

Hearing Statement – Matters, Issues and Questions.

In Respect of Charnwood Local Plan 2021–37 Examination.
On behalf of Carbide Properties Ltd

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1. Matter 5: Employment Development and Town Centres

Issue 1 – whether the assessment of the need for employment and the employment floorspace requirement are soundly based.

5.1 The Housing and Economic Development Needs Assessment (EB-EMP1) sets out a 'planned growth scenario' of 18,500 jobs for the Borough (2011 – 2036). How has the Employment Land Review (EB-EMP2) taken into account local factors in arriving at the need for employment land in the following sectors, and is the approach justified:

a. Offices (formerly Class B1(a), now covered by Class E(c))

b. Industrial (Class B2 and B8)

- 1.1. The Employment Land Review (ELR) has taken into the account local market conditions to derive the requirements for office and industrial space. It is considered that this approach is justified and that the amount of small-scale employment identified in Policy DS1 provides appropriate flexibility to enable market demand for employment land to be met.
- 1.2. The availability and location of the land allocated to meet this identified need for small scale employment is however a significant concern, an issue that will be discussed further below in response to question 5.16.
- 1.3. For office space, the ELR notes the Housing and Economic Development Needs Assessment (HEDNA) findings that of the 18,500 new jobs needed in Charnwood, more than 50% had already been delivered by 2015.
- 1.4. As the Borough delivered less than 3ha of new office land between 2011-15 the ELR surmises that these jobs must have been absorbed into existing stock. The ELR therefore concludes that the scale of land (40ha as stated in HEDNA as a high growth scenario) is not needed to deliver the number of jobs.
- 1.5. The ELR therefore concludes that the planned growth scenario was the most appropriate in this context and therefore 14ha of office land should be planned for after considering the historic growth in office floor space since 2011 which was 0.6ha per annum.
- 1.6. For industrial land, the HEDNA determines the need for land using evidence of past take up rates. The HEDNA reports assume that the market is in balance, but the ELR determines that this is not the case. This is because local land agents have highlighted a very low vacancy rate of 3.7% which they consider is too low for the market to function efficiently as it limits market choice, churn, and friction. The ELR also reports that 33ha of industrial land has been lost between 2010 and 2016. The limited vacancy rate suggests that some of this land should not have been lost to other uses.
- 1.7. It is this reason that 10ha additional over and above the need identified in HEDNA is recommended for industrial land. The ELR excludes the Science Park and Enterprise Zone

from the supply as they are not considered to form part of the “normal” supply – as confirmed by the Inspector examining the last plan.

5.6 Does the Plan identify a 10-hectare site for larger units (over 9,000 sqm), as recommended in the Employment Land Review? If so, where is it and how will it meet the requirements of that sector

- 1.8. The plan does not identify a 10-hectare site for larger units nor does the plan provide a criteria-based policy for identifying appropriate locations for windfall applications for such uses.
- 1.9. The Plan appears to ignore the ELR’s recommendation to allocated land to serve local need and instead confirms that further joint working across Leicestershire will identify whether there is a need for strategic warehousing to be accommodated in the Borough.
- 1.10. Whilst the Topic Paper (Ref SCG/10) states that the issue of strategic warehousing has been deferred because the evidence shows that existing supply across Leicestershire can accommodate short- and medium-term requirements, this fails to deal with the local need in Charnwood.
- 1.11. For Strategic Warehousing and Logistics, the HEDNA identifies a large-scale need for land (472ha to 2036) across Leicestershire. The ELR further recommends that a minimum of 10ha of new land is needed in Charnwood to the meet the needs of the local firms seeking larger units (>9,000 sq. m) over the plan period. The ELR acknowledges (para 6.30) that not providing any land for strategic warehousing would mean that an element of market demand is not addressed in the plan.
- 1.12. It is recommended therefore that a criteria-based policy is included in the Plan to ensure local need is met during the plan period. This will ensure the plan is positively prepared and justified, meeting the tests of soundness.
- 1.13. The plan fails to address the strategic cross boundary matter of meeting strategic warehousing and logistics need in Leicester and Leicestershire. The ELR’s recommendation to provide for some strategic warehousing in the plan period is understood as it seeks to meet a shortfall in demand. However, allocating 10ha at this stage would not be effective or justified as it would not be informed by agreements with the other Leicester and Leicestershire authorities.
- 1.14. It is acknowledged, that in terms of the evidence of the strategic warehousing need, the Leicestershire Local Authorities have agreed that the most update to date evidence is given in the Warehousing and Logistics in Leicester and Leicestershire: managing growth and change (April 2021). They have also agreed to work together to identify sites deliver the strategic warehousing requirement.
- 1.15. A criteria-based policy would not only support meeting the 10ha of local need, it would also allow for any demand arising in Charnwood as part of meeting that Leicester and Leicestershire strategic warehousing need. This will further ensure the plan positively addressing this strategic cross boundary issue.

Issue 3 – Warehousing and Logistics Floorspace

5.15 Should the plan be more explicit about addressing the need for logistics and warehousing floorspace to 2041 identified in the study? Is there a need for a specific reference to logistics and warehousing within Policy E1 (Meeting Employment Needs) or with other policies as well, for example DS1?

- 1.16. The plan should be more explicit in addressing the need for logistic and warehousing floorspace in the Borough. The Plan doesn't provide a policy basis for determining any windfall applications for this type of development when a clear demand for such uses has been identified in the study.
- 1.17. There is a need to either provides a standalone criteria-based policy for logistics and warehousing in the plan or additional criteria should be added to policy E1 to acknowledge the need for this use and to provide some guidance as to where in the Borough, this type of use would be appropriate. The need for land for logistics and warehousing should also be included in the overall development strategy in policy DS1 to acknowledge the importance of this type of employment for the Midlands economy.

5.16 Overall, does the Plan allocate a sufficient amount, mix and choice of employment sites to meet future needs and has the Plan's economic strategy been positively prepared? Are the Plans economic and housing strategies aligned?

- 1.18. The plan may allocate enough land for non-strategic employment land, but it is not clear what evidence there is to support the mix and choice of employment sites. The Council relies on past allocations for employment land to align with its strategy of providing employment adjacent to propose largescale allocations for housing without considering the locational needs of end users and delay this leads to in the availability of land for employment across the Borough.
- 1.19. The allocation of employment seems to have been derived by considering what sites have already either gained permission or have been allocated in the past without carrying out any further analysis as to whether they are in the right location to suit demand or whether they can be delivered in a timely manner to meet demand.
- 1.20. Furthermore, recent evidence in the Leicester and Leicestershire Economic Need Assessment (HENA) shows a reduction in employment need from 372-392 ha to 279.5 ha. The drop in need in Charnwood is mitigated by the proposal to adsorb all the unmet need from Leicester. The new evidence means that there is an oversupply, including in Charnwood where the supply more than cover the unmet need.
- 1.21. However, most of the allocated employment land is not immediately available for development which is restricting the need of industries who need to relocate or expand now.
- 1.22. Our client has end users that are looking to locate in Charnwood close to Leicester City that are seeking strategic warehousing and logistics space now but are unable to identify a suitable allocated or committed site to meet this demand. This is in part due to the availability of the employment land identified in the plan, which is reliant on the delivery of housing to gain access, partly due to sites not meeting end user's requirements and partly due to the proposed policy restrictions on use.
- 1.23. The employment land within the Sustainable Urban Extensions is not currently available. In all three cases the availability of the land is dependent on the delivery of road infrastructure

which will be funded by the delivery of housing development. The employment trajectory in the Plan suggests the employment land at the Northeast of Leicester site will start to be delivered in 2026/27 with 13ha available by 2032/33. The approved phasing programme for the development, however, sets out that only 3ha will be delivered by the occupation of 1,700th home, which based on plan's housing trajectory and the most recent five-year supply update will be in 2032/33. The remaining 10ha will be delivered as part of phase 3 which is due to be delivered in 14 years after the start of the development.

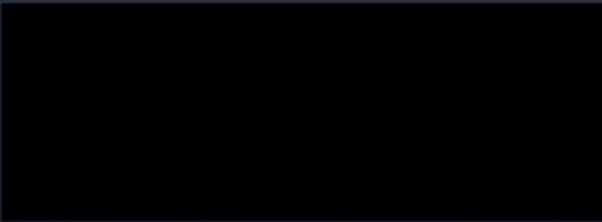
1.24. Similarly for the employment land proposed as part of the West of Loughborough Sustainable Urban Extension is not due to be delivered until between 2027/28 and 2035/36. This aligns with the approved phasing plan for the site which shows the employment being delivered as part of Phase 6 and 7 of a total of 9 phases but doesn't take account of the delays to the start.

1.25. The table below summarises the key issues with the identified sites in the plan and highlights the need for a criteria-based policy to ensure choice and flexibility to meet the immediate need for a variety of sites at a crucial time for the economy.

Draft Allocations	Key Issues
LSEP Loughborough Science & Enterprise Park	<ul style="list-style-type: none"> Restrictive policy for knowledge-based industries.
ES1 Sileby Road, Barrow Upon Soar	<ul style="list-style-type: none"> Neighbourhood Plan allocation which is not large enough. Not on the Strategic Road Network.
ES2 North of Birstall Sustainable Urban Extension	<ul style="list-style-type: none"> Access dependent on the delivery of road infrastructure.
ES3 The Warren, East Goscote	<ul style="list-style-type: none"> Not on the Strategic Road Network Not large enough
ES4 West of Loughborough Sustainable Urban Extension	<ul style="list-style-type: none"> Not available for 6-14 years. Access dependent on the delivery of the link road which will not provide access to the A512/M1 until the later stages of the plan period.
ES5 Dishley Grange	<ul style="list-style-type: none"> Not on the Strategic Road Network, Access to the A512/M1 dependent on delivery of the link road within the SUE.

ES6 Rothley Lodge, Rothley	<ul style="list-style-type: none"> • Not on the Strategic Road Network • Not large enough – 3.35ha? • Possibly already purchased and no long available?
ES7 Loughborough Road, Rothley	<ul style="list-style-type: none"> • Not on the Strategic Road Network • Not large enough
ES8 Fairway Road, Shepshed	<ul style="list-style-type: none"> • Not large enough
ES9 Watermead Business Park, Syston	<ul style="list-style-type: none"> • Not available now
ES10 Northeast Leicester Sustainable Urban Extension	<ul style="list-style-type: none"> • Not available for 10–15 years. • Not located on the Strategic Road Network. • Access dependent on the delivery of the northern link road.

Town & Country Planning Act 1990 (as amended)
Planning and Compulsory Purchase Act 2004



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