FELS Action Plan directs where Fife Council needs to intervene directly through the 2 routes of

1. The planning system - to encourage, facilitate and/or require the private sector, through planning conditions, to deliver the employment land requirement
2. Fife Council direct delivery - through the use of available resources and funding.

For each site, there is also detail provided for the way forward and what will be required by Enterprise, Planning and Protective Services on behalf of Fife Council to deliver the site to most effective use as employment land.

10.0 Compensation for the loss of Employment Land in Fife

10.1 In certain circumstances it may be necessary to allow a change of use on employment land. In circumstances where such proposals are acceptable, a commuted sum will be due to Fife Council as compensation to offset the loss of employment land. The commuted sum will be calculated on the basis of the market value of that area of land which is subject to a change of use from its employment allocation. Market value shall be as defined by the RICS Valuation – Professional Standards January 2014 (Red Book). Fife Council shall appoint a suitably qualified and experienced Chartered Surveyor to determine the market value.

The commuted sum shall then be secured through a Section 75 agreement as part of the Local Development Plan process or individual planning application which will specify

- the amount
- which mechanism is to be used to trigger payment(s)
- where the money will be spent
- what the money will be spent on
- the timescale for delivery.

Where possible, the payment should be paid immediately on issue of planning permission or during the early phase(s) of development to ensure compensation is addressed early in the development timescale to offset the loss.

10.2 Estate Improvement Areas will be defined in the forthcoming LDP which will provide proposals for those areas considered in need of investment. An asset condition survey, which includes an assessment of the level of obsolescence of buildings and land across all employment estates, is currently underway (March 2014) which will provide an indication of where investment and regeneration is most required.

11.0 Conclusions and Recommendations

- 11.1 FELS 2014-2021 incorporates consideration of economic strategies and planning policies at national, regional and local levels. Research included consideration of recent employment-related development, inward investment and major business expansion requirements and employment land enquiries. It also included analysis of employment levels and a detailed assessment of all employment land across Fife. The result is a revised methodology which considers the different needs of business and industry by prescribing a combination of 'general' and 'strategic' employment land requirement which must be 'marketable' to be effective. Safeguarded land for specialist and business expansion needs which will not form part of the mainstream employment land supply.
- 11.2 The effective (marketable) general employment land supply across Fife is 191ha measured against a requirement of 32ha across the Council area. At a strategic level, 165ha of employment land is marketable and therefore considered effective measured against a Fife-wide requirement of 208ha. This equates to 80% of the strategic employment land supply across Fife being effective. There are 7 Key Settlements which have a Green RAG Status for the combined General & Strategic Employment Land Requirement.
- 11.4 Recognition is given to areas in need of investment, i.e. suffering from issues of obsolescence, vacancy and dereliction, through a targeted approach within the forthcoming Local Development Plan to encourage regeneration through 'Estate Improvement Area' designations. This approach will be supported through the FELS Action Plan which recommends council interventions to stimulate improvements and investment e.g. Queensway and Hillend & Donibristle Regeneration Action Plans.
- 11.5 The FELS Action Plan also recommends targeted interventions to improve the effectiveness of the supply at settlement level recommending acquisitions and servicing by the council to unlock constraints to the supply as well as setting requirements to be delivered through the planning system to secure private sector delivery where possible.
- 11.6 It is recommended that the annual FELS audit measures the effectiveness of the supply against the employment land requirement, not against the allocated supply position as this includes deliberate over-provision to improve choice to the market.
- 11.7 To conclude, this strategy supports the potential for Fife to be the Best Place to do Business by maximising the availability and effectiveness of land for development in the right locations across Fife by meeting the needs of small enterprises as well as major inward investors.

Appendix 1

Table A1 - 20 Key Settlements in Fife

Ballingry, Lochore & Crosshill	
Burntisland	
Cardenden/Bowhill	
Cowdenbeath	
Cupar	
Dalgety Bay	
Dunfermline	
East Neuk	Anstruther/ Cellardyke, Crail, Elie, Pittenweem, St Monans
Glenrothes	
Howe of Fife	Auchtermuchty, Falkland, Ladybank, Newburgh
Inverkeithing	
Kelty	
Kennoway/ Windygates	
Kirkcaldy/ Dysart	
Levenmouth	Buckhaven, Methil, Leven
Lochgelly	
Rosyth	
St Andrews	Guardbridge, Strathkinnes, Cameron
Tayport/ Newport	
West Fife Villages	Blairhall, Cairneyhill, Carnock, Comrie, Culross, Kincardine, Oakley, Saline, Torryburn/Newmills, Valleyfield

In the Fife Employment Land Strategy 2006-2015 (2006) and the Fife Employment Land Strategy 2006-2015 Mid-Term Review (Final Report, Feb 2012) one of the original 20 key settlements was identified as Leven. During the Local Development Plan process and the preparation of this Strategy, it was determined that, in order to provide complete coverage across the whole of the Fife Council, Howe of Fife settlement be included. The settlement of Leven was incorporated into the grouping of settlements at Levenmouth, thus ensuring that the list of key settlements remains at 20 in total.

Appendix 2

Table A2 – Employment Land Provision in Fife

Key Settlement	Logistical / Specialist Advantage	Area of High Demand	Larger Centre of Population (>10,000)	Development Plan Strategic Focus	Investment Zone	No. of Top 100 Companies Located in Settlement	Settlement Score ***	Level of Provision #	
								General	General & Strategic
Ballingry, Lochore & Crosshill	0	0	0	0	0	1	1	√	
Burntisland	1	0	0	1	0	2	4	√	√
Cardenden/Bowhill	0	0	0	0	0	0	0	√	
Cowdenbeath	0	0	1	0	0	0	1	√	
Cupar	1	0	0	1	0	3	5	√	√
Dalgety Bay	1	1	0	0	0	7	9	√	√
Inverkeithing	1	0	0	0	0	5	6	√	√
Dunfermline	1	1	1	1	1	19	24	√	√
East Neuk	0	0	0	0	0	1	1	√	
Glenrothes	1	1	1	1	1	16	21	√	√
Howe of Fife	0	0	0	0	0	0	0	√	
Kelty	1	0	0	1	0	0	2	√	
Kennoway/ Windygates	0	0	0	0	0	1	1	√	
Kirkcaldy	1	1	1	1	1	9	14	√	√
Levenmouth Area	1	1	1	1	1	6	11	√	√
Lochgelly	1	0	0	1	0	2	4	√	√
Rosyth	1	1	1	1	1	8	13	√	√
St Andrews*	0	0	1	1	0	6	8	√	√
Tayport/Newport	1	0	0	1	0	1	3	√	√
West Fife Villages	0	0	0	0	0	3	3	√	√

* St Andrews extended catchment to include Guardbridge, Strathkinnes and Cameron

** 1 Point for each Top 100 company located in the Key Settlement

*** The Settlement Score was calculated from the No. of top 100 companies in each of the Key Settlements, added together with the points scored for the definition against each of the previous 5 criteria

The level of Provision is classed as General when the Settlement Score is 0-3. Level of provision is classed as both General and Strategic when the Settlement Score is 4 and above