

Savills on Behalf of Wilson Bowden Developments

Matter 5: Employment Development and Town Centres

Supplementary Statement January 2023

Impact of the accommodation of Leicester's unmet need on Charnwood's overall employment supply

Charnwood's submitted Plan sets out a need, as stated in the 2018 Employment Land Review (ELR), for 43.55ha of class B2/ 'small B8' land. As discussed at the October 2022 hearing sessions, it should be reiterated that as this evidence has not been superseded or withdrawn, it is still valid and should be a material consideration in the determination of the soundness of this plan.

In Table 1 below we have summarised Charnwood's B2/ 'small B8' employment supply position, taking into account the accommodation of Leicester's unmet need of 23ha.

Table 1: Summary of Charnwood's Employment Need and Supply Balance

	B2/ Small B8 (ha)
Employment Need	43.55 (including 10ha contingency to support market churn and vacancy rate) ¹
Accommodation of Leicester's Unmet Need	23 ²
	7 (contingency to support market churn and vacancy rate, pro-rata) ³
Employment Supply	66.0 ⁴
Balance Need and Supply (prior to unmet need accommodation)	22.45
Revised Balance Need and Supply (including unmet need)	-7.55

Paragraphs 6.10-6.16 of the ELR recommended an additional 10ha of class B2/ 'small B8' land in addition to the identified need, in order to improve vacancy rates and market churn. This recommendation was adopted by the Council, resulting in the 43.55ha need figure. However, the ELR was written in 2018, when vacancy rates were around 3.7% (paragraph 6.13). It is considered that the vacancy rate position has worsened in Charnwood and Leicestershire more widely since 2018, with recent research by Savills estimating East Midlands vacancy rates to be at 1.4%⁵. As demonstrated by the above table, Charnwood's current position is that it has a 0.55ha unmet need when taking into account the accommodation of Leicester's 23ha unmet need. We consider an additional contingency as recommended in the ELR should be added to this unmet need figure to ensure that market churn and the vacancy rate are supported adequately, which would amount to 7ha pro-rata. Taking this further contingency into account, the employment land deficit in Charnwood sits at 7.55ha.

It should also be recognised that the stated figures above relate only to class B2 and 'small B8' sites under 9,000sqm. As we have previously stated, Charnwood have deferred their 'large B8' need to wider Leicestershire strategic work, which has not yet commenced since the plan was submitted in December 2021. CBC stated in their letter to the Inspectors in March 2022 (EXAM 2A) that two studies, the Strategic Growth Options and Constraints Mapping and the Strategic Transport Assessment, were

¹ EB-EMP-2 Employment Land Review 2018, paragraph 6.15-6.16

² EXAM 43 Statement of Common Ground relating to Housing and Employment Land Needs 2022, paragraph 3.24

³ Savills calculation

⁴ SD-2 Charnwood Local Plan 2021-2037 Pre-submission Draft, Table 3

⁵ Savills Future Demand Report 2022 paragraph 2.2.4, submitted in response to Matter 10 MIQs

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anticipated to be available in June/July 2022. This deadline has passed, and there are no confirmed timescales for the further progression of this work. We consider this evidence gap to be unwarranted and without it the plan is not justified or sound, particularly considering that the inclusion of large class B8 sites in a future Charnwood Local Plan may be some years away.

Furthermore, it is considered that Charnwood have inadequately addressed the growing need for large B8 units over 9,000sqm whilst local businesses continue to seek expansion space. This approach also renders the plan unsound because it is not effective.

Local Precedent for Criteria-based Employment Policies

In order to make the plan sound, we consider that an appropriate solution which would allow much-needed large class B8 sites to come forward would be to include a criteria-based employment policy via a main modification to the plan.

An example of this kind of policy can be found in the North West Leicestershire Local Plan, adopted in 2017. An employment supply deficit of 39ha was identified in the district, however the Council were unable to identify suitable sites in their Employment Land Availability Assessment (ELAA) to meet these

North West Leicestershire Local Plan Policy Ec2: New Employment Sites

(2) Where evidence indicates an immediate need or demand for additional employment land (B1, B2 and B8) in North West Leicestershire that cannot be met from land allocated in this plan, the Council will consider favourably proposals that meet the identified need in appropriate locations subject to the proposal:

- (a) Being accessible or will be made accessible by a choice of means of transport, including sustainable transport modes, as a consequence of planning permission being granted for the development; and*
- (b) Having good access to the strategic highway network (M1, M42/A42 and A50) and an acceptable impact on the capacity of that network, including any junctions; and*
- (c) Not being detrimental to the amenities of any nearby residential properties or the wider environment.*

needs. Policy Ec2: New Employment Sites therefore sets out a criteria-based policy for assessing any windfall employment sites which could potentially come forward during the plan period:

The effectiveness of this policy has allowed large scale employment development to come forward at Mercia Park adjacent to M42 Junction 11, the justification for which was premised on the above policy wording (application reference: 18/01443/FULM). This demonstrates that where appropriate consideration and flexibility is applied, effective policies can be included in the plan to deliver employment requirements that emerge as the local economy demands. This approach to policy also ensures that local economic requirements that are not provided a specific location can be accommodated successfully.

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Additionally, the North Warwickshire Local Plan (adopted 2021) includes a similar policy aimed at supporting economic growth and productivity.

North Warwickshire Local Plan Policy LP6: Additional Employment Land

Significant weight will be given in decision taking to supporting economic growth and productivity, particularly where evidence demonstrates an immediate need for employment land, or a certain type of employment land, within Area A on Figure 4.10 of the West Midlands Strategic Employment Sites Study of September 2015 (or successor study) which cannot be met via forecast supply or allocations. The relevant scheme will be required to demonstrate:

- (i) access to the strategic highway network is achievable and appropriate,*
- (ii) the site is reasonably accessible by a choice of modes of transport,*
- (iii) it is otherwise acceptable, taking account of the living conditions of those nearby.*

It is considered that Charnwood's Local Plan could be made sound through the inclusion of a similar policy, which would allow the significant demand and need for larger employment sites (which is not dealt with in the submitted plan) to be accommodated where sites are well located and there is a clear justification for their need.

As discussed in our previous matter statements and discussed at the previous Examination hearings, Wilson Bowden Developments are promoting land to the south-east of M1 Junction 23 for large-scale employment uses. A local employer, Thermo Fisher Scientific, are currently in need of an expanded premises and have expressed interest in this site. It is considered that this site can appropriately meet the need for large scale employment close to the M1 motorway junction: a requirement that was clearly identified in the evidence base but has yet to be addressed by the draft plan.