

CHARNWOOD LOCAL PLAN 2021-37

EXAMINATION

MATTER 5 – EMPLOYMENT DEVELOPMENT AND TOWN CENTRES

HEARING STATEMENT ON BEHALF OF MULBERRY LAND

STATEMENT PREPARED BY TETRA TECH PLANNING

JUNE 2022

Background to Mulberry Land and the site

Mulberry Land has significant experience and expertise in promoting strategic land for both residential and employment development. Within the Mulberry Group the respective Homes and Developments teams deliver around 300 homes each year and have built over 3m sq.ft of Warehousing and Logistics space over the last 18 months.

Mulberry Land has an interest in land north of Syston Road, Cossington. The site is 17 hectares and is in a sustainable location for employment development. It should therefore be allocated as employment land in the Local Plan. Access can be provided into the site from the large roundabout on Syston Road, directly to the south of the site. This would provide excellent connectivity to the strategic road network.

The site currently comprises agricultural and associated farm buildings, bounded by Syston Road to the south, Humble Lane to the north and a railway line forming the western boundary to the site. A mature hedgerow marks the eastern boundary of the site. The land is not subject to any significant constraints and is available immediately for employment related development. There are no ransom strips affecting the site.

The site is located immediately to the northwest of an existing successful employment site, Charnwood Edge Business Park, which accommodates a range of commercial occupiers. Cossington is located a short distance to the west, with Sileby to the north providing a range of local services and facilities, including a railway station and local workforce. The location of the site is shown in the extract below:



Figure 1: Land north of Syston Road, Cossington

In terms of the wider context, the site is in very close proximity to the A46, which is identified as an important transport corridor running through the Midlands and therefore the site represents a key location for logistics operations. It is anticipated that this site would be particularly suitable for mid-sized logistics uses given its location and market demand. The site could however also be configured to accommodate large scale logistics uses given the size, flat topography of the land and the regular shape of the site. Included in Appendix 1 are two option indicative masterplans for the site – Option 1 showing the potential to accommodate up to five logistics/warehouse units (ranging from 87,000sqft up to 134,000sqft) on the site, and the other Option 2 showing one large logistics/warehouse unit (532,000sqft) and two smaller units (55,500sqft each). These illustrative masterplans demonstrate how the development could be accommodated, the lack of physical constraints and the deliverability of the site access.

It is also relevant to note that the land north of Syston Road forms part of a wider opportunity for strategic growth to the southeast of Sileby, being promoted for approximately 1,300 new homes and 10 ha of employment land (Phase 1 of which was assessed in the 2020 SHELAA as site PSH493 (Land off Ratcliffe Road)). The promotion of the wider site has previously envisaged the land north of Syston Road forming Phase 2 of the wider opportunity, delivering employment land and a new southern access from the existing roundabout. However, given this land parcel is unconstrained and available for development, it is capable of coming forward immediately for development to help meet Charnwood's identified employment needs and known occupier demands.

Issue 1 - Whether the assessment of the need for employment and the employment floorspace requirement are soundly based

We do not believe that the Charnwood Local Plan has adequately taken into account strategic needs for employment land, given that the Leicester Local Plan has identified a need for some 67 ha of employment land in Leicester, with only 44 ha of land being provided. This highlighted that there was little scope to deliver new employment development within the city's boundaries.

Some 23 ha of land will therefore need to be identified in the wider Functional Economic Market Areas (FEMAs), which includes Charnwood Borough. Unmet need from Leicester is not taken into account in the current draft of the Charnwood Local Plan. The unmet needs should be addressed in the current Local Plan period rather than being deferred to a later date.

The 10ha allowance identified by the Charnwood Borough Council commissioned Employment Land Review (ELR) 2018 is relatively small. Meanwhile, the ELR specifically referred (at paragraph 3.64) to this allowance serving a local market as opposed to a wider need arising from across the Leicestershire area. This contrasted with the recommendations of the 2022 *'Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change'* report [EB/EMP/3], which recommends a need for 1,466,000 sqm of warehouse floorspace at non-rail served sites, after taking into account current supply. It is not clear as to how the need for employment land in the submission draft Local Plan, and especially warehouse floorspace, has been properly translated into a requirement for floorspace and land in Policy DS4 in these circumstances.

It is noted from the Council's response [EXAM1A] to the Inspector's Preliminary Matters Letter [see Appendix B Statement of Common Ground on Housing and Employment Need (SCG1)] confirmed the Housing and Economic Needs Assessment (HENA) and Sustainability Appraisal will be completed by May 2022. These will be used to inform a Statement of Common Ground apportioning Leicester's unmet need to 2036.

From the SCG it states that the HENA is intended to take account of the other evidence and strategies in arriving at conclusions. This includes the Leicester Authorities commissioned '*Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change*' report [EB/EMP/3] and Local Industrial Strategy to identify what contribution these make to future employment requirements in the FEMA and individual Local Authorities and any effects for employment and housing distribution.

The objectives of the HENA are also to understand the optimum locations for different types of employment sectors (based on supply and demand for employment land & premises and preferences of the market). The study is also intended to seek to understand the quantitative/qualitative gaps, market failures and opportunities (including in identified growth corridors and nodes) and should seek to identify what proportion of the future requirements could be delivered in these priority growth areas.

This means that the proposed provision for employment land (i.e. 154.8ha identified in Policy DS4), and more specifically warehouse B8 use, is not likely to reflect the most recent evidence, including the forthcoming HENA, which was due to be made public in May 2022.

Accordingly, we therefore consider that the Plan as currently drafted is unsound as the employment need identified in Policies DS1 and DS4 fail to appropriately take into account more recent evidence referred to above and the requirements to accommodate strategic needs.

Issue 2 - Employment Allocations and Other Employment Policies

The method used in the Housing and Economic Development Needs Assessment (HEDNA) for the joint Leicestershire Authorities excluded any large warehouse unit over 9,000sqm from the analysis of industrial and (small) warehouse demand. Consequently, there was no provision within the 39ha (adjusted to 44.5ha above) to accommodate any large warehouse unit.

The ELR estimated that a small additional quantum of land – a minimum of 10ha - should be provided to reflect the likelihood that there is likely to be some limited, local demand, for larger units over the life of the plan. The ELR recommended that to meet this need, consideration could be given to allocating a site with very good accessibility to the strategic road network, ideally the M1, in order to meet this demand. The ELR only recommended one site – land east of Shepshed Junction 23 (PSE24) – for possible consideration.

As outlined above in response to Issue 1, the Council's Statement of Common Ground on Housing and Employment Need (SCG1) states that the Housing and Economic Needs Assessment (HENA) is to provide an evidence based, policy compliant assessment of the future economic needs of Leicester & Leicestershire and the requirement for employment land and premises to 2050. The findings of this report are still awaited.

The 2018 ELR identifies a particular shortage of medium sized industrial/ logistics premises, with occupiers struggling to find suitable space to expand into. Low levels of supply of medium size industrial/ warehouse buildings in recent years combined with increasing levels of demand have resulted in a particular shortage which will need to be addressed. We consider that Policy DS1 should recognise this issue in its assessment of the overall Borough-wide need. We consider this is necessary in order to address the current shortfall and ensure the Plan is positively prepared, having regard to the requirements of paragraph 35 of the NPPF.

Furthermore, the draft Local Plan does not take into account the findings of the 2021 Warehouse and Logistics in Leicester and Leicestershire report commissioned by the Leicester and Leicestershire Authorities. The report identifies an overall shortfall in the provision of logistics space across the county, and indicates a number of areas where strategic needs would be best accommodated, including to the north of Leicester, incorporating areas within Charnwood Borough. In this context, the 10 ha allowance identified by the 2018 ELR is relatively small. Meanwhile the ELR specifically refers (at paragraph 3.64) to this allowance serving a local market as opposed to wider need arising from across the Leicestershire area, in contrast to the recommendations of the 2021 study.

Accordingly, we consider that the Plan as currently drafted is unsound as the employment need identified in Policy DS1 fails to appropriately take into account this specific need. Mulberry Land therefore objects to the employment allocations set out in draft Policy DS4 on the basis that the identified need does not adequately take into account unmet need arising in the FEMA and does not include sufficient consideration of qualitative needs. Meanwhile in our assessment the employment strategy is over-reliant on a small number of strategic sites, which will result in a delay to early delivery of employment land and does not adequately provide choice and availability for different elements of the industrial and logistics sector.

Therefore, we consider the policy to be unsound on the basis that it is not positively prepared, justified or effective in terms of meeting identified needs. In order to make the policy sound, there is a need to allocate additional employment land to boost the supply of new floorspace in the early years of the Plan and to allow development to come forward in key transport corridors such as the A46. In this context, the land north of Syston Road would make a valuable contribution to the Borough's employment land supply.

Issue 3 – Warehousing and Logistics Floorspace

The Charnwood Borough Council's Employment Land Review was carried out in 2018 and does not take into account the wider FEMA. In contrast, the '*Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change*' report (EB/EMP/3) for the Leicestershire Authorities was carried out in April 2021 and updated in March 2022. This more recent report specifically addresses the need for warehouse floor space across the joint Authorities. It points to a need for 1,160,000 sqm of warehouse floorspace, after taking into account current supply, which it recommends the authorities should use as a figure for planning policy requirements.

It states that the balance of needs is equivalent to around 50% of existing stock, however this is not equivalent to a 50% gain by 2041 as some older stock is expected to be lost. The report indicates that based on 57% of future need at non-rail (i.e. road) served sites, there is a shortfall of 392,000 sqm (112 ha) for warehouse provision at non-rail served sites, which should be planned for (including margin) after taking into account existing supply.

It is noted that the Leicester & Leicestershire Authorities - Statement of Common Ground relating to Strategic Warehousing & Logistics Need (September 2021) states in paragraph 3.4:

“Appendix C updates the supply position as at 1st April 2021. At this date there is a supply of 387,125 sqm at rail served sites and 1,131,014 sqm at non-rail served sites. This leaves a shortfall of 718,875 sqm (288 ha1) at rail served sites and 334,986 sqm (96 ha1) at non-rail served sites which should be planned for to 2041. Since 1st April 2021 North West Leicestershire District Council has resolved to approve (subject to Section 106) an outline application for 78,967sqm of storage and distribution (Use Class B8) on land at Netherfields Lane, Sawley. The Illustrative masterplan shows 33,675 sqm of strategic warehouses (and 32,051 sqm non-strategic units). Taking this into account, would leave a shortfall of 301,293 sqm at non-rail served sites to 2041.”

In paragraph 3.10 of the Leicester & Leicestershire Authorities - Statement of Common Ground relating to Strategic Warehousing & Logistics Need (September 2021) states:

“The authorities will collaborate to ensure the remaining 301,293 sqm is appropriately planned for.”

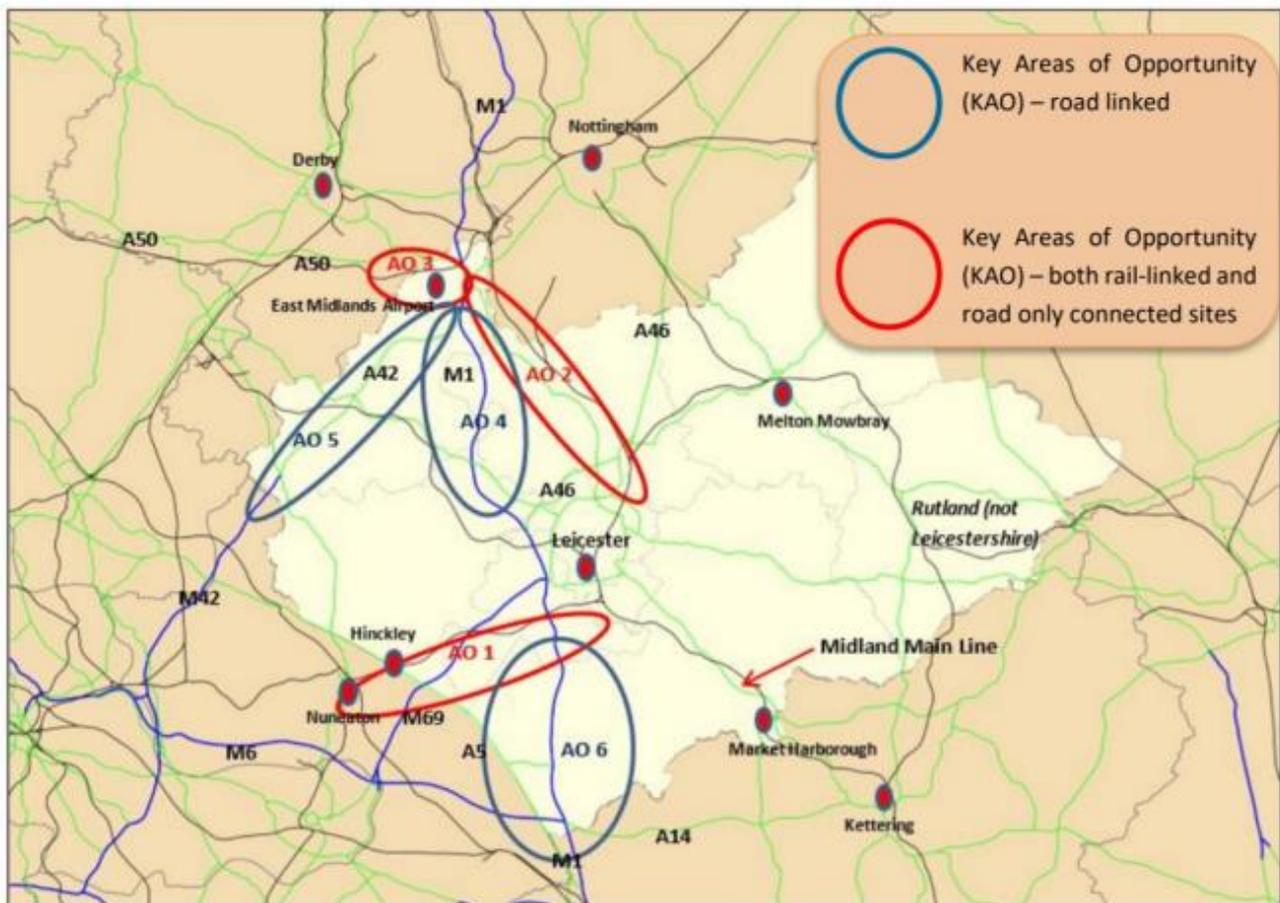
In our judgement, given the findings of the ‘Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change’ report (EB/EMP/3), the Local Plan therefore does not make adequate provision for strategic warehouse/logistical needs in either Policies DS1 and DS4, to adequately “support the economic success of Charnwood and Leicester” as proposed in the Policy.

The delivery of many of Charnwood’s identified employment sites is tied to the delivery of wider Sustainable Urban Extensions (SUEs), which creates a significant risk of delay and probably land assembly issues to the prompt delivery of employment land to meet current needs. This is acknowledged at paragraph 4.92 of the 2018 ELR, which identifies an acute need for industrial space in the short to medium term and highlights that the current allocations are unlikely to relieve pent up demand given the land in the SUEs and the EZ site are strategic longer-term allocations. There is clear identified demand which needs to be addressed in the shorter term, via specialist sites located at strategically placed routes to enable effective delivery.

The site proposed by Mulberry Land, which is located north of Syston Road, Cossington, could provide for these strategic needs, and this is why flexibility is sought in the Policies to enable this site to come forward during the Plan period as a potential windfall planning application. It would fall into one of the defined six broad ‘Areas of Opportunity’, which the above study identifies to extend into Charnwood Borough:

- Area 2 – between Syston and Ratcliffe-on-Soar, broadly following the A6, M1 and Midland Main Line transport corridors, and incorporating Loughborough (Road & Rail).

It is noted that the authorities have agreed in their Leicester & Leicestershire Authorities - Statement of Common Ground relating to Strategic Warehousing & Logistics Need (September 2021) that the identification of the 'Areas of Opportunity' was a high-level exercise where general broad areas are identified; the analysis does not consider, assess or recommend specific sites or consider other planning constraints (e.g. flooding, highway capacity) that would inform the allocation of sites in Local Plans or wider policy aspirations such as decarbonisation. An extract from the Statement of Common Ground shows the Areas of Opportunity' Areas of Opportunity' below:



NB: Boundaries of key areas are not definitive and are shown for indicative purposes only

Figure 2: 'Areas of Opportunity' identified in the 'Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change' report (EB/EMP/3)

At this stage, it is not clear how the Areas of Opportunity identified in the Study shall be taken forward. The Inspector rightly questions how this will be taken forward in Paragraph 5.14 of the MIQ's. We believe this should be taken into account to inform the spatial distribution of employment land, especially warehousing and

logistics, as part of the Local Plan process. It provides a high-level review for one of the most critical considerations for this sector, namely good connectivity to the strategic road network.

We believe that for warehousing and logistics uses, connectivity to the strategic road or rail network should be one of the guiding principles in the Council's overall spatial strategy (Proposed Policy DS1). As such we believe another bullet point should be added to this policy to make this a specific requirement for warehousing and logistics development if proposed Policy DS1 is to be retained in its current format. We propose the following text might be appropriate:

- “is well connected to rail and/or the strategic road network in the case of major warehousing and logistics development”

The proposed Mulberry Land site north of Syston Road, Cossington is located in Area of Opportunity Number 2. It would offer greater choice and availability in the right place to meet occupier demand, particularly in relation to logistics floorspace to help address the unmet employment need identified in the FEMA. Direct unhindered access to the strategic road network can be achieved through a fourth arm to the roundabout on Syston Road, which would utilise existing infrastructure provision already in place. The site is available now and can accommodate circa 55,000 sqm of floorspace.

Given that the Housing and Economic Needs Assessment (HENA) is expected to provide an evidence based, policy compliant assessment of the future economic needs of Leicester & Leicestershire and the requirement for employment land and premises to 2050, the Charnwood Borough Local Plan should be more explicit about addressing the need for logistics and warehousing floorspace to at least 2041. This is the date referred in the *'Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change'* report (EB/EMP/3), although it is noted that the HENA will look to 2050.

The need for logistic and warehouse floorspace should be explicitly referenced in Policies DS4 and E1 to enable sites such as the site north of Syston Road, Cossington to come forward to meet unmet demand. Given the availability of this site which is suitable and capable of delivering new floorspace in the short term, we contend that it is necessary and entirely appropriate to identify additional land for development in the current version of the Local Plan rather than defer this issue to a future date. This would be the most appropriate way to address the existing shortages of available supply of employment premises as identified in the Council's Local Plan Review.

There are no significant technical constraints to development of the site north of Syston Road, Cossington, and the site is ideally located in close proximity to the strategically important A46 corridor. The Council's evidence base does not identify any significant constraints to development in the area southeast of Sileby, with the 2021 Sustainability Appraisal (Appendix H, Page 211) assessing site PSH493 (to the north of

Mulberry's landholding) as being relatively close to local amenities and not subject to any particular constraints unique to the site which could not be addressed through a well-designed development and appropriate mitigation.

Overall, we do not consider the Local Plan allocates a sufficient amount, mix and choice of employment sites, particularly in the case of warehouse and logistics to meet existing and future needs and given the availability of more recent strategic evidence the Plan's economic strategy has not been positively prepared.

Issue 4 – Whether the Plan will contribute to the vitality and viability of town centres

We have no comments in relation to Issue 4.

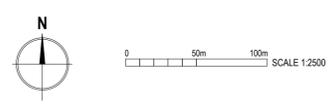
**APPENDIX 1 - ILLUSTRATIVE MASTERPLAN OPTIONS FOR DELIVERING
LOGISTICS/WAREHOUSING SCHEME FOR LAND NORTH OF SYSTEM ROAD, COSSINGTON**



redline demise
17.04ha / 42.10ac

Areas Schedule (note office GIA includes Hubs)

Plot No.	Warehouse		Offices		Total GIA		Car Parking @1/150sqm	HGV Parking	Docks	Level Access	cycles	PTW's
	GIA SQFT	GIA SQM	GIA SQFT	GIA SQM	GIA SQFT	GIA SQM						
1	125000	11613	9000	836	134000	12449	83	29	13	2	31	5
2	90500	8408	6000	557	96500	8965	60	21	9	2	22	5
3	100000	9290	6000	557	106000	9848	66	23	10	2	25	5
4	81000	7525	6000	557	87000	8082	54	19	8	2	20	5
5	86500	8036	6000	557	92500	8593	57	20	9	2	21	5
Total	483000	44872	33000	3066	516000	47938	320	112	48	10	120	25



Revisions:
P01 first issue 30may2022 PL

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Syston Road Cossington

Masterplan
Option 1

Status Preliminary
Drawn by: PL Checked by: RM
Date may2022

Document Number:
Project Code Zone Level Info Type Role Job No. Dig No. Revision
COS-PHP-XX-XX-DR-A-4637-001-P01
Scale@ A1 1:1250

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