

# **Part 1: Market Appraisal of Existing Permissions and Proposed Employment Allocations across Bassetlaw**

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# 1.0 The Instruction

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Bassetlaw District Council (BDC) is currently in the process of bidding for Local Enterprise Partnership (LEP) funding. As part of the bidding process, the Council needs to demonstrate the likely delivery of the existing employment sites and the proposed allocations.

## 1.1 BDC's Objectives

The objectives of this Study are to:

1. Provide an identification of the key market areas within the District.
2. Undertake a market appraisal of all existing employment sites and proposed allocations identified.
3. Advise on the market performance of each individual site.
4. Indicate whether there is scope for future growth in specific areas.
5. Advise on investment and development options to enable delivery, where appropriate.

## 1.2 Meeting Your Objectives

1.2.1 In order to respond to your requirements, Savills has undertaken detailed market investigations into the employment market across Bassetlaw and the wider area and inspected each of the identified sites.

1.2.2 We have also undertaken a market appraisal of each of the sites considering values, development potential and suitability, together with assessing site characteristics and physical constraints. With this information, we are then able to undertake high-level financial appraisals for the sites to assess whether they are financially viable. In addition, we have held detailed discussions with landowners, developers, agents for each of the specific sites to understand their current aims and objectives. This assists in considering the delivery rates and understanding potential barriers to development.

1.2.3 In the following sections we provide a detailed market commentary (Section 2). In Section 3 each of the sites are considered in detail. Section 4 explains and summarises our analysis. It goes on to cover investment and development options together with growth areas and opportunities intervention. Section 5 provides our conclusions.

## 1.3 Information

1.3.1 In order to support this study, the Council have provided us with the following information:

- Site plans;
- Site size;
- Site description;
- Proposed schemes – where applicable;
- Current planning status;
- Current rental values and known constraints on site;
- Landownership details – where available.

## 2.0 Market Commentary

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### 2.1 Introduction

- 2.1.1 This section provides an initial overview of the industrial and distribution property market in the context of an economy which has emerged from recession and is exhibiting growth.

### 2.2 Economic Background

- 2.2.1 The UK economy has recently emerged from recession. The initial recovery in UK GDP growth was led by improved consumption, as households became less cautious in response to the recovery in asset prices and improved availability of credit. It has been confirmed that the UK economy grew by 0.8% in the first three months of 2014 (source: ONS), as households spent more and firms lifted investment. The latest figures confirm the initial estimate from the Office for National Statistics (ONS) and also confirm the economy grew 3.1% from a year earlier. This means that the UK is now one of the fastest growing western economies.
- 2.2.2 UK firms are at their most confident for over 10 years. The latest report from the Confederation of British Industry (CBI) report shows that more companies are reporting an expectation of growth over the next quarter compared to those that expect a decline. In addition, the net balance of firms that think their output has improved in the past three months was 25% higher.
- 2.2.3 A poll of manufacturers signalled that activity in Britain's factories increased in April 2014 at the fastest rate for five months. The Market/CIPS purchasing managers' survey rose from 55.8 in March to 57.3 in April (numbers above 50 indicate activity is increasing). The ongoing upswing in the sector's performance resulted in further job creation at manufacturers during April. Employment rose for the twelfth consecutive month, with the rate of increase identical to February's near three-year peak. Hirings were initiated to expand capacity, meet higher production and accommodate rising demand. Part of the increase supported efforts to clear backlogs of work. The employment part of the survey presented a three-year high with a 12th month of improvement in hiring. In the UK there has been a 6% increase in take-up of industrial property in 2013, compared to 2012. Approximately 0.75 million sq. m of large warehouse space (over 9,290 sq. m) has been transacted on behalf of manufacturers in the last 18 months (Savills Research) and total take-up is forecast to be approximately 1.3 million sq. m per annum over the next five years (Savills Research).
- 2.2.4 Factory order numbers are at their highest level since March 1995 (Confederation of British Industry and a recent survey by the Manufacturing Advisory Service found that 15% of firms reported they had or were in the process of bringing their manufacturing production back to the UK. Cost, quality and lead-time reduction were the reasons cited for repatriation. This is partly being driven by the doubling of shipping costs in the last 18 months, as well as rising emerging market currencies, labour costs and energy costs, which are all serving to make the UK more competitive.
- 2.2.5 Analysis of take-up below in manufacturing and distribution, demonstrates the continuing relative attraction to manufacturers of the traditional industrial cities of Birmingham and Coventry, where a skilled workforce, highly regarded educational establishments and established supply chains are present. Proximity to customers is the most important locational driver for manufacturers (EEF/GfK NOP Investment Survey). It is therefore essential that an appropriate supply of high quality employment land is available to satisfy this demand.

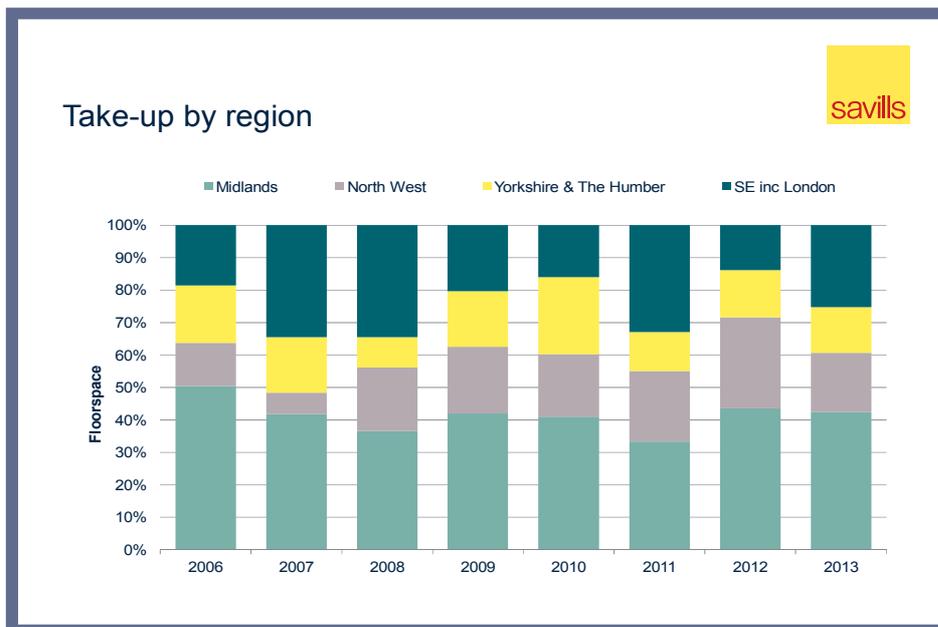
2.2.6 Consumer confidence continues to improve and is back to the average level that was seen in the five years leading up to the global financial crisis. UK retail sales grew by 6.9% in April compared with the same month a year earlier, making it the strongest annual rise in ten years.

2.2.7 Inflation has resumed its downward trend after a brief blip in April. Latest, mid-June, figures from the Office for National Statistics shows the Consumer Prices Index (CPI) fell to 1.6% in the year to July 2014, down from 1.9% in June.

### 2.3 Regional Market Context

2.3.1 The wider Midlands/South Yorkshire industrial market has seen good levels of demand in the past 24 months following a period of recession which began in 2008. Comparative take-up at a regional level is shown at the figure below. This serves to illustrate the magnitude of the market, the importance of the Midlands as a subject of the national market; on average the Midlands consistently accounts for over a third of take-up in England. However, a large proportion of take-up is focused across the West Midlands and M1 corridor.

*Proportional take-up by region (Buildings over 9,290 sq. m) (%)*



Source: Savills

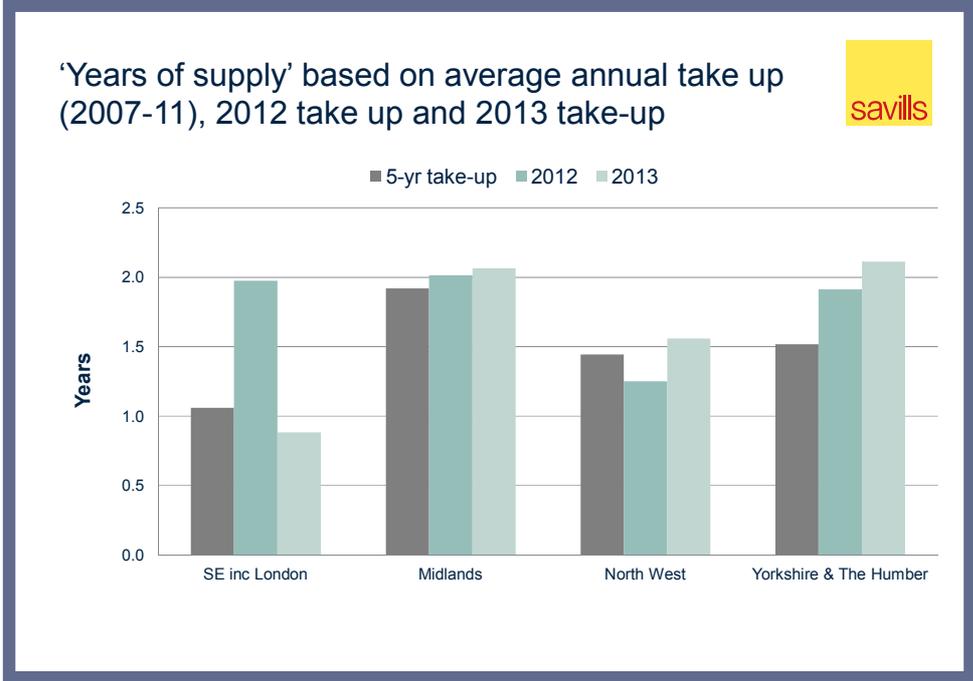
2.3.2 However, Bassetlaw also needs to be considered in the context of the Sheffield City Region and surrounding parts of South Yorkshire. The table above confirms that the Midlands region accounts for around 40% and Yorkshire and Humber region accounts for 15% of the total national take-up. This demonstrates the cumulative importance of both regions to the industrial market.

2.3.4 It also is worth noting that take-up has been constrained by the availability of both sites and buildings. Since 2010 the market has seen the occupation of the over-hang of industrial/distribution buildings which were speculatively developed during the boom years, but that stock has now been, in the majority, absorbed and there has been no new development except on a bespoke basis since. In these circumstances take-up is likely to lag demand. In a more restricted area both total volumes and the spread of unit size are driven by

the availability of existing stock, and then by the lack of available land, which is particularly relevant as the market moves into a phase driven by pre-letting (as existing stock is taken up).

2.3.5 The level of available choice, particularly for good quality, well located new or modern space has diminished significantly within the prime distribution/industrial locations in England. This is illustrated by the figure below, which uses Savills internal database of transactions and available buildings (in excess of 9,290 sq. m) and which shows that there is only approximately 2 years' supply of available buildings remaining in the Midlands and 1.5 years' supply in Yorkshire & The Humber, based on the level of take-up seen over the previous five years. This is a very low level of available stock when it is understood that the total supply is an aggregation of all buildings of a variety of sizes across a very wide geographical area. The shortage is most critical in the South East, with this region having less than a year's supply remaining.

National view of supply and demand balance

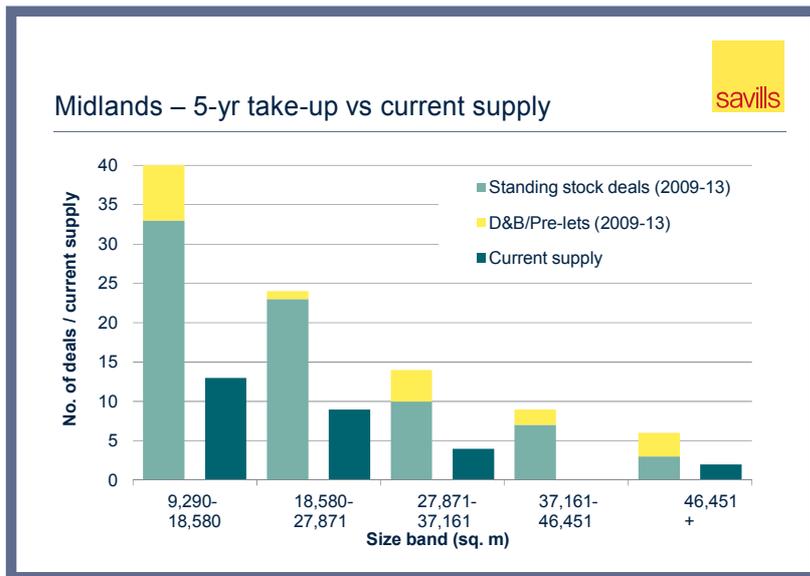


Source: Savills

2.3.6 This analysis of a shortage in the supply of buildings needs to be considered alongside the shortage in serviced employment land supply analysed later in this section, which is exacerbating the problem. If existing buildings are not available, the alternative for an occupier is to transact on a design and build basis (if time permits), but this option is becoming increasingly restricted as well.

2.3.7 The figure below focuses on the supply position across the whole of the Midlands (i.e. West and East) and demonstrates that there is a particular shortage of units over 27,870 sq. m. From 2009-2013 inclusive, there were 28 acquisitions of units of this size or larger, whereas the supply stood at just six units at the end of 2013. This chart also shows an increasing proportion of take-up as design and build as building size increases; as buildings get larger (particularly in the 74,320 – 92,900 sq. m. range) they become more specialised and bespoke to occupiers, and therefore purpose-built.

Midlands 5 year average take-up compared to current supply (2013)

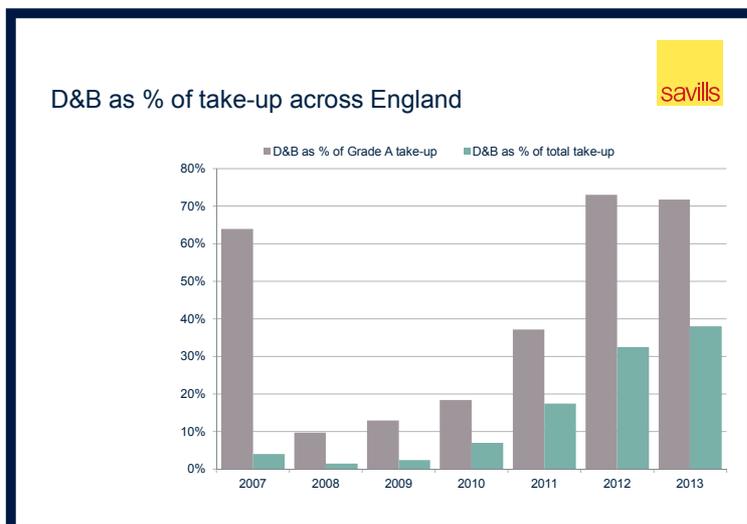


Source: Savills

2.3.8 Specific figures are not provided for the Sheffield City region, however, feedback from local agents indicate that the South Yorkshire/M1 area has a similar lack of supply of larger units over 27,870 sq m leading to more design and build or pre-let deals.

2.3.9 Take-up in England has predominantly been focused on existing built stock in recent years, with some exceptions of purpose-built National Distribution Centres e.g. Tesco (76,644 sq. m) and Sainsbury's (92,900 sq. m) at the Daventry International Rail Freight Terminal, Phase 2 (DIRFT II). The boom in speculative development in the early to mid 2000's led to a significant supply of new buildings, which enabled occupiers to meet their requirements, there has been a steady increase in the proportion of take-up accounted for by Design and Build opportunities. In 2013, almost 40% of take-up was of Design and Build units, with this figure rising to over 70% of Grade A take-up (Grade A buildings being constructed to a modern institutionally acceptable specification). In the Midlands in 2013, approximately 30% of total take up was of Design and Build units, with almost 60% of Grade A space acquired via this route (Savills Research).

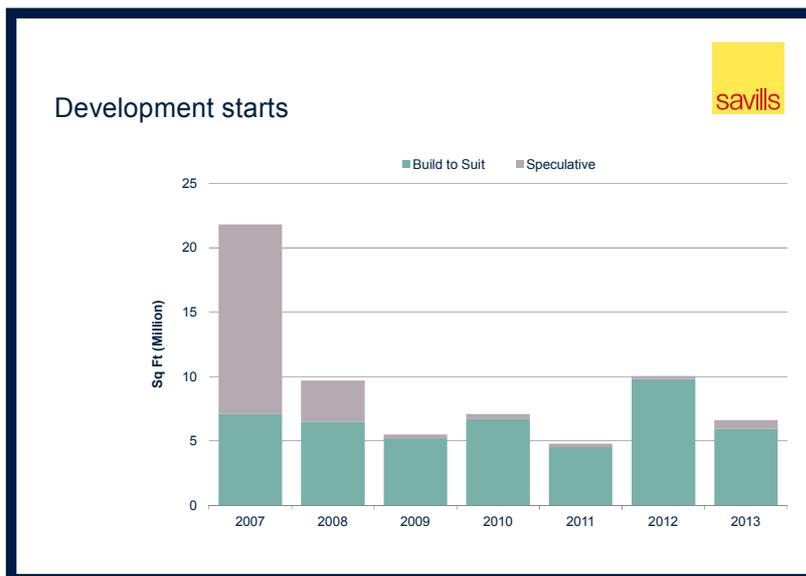
*Design & Build as a proportion of take-up in England*



Source: Savills

2.3.10 This trend has been driven by a fall in the supply of existing new or modern buildings. Nationwide, there was no significant speculative development in the sector between 2009 and 2012 due to prohibitive conditions in the financial markets and risk aversion on the part of the developers, as illustrated by the figure below. During this period, supply of existing units fell significantly as occupiers acquired existing new build stock, partly driven by the ability to exploit a window of opportunity to secure competitive terms from building owners under financial pressure.

*Build to Suit vs Speculative Development Starts in England (floorspace)*



Source: Savills

2.3.11 There has recently been a cautious return to speculative development of mid-size units in prime locations across the UK (focused in the Midlands and M1 corridor), driven by a combination of improving market conditions and the shortage of supply identified by this analysis. This represents a very small proportion of total supply. However, it is anticipated that Design and Build opportunities will still dominate the market for the foreseeable future. The largest units (27,870 sq. m plus) are generally developed on a Design and Build basis due to the bespoke nature of occupier requirements for units of this scale.

2.3.12 In response to the recognition of a future shortfall in Grade A space, developers and funds have shown renewed interest in speculative building, predominantly in the wider West Midlands. However developers will only risk developing speculatively on good quality, well located sites of suitable size. This trend is not evident in the East Midlands and particularly along the A1 corridor.

## 2.4 Distribution Warehouse / Industrial Occupational Market

### Overview

2.4.1 Historically, the North Midlands including Bassetlaw has not been recognised as an established distribution warehouse location but due to the shortage of new stock and general lack of supply in the more core locations on the M1 and M6 corridors, a number of distribution warehouse sites are being brought forward along the A1 corridor by way of a more economic alternative.

2.4.2 Typically current rental terms being offered range between £3.50 per sq ft and £4.50 per sq ft, depending on locational and physical characteristics. Freehold quoting terms for new build typically range between £60 per sq ft and £85 per sq ft depending on locational and physical characteristics. Serviced employment land is generally being offered within the £150,000 to £200,000 per acre range.

## **2.5 Rental Transactions**

2.5.1 We highlight the following regional transactions, which we consider relevant to our valuation of the Property.

## **2.6 Distribution Warehouse / Industrial Transactions**

2.6.1 There have been a number of recent key transactions in the North Nottinghamshire/Derbyshire region located on the M1 and A1 corridors. These include 3 deals on Castlewood Business Park (M1 Jct 28) where units of between 20,000 sq ft and 460,000 sq ft have been achieved at rents ranging from £4.25 per sq ft to £4.75 per sq ft have been achieved.

2.6.2 At Markham Vale (M1 Jct 29a), a 100,000 sq ft letting to Andrew Page achieved £4.45 per sq ft.

2.6.3 Along the A1 corridor, recent deals at Grantham and Doncaster have achieved rents of £3.50 per sq ft and £4.50 per sq ft respectively.

2.6.4 Whilst rental ranges vary according to unit size, we typically expect rents on the M1 corridor to be 15%-20% higher than on the A1 corridor.

2.6.5 Concerning investment yields, our researches indicate that prime equivalent yields for distribution warehousing and industrial multi-let buildings have contracted by around 0.75 to 1.00 of a percentage point from September 2013 to 5.00%.

2.6.6 Analysis by Savills shows that £18.7 billion has been invested in the UK commercial property market at the midpoint of 2014, up from £15.2 billion at the half way point of the year. Interestingly 51% of the market is now in the regions compared to London, at the midpoint of 2013 just 34% of the market was outside of London. Recent research suggests that the regional markets will come to the fore to absorb the inflow into the property funds, and this has clearly now begun.

2.6.7 UK institutions have now started to move up the risk curve to take advantage of the differential between London and regional yields (which in some sectors is normalising fast), as we as to capture the beginnings of the regional leasing market recovery. UK institutions now account for 43% of all investment outside of London compared to just over a third in 2012. We expect this trend to continue into the final quarter, with many institutions reporting significant shortfalls between what they have spent and what they wish to deploy this year.

2.6.8 Recent evidence of investment deals in Newark, Annesley and Sutton in Ashfield show yields of 6.21% to 7.95%.

2.6.9 Further details of rental and investment transactions are shown at Appendix 1.

## **2.7 Availability of Existing Employment Premises**

2.7.1 We have undertaken detailed investigations to establish the current availability of existing employment premises and employment land within the Bassetlaw area, a Schedule of Available Existing Premises is set out in Appendix 2 (source: EGi).

2.7.2 This demonstrates that there is over 555,000 sq ft of existing employment space within Worksop (excluding Arrow building) and circa 30,000 sq ft of available space within Retford. If Design & Build units are also included at Retford, this figure increases to over 100,000 sq ft. In addition there is a further 80,000 sq ft available within Harworth.

## **2.8 Employment Land Available**

2.8.1 The specific sites within this study total over 263 hectares (650 acres). We have also taken into consideration sites across the wider area including those at Doncaster, Wakefield and Newark, which results in a total land availability across the North Midlands and South Yorkshire region of around 800 hectares (2,000 acres). A summary of available land is attached at Appendix 3 (source: savills).

## **2.9 Take Up Rates**

2.9.1 We obtained information from EGi that provide total take up of all employment space across Bassetlaw from 2009-2014. The total amount of space transacted is circa 1,192,677 sq ft. This equates to 198,780 sq ft per annum (18,467 sq m per annum). It should be noted that much of this period was during the recession. By looking at take-up between 2012 and 2014, this shows an average annual take up of around 295,000 sq ft (27,500 sq m).

2.9.2 Adopting these latter take up rates and an existing total supply of 1,090,000 sq ft, (101,264 sq m) this represents a 3.7 year supply.

2.9.3 In addition, we have been provided with information from BDC covering a period from 2011 – 2014 which identifies that there has been 99 ha (244 acres) of planning permissions granted and 18ha (44.5 acres) of completions.

2.9.4 Adding this data together with the sites within this study not already included gives a total supply of circa 256 ha (632 acres) within Bassetlaw. Adopting an annual take up rate of circa 27,500 sq m per annum, this represents a land supply of around 30 years. It should be noted that if the Bevercotes Colliery and Harworth South sites are excluded from the assessment as they are considered to be large sites requiring considerable infrastructure, then the supply reduces down to circa 15 years.

2.9.5 The above information is summarised below:-

Take up rate summary table				
Description	Dates	Totals	Totals per annum	Years supply
Employment space take up (EGi)	2009-2014	1,192,677 sq ft (11,803 sq m)	198,780 sq ft (18,467 sq m) per annum	
	2012-2014	885,000 sq ft (82,219 sq m)	295,000 sq ft (27,500 sq m) per annum	
Current Supply (EGi)		1,090,000 sq ft (101,264 sq m)		<b>3.7 years</b>
Employment land planning permissions granted (2011-2014)		244 acres (99 ha)		
Completions		44.5 acres (18 ha)		
Study sites (excluding Bevercotes and Vesuvius site already included above)		388 acres (156 ha)		
<b>Total supply</b>		632 acres (256 ha)	Assumed take up rate 295,000 sq ft (27,500 sq m) per annum.	30 years (15 years if Bevercotes Colliery and Harworth South excluded)

## 2.10 Demand

2.10.1 In terms of assessing current demand, we have also made enquiries with local and regional agents to get an understanding of current requirements. These can be split into key sectors; regional distribution and local industrial.

- 2.10.2 In respect of the distribution sector, the number of requirements for the region are encouraging. We have been provided with details relating to current requirements in the North Midlands and South Yorkshire area from an agent marketing a strategic employment site in Bassetlaw. As at April 2015 there were 14 specific requirements for space ranging from 100,000 sq ft to 600,000 sq ft totalling over 3,000,000 sq ft. Requirements included serviced land for a foodstore owner occupier distribution area, logistics operator facilities and specific distribution facilities for bathroom, doors and modular housing businesses.
- 2.10.3 Whilst there is a good supply of sites either available or being promoted in the region, this demonstrates there is also a reasonable level of demand for employment land in the region.
- 2.10.4 There is now a shortage of available Grade A distribution space nationally and, in certain prime locations (West London and around M25), we are starting to see speculative development. Outside of the prime locations, development remains occupier-led, whereby development funding is scarce unless terms have been agreed with an occupier.
- 2.10.5 With regard to the local markets, agents report that there is strong demand for small units of up to 2,000 sq ft. There is evidence that existing units in established industrial areas are selling well. Concerning larger units, typically 5,000 sq ft to 10,000 sq ft, there is very limited availability within Worksop and Retford.
- 2.10.6 A good example showing increases in demand is the High Grounds Industrial Estate, Worksop, which around 2 years ago had only 50% occupancy, but is now fully let. Agents believe overall there is positive demand from local/regional businesses for more employment space to be developed meet this need. They caution this with the need to secure willing landowners and the need for pre-lets in certain scheme to give developers the confidence to invest in infrastructure.

## **2.11 Bassetlaw Employment Locations**

- 2.11.1 The key location characteristics of the District include the towns of Worksop and Retford, A1 corridor locations such as Blyth, Harworth, and Markham Moor and more remote areas such as Meden Vale and north of Retford. Each of these areas offer different employment opportunities.

### **Worksop and Retford**

- 2.11.2 Worksop and Retford are the principal towns within Bassetlaw lying to the west and east of the A1 respectively.

### **Worksop**

- 2.11.3 Worksop has a population of 41,820 (2011 Census). It is broadly located equidistant between the A1 and M1 motorways, linked by the A57 which runs to the south of the town. The employment market is primarily made up of locally based industrial and distribution uses on the established industrial estates and along the A57 corridor. Major warehouse occupiers include Wilkinson's and B&Q. The Manton Wood Enterprise Zone to the east of the town, developed by EMDA is now an established industrial location benefitting from the local workforce and is becoming a food manufacturing hub. With the exception of the large distribution and main distribution occupiers, businesses are predominantly local. Regarding offices, BDC are the principal office occupier in the District. Other office users are primarily located in small suites within town centre.

## **Retford**

2.11.4 Retford has a population of circa 22,023 (source 2011 Census). Employment occupiers are of a smaller scale compared to Worksop, mainly serving the local area. With the exception of land to the north west of the town there are limited opportunities to provide further employment land.

## **A1 Corridor**

2.11.5 There are 5 employment sites assessed in this study that are located along the A1 Corridor including land at Bevercotes Colliery, Markham Moor, and land around Harworth. Comprising greenfield and brownfield sites with good access onto the A1, these sites compete for mainly warehouse and distribution led occupiers looking for premises along the A1. However it should be noted that within the wider region demand for warehouse, distribution premises on the M1 corridor far outstrips that on the A1 corridor. Analysis from the Savills Industrial Agency team suggest that of all the warehouse enquiries received, across the Midlands and North over 80% of these are for the M1 corridor. The A1 corridor is considered to be a secondary location for distribution led users. This is reflected in the level demand and difficulties associated with securing lettings of a sufficient site to render a site viable.

## **2.12 Rural Locations**

2.12.1 We categorise the former Tarmac site and Welbeck Colliery site as tertiary locations being away from established industrial areas or transport corridors, where overall employment demand is limited. Such sites are suited to local storage and haulage type uses and have limited potential for high quality development.

## **2.13 Location Factors for Warehouse/Distribution Operators**

2.13.1 The rental value for any warehouse operators is only one business cost to take into consideration. Transport costs represent a major cost. This includes fuel costs, depreciation of rolling stock and servicing costs. In addition, locational decisions are made in relation to several other factors. These include where goods come from, the destination of the end product and what existing coverage exists nationally.

2.13.2 These factors determine the most appropriate location, however, there is often a compromise to reflect lack of availability or a breakdown in negotiations. In many cases we see a preference to be located along the M1 corridor. As a result distribution land along the A1 corridor typically receives fewer enquiries. However, this is by no means true in all cases. Recent examples include Tesco locating a new distribution facility in Goole, East Yorkshire and Lidl looking to develop a service centre for the eastern region at Doncaster.

## **2.14 Other Considerations**

2.14.1 Other factors affecting choice of location include wider property costs such as business rates and the Community Infrastructure Levy (CIL). Where business rates incentives are offered these can have a positive impact on the viability of B8 developments, in particular the rates incentive can enhance the yield achievable from a particular occupier. This in turn enhances the end value of the completed development thus making it more viable.

2.14.2 In addition, occupiers are conscious that Commercial CIL rates apply in some parts of the District including the Worksop/ Retford/ A1 corridor. For example, a CIL charge of £15 per m<sup>2</sup> applies to all new employment development within the main settlements bordering the A1. In the neighbouring Doncaster, no such costs are in place. Occupiers can make decisions on location based on these key factors.

## **2.15 Summary**

2.15.1 The key aspects of the Bassetlaw employment market in a context of the sites considered in this study are as follows:

- The M1 motorway remains the dominant transport routes for B8 occupiers compared with the A1 corridor.
- There is a substantial supply of employment land on the A1 corridor.
- There are 14 specific requirements for distribution space in the North Midlands/South Yorkshire area totalling over 3m sq ft.
- Occupier demand within Worksop and Retford is predominantly led by local businesses comprising mainly light industrial, small scale manufacturing and distribution.
- There is limited demand from high tech industrial, R&D and office occupiers.
- The readily available supply of land considered to be secondary and the lack of speculative development, there has been a limited number of new developments across the region. Unless substantial pre-lets can be secured no development activity is currently taking place.
- Costs to deliver serviced employment land is also a key to viability. Where sites require junction upgrades, service roads and utilities upgrades, these represent considerable upfront costs that will not be committed unless an occupier is secured.
- The viability of sites across this region can be marginal and sensitive to factors such as rental levels, rent incentives, infrastructure costs.

## 3.0 Detailed Site Assessments

In this section, each of the sites is considered in further detail. A summary schedule of all of the properties is provided at Appendix 4.

### Sites with Planning Consent

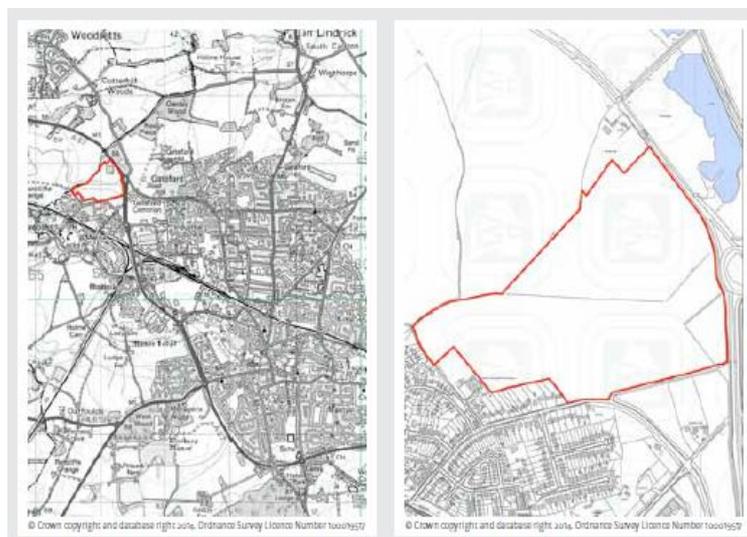
#### 3.1 Shireoaks Common, Worksop

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Hallam Land Management	Outline Planning application for 175 houses and 15.4ha commercial development is being considered.	Housing and B1, B2 & B8 development	26.6ha

3.1.1 This site is located on the outskirts of Worksop and Shireoaks and is a green field site. It is identified as a mixed use site within the Council's previously proposed Site Allocations document.

3.1.2 Worksop is the main service centre within Bassetlaw and is due to see significant levels of housing and business growth. An outline planning application has been submitted to the Council for 175 houses and 15.4ha of commercial development (B1, B2 and B8 uses) with detailed access arrangements. It is expected that this will be determined shortly. The details of this application are available to view on BDC website under the application reference 14/00223/OUT. The site is largely rectangular in shape and covers an overall area of 26.6ha. The site boasts excellent transport links with the A57 running along its eastern border which makes the travel time to M1 junction 31 around 10 minutes. Access to the housing site will be provided off Shireoaks Road to the south and the employment site will be accessed directly from the A57 (through a new arm off the existing roundabout). The village of Shireoaks is within walking distance of the site, and the site abuts the local primary school (which will be extended through the housing development). The site is controlled by Hallam Land Management.

#### Site Location



## Indicative Scheme



### Site: Shireoaks Common, Worksop

<b>Description and Background</b>	<p>A greenfield site located on the northern edge of Shireoaks at the north western edge of Worksop. The site has direct frontage on and access from the A57 which connects to the M1, Worksop town centre and to the A1 to the east.</p> <p>Hallam Land, have recently secured planning permission over the entire site for a development of 175 homes and 15.4 hectares of employment. It is understood that there are no major constraints effecting delivery.</p>
<b>Market Demand</b>	<p>The site has recently secured planning permission and has yet has not been marketed. Hallam Land intend to market both the residential and the employment land during 2015. There are no major barriers to delivering development on the site with the exception of the cost to create a new roundabout spur off the A57.</p>
<b>Market Appraisal and Performance</b>	<p>Given the costs of servicing the land and creation of the new access road, a pre-let would need to be in place in order to kick start development.</p>
<b>Delivery Rates and Uses</b>	<p>We would not expect any significant activity on the site for circa 5 years and envisage a complete development period of between 5 and 20 years. We would expect the site to be of interest to medium sized B8 operators (up to 250,000 sq ft) and some general industrial users (up to 50,000 sq ft).</p>
<b>Investment Opportunity</b>	<p>This site has not been tested in the market as yet. If occupier demand is identified but investment in infrastructure is stalling delivery, BDC may consider investing or offering occupier incentives.</p>
<b>No of Jobs Created and timescale</b>	<p>1,262 total 5-10 yrs – 631 10-15 yrs - 631</p>

### 3.2 Vesuvius Works, Sandy Lane, Worksop

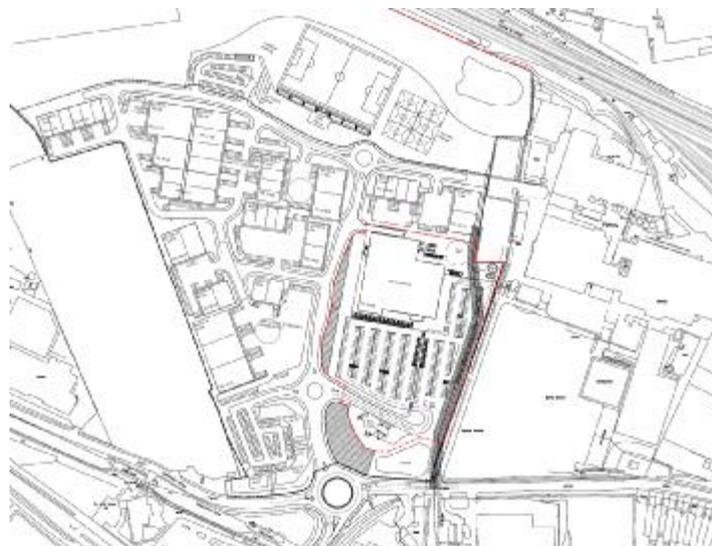
Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Commercial Estates Group	Mixed Use consent	Retail and Employment	17.75 ha

3.2.1 Vesuvius Works is a 55 acre brown former brickworks which closed in October 2006 and was subsequently acquired by CEG in 2007. The site was cleared in 2008 and is now a brown field development site for which an outline application for a 59,202 sq ft food store, over 250,000 sq ft of employment space and community recreational facilities for Worksop Town Football Club was submitted in mid-2011. Bassetlaw District Council resolved to grant planning consent on the 1st December 2011. The food store will now be delivered in conjunction with a preferred operator and occupiers sought for the commercial floorspace.

Site Location



Indicative Scheme



## Site: Vesuvius Works, Sandy Lane, Worksop

<b>Description and Background</b>	<p>Comprising a 17.75 hectare former brickworks site which has now been cleared. Planning consent has been granted for a 60,000 sq ft food store, 250,000 sq ft of employment space and a new sporting facilities for Worksop Town Football Club. It is believed that a large supermarket operator is acting as enabling development to fund the infrastructure required for the rest of the site.</p>
<b>Market Demand</b>	<p>The site is not financially viable for the employment uses in isolation. In order to deliver a development a mixed use approach is required where permitting food store or other retail led uses can enable the delivery of some employment space. An indicative Masterplan shows a range of office and light industrial units. Given the uncertainty surrounding the commitment from the supermarket operator, no formal marketing or expressions of interest have been received for the employment space.</p>
<b>Market Appraisal and Performance</b>	<p>The scheme proposes a mix of office and light industrial buildings . In order for the employment space to be financially viable, rental values for any office accommodation need to exceed £16 per sq ft and £5 per sq ft for industrial premises. We have serious doubts as to whether the site can accommodate any office led development. We would expect employment demand to be for mainly small to medium sized B1, B2 and B8 units offered on a flexible basis. Providing the entire site can be serviced there could then be opportunities for plot sales, design and build or small scale speculative development.</p>
<b>Delivery Rates and Uses</b>	<p>If the supermarket and infrastructure are built, some employment could be delivered within the next 5 years. If not, we would not expect any significant activity for 5 years with delivery over a 10-15 year period.</p>
<b>Investment Opportunity</b>	<p>The development of the food store is pivotal to the delivery for employment. If this does not take place, BDC may wish to consider investment in infrastructure to service the site. Notwithstanding this, development on this site is expected to be led by a non employment use (retail/food store).</p> <p>At this stage, BDC should wait until the foodstore position is resolved.</p>
<b>No of Jobs Created and timescale</b>	<p>373 total 10-15 yrs - 373</p>

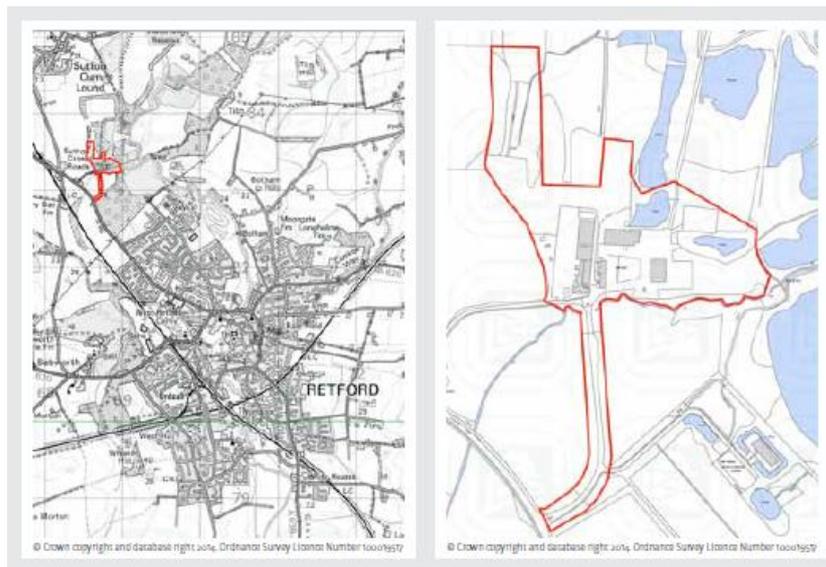
### 3.3 Former Tarmac site, North Road, Retford

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Private business	Existing employment site	B1, B2, & B8 commercial development	9ha

3.3.1 This former Bellmoor Quarry site is located north of Retford. This site is largely vacant and has been recently been sold after being advertised for redevelopment opportunities.

3.3.2 The brownfield elements of the site are classed as existing employment land and therefore redevelopment of this for employment purposes would be supported by the Council. Retford is the second largest town within Bassetlaw and is a key service centre serving the wider rural hinterland. The site comprises a large area of hardstanding, some existing office and storage buildings and covers an overall area of 9ha. The site boasts excellent transport links sitting adjacent to the Great North Road (A638) and within 10 minutes of the A1. The main centre of Retford is around a 5 minute drive from the site, in addition to a main bus route passing directly adjacent to the site, which goes directly to the town centre.

Site Location



## Site: Former Tarmac site, North Road, Retford

<b>Description and Background</b>	Former Tarmac site comprises quarry compound, buildings and yard, extending to circa 9 hectares. The site is located north west of Retford adjoining a Nature Reserve and green fields.
<b>Market Demand</b>	The site is suited to storage led and/or anti social uses such as waste or energy.  It is understood the site is currently being purchased by a local company for use as for vehicle storage and training.
<b>Market Appraisal and Performance</b>	The site is being purchased by an owner occupier who may generate additional income by sub letting parts of the site to complimentary users.
<b>Delivery Rates and Uses</b>	Estimated from 0 - 5 years. Storage and vehicle led uses will be achieved on the site within the next 5 years.
<b>Investment Opportunity</b>	Use of the site is being delivered by the market. No need to intervene.
<b>No of Jobs Created and timescale</b>	71 total 0-5 yrs – 71

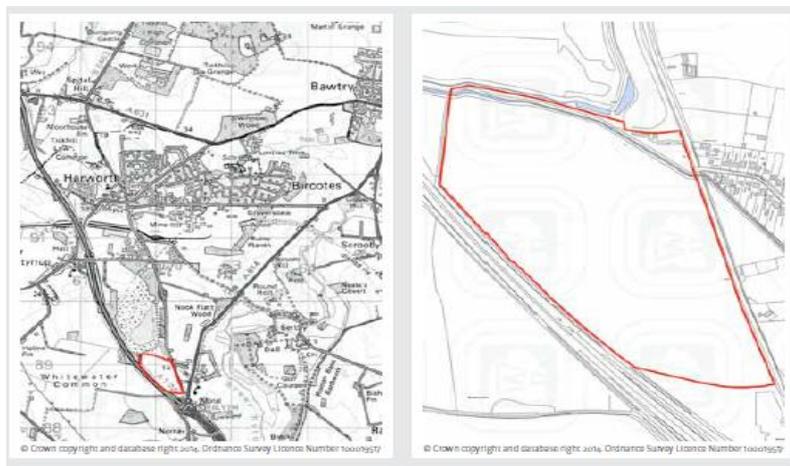
### 3.4 Rossington Business Park, A1 Junction 34, Harworth

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Private	Outline Planning Permission	BH1, B2 & B8 Commercial Development	21ha

3.4.1 This business park is located south of Harworth Bircotes in close proximity to the A1 Junction 34. The site has outline planning permission (with access details agreed) for commercial development and a well-being centre. The details of this permission are available to view on BDC website under the application reference 57/12/00014.

3.4.2 Harworth Bircotes has been identified as a main regeneration settlement, with significant levels of housing and employment growth proposed in the adopted Core Strategy. A Section 106 Agreement has been agreed between the owners of the site and BDC containing details of a transport contribution to be made to NCC - including a travel plan fee of £8710 and bus infrastructure (bus stops and real time displays). The business park boasts excellent transport links with the Blyth junction of the A1 within a minute away. Access to the business park will be accessed directly off Bawtry Road. The main centre of Harworth is five minutes' drive of the site. There is a local bus service which passes adjacent to the site and provides a direct link to Harworth and Doncaster, access to which will be further improved through the provision of new bus stops adjacent to the site.

Site Location



Indicative Scheme



## Site: Rossington Business Park, A1 Junction 34, Harworth

<b>Description and Background</b>	Comprising a greenfield site, highly visible and adjoining the A1(M) at Junction 34/Blyth Services. The site has outline planning consent for around 67,000 sq m of employment uses. The site is in a single ownership.
<b>Market Demand</b>	The entire site is currently on the market at quoting £200,000 per acre and is understood to be under offer. The outline planning permission indicates a mixed employment scheme ranging from offices to small light industrial units and large warehouses. The site is expected to be most suitable for large scale warehousing and ancillary uses. Given the visual prominence there is potential for other uses such as a roadside, hotel and leisure to assist in deliverability of development on the site.
<b>Market Appraisal and Performance</b>	Based on our assessment of market rents and competing supply, viability is marginal if B8 only uses are achieved. Should a mix of uses including roadside, leisure be included, this increases the delivery of development on the site.
<b>Delivery Rates and Uses</b>	We would expect the site to be developed over the next 15 years. The type of jobs created are likely to be B8 led but with potential for wider employment opportunities including retail, leisure and hospitality.
<b>Investment Opportunity:</b>	<p>The property is being actively marketed with the land owner and agents taking a proactive approach to promote a suitable scheme that optimises the sites potential. There do not appear to be any major obstacles blocking the private sector investment at this stage. In addition, by taking a flexible planning approach in respect of a mix of employment led uses will assist in the overall delivery.</p> <p>The market should be encouraged to deliver at this stage, but BDC should monitor interest and developer feedback.</p>
<b>No of Jobs Created and timescale</b>	<p>1,138 total            0-5 yrs – 569            5-10 yrs – 56</p>

### 3.5 Doncaster South, Blyth Road, Harworth

Site Details		
Current Status	Preferred Use	Site Area
Planning permission for a variety of 'B' use classes	BH1, B2 & B8 Commercial Development	20ha

3.5.1 This business park comprises two sites in close proximity and is located south of Harworth Bircotes. The site to the east is the former SLI glass factory and the western parcel of land was previously allocated in the Local Plan.

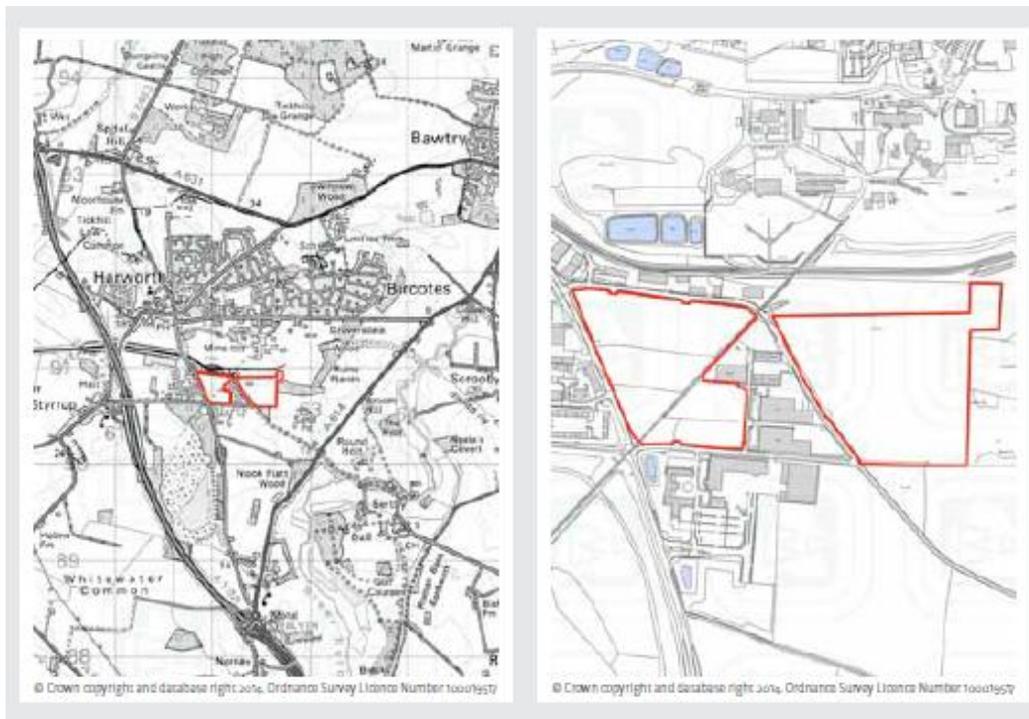
#### Eastern Site

3.5.2 Harworth Bircotes has been identified as a main regeneration settlement, with significant levels of housing and employment growth proposed in the adopted Core Strategy.

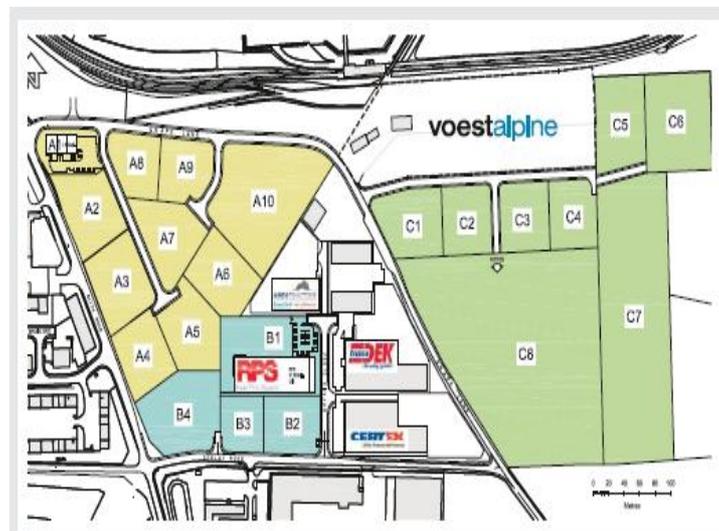
#### Western Site

3.5.3 This parcel of land has outline planning permission for commercial development, with some areas benefitting from detailed planning permission. The site is surrounded on all sides by commercial development. The business park boasts excellent transport links with the Blyth junction of the A1 within 2 minutes drive. Access to the business park will be directly off Snape Lane and Serlby Road. Harworth is within a few minutes' drive of the site. There is a local bus service which passes the site and provides a direct link to Harworth and Doncaster. The business park is being promoted by Commercial Property Partners.

## Site Location



## Indicative Scheme



**Site: Doncaster South, Blyth Road, Harworth**

<p><b>Description and Background</b></p>	<p>The property comprises two parcels of land (greenfield to the west; brownfield to the east) located to the east of Blyth Road and divided by Snape Lane. The site is located approximately a quarter of a mile to the south of Harworth and approximately half a mile from the A1 Blyth Services Junction. It comprises a cleared brownfield site of circa 20 hectares.</p>
<p><b>Market Demand</b></p>	<p>The site is being actively marketed offering design and build units up to 50,000 sq ft. Occupier interest is being pursued for two design and build opportunities for 7,500 sq ft and 10,000 sq ft. Our investigators indicate there is reasonable levels of ongoing demand from local occupiers for units up to circa 50,000sq ft.</p>
<p><b>Market Appraisal and Performance</b></p>	<p>Activity on the site indicates that the developer can demonstrate occupier interest to deliver development of small to medium sized industrial buildings. As a result, the site is considered to have potential to start to be developed in the short term.</p>
<p><b>Delivery Rates and Uses</b></p>	<p>We would expect development to continue for the next 20 years with uses being primarily B2 and B8.</p>
<p><b>Investment Opportunity:</b></p>	<p>In summary, the site is being actively marketed by the owner who is also taking a realistic view regarding occupier demand and rent. It has potential to be able to deliver employment without future intervention. However, it should be noted that site servicing when building small units can result in funding gaps. BDC should liaise with the developer to offer investment support where credible occupier demand is identified.</p>
<p><b>No of Jobs Created and timescale</b></p>	<p>1,143 total 0-5 yrs – 1,143</p>

### 3.6 Compass Business Park, Markham Moor

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
William Davis Ltd	Outline planning permission for commercial development	B1, B2 & B8 commercial development	1.93ha

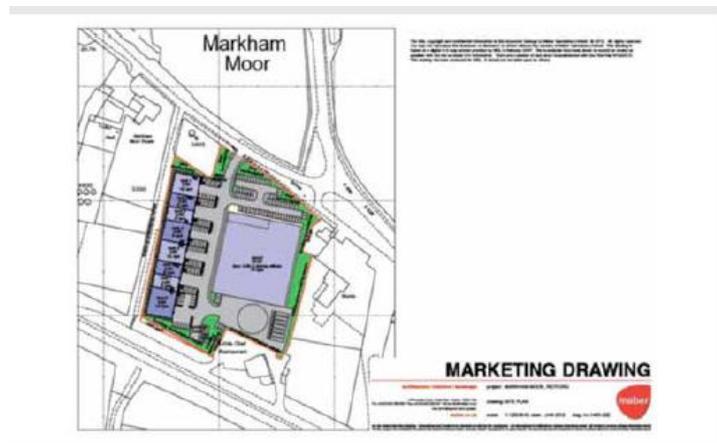
3.6.1 This site is located adjacent to the A1, access from the Markham Moor junction and is currently a green field site. There is a valid outline planning permission for B1, B2 and B8 uses with detailed access arrangements which was granted on the 23rd May 2013.

3.6.2 The details of this permission are available to view on BDC website under the application reference 12/01317/OUT. A Section 106 Agreement has been agreed and signed between the owners of the site and BDC containing details of a transport contribution to be made to NCC on determination of reserved matters. The site is mostly rectangular in shape and covers an overall area of 1.93ha. The site boasts excellent transport links with the A1 running adjacent to the site which is easily accessible via the newly improved junction with the A57 less than a minute drive away. Access to the site will be provided off Old London Road which acts as its northern border, the site is bordered to the east by a business selling large agricultural machinery and to the west by a disused road and the grounds of Markham Moor House. Several commercial facilities are within walking distance of the site, noticeably a Travel Lodge located just to the south. In addition to this, the site is situated in close proximity to several listed buildings, such as the Little Chef located directly to the south-east of the site which is currently not in use. The site provides an opportunity to have direct frontage onto the A1, whilst not requiring junction improvements.

Site Location



## Indicative Scheme



### Site: Compass Business Park, Markham Moor

<b>Description and Background</b>	A brownfield regular shaped site circa (2 hectares) adjoining the A1 with planning consent for up to 7,500 sq m of B1, B2, B8 space. Developer, William Davis is marketing the site.
<b>Market Demand</b>	Discussions from marketing agents indicate there has been some interest from small local occupiers, however, this has not been sufficient for the developer to commence construction. It is understood the developer may sell to a third party of owner occupier subject to demand.
<b>Market Appraisal and Performance</b>	Subject to securing suitable occupiers, the proposed scheme is appropriate for the location and anticipated demand.
<b>Delivery Rates and Uses</b>	We would expect the site to be developed within the next 10 years, possibly 5 years if a new occupier is secured. General B1, B2, B8 uses are considered suitable.
<b>Investment Opportunity</b>	Expected to be delivered by the market. No need to intervene at this stage.
<b>No of Jobs Created and timescale</b>	156 total 0-5 yrs – 156

### 3.7 Bevercotes Colliery, Nottinghamshire

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Gladman	Outline Planning Permission for commercial development	B1, B2 & B8 commercial development	Circa 81 hectares (200 acres)

3.7.1 Known as Vertical Park the site benefits from planning consent for up to 2.7m sq ft of floor space and up to 30 metres eaves height. The site is capable of accommodating a 2 million sq ft (185,800 sq metres) distribution facility. The site is being marketed by DTZ and Lambert Smith Hampton.



## Site: Bevercotes Colliery, Nottinghamshire

<b>Description and Background</b>	Former colliery site extending to approximately 43 hectares located approximately one mile east of the A1 (Twyford Bridge junction). Situated in a remote location. Delivering development on the site requires upgrade to the A1 at Twyford Bridge and an improved access road from the B6387 together with on site infrastructure.
<b>Market Demand</b>	The site is being marketed through agents, however, no genuine interest has been secured due to the uncertainties about delivering the infrastructure. It is understood that Gladman, the developer, will require at least £2.2 million of infrastructure works to unlock the first phase of development.
<b>Market Appraisal and Performance</b>	It is understood that Gladman are willing to invest in the A1 junction improvements. If Gladman can secure a substantial B8 warehouse pre-let then it is envisaged it would deliver development on the site. Given the upfront infrastructure costs it may require some assistance to do this. This should be monitored.
<b>Delivery Rates and Uses</b>	Delivery rates are subject to infrastructure and uses are expected to be distribution led. We would expect development to take place from Years 5-20 plus.
<b>Investment Opportunity</b>	It is suggested that BDC do not consider investment at this stage, rather monitor the progress in this once the A1 junction improvements have been completed. It may consider investing in infrastructure or offering other incentives if genuine occupier demand is being frustrated. Given the number of competing sites along the A1 corridor, limited access to local workforce and limited job creation, this site is not considered to be a priority.
<b>No of Jobs Created and timescale</b>	3,571 total 5-10 yrs – 1,785 10-15 yrs – 1,786

### 3.8 Welbeck Colliery, Meden Vale, Mansfield

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Welbeck Estates	Allocated for employment use	B1, B2 & B8 commercial development	Circa 8 hectares

3.8.1 The site forms part of the former Welbeck Colliery consisting of three component parts, the main Colliery buildings and entrance (the subject site), former Colliery land now with planning permission for a solar farm and former coal tip now being used for landfill.



## Site: Welbeck Colliery, Meden Vale, Mansfield

<b>Description and Background</b>	Former pithead site adjoining Meden Vale Village and extending to circa 8 hectares. Owned by the Welbeck Estate who has entered into a joint venture agreement with Harworth Estates to develop out the site. The site adjoins the former coal working site now being used as a tip and a proposed new solar farm.
<b>Market Demand</b>	Demand in this area is expected to be contained to small local occupiers and bad neighbouring uses that suit isolated locations.
<b>Market Appraisal and Performance</b>	From discussions with the land owners agent, the joint venture partnership is proposing to take a long term view and build out industrial buildings to meet local demand using existing capital and will take a long term view to the investment. Adopting this model and with no allowance for the land value, we assess this to be potentially viable.
<b>Delivery Rates and Uses</b>	Expected delivery over the next 10 years with B2 and B8 uses, together with some storage land. In summary, the developer is expected to deliver out the site without the need for intervention.
<b>Investment Opportunity</b>	Not considered to be a core investment opportunity for BDC. New employment uses are expected to be delivered through the partnership structure .
<b>No of Jobs Created and timescale</b>	590 total 0-5 yrs – 295 5-10 yrs - 295

### 3.9 Proposed Employment Allocations

#### 3.9.1 Gateford Common, Worksop

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Private Landowner	Resolution to grant outline planning application for 380 houses and 4.9ha office development	Housing & B1, B2 & B8 development	18.1ha

3.9.2 This site is located on the outskirts of Worksop and is a greenfield site. It is identified as a mixed use site within the Council’s emerging Site Allocations document.

3.9.3 Worksop is the main service centre within Bassetlaw and is due to see significant levels of housing and business growth. This site is one of three employment sites that have been earmarked through the Site Allocations process. An outline planning application has been submitted to the Council for up to 380 houses and 4.9ha of office development (B1 uses) with detailed access arrangements which has recently received a resolution to grant at Planning Committee. The details of this application are available to view on BDC website under the application reference 14/00213/OUT.

3.9.4 The site is largely rectangular in shape and covers an overall area of 18.1ha. The site boasts excellent transport links with the A57 within a minutes’ drive which makes the travel time to M1 junction 31 around 10 minutes away.

3.9.5 Access to the housing site will be provided off Gateford Road (B6041) to the north and the employment site will be access directly from Claylands Avenue to the south. There is a local shopping area off Raymoth Lane within walking distance of the site which has an array of services and shops.

Site Location



Indicative Scheme



## Site: Gateford Common, Worksop

<b>Description and Background</b>	Greenfield site as part of a large mixed use scheme to deliver circa 380 houses and circa 19,000 sq m of employment space. A planning application has been submitted but not determined.
<b>Market Demand</b>	The proposed scheme indicates a B1 led development. Our investigations indicate that there is not any realistic demand for uses of this type in this location. In addition, rental values would need to be considerably in excess of the current market levels in order to render the scheme financially viable. The site would be more suited to general industrial uses (B1, B2, B8), offered on flexible terms and primarily focusing on locally based businesses.
<b>Market Appraisal and Performance</b>	The site could be considered viable providing credible demand is demonstrated willing to pay rents in excess of £4.50 per sq ft.
<b>Delivery Rates and Uses</b>	This is a long term opportunity for employment development with delivery not anticipated within the next 10 years unless there is a particular market requirement.
<b>Investment opportunity</b>	Not actively marketed for employment use. BDC should monitor potential occupier interest across the District and may consider investment in the long term to help unlock development. However, within the short to medium term (0-5years), it is not considered appropriate to invest in this site for the land uses proposed in the current planning application.
<b>No of Jobs Created and timescale</b>	400 total 10-15 yrs - 400

### 3.10 Manton Wood extension, Worksop

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Langtree Developments Ltd	Employment site earmarked in the Site Allocations Preferred Options document	B1, B2 & B8 commercial development	25h (net)

- 3.10.1 This site is located on the outskirts of Worksop and opposite the existing Manton Wood Enterprise Park. The site is identified as an employment site within the Council's emerging Site Allocations document. This is the largest of the three sites in Worksop to be allocated for employment development.
- 3.10.2 This greenfield site sits between areas of woodland and the A57. The site boasts excellent transport links with the A57 running along its northern border which is easily accessible and travel time to the A1 a few minutes away. Access to the employment site will be accessed directly off the A57 (through a purpose built access point to serve only this development site). The town of Worksop is within a few minutes' drive of the site. There is a local bus service which passes the site and provides a direct link to Worksop town centre. This site is being promoted by Langtree Developments.
- 3.10.3 A planning application has recently been submitted for up to 93,000 sqm of employment and distribution development (Use Classes B1, B2 and B8), ref: 15/00192/OUT.

Site Location



## Site: Manton Wood extension, Worksop

<b>Description and Background</b>	Former coalfield land allocated for employment, extending to circa 25 hectares and located on the south eastern edge of Worksop. Direct access from the A57. An outline planning application was submitted in February 2015 for a development of up to 80,000 sq m.
<b>Market Demand</b>	Potential to accommodate a 1 million sq ft warehouse use. Initial marketing is now taking place with no specific occupier commitments.
<b>Market Appraisal and Performance</b>	Viable development can be delivered at rents in excess of £4.50 per sq ft. However, total servicing costs are understood to be circa £6 million. It will require a substantial pre-let in order to deliver the first phase of development.
<b>Delivery Rates and Uses</b>	Expected to be from Years 5-15 with predominant interest from B8 users.
<b>Investment opportunity</b>	<p>An attractive site close to other B8 users and accessible to the town centre. The site needs the on-site infrastructure in place to enable development. Marketing is in an early stage. It benefits from being close to the local workforce within Worksop.</p> <p>With a flexible approach to attract medium and large scale occupiers, the entire site could be delivered within a period of 10-15 years. BDC investment could assist in increasing the delivery rate. In addition, incentives such as business rate relief would also assist in attracting occupiers.</p> <p>With its proximity to Worksop and the Manton Wood Business Park, the site represents a good opportunity to deliver employment for a range of uses in a sustainable location, close to local workforce. Providing the developer can demonstrate credible occupier demand, BDC should consider investment to increase delivery.</p>
<b>No of Jobs Created and timescale</b>	<p>1,359 total            5-10 yrs – 679            10-15 yrs - 680</p>

### 3.11 North Road, Retford

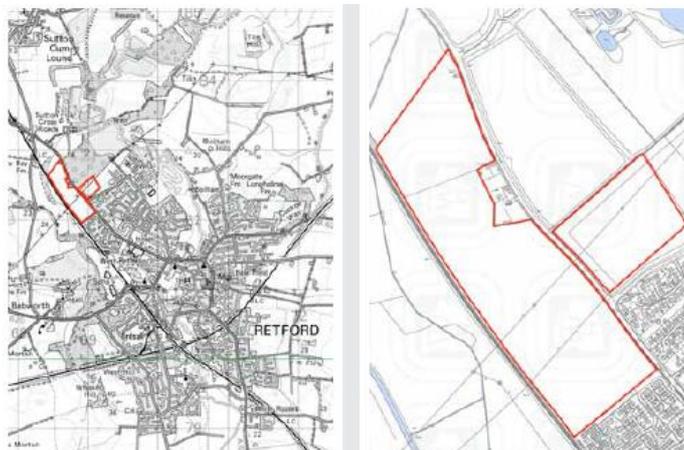
Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Private Landowner	Mixed use site ear marked in the Site Allocations Preferred Options document	Housing & B1, B2 & B8 development	28.7ha

3.11.1 This site is located on the northern outskirts of Retford and is a greenfield site. The site is identified as a mixed use site within the Council's emerging Site Allocations document for 175 houses and around 15.6ha of employment land.

3.11.2 Retford is the second largest town within Bassetlaw and is a key service centre serving the wider rural hinterland. The site comprises largely rectangular shaped pieces of land covering and covers an overall area of 28.7ha. The site boasts excellent transport links sitting adjacent to the Great North Road (A638) and within 10 minutes of the A1. Access to the housing site will be provided off the A638 to the east and the employment site will also be accessed directly off the A638 (a roundabout is proposed to serve the site). The main centre of Retford is around 5 minutes from the site and is adjacent to a main bus route which goes directly to the town centre.

3.11.3 An outline planning application has recently been submitted for a mixed use development of up to 196 dwellings and 11.11 ha of employment land (ref: 15/00493/OUT).

Site Location



Indicative Scheme



## Site: North Road, Retford

<b>Description and Background</b>	Owned by the Hospital of the Holy and Undivided Trinity, the site is being promoted for a mixed use scheme incorporating residential, retail and employment. The property is located on the north western edge of Retford.
<b>Market Demand</b>	Although situated on the edge of Retford, access is relatively poor as any journeys south towards the A1 and Worksop require going through Retford town centre. In addition, demand for employment space within Retford is relatively limited. The delivery of a mixed use scheme, in particular the residential, enables serviced employment land to be created.
<b>Market Appraisal and Performance</b>	By delivering the infrastructure to the employment land it creates the opportunity to market service plots of flexible sizes and tenures. Viable development can be delivered for smaller units at rents of circa £5 per sq ft. It is expected that occupiers to this space would be sourced locally and would serve the local economy. It would allow local business to grow and free up smaller existing industrial buildings for new start up companies.
<b>Delivery Rates and Uses</b>	Providing the serviced site is delivered, employment development could take place from now over the next 10 years. Uses are expected to be a mix of B1, B2 and B8.
<b>Investment opportunity</b>	<p>The mixed use nature of the development will help deliver employment to the scheme. BDC should monitor the level of interest but wait to assess interest once serviced employment land is created and marketed.</p> <p>No need to invest at this stage, BDC may need to be flexible with some of the land uses to assist with delivery of the site in its early stages to help kick-start the development.</p>
<b>No of Jobs Created and timescale</b>	<p>736 total            0-5 yrs – 368            5-10 yrs - 368</p>

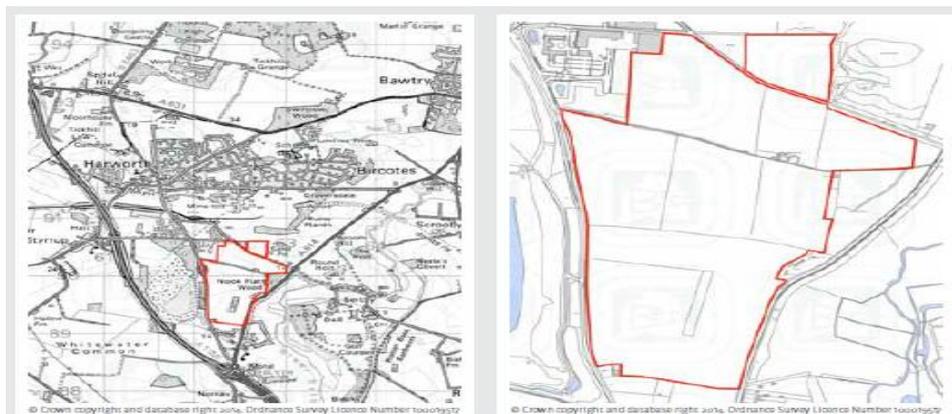
### 3.12 Land South of Harworth

Site Details			
Land Owner	Current Status	Preferred Use	Site Area
Private Landowner	Employment site earmarked in the Site Allocations Preferred Options document	B1, B2 & B8 commercial development	80ha

3.12.1 This site is a large greenfield site south of Harworth and just north of the A1 junction 34. It is identified as an employment site within the Council’s emerging Site Allocations document.

3.12.2 Harworth Bircotes has been identified as a main regeneration settlement, with significant levels of housing and employment growth proposed in the adopted Core Strategy. The site is located between the A614 and Blyth Road and also boasts excellent transport links with junction 34 of the A1, 2 minutes away. Harworth Bircotes town centre is within a few minutes’ drive of the site. There is a local bus service which passes adjacent to the site and provides a direct link to Harworth and Doncaster. Due to the size and location of this site, this is a unique opportunity for an operator looking to make a significant investment. The site is being promoted for commercial development and an outline planning permission for the site is being prepared. The owners of the site are willing to consider selling off parcels of land or building units for lease.

Site Location



## Site: Land South of Harworth

<b>Description and Background</b>	Greenfield site adjoining the Doncaster South site and Harworth Business Park. The site is being promoted for employment development with a planning application anticipated to be submitted in May 2015.
<b>Market Demand</b>	The site will compete with a number of adjoining employment sites including Harworth Business Park, Doncaster South and Rossington Business Park. Once a planning application has been submitted then it is expected that further marketing will take place.
<b>Market Appraisal and Performance</b>	In order to deliver development on the site, it is envisaged that a Design & Build or serviced land sale will need to be offered. The landowner is exploring the potential for small scale non-employment uses to create a mixed use scheme. This may assist in the delivery of serviced employment land.
<b>Delivery Rates and Uses</b>	We would expect take up to be slow given the surrounding competition and development to take place from Years 10-15 plus. This may be improved if a single occupier is secured. The agent is currently seeking to offer warehouse units of up to 1 million sq ft. The site is expected to appeal to mainly warehouse occupiers.
<b>Investment Opportunity</b>	The site will need some infrastructure to unlock the land but at this stage this is being driven by the market. It is suggested that BDC monitor the progress. Where demand is identified and investment can help kick start the development, BDC should consider investment in the short to medium term (2-5 years).
<b>No of Jobs Created and timescale</b>	3,227 total 5-10 yrs – 1,613 10-15 yrs – 1,614

## 4.0 Analysis and Development Options

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### 4.1 Summary Schedule of Properties

4.1.1 Attached at Appendix 4 is a summary schedule showing our detailed analysis of each of the sites.

This is divided into the following categories:-

- Base information – Address, site area, land owner etc.
- Planning – Current planning status.
- Physical Issues – Factors such as access and topography and impact on delivering development.
- Physical Delivery – Abnormal costs and land ownership issues.
- Market Conditions – Factors that affect market demand of each of the sites.
- Employment Potential – Number of jobs that could be created.
- Timeframe for Delivery – Period over which development will take place.
- Viability Summary – Commentary on factors affecting development.

4.1.2 At each of the key stages we have adopted a traffic light system that considers the deliverability of each site. This considers the physical and market led factors whereby:-

	No constraints to development
	Potential constraints to development
	Constraints to development

Where sites are categorised as green, this indicates that we expect the market to deliver development.

### 4.1 Analysis Assumptions

4.1.1 Number of jobs created – The Employment Densities Guidance, published in 2010 (Offpat/HCA) has been used to arrive at possible jobs created at each site. These are show below:-

Employment type	1 job per x sq m
B1a	12
B1c	47
B2	36
B8	70

4.1.2 A judgement is made on the type/mix of employment to arrive at an indicative number of jobs for each site.

4.1.3 Build out rates – all of the sites are either consented or have been identified as being suitable for employment development. As a result they are considered to be deliverable within a period of 15 years. Build out rates applied are based on the level of take up achieved between 2012 and 2014, namely 27,500 sq m per annum. Applying these rates delivers full take up over the 15 year period. It should be noted that these are applied to all of the sites except the Bevercotes Colliery and Land South of Harworth sites. These are considered to be large scale, long term sites that require more infrastructure than the other consented sites. As a result, their delivery may go beyond the 15 year timescale.

4.1.4 Our suggested build out rate summary is shown below:-

Estimated total built area (excl Bevercotes and Harworth south)	399,432 sq m (4,299,446 sq ft)
Build out rate per annum	27,500 sq m (296,000 sq ft)
Build out period of existing supply	14.6 years
	<b>say 15 years</b>

4.1.5 The number of jobs and rates are shown within the table at Appendix 4. It should be noted that these are based on basic assumptions regarding land use mix and take into account recent take up rates. Figures are rough guidance only and will require further investigation.

## 4.2 Viability Summary

4.2.1 At the end of the schedule, we have then undertaken a further scoring assessment under the Viability Summary section. This gives suggestions to BDC as to whether it may or may not be suitable to invest in the particular site to assist in delivering new employment development. Here our traffic light scoring system is categorised as:-

Traffic Light	Description	Comments
	Market to deliver	At this stage it is considered the market will deliver development on the site. No need for BDC to invest.
	Potential to invest	Potential opportunity for BDC to invest to improve viability or delivery rates of new employment.
	Do not invest	Current demand, sustainability or job creation issues may be limited. Not considered suitable to invest at this stage.

4.2.2. As part of our scoring assessment, we consider the criteria for investment primarily addressing the following issues:-

1. Is there market demand in this location?
2. Is the site considered to be in a sustainable location?
3. Would development result in acceptable levels of jobs created?

## 4.3 Summary of Analysis

4.3.1 From our discussions with developers, landowners and agents regarding each of the particular sites, overall the feedback was extremely positive. It was clear that many parties were taking a proactive

approach to secure appropriate planning consents, where suitable, instigate marketing strategies and engage specifically with occupiers.

4.3.2 The level of engagement depended on the planning status of each site.

4.3.3 The following summary table shows how each of the sites has been categorised to advise BDC on potential investment:-

<b>Category</b>	<b>Site</b>
Market to deliver	Rossington Business Park Vesuvius Works, Worksop Former Tarmac Site, Retford Compass Business Park, Markham Moor Welbeck Colliery North Road, Retford
Potential to invest	Doncaster South, Harworth Shireoaks Common Worksop Land south of Harworth Manton Wood Extension, Worksop
Do not invest	Bevercotes Colliery Gateford Common, Worksop

4.3.4 Those sites categorised as Green were assessed as being able to be delivered, in the current circumstances, by the market through the current actions of the landowner/developer.

4.3.5 Amber sites were considered suitable opportunities for BDC to contribute towards the delivery of employment development. Here market demand may have been identified or it may be apparent that as the sites are prepared for development, that assistance is required to start the process.

4.3.6 Those sites categorised as Red are not considered appropriate to invest at this stage. There may be current constraints with planning or infrastructure needed and/or no currently identified market demand.

4.3.7 We would stress that this assessment is made based on current information gathered about both the market and the individual sites. Market conditions and a site's status may change which may in turn mean the current categorisation needs reviewing. It is therefore essential that BDC continues to monitor the progress of each of these sites as part of a District-wide investment programme.

## 5.0 Growth Area Opportunities

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- 5.1 As part of the brief, we are required to give an indication whether there is more scope for future growth in specific areas adjoining the consented sites. We consider that given the current supply of land available for development, there is sufficient scope to meet demand with the existing consented and proposed site allocations over the following 15 years.
- 5.2 Notwithstanding this, we have considered the potential areas where there is further growth potential. There is already considerable expansion proposed at Harworth. In addition, there is a good supply of land along the A1 corridor and being away from urban areas. We therefore consider potential areas for future growth as being at Worksop and Retford.
- 5.3 In respect of Worksop, demand from small scale employment uses is more suited near to the established industrial areas within the town. Larger scale industrial and distribution uses require easy access to the major transport infrastructure, namely close to the M1, A57 and A1. There is potential for Worksop to expand to the north east around Blyth Road, but this is currently constrained by poor access to the A1. If improved infrastructure could be provided to the A1, then this area (north east of Worksop and east of Kilton) could be considered a suitable area for future growth.
- 5.4 In addition, agents indicate there being a preference to be located within easy access to the M1, ie. on the western side of Worksop. This points to potential growth opportunities near the Gateford Common and Shireoaks Common sites potentially to the east and west of the A57 and to the north of Gateford Road away from the Gateford Conservation Area.
- 5.5 In respect of Retford, there are opportunities for additional land to be developed for employment uses on the north western side of Retford including North Road and the former Tarmac site; however, these are not considered to be in suitable locations for further employment growth. More suitable areas are to the south and south west of the town centre where easier access to the A1 is available. Areas for consideration could include land around Ordsall Road connecting to the A1 via Retford (Gamston) Airport.
- 5.6 Harworth is also an area where there is scope for further growth to the south of the settlement. However, given the level of employment land currently available and its secondary location, we would expect any further growth to be beyond the 15 year timeframe.

## 6.0 Opportunities for Intervention

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There are a range of options available to local authorities to assist the market in bringing forward employment development. Such monies can be made available through grant funding such as the Local Enterprise Partnership, and ERDF funds, however there are other measures that local authorities can take to unlock development. These are covered below:-

### 6.1 Business Rate Relief

- 6.1.1 By creating an Enterprise Zone (EZ) Area such as the existing Manton Wood Estate, this has offered a significant incentive for occupiers to reduce property costs and enables local authorities to compete with other locations where no such incentives are available. This has proved successful however BDC cannot arbitrarily create an Enterprise Zone.
- 6.1.2 EZ status may be difficult to secure given the lack of success at Harworth. However, some form of business rate relief could still be possible. At present, these are typically associated with small businesses, charitable relief, and rural rate relief and via a local hardship fund. BDC could make specific exemptions for particular areas to encourage investment.
- 6.1.3 The effect of exempting areas for Business Rates is two-fold. Firstly, it attracts occupiers due to the cost savings, and secondly, it improves the investment performance to a developer. This latter point adds value to the end scheme and thus improves viability.

### 6.2 Local Authorities underwrite a Letting or Purchase

- 6.2.1 There have been a number of cases recently where local authorities take a pre-let on speculatively built employment space to enable the development to be funded. Typically this is at marginally below market levels but provides sufficient comfort to enable the development to be constructed. The local authority then sublets the space to the market, this approach can improve delivery of development where high upfront costs or funding constraints prevent development even though market demand has been identified.

#### Regional Examples

##### **Derby City Council – One Friar Gate Square, Derby - £11m investment**

DCC sought to energise the Derby City Centre office market by funding the speculative building of this 33,000 sq ft purpose-built Grade A office building. Retained in the Council's Regeneration budget, the building was completed in 2013. The entire building has now been let to the University of Derby.

##### **Nottingham City Council – Unity Square, Station Street, Nottingham**

Union Square is a proposed development by Peel Properties for up to 290,000 sq ft office building, 21,500 sq ft retail, up to 37,500 sq ft leisure and a 200 bed hotel. In order to encourage the developer to start construction of the offices, Nottingham City Council has offered to pre-let 20,000 sq ft of the proposed new office building. It would then either sublet the space or take occupation. Sladen Estates has recently acquired the site from Peel. Although no construction has started, it provides confidence to the developer and potential occupiers and take a positive step towards delivering the scheme.

## 6.3 Infrastructure and Site Servicing

- 6.3.1 Capital investment can be used to fund the servicing of employment land, particularly where high upfront infrastructure costs would otherwise mean the first phase of development would not take place. Such funds can be provided by way of capital contributions or via a loan. Such funding is typically sourced from bodies such as the HCA (usually by way of a loan), Local Authority and Local Enterprise Partnership (LEP).

### Regional Examples

#### **Gedling Colliery – HCA development of 1,000 homes, district centre and 25 acres of employment land**

In order to develop this brownfield site, the Gedling Access Road (GAR) needs to be built at a total cost of around £30m. Without public sector assistance, the scheme is unviable. HCA is proposing to work in partnership with a developer to offer a 'land for infrastructure' deal. Land is released for development in order to cross-subsides the cost of developing the GAR. If a surplus results in the later phases of development, then the HCA would receive a residual land payment. A partner has been selected and detailed terms for the development agreement are currently being prepared.

#### **Land to south of Newark**

Planning consent has been granted to develop up to 3,100 homes, 2 district centres, a care home, schools and 110 acres of employment land. The development will require a substantial relief road connecting the A46 with the A1. The HCA has committed to loan the developer, Catesby Properties Ltd, in excess of £10m to part fund the road. In addition, Newark & Sherwood District Council and the D2N2 LEP have agreed to provide capital funds in excess of £7m. The infrastructure works are due to commence in summer 2015.

- 6.3.2 This range of investment opportunities for BDC can be considered in further detail as it looks at the site specific opportunities.

## 7.0 Conclusions

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- 7.1 In our Market Commentary section, we make reference to the fact that there is a substantial amount of employment land available in the North Midlands and South Yorkshire region – approximately 800 hectares (2,000 acres). We identified that the M1 Corridor remains the preferred location for large scale B8 distribution users rather than the A1 motorway. Ease of accessibility to the wider motorway network and high transport costs play a role in this decision making process.
- 7.2 Notwithstanding the high level of supply there are distribution requirements for the North Midlands/South Yorkshire area. Occupier demand is predominately led by local and regional business requiring mainly light industrial and manufacturing uses. However, delivering development where sites require upfront service costs can be challenging. Rental levels have remained competitive and take-up rates within the District of existing stock have averaged around 27,500 sq m per annum (296,000 sq ft per annum) between 2012 and 2014.
- 7.3 Taking into account permissions and the subject sites there is a current supply of 256 ha (632 acres). Based on the above take-up levels, this translates into a supply of over 30 years. However, if the Bevercotes Colliery and Land South of Harworth sites are excluded, this reduces down to 15 years.
- 7.4 Each site has been reviewed in detail to assess market demand, suitability for a development and opportunity for investment. We identify that the following sites may be suitable for investment from BDC to assist in delivering new employment space (Amber):-
- Doncaster South, Blyth Road, Harworth
  - Shireoaks Common, Worksop
  - Land south of Harworth
  - Manton Wood Extension, Worksop
- 7.5 Of these sites, it is considered that the Doncaster South, Land south of Harworth and Manton Wood Extension sites may be suitable for intervention within the short term (0-2 years). This is due to the identified market demand for small to medium sized occupiers at Doncaster South and on Land south of Harworth together with the opportunity for sustainable development at Manton Wood.
- 7.6 The following sites were considered to have potential to be delivered without funding assistance (Green). These include Rossington Business Park, Vesuvius Works, former Tarmac Site, Retford, Compass Business Park, Markham Moor, Welbeck Colliery and North Road, Retford.
- 7.7 These sites are considered either relatively straightforward to develop or form part of a mixed use scheme where site servicing costs are cross-subsidised by other higher value uses. Sites in these categories will require close monitoring as the planning status or occupier interest may change. (e.g. Vesuvius Works)
- 7.8 The sites identified as not suitable for current investment (Red) include Bevercotes Colliery and Gateford Common.
- 7.9 The Bevercotes Colliery site requires substantial off-site infrastructure to create serviced land. The site is in a somewhat remote location with only limited opportunity for job creation to serve the surroundings of Bassetlaw. We suggest that this site is not considered at this stage but reviewed again as the infrastructure develops.

- 7.10 The Gateford Common site does not currently have a planning permission nor is being actively marketed. There is also very limited market demand for the proposed office led scheme and no definitive marketing strategy in place.
- 7.11 We stress that the assessment results are undertaken over a limited period reflecting current market conditions and the planning status of each of the sites. BDC should consider an annual site review process when looking at ongoing investment opportunities. Those sites identified with potential to invest should now be considered in further detail.