

Appendix 2: Data Centre Opportunity at Ratcliffe-on-Soar Briefing Paper

Subject Ratcliffe LDO
Job No/Ref 283253/rab
Date 23 October 2025

Data Centre Opportunity at Ratcliffe-on-Soar Briefing Paper

Introduction

The rapid rise in the use of Artificial Intelligence (AI), machine learning and cloud computing is fuelling a significant and continuing, world-wide growth in the demand for data centres. These are multi-billion pound investments that bring major benefits to their local areas.

Government is working proactively to ensure that the UK can attract and benefit from data centre investments and has published an AI Opportunities Action Plan¹, and made changes to the National Planning Policy Framework that make clear that planning policies and decisions should place greater emphasis on uses, including data centres and digital infrastructure, that meet the needs of a modern economy². The Ratcliffe Site is very well placed to capitalise on this ambition, having unique characteristics which make it highly attractive to data centre developers and investors.

This paper summarises the opportunities that data centres can bring and the economic and social benefits for Rushcliffe Borough. It also introduces an amendment required to the Ratcliffe-on-Soar Local Development Order (LDO) which would allow this opportunity to be maximised.

Data Centres

Data centres are large warehouse-style buildings accommodating IT equipment which supports worldwide digital communication and computing processes. Some are operated by well-known companies such as Google, Microsoft and Amazon Web Services, but there are also many specialist developers and operators in the market.

Data centre buildings include formats which would be accommodated within the approved LDO height parameters and can be effectively screened by landscaping and trees. The operations generate very little noise or emissions. They also have a relatively low transport impact compared to buildings of this size.

Images – Recently approved Hertsmere data centre



¹ <https://www.gov.uk/government/news/prime-minister-sets-out-blueprint-to-turbocharge-ai>

² NPPF Section 6, paragraphs 86 and 87

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Positive Economic Impacts

Data Centres bring very significant economic benefits to their local area. This is often referred to as a “halo effect” created by the direct benefit of well-paid jobs in construction and data centre operation, and the positive ripple impact on local businesses, including supporting university research capacity and local technology businesses and start-ups.

For example, the recently approved Hertsmere data centre - construction value £3.75bn - is forecast to support 14,000 jobs and contribute £21.4m annually in business rates. It is also anticipated to contribute £1.1bn annually in indirect GVA to the wider economy.

A Data Centre at Ratcliffe

The Ratcliffe on Soar power station site - with available power and cooling water - makes it a highly attractive location for data centre developers. This is further enhanced by the proximity of a well-educated and skilled workforce; good transport links and by being within an attractive area to live and work.

However, parties will need to work quickly to attract major data centre development. This is a very fast-moving market, with developers comparing locations across the globe, and selecting those sites which can be operational within two years of an investment decision. The work by Rushcliffe Borough Council to produce the Ratcliffe-on-Soar LDO which permits data centre uses, is a very positive step that will enable this accelerated delivery programme.

Currently, plans are underway to demolish the power station on the northern area of the Ratcliffe site (north of the A453). British Gypsum has also submitted a planning application for quarrying activities in this area. This means that some areas on the Northern Site can be developed in 2025 but the land available is restricted significantly until demolition is complete in 2030. Furthermore, locating high value IT equipment adjacent to a demolition site would likely be seen as adding risk for a developer.

By contrast, the Southern Site (the former ash fields, south of the A453) is relatively unconstrained and is currently available for a data centre.

Currently, the wording of the LDO only allows data centre uses on the northern site. An amendment would therefore be required to allow data centre uses on the Southern Site and enable the LDO to align with recent government policy and changing market conditions. It is highlighted that a data centre will be compatible with the design guide and parameter plan requirements set for the Southern Site

The Benefits for Rushcliffe

Securing a major data centre development at Ratcliffe will bring significant benefits for Rushcliffe Borough and the wider area.

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In addition to the direct and indirect jobs created and the investment in the local economy, a data centre will generate significant business rates – estimated at £2-£3m annually³. Given the Freeport status of the site, the Council will be able to retain all of these rates.

A large-scale data-centre development will also provide significant s106 contributions. An early multi-million-pound contribution could therefore be directed towards helping unlock improvements to Junction 24 on the M1. In this way, the Council would be helping release wider growth opportunities across the region.

A first phase of development at Ratcliffe will also help to support subsequent phases to come forward as issues relating to transport and electricity supply are resolved. Momentum would hopefully start to build, helping development on the northern site to come forward more quickly.

Summary

The demand for data centres has grown dramatically since the LDO was first approved. This is a fast-moving market and, with an amendment to the LDO, there is a strong possibility that a major data centre development could be delivered on the south site at Ratcliffe within the next few years. This will bring very significant benefits to the local economy, including the ability for the Council to retain business rates, and by helping unlock capacity issues at M1 Junction 24.

³ Taken from a sample of existing data centres; actual figure will be based on rateable value of the building multiplied by the national multiplier figure and minus any rate relief (Applicable in Freeports for first 5 years)