

Perth and Kinross LDP3 2027 - Evidence Report

TOPIC PAPER NO. 026: Business and Industry

May 2024



Invest in Perth image credit for photos of Perth and Kinross industrial land/premises and Perth concert hall



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1 Introduction

1.1 This topic paper sets out the key information relating to Business and Industry which will be covered by the Perth and Kinross Local Development Plan (LDP) 3, as required under the provisions of Section 16B Act ¹. It will, alongside a range of other topic papers, contribute towards the preparation of the Council's Evidence Report, which is programmed to be submitted to the Scottish Government's Planning and Environmental Appeals Division during September 2024 for the 'Gatecheck' process.

1.2 The purpose of an Evidence Report is to provide the local authority's interpretation of the evidence it has gathered and the likely implications of that evidence for the preparation of the LDP. The Report will provide a summary of what the evidence means for the plan, rather than contain all the detail of evidence collected.

Relevant Policies

1.3 This topic is covered by the following policy in National Planning Framework 4: Policy 26 Business and Industry.

Legal and National Policy Requirements / Expectations

1.4 In line with the requirement of the Act, this paper will provide important background information for the Plan area regarding:

- principal economic characteristics of the district

1.5 Under this policy the National Planning Framework 4 (NPF4) expects LDPs to:

- allocate sufficient land for business and industry, taking into account business and industry land audits, and current needs and market expectations
- ensure that there is a suitable range of sites that meet current market demand, location, size, and quality in terms of accessibility and services
- allocate employment land taking account of local economic strategies and support broader objectives of delivering a low carbon and net zero economic recovery, and a fairer and more inclusive wellbeing economy
- consider future risks arising from climate change when identifying major development sites and significant business clusters
- identify where existing business sites are underused, for example where there has been an increase in vacancy rates, and where reallocation to enable a wider range of viable businesses or alternative uses may be considered, taking careful account of the potential impacts on existing businesses on the site

¹ The Town and Country Planning (Scotland) Act 1997, as amended by the Planning (Scotland) Act 2019

- encourage, including by use of the spatial strategy and site allocations opportunities for home-working, live-work units, micro-businesses, and community hubs.

1.6 [National Planning Framework 4](#) further supports Scotland’s move towards a wellbeing economy. It sets out the Scottish Government’s vision for measuring progress towards economic growth that is both sustainable and inclusive, using an outcomes-based approach. The Framework sets out 11 different outcomes and progress towards them is assessed using 81 indicators to give a measure of wellbeing that includes a broad range of social, cultural, and environmental factors as well as economic considerations. The supply/demand for employment land can contribute to several of the outcomes associated with ‘Economy’ and ‘Fair Work and Business’. These outcomes seek to ensure that the country’s businesses can thrive and that local, and national, economies are sustainable in the long term. Correspondingly it also contributes towards achieving the reduction of poverty through providing more opportunities within deprived areas.

1.7 Local living and 20-minute neighbourhoods are referred to in Policy 15 in order to encourage the application of the Place Principle and create connected and compact neighbourhoods where people can meet the majority of their daily needs within a reasonable walking distance of their homes, preferably by walking, wheeling or cycling or using sustainable transport options. Local access to employment is part of this concept.

Perth and Kinross Council Corporate Plan 2022-2027

1.8 The Business and Industry topic paper links to the following priorities from the Perth and Kinross Council Corporate plan: Stronger and greener economy and Tackling climate change. There will be a need to consider how the Proposed Plan employment land strategy can contribute to the following key action, from the Stronger and greener economy priority:

- Support and promote business growth, business and place innovation and investment in both our urban and rural areas

1.9 Also, there is a performance indicator for the area of immediately available serviced business land. The Proposed Plan has a role in assisting this is maintained at an appropriate level, and can assist by identifying a suitable range of sites that meet current market demand, location, size, and quality in terms of accessibility and services.

2 Information analysis on Business and Industry

List of data sets, sources, and how they are relevant

This section sets out the evidence which is needed so that the Proposed Plan can address the issues raised in the Act and in NPF4.

- 2.1 [Levelling Up the United Kingdom](#) in early 2022, the UK Government published this White Paper, and its strategy seeks to ensure that more jobs are provided outside of London and opportunities are made available in all parts of the country. Businesses need to be attracted to invest in other areas of the country, similarly, job opportunities are to be created in areas where they have been lacking. As part of its vision to level up the country, the UK Government has also invested £1.5 billion since 2014 to City and Growth deals across Scotland. The White Paper notes the Tay Cities Deal operating in Perth & Kinross and the Community Renewal Fund covering the region which is delivering an employment and wellbeing programme.
- 2.2 [Scotland's National Strategy for Economic Transformation](#) published in March 2022, sets out a ten-year strategy, and provides a set of key priorities and actions with a vision of achieving a wellbeing economy that is prosperous for all the country's people and places. One aspect of the strategy's vision is for Scotland to be 'the best place to start and grow a business. A key issue highlighted by the strategy is that Scotland falls behind other countries in terms of its productivity. It notes that there are too few businesses scaling up or starting and that limited access to infrastructure is a factor in this problem.
- 2.3 Each of the priorities and proposals identified in the Scottish National Strategy for Economic Transformation is a national objective and all have implications for Perth & Kinross. With a key focus of the strategy being on inclusive growth across the country, it is evident that Perth & Kinross requires economic growth and investment in high productivity sectors to raise local and national productivity rates. Having adequate supply of employment land and property is a factor in enabling this vision within Perth & Kinross and supporting business growth.
- 2.4 In relation to the productivity challenge facing the national economy, the strategy also notes low national levels of research and development (R&D) activity. Again, as this is a national problem it is also likely to apply in Perth & Kinross. Data collected by the Scottish Government on Business Research and Development (BERD) shows that in 2020, businesses in Perth & Kinross spent just under £6 million on R&D, accounting for 0.4% of the total spend in Scotland during the year. The data also shows that R&D investment by businesses in Perth & Kinross peaked at £10.6m in 2014 but has since struggled to replicate this level. Even at this peak level, R&D expenditure by Perth & Kinross businesses as a proportion of total Scottish R&D expenditure was still just 1.1%. Perth & Kinross has 3% of Scotland's population but 1% of R&D expenditure. In terms of planning's role in helping to provide the foundation for growth, R&D investment in Perth & Kinross in excess of historic trends will require premises in locations that are suitable for businesses to conduct R&D.

2.5 The transition to becoming a net zero economy offers new market opportunities for businesses in Scotland, notably in the financial, manufacturing and energy sectors. Growth and investment in these sectors can take early advantage of such opportunities, in addition to creating a skilled workforce. To enable this growth, sites for expansion need to be available for firms, particularly for those looking to relocate to areas where opportunities are available. Large capital investments in this market will translate to economic growth in the areas in which they occur.

2.6 [Tay Cities Region Economic Strategy 2019-2039](#) seeks to deliver on the agreements set out in the Tay Cities Region Deal. This includes supporting the growth and development of local businesses, innovation, productivity, skills, and employment. Facilitating this growth requires adequate access to employment land premises and creating such facilities that encourage investment into the area.

2.7 Together with the Tay Cities Deal, the strategy has the vision of making the region an exciting place to live, work, visit and invest in, with the key ambition of increasing the number of businesses and jobs in the region. The strategy proposes doing so by investing in the area's key business sectors, in skills and employability, and in businesses premises and employment land in the region. The Tay City Region business base tends to mirror that of Scotland as a whole, with a high proportion (87%) of micro businesses. Whilst the key business sectors noted in the strategy are:

- Tourism

- Food and Drink
- Manufacturing and Engineering
- Construction
- Energy & Renewables
- Digital & Creative Industries
- Life Sciences

2.8 Perth & Kinross has long-term strengths in the tourism, and food and drink sectors. However, the area is now also becoming a focus for agri-tech and eco-tourism. There is also a focus on innovation in the insurance and finance sectors and energy transition.

2.9 [Tay Cities region deal](#) was signed in December 2020. In relation to Perth & Kinross property investment, there is funding allocated towards:

- Two plant science centres at the James Hutton Institute in Invergowrie
- Project Beacon's new concept Advanced Plastics Recycling Facility (A-PRF) which enables 'all plastic' collections

Other property investment, which is cultural and tourism related, is allocated towards:

- Perth Museum which opened Spring 2024

- Pitlochry Festival theatre which is being supported to develop indoor and outdoor spaces to improve accessibility, sustainability, and experience
- Aero Space Kinross to provide the foundation of a funding structure to construct a uniquely themed Aviation, Astronomy and Space Flight Science Centre
- Crieff International Highland Centre, a new, purpose-built Centre it will be the first of its kind in Scotland, it aims to become a world base for Highland sports, dance, and music and to maintain and grow these essential elements of Scottish Highland culture
- Library of Innerpeffray investment to help secure its long-term future by upgrading its education and visitor facilities

2.10 Infrastructure wise the Deal also allocated funding towards:

- Perth Innovation Highway a 5-mile smart technologies corridor linking Perth Eco Innovation Park at Perth West, a 25 hectares area of employment land with Perth City Centre
- High-speed broadband access in rural Perth & Kinross
- The Perth Transport Futures Phase 2 (Cross Tay Link Road / Destiny Bridge) which will provide new major road infrastructure to support the growth of Perth and the future development employment areas

- A Low Carbon Transport and Active Travel Programme including the development of a low carbon transport hub at Broxden Park and Ride in Perth, active travel network across Perth and a hydrogen refuelling station at Perth West. This will help make this core employment location more sustainable.
- A Perth Active Travel Hub in the city centre to transform a bus interchange
- Perth Bus & Rail Interchange to support the redevelopment of Perth's Bus and Railway Stations, improving connectivity between them and the city centre

2.11 The Deal also supports a series of regional programmes which would also benefit Perth & Kinross as follows:

- Improving skills and supporting key growth sectors such as Clean Growth
- Support for engineering via Aviation academy and Tayside Engineering Partnership projects

2.12 [Perth and Kinross Economic Wellbeing Plan 2020-2028](#) was co-produced in the spring of 2021 by a Taskforce set up to help economic recovery because of the impact of Covid-19.

2.13 The Economic Taskforce continues to monitor progress and to review the economic impact of the pandemic. The Plan names 73 actions under 3 broad headings of People (17 actions), Business (27 actions) and Place (29 actions). Those actions of direct relevance to employment property and land are:

- Provide business support and micro-grants to micro businesses to support start-up or expansion costs.
- Support the Circular Economy/Waste hub at Binn Eco-Park and across Perth & Kinross around Project Beacon (plastics recycling -Tay Cities Deal funded project) and attract £10m private investment.
- Support Food and Drink / agriculture /bio-economy innovation.
- Support an Engineering Innovation hub at Perth College/UHI linking to Aviation Academy/Tayside Engineering Partnership projects (Tay Cities Deal funded projects).
- Examine options to set-up a revolving fund financing upfront infrastructure to open up new housing and mixed-use sites (including traditional developer contributions, joint ventures, or acquisition of land) in return for investment focused on Perth city and rural sites which are key to the delivery of the Local Development Plan (LDP) strategy.
- Deliver Perth Eco Innovation Park linking to Perth Innovation Highway/Mobility Hub (Tay Cities Deal funded projects) 2020-2030.
- Promote and support property adaptation and vacant site development.
- Perth Transport Futures Phase 2 (Cross Tay Link Road / Destiny Bridge) as new major road infrastructure to support the growth of Perth and the future development of housing and employment areas.

2.14 [Perth City Plan 3: Perth 2040 our agenda for change](#) (August 2019) sets out an agenda for action through to 2040 and calls for businesses, communities, civil society, and public sector bodies to work together to achieve good growth. Perth City Development Board (PCDB) is an

independent group tasked with setting out a vision for the future of Perth and championing good growth. The Plan carries forward the key aim from City Plan 2 of making Perth one of Europe’s great ‘small cities.’ The Plan acknowledges that Perth faces huge challenges to become the place it strives to be.

2.15 From an employment use point of view this includes:

The Future of Work: changing work patterns with more self-employment and home working. Artificial intelligence, robotics and automation could put 30% of jobs at risk by the mid-2030s, and the least skilled and educated will be most vulnerable. Perth needs to become a resilient, knowledge-based economy.

Building New Communities: by 2040 Perth will need 5,000 new homes, as well as schools, healthcare facilities and employment locations.

2.17 [Perth and Kinross Council Employment Land & Property Market Analysis December 2022](#) Ryden were appointed by Perth & Kinross Council to provide analysis of its employment land and property market. Employment land and property are 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 • Use Class 6 - Storage and Distribution.

2.18 This employment land and property market analysis will inform and underpin the development of the new Local Development Plan 3

(LDP3), the review of Perth & Kinross Council's Investment Property Strategy, its Commercial land and property portfolio, and Commercial Property Investment Programme.

2.19 The objectives of this study were to provide a market analysis of the current and future employment land and property market including Perth & Kinross LDP2 employment allocations, and the Council Commercial portfolio, considering:

- Past - analysing the market supply both property and land, the take up of land, and the demand
- Present - how the market is functioning including private sector investment and viability, and quality of existing property and land supply
- Future - market prospects considering economic changes, property and land requirements, and the health of the private market in different employment sectors and places, and where there is need for public sector intervention

2.20 The report provides:

- An overview of the Scottish market and comparisons to Perth & Kinross.
- A competitive analysis of the Perth & Kinross offers with respect to other competing local authorities.
- Identifies the appropriate level of the fully serviced development plot requirement at major employment locations

to ensure a choice of locations and plot sizes and identifies how to support rural areas and micro businesses.

- An overview of public funding options available for potential investment into Perth & Kinross.
- A recommendation of key priorities for the Perth & Kinross Council Property Investment Strategy
- Determines emerging land use and property occupation trends.

2.21 Perth & Kinross has above average levels of employment in accommodation and food services, agriculture, forestry and fishing and mining, quarrying and utilities reflecting its attractiveness from a tourism perspective and its traditional employment base. These are not generally sectors which have a large employment land/property requirement (in terms of planning use classes). Perth & Kinross has below average levels of employment in health, business administration and support services, professional, scientific, and technical and information and communication. As such Perth & Kinross potentially has a lower overall employment land requirement than an 'average' Scottish local authority.

2.22 The principal employment property locations in Perth & Kinross is the city of Perth itself in which Inveralmond Industrial Estate and North Muirton Industrial Estate are principal locations. There is also notable stock around Crieff, Blairgowrie, Kinross, Errol, and Aberfeldy with

most of the smaller towns throughout the region having some industrial units.

2.23 Take-up of employment land in Perth & Kinross over the last 8 years can be averaged at 2.1 ha per annum. Perth & Kinross has performed slightly better than Falkirk Council over the longer term however is outperformed by Dundee and Dumfries and Galloway. It is worth noting that both Dumfries & Galloway and Dundee achieved very high take up in 2016/17 at 32.93 ha and 22.51 ha respectively which has had a significant impact on their averages.

2.24 The Council supplied Ryden with its employment land assessment matrices for 41 currently allocated sites. Ryden provided a summary assessment relating to these sites for the Perth area, Strathearn, Kinross, Highland, and Strathmore & Glens. The Council's employment land matrices utilise a 'balanced scorecard' approach to determine the sites most likely to require intervention. This considers marketability, any evidence of market failure, planning constraints, potential demand, and consideration of the site against strategic priorities.

2.25 The potential requirement for employment land and property in Perth and Kinross over the period to the anticipated end point of the next LDP (2038) is based upon the research and market analysis presented in this report.

2.26 As markets continue to adjust post-pandemic and the policy and funding landscapes are changing, there is insufficient certainty to offer fixed projections, hence two scenarios are used:

- A market scenario continuing current levels of activity.
- A policy-on scenario whereby delivering sites and premises to meet latent market demand and accommodating future growth including through economic development strategies and project funding combine to raise the level of market activity. A figure of 50% above current levels is selected as an achievable target for the Perth & Kinross market area.

2.27 The potential requirement for employment land and property in Perth and Kinross over the period to the anticipated end point of the next LDP (2038) is based upon the research and market analysis presented in this report. The target should be to sustain employment land take-up at above the historic rate of 2.1 hectares per annum, at c.3-4 hectares as strategic sites come on-stream. The overarching aim should be to provide a constant pipeline of fully serviced employment land across a mix of major employment locations and plot sizes. Employment land should be serviced not only at the strategic estate level but also capable of easy sub-division into plots down to 0.5 to 1.0 acres (0.2 to 0.4 hectares).

2.28 There are presently eight employment sites being marketed in Perth & Kinross, totalling 32.72 acres (13.24 hectares). This includes sites at Arran Road and the Perth Food and Drink Park in North Muirton Industrial Estate, the former Travis Perkins' site on Inveralmond Road (Inveralmond Industrial Estate), Pitheavlis (former Aviva training centre and hotel) and sites at Kinross West and Brioch Road in Crieff.

This is an encouraging mix of developable plots although it does total less than 5% of allocated employment land.

2.29 [Employment land audit 2022](#) (ELA) provides information on the supply and availability of employment land for business and industrial use within the Perth and Kinross Council area. The Perth & Kinross Employment Land Audit is produced annually to provide up to date and accurate information on the supply and availability of employment land for business and industrial use within the Council area. It was prepared from information provided in the LDP and through the monitoring of planning application approvals.

2.30 The audit provides information on the following:

Total Available Employment Land: This includes land that has been zoned for business, industrial and general employment use in the adopted LDP and windfall sites which have current planning permission for use classes 4, 5 and 6

Marketable Land: can also be referred to as the effective land supply

Major Constrained Land: is with significant constraints which can affect the immediate availability of the site

Minor Constrained Land: with minor constraints

Immediately Available land: with no known constraints

Take up: which is the calculation of employment sites/ or part area thereof which has been completely developed

Serviced employment land: which has road infrastructure up to the edge of the individual plot with the other services provided adjacent to the overall site (electricity connection, water supply connection,

foul drainage connection, gas connection and telecommunication connection).

2.31 The total area of identified Employment Land is 292.72 Hectares. The total area of effective land (Immediately available + marketable) is 290.32 hectares, and 36.94 Hectares of land is identified as serviced. Of the total area of identified employment land, 84% is constrained by minor factors including physical, amenity and ownership constraints.

2.32 There was no 2023 audit, but it is not anticipated that there will be significant change to the marketable employment land when the 2024 Employment land Audit is prepared. This 2024 audit will not be available for the Evidence Report stage, but it will provide baseline information on the supply and availability of employment land for business and industrial uses within the Perth and Kinross Council area for the preparation of the Proposed Plan.

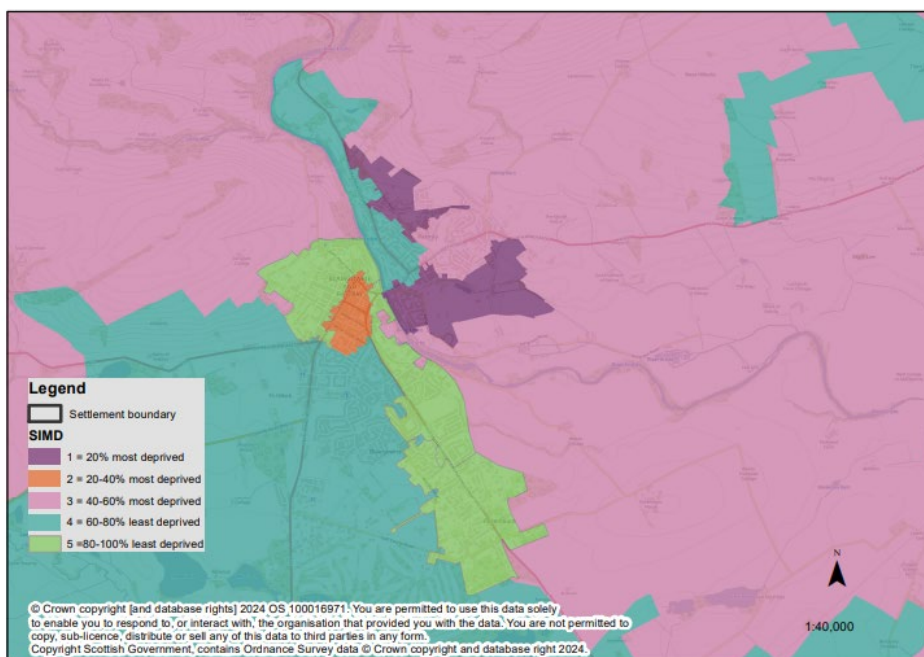
2.33 [Scottish Index of Multiple Deprivation](#) has some limitations to its use within Perth and Kinross. The SIMD Data zones in rural areas tend to cover a large land area and reflect a more mixed picture of people experiencing different levels of deprivation. The SIMD is less helpful at identifying the smaller pockets of deprivation found in more rural areas, compared to the larger pockets found in urban areas.

2.34 In rural areas income deprivation is dispersed, and nine out of ten people who are income deprived do not live in the 20% most deprived

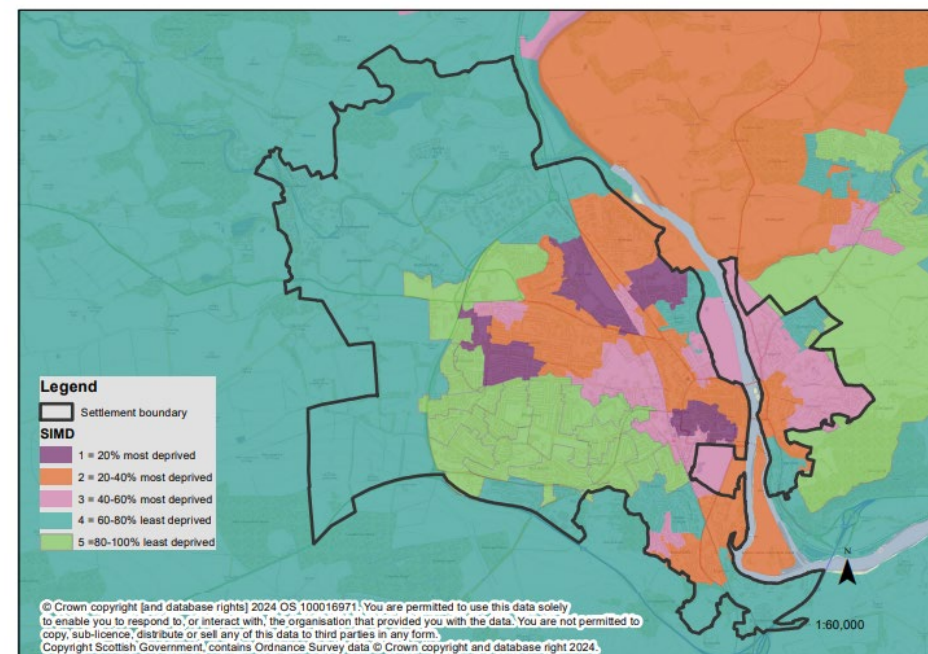
areas.² Rural areas are defined by Scottish Government as being places with population less than 3,000, and Perth and Kinross has a rural population of 45.9%.³ This means the SIMD has significant limitations for identifying deprivation within nearly half of the population of Perth and Kinross.

2.35 SIMD data indicates that only settlements of Perth and Blairgowrie and Rattray have areas within the most deprived quintile (20%), and maps 1 and 2 show areas involved.

Map 1 Blairgowrie SIMD (which shows some areas in Rattray within the most deprived 20% in purple)



Map 2 Perth SIMD (which shows some areas within Fairfield/Tulloch, Muirton, Letham and City Centre within the most deprived 20% in purple)



2.36 **20-minute neighbourhood and local living analysis and settlement audit work** will be carried out to support the preparation of the Proposed Plan. This analysis will inform the spatial strategy and may identify additional priority places where we should try to identify employment land opportunities if possible. It is planned as part of the Settlement Audit work for the Proposed Plan to develop a Localities

² SIMD Rural Deprivation evidence summary, November 2016

³ Scottish Government Urban Rural Classification 2020, May 2022

Profile template which will set out those factors which officers need to take account of in developing their understanding of each place and its needs to satisfy the requirements of the Planning Act, Regulations, LDP Guidance and NPF4 policies.

2.37 **Scottish Vacant and Derelict Land Audit** will also be a valuable information resource and having an up to date and accurate record of vacant and derelict land within the area, helps identify the scale of the problem and any issues relating specifically to Perth and Kinross which may require a local policy response in LDP3. It will also assist in the identification of potential development sites for the Proposed Plan. It is important, however, to note that not all brownfield land and vacant buildings will be included within the SVDLS. Furthermore, the 2023 SVDLS data is not yet published on Scot Govt website and for Perth and Kinross it was only possible to carry out a refresh of existing sites rather than a full review for the 2023 survey return. The Proposed Plan will need to use the most up to date data available. For further information on SVDLS sites in Perth and Kinross Area please refer to the Brownfield, Vacant and Derelict land, and Empty Buildings topic paper.

2.38 **An urban capacity and brownfield study** will target the development of brownfield sites through the preparation of a brownfield register of potential development sites and vacant properties.

2.39 A pilot exercise has so far been undertaken for a specific area of Perth and Kinross which considered vacant and derelict land, vacant properties, community land audit, car parks, underutilised open space,

land in council ownership, land allocated for employment safeguarding in LDP2, land allocated in LDP2 and the housing land audit but not yet fulfilled, and officer identified sites. The main purpose is to identify sites for affordable housing, including small sites that could be brought forward for development immediately or considered for the longer term via the LDP review process.

2.40 An initial assessment identified those sites which could be immediately discounted, for example, those which would not comply with planning policy for housing. A full sites assessment was then carried out on the remaining sites, and these were then scored to identify:

- green sites with few constraints and the potential for delivery in 1-2 years
- amber sites with a small number of significant constraints (or a large number of small constraints) that make feasibility less uncertain and where further assessment is needed
- red sites which have significant constraints, and which would need to be considered through the review of the LDP

2.41 Partners, including development trusts are using the results of the pilot to engage with landowners and explore the development viability of green and some amber rated sites in more detail. The process has been reviewed and refined and will be rolled-out across the Perth and Kinross area. This study does, however, have the potential to amass a large amount of data. Of particular relevance to the preparation of the

Proposed Plan will be the identification of 'red' sites which will require to be assessed through the LDP review process. An additional output beyond identifying land with housing potential, is a register of Brownfield sites for development that have current planning policy and preliminary development risks assessed. Having an up to date and accurate record of all known brownfield land within the area helps identify the scale of the problem and any issues relating specifically to Perth and Kinross which may require a local policy response in LDP3.

2.42 **Perth and Kinross Council Employment land matrices** utilise a 'balanced scorecard' approach to determine the sites most likely to require intervention to bring them forward. Whilst overall employment land supply is healthy, delivery is not without challenges with the share of employment sites owned by the Council low. These sites LDP2 sites are analysed in the Perth and Kinross Council Employment Land & Property Market Analysis December 2022. As per the Ryden's report recommendation assessment should be amended to refer more consistently to active travel linkages. This aspect was considered through Strategic Environmental Assessment (SEA) of these sites, but it then needs to be carried forward in the matrices. There is also a need to add an assessment for the employment land at Oudenarde which is wrongly identified in LDP2 as an area of safeguarding for core employment uses (despite it not being developed yet). These matrices should also be updated to include any new employment sites that are allocated in the adopted LDP3.

2.43 **There is LDP2 categorisation of two types of employment land, core and general** which has a different policy approach associated to them both, providing greater flexibility on acceptable uses for the general employment land, and less flexibility for the core. If the Proposed plan continues this approach, there will be a reassessment of their allocation as either core or general areas, in terms of existing function and character, and with consideration to vacancy rates. There will also be consideration through the Urban Capacity and Brownfield study as to where reallocation to enable a wider range of viable businesses or other alternative uses such as housing should be considered through the Proposed Plan process.

2.44 **City Centre Design and Development Framework** is currently being prepared by consultants under the Council's instruction and guidance. The development of the guide will be building on existing planning and economic design and development guidance and research and more recent political agreement to focus on both improvements to streetscape and properties within Perth city centre and a series of investment areas that have the potential to drive further sustainable economic growth and city centre revitalisation as follows:

- Cultural Quarter
- Mill Quarter
- Harbour Quarter
- University Quarter
- and the Station Quarter

2.45 This additional design and development guide will extend and complement the strategic framework of the City Plan and other planning and economic development frameworks at regional and local level and allow us to continue to promote and secure investment to deliver on key priorities for sustainable growth of the city and economy.

2.48 This work will inform the development and promotion of property development and vacant and underdeveloped sites in Perth city and city centre. This will identify sites which will be further considered through Local Development Plan review. In the case of the harbour area, flood risk may restrict the acceptable range of uses, particularly residential. More information about the potential redevelopment of the harbour area is provided in the Coastal Development and Aquaculture topic paper.

Summary Context and Analysis

This section sets out a summary analysis of this evidence base and identifies any gaps or uncertainties.

2.46 In terms of quantitative analysis there is a generous 290 hectares of marketable land in the 2022 ELA, which will not significantly change when we update our ELA (programmed for late 2024). This suggests a very healthy employment land supply.

2.47 In terms of qualitative assessment, when completed, the SVDLS, and the Urban Capacity and Brownfield Study will provide an effective review of capacity and potential of development sites and vacant

properties. The key strategy is to retain employment land in the good locations and consider reallocating to other uses where existing business sites are underused or unsuitable. After the identification of potential LDP allocations, or alternative uses for existing allocations, there will be SEA site assessment of all sites. The Proposed Plan will consider any potential new employment land sites, whether any existing ones should be deallocated, and where mixed-use allocations could improve deliverability and viability of employment land and/or address local living objectives.

2.48 There are some common aims and objectives within the national, regional, and local strategies and policies analysed. These common aims and objectives include generating economic prosperity for all people and places, focussing on economic wellbeing, reducing poverty, and moving towards economic growth that is both sustainable and inclusive. Supporting these aims and objectives, it is suggested that the Evidence Report may refer to analysis of employment need, local poverty, disadvantage, and inequality, to identify where future business and industry development may provide most benefit. However, in a Perth and Kinross context, there are significant limitations to using the Scottish Index of Multiple Deprivation (SIMD) data to inform our employment land strategy as rural deprivation is dispersed, and the rural population accounts for nearly half of the Perth and Kinross population.

2.49 To identify where future business and industry may provide the most benefit there is also a current gap in evidence in terms of the

settlement audit work which when completed will help inform work on Local Living and 20 Minute Neighbourhoods required under NPF4 Policy 15. The template has yet to be developed but will be in place prior to work beginning on the Proposed Plan and will consider the range of employment opportunities, and availability of LDP employment land. These settlement audits will be informed by results of our LDP3 Big Place Conversation exercise (using the Place Standard Tool) which are being collated to produce summaries for each of the localities. These summaries will be available for inclusion in the Evidence Report and considered through our Settlement Audit work for the Proposed Plan.

2.50 The Perth and Kinross Council Employment Land & Property Market Analysis December 2022 identifies that the majority of allocated employment land supply is constrained and unlikely to be developed in the short-medium term without any public sector intervention. Perth and Kinross Council Employment land matrices utilise a 'balanced scorecard' approach to determine the sites most likely to require Council intervention and their relative attributes. When updating these assessments, there was not always enough consideration of active travel links, an area of increased emphasis in national policy. Also, since they were prepared, there is an increased emphasis on generating economic prosperity for all people and places. Future updates of these matrices should consider those aspects carefully. Informing these matrices, analysis of the spatial distribution of existing serviced employment land, Perth and Kinross Council employment property records, and 20-minute neighbourhood analysis

will help identify priorities. This work considering LDP employment land allocations and their relative priority for public sector intervention will inform the LDP review, help with delivery of LDP sites, and will inform Perth & Kinross Council's Investment Property Strategy, its Commercial land and property portfolio, and Commercial Property Investment Programme. It will also assist in maintaining the Perth and Kinross Council Corporate plan performance indicator for the area of immediately available serviced business land to an appropriate level.

Summary context and analysis

There is a generous 290 hectares marketable land available however the majority of LDP2 employment land is unlikely to be developed in short-medium term without public sector intervention.

Settlement audit work and updating employment land matrices will help identify where new LDP allocations are needed and/or where public sector intervention could provide the most benefit.

To review capacity of potential development sites there will be the SVDLS and urban capacity/brownfield study, and thereafter SEA site assessment of all potential allocations identified.

Employment land matrices will help prioritise public sector intervention and help deliver constrained sites.

Implications for the Proposed Plan

The initial implications of the evidence base for the Proposed Plan which have been identified so far are set out below. This will be revised and updated following consultation on this Topic Paper.

2.51 Taking account of the strategies covered in this topic paper, and their aims and objectives in LDP preparation process requires the LDP to allocate sufficient and appropriate locations for business and industry. To sustain employment land take-up at above the historic rate of 2.1 hectares per annum, at c.3-4 hectares, as strategic sites come on-stream as per the Perth and Kinross Council Employment Land & Property Market Analysis December 2022, would require for the LDP3 plan period 2027-2037 to identify at least 48 hectares of employment land (12 years supply, 4 hectares x12 =48 hectares, taking account of the 2 preceding years from Proposed Plan 2025 to adoption 2027).

2.52 However, to calculate the overall employment land requirement, provision is suggested for any unanticipated larger industrial user/s as experience has shown in the take up for Dumfries & Galloway and Dundee, that authorities can massively exceed their average in this way. It is considered that an additional 30 hectares would be appropriate to account for this scenario. Additionally, for calculating housing land requirements, the MATHLR set out in NPF4 for each authority includes a generous flexibility allowance of 25-30% to compensate for sites stalling or not delivering as expected. A similar provision is suggested for employment land and leads to a potential 100-hectare employment land requirement.

Summary of the potential Proposed Plan employment land requirement:

- 48 hectares for the anticipated take up over 2025-2037 period
- add 30 hectares for unanticipated larger industrial user/s
- add between 25-30% for flexibility

This suggests a potential minimum total of 100 hectares of effective employment land) would be an appropriate employment land requirement for LDP3.

Key discussion point for feedback

Feedback is sought on the potential minimum employment land requirement which could be identified in the Proposed Plan

2.53 In terms of qualitative analysis, delivering Perth & Kinross' market potential - including the industrial property projections suggested in the Perth and Kinross Council Employment Land & Property Market Analysis December 2022 - and creating capacity for mobile and unanticipated projects will require more of the land supply to move beyond allocation into servicing and marketing. Where development viability is weak or marginal, even small constraints to development of land such as survey costs and risks, minor works,

landscaping/parking/paths, or plot servicing can become absolute constraints to occupiers or developers making their investment. Mainly this issue is a market one, and there will be a need for public sector intervention and investment. However, planning interventions could also assist.

2.54 To help address this viability and deliverability issue LDP3 will need to consider further opportunities for mixed uses allocations where appropriate and ensure there is appropriate cross funding between housing and employment uses. This approach would also support the 20-minute neighbourhood, local living policy. Also to ensure cross funded serviced sites are given ready consideration should be given to defining serviced employment land in the LDP so that there is a consistency in the quality of the cross funded employment land delivered.

2.55 In terms of generating economic prosperity for all people and places, and reducing poverty, the SIMD highlights the importance of the Proposed Plan identifying sufficient employment land within Perth, and Blairgowrie and Rattray. However, their position within the settlement hierarchy, and the market demand within them, supports this approach too. It is considered that the Proposed Plan strategy should where possible provide employment land provision within the following settlements (which are tiered settlement locations from the LDP2)

- Perth core area

- The 3 regional centres (Crieff, Kinross/Milnathort, and Blairgowrie/Rattray)
- and the local centres (Pitlochry, Dunkeld and Birnam, Aberfeldy, Auchterarder, Alyth, and Coupar Angus)
- also further locations to meet market demands, and other policy objectives, such as reuse of brownfield land, and 20 minute neighbourhood/local living aims and objectives should be considered.

2.56 In terms of the quality of the supply, there is a need to ensure the LDP area has a suitable range of sites that meet current market demand, location, size, and quality in terms of accessibility and services. Also, the Proposed Plan will need to consider planning and land use implications of the Tay City Deal projects, and the Perth and Kinross Economic Wellbeing Plan 2020-2028. Some are well progressed projects with land allocations, but some are at an early stage and haven't secured a site or an allocation in the LDP. It will be important to consider needs of those projects in the preparation of the Proposed Plan and where necessary try to identify appropriate sites for them. The vision of the City Plan 3 will also inform the Proposed Plan. Whilst the City Centre Design and Development Framework may suggest sites for consideration through the SEA process and Proposed Plan preparation.

Summary of the qualities required for the Proposed Plan employment land:

Delivering Perth & Kinross' market potential will require more of the land supply to move beyond allocation into servicing and marketing. To ensure the Proposed Plan has a suitable range of sites that meet current market demand, location, size, and quality in terms of accessibility and services, there is a need to:

- consider an employment land strategy which takes account of the tiered settlements which have a regional/local catchment role and the outcomes from 20-minute neighbourhood and local living analysis and settlement audits
- take account of the planning and land use implications of the Tay City Deal projects, City Centre Design and Development Framework, Perth City Plan 3: Perth 2040 our agenda for change, and the Perth and Kinross Economic Wellbeing Plan 2020-2028
- consider mixed-use allocations to improve deliverability and viability of employment land and address local living objectives.

Key discussion point for feedback

Feedback is sought on the suggested methodology which could be followed to meet the qualitative employment land required in the Proposed Plan

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