

# **Charnwood Local Plan 2021-37 Employment Topic Paper – November 2021**

## **1. Introduction**

- 1.1 The Charnwood Local Plan sets out a strategy for employment land provision that has been prepared based upon the Government's National Planning Policy Framework (NPPF) and its aim to secure sustainable development through balancing economic, social and environmental objectives. The Plan seeks to support the NPPF in helping to build a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth, innovation and improved productivity, and by identifying and coordinating the provision of infrastructure.
- 1.2 The planning policies in the Local Plan have been prepared to meet the requirements of the NPPF, as set out in paragraph 82, to provide an economic strategy which positively encourages sustainable economic growth; identifies strategic sites to meet anticipated needs; addresses barriers to investment; and provides the flexibility to respond to changing economic circumstances.
- 1.3 The Plan seeks to support different sectors of the economy and provide choice and flexibility in terms of scale and location to meet their needs (para 83). It also supports the rural economy in enabling sustainable growth, expansion and diversification of businesses; supporting sustainable tourism and leisure developments; and, maintaining and improving local services and facilities (para 84) whilst recognising the circumstances which exist in rural locations (para 85).
- 1.4 This topic paper explains the background to the preparation of the employment policies in the Charnwood Local Plan and provides more detail to:
  - the evidence for employment land need in Charnwood;
  - the supply of employment sites identified in the Pre-Submission Draft Charnwood Local Plan;
  - the approach to strategic warehousing and logistics; and
  - the rationale for the development of the Loughborough Science and Enterprise Park

## **2. The Need for Employment Land in Charnwood**

- 2.1 The need for employment land identified in the Charnwood Local Plan is compiled from two evidence base studies, the Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA) 2017 and the Charnwood Employment Land Review (ELR) 2018.

### **Housing and Economic Development Needs Assessment (HEDNA)**

- 2.2 The HEDNA was commissioned by the Leicester and Leicestershire local authorities and the Leicester and Leicestershire Local Enterprise Partnership (LLEP) to assess,

amongst other requirements, the scale of future economic growth and the quantity of land and floorspace required for B-class uses between 2011 and 2031/36. These requirements are shown below in Table 1.

**Table 1: HEDNA Gross Forecast Need (Ha) for B1, B2 and B8 Uses (2011-36)**

	<b>Charnwood</b>	<b>Leicester and Leicestershire FEMA</b>
<b>B1a/b</b>	<b>17 - 40</b>	<b>177 - 215</b>
<b>B1c/B2</b>	<b>26</b>	<b>165</b>
<b>Non-strategic B8 (&lt;9,000 sqm)</b>	<b>13</b>	<b>117</b>

2.3 It was recommended these figures be regarded as a minimum requirement, as they provide a quantitative analysis without an assessment of the supply or quality of existing employment land and premises. Therefore, in planning for future employment land provision, HEDNA advised that its findings on future needs should be combined with a qualitative assessment of existing sites and premises, and consideration should be given whether additional or replacement provision is required to address specific local gaps in supply, or to cater for replacement demand arising from displacement of businesses on sites which might be more suitable for other uses. This assessment has been provided by the 2018 Employment Land Review.

Employment Land Review (ELR)

2.4 The ELR provided the qualitative assessment of existing supply, specific local gaps in supply, and demand for replacement premises as suggested by HEDNA. HEDNA was used as the basis for identifying the minimum employment land targets for Charnwood, with the appropriateness of these figures assessed by the ELR to provide recommendations for inclusion in the Local Plan.

*Office Use*

2.5 HEDNA provided a range of future need of between 17ha and 40ha for office land (2011-36) and the ELR used local intelligence to refine this further. Given the number of office based jobs already delivered from 2011 to 2016 as the economy recovered from recession, it was considered that a minimum of 14ha of employment land for offices should be provided from 2017, aligning with the HEDNA 17ha scenario, minus completions from 2011/12 to 2016/17.

*Industrial Use*

2.6 HEDNA recommended 39ha of industrial land be provided in Charnwood which included non-strategic B8 warehouse uses up to 9,000sqm (13ha) along with B1c and B2 uses (26ha). The ELR used this as a starting point and added a further 10ha due to low vacancy rates and lack of available accommodation. Once completions from 2011/12 to 2016/17 had been removed this resulted in a requirement of 44.5ha of new employment land for industrial and small warehouse use from 2017.

*Large Unit Demand (Strategic Warehouses)*

2.7 An assessment of large, strategic warehousing (>9,000sqm) was excluded from HEDNA as this work had been undertaken separately across Leicester and

Leicestershire by consultants, expert in the field of distribution and logistics, and discussed later in this paper. Consequently, there is no provision within the 44.5ha for these large units. The ELR suggested that a small additional quantum of land could be added to meet a limited, local demand for larger warehouse units over the plan period and put forward a minimum of 10ha for these larger units. However, as is outlined later, it is considered that the sub-regional, regional and national nature of the strategic distribution market means that this element would be best accommodated through joint working across all the authorities in Leicestershire, under the Duty to Cooperate.

*Controlling Losses*

2.8 The ELR recommended slightly more land be provided than the HEDNA requirements to address low vacancy rates; however, this is undeveloped land and is not available for occupation immediately so cannot substitute for built floorspace. Vacancy rates are low and in quantitative terms there is a need for the loss of built stock to be controlled. The study also expected the decline in the requirement for manufacturing space to slow, justifying greater control over the loss of supply.

Charnwood Local Plan 2021-37

2.9 The Local Plan has taken the employment land requirements identified in HEDNA and refined through the ELR to determine the employment needs which have been identified in the Plan. The need figure in the Plan has a base date of 2021, this has been determined by continuing the process carried out in the ELR and removing completions from 2017/18 to 2020/21.

2.10 The end date of the Plan is now 2037, to accommodate that date an additional year has been added beyond that identified in the evidence base to 2036. To calculate the additional year's figure the remaining employment land requirements have been divided by the number of years to the end of the plan period at 2036, giving a yearly requirement figure. This has then been added to the total to give the employment land requirement for the period 2021 to 2037.

2.11 The need identified in the Charnwood Local Plan for employment land from 2021 to 2037 is for 11.92ha for office use (former Use Classes B1a and B1b) and for 43.55ha for industrial use (former Use Class B1c and Use Classes B2 and B8 <9,000sqm).

**Table 2: Gross Forecast Need (Ha) for B1, B2 and B8 Uses (2021-37)**

	Office Use (B1a & B1b)	Industrial Use (B1c, B2 & <9,000sqm B8)	
		B1c/B2	Small B8
HEDNA Need (2011 – 2036)	17 to 40	26	13
ELR identified completions at 2016/17	3.35	4.6	
ELR Need 2017 to 2036 (HEDNA minus)	14	44.5 (B1c, B2 & small B8)	

completions to 16/17)		(with additional 10ha for flexibility)
Completions 2017/18 to 2019/20	2.6	3.04
Need 2020 to 2036 (ELR minus completions)	11.4	41.46
Additional Year (Need/Years Remaining)	$11.4/17=0.67$	$41.46/17=2.44$
Need to 2037 (Need + Additional Year)	$11.4+0.67= 12.07$	$+2.44=43.9$
2020/21 Completions	0.15	0.35
Need-Completions	$12.07-0.15=11.92$	$43.9-0.35=43.5$
<b>Need 2021 to 2037</b>	<b>11.92</b>	<b>43.55</b>

### 3. Employment Land Supply in Charnwood

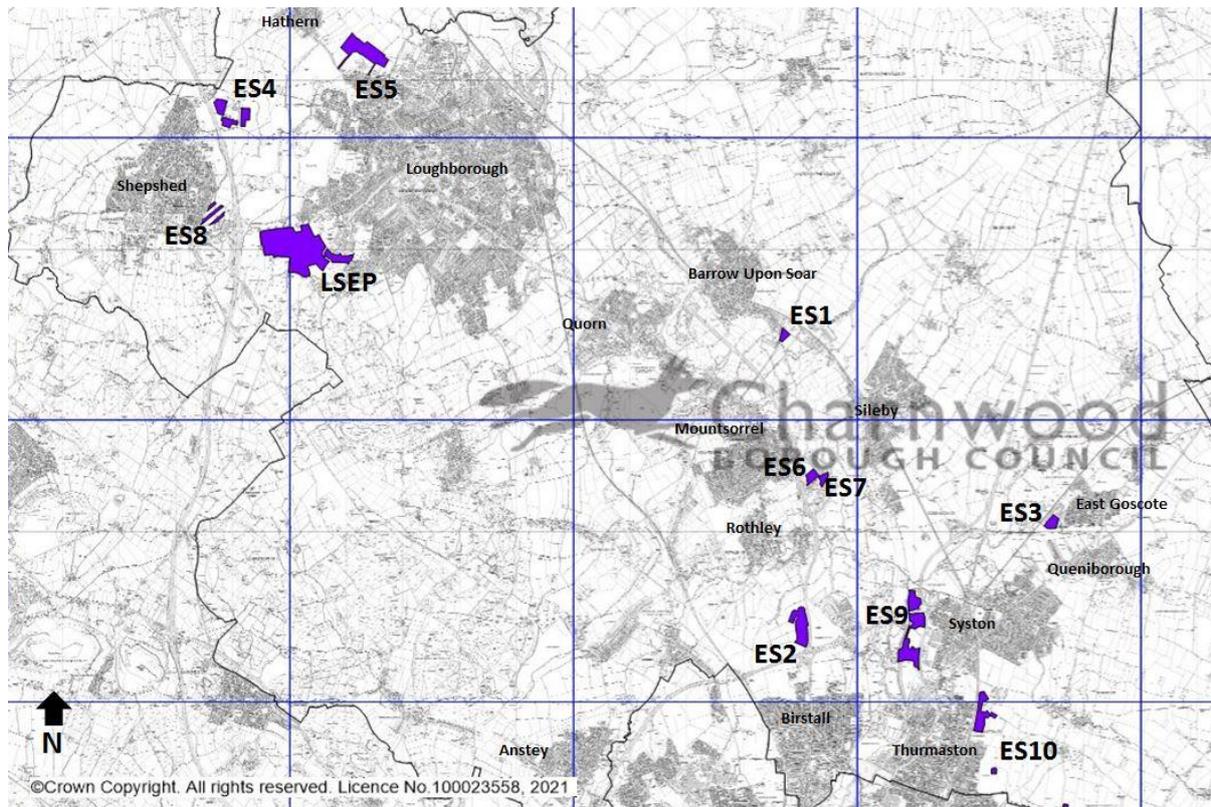
- 3.1 The employment land allocated in the Local Plan is provided to ensure an adequate supply to meet the need outlined above and consists of ten strategic employment sites identified through Policy DS4: Employment Allocations. This policy also identifies a further site, Loughborough Science and Enterprise Park (LSEP), which is discussed later in this paper.
- 3.2 The sites in Policy D4, excluding LSEP, provide a total of 81.8ha of employment land comprising 15.8ha for offices (B1a & B1b) and 66.0ha for industrial use (B1c, B2 & B8). The majority of these sites represent a continuation of sites allocated in the Charnwood Core Strategy 2011 to 2028 and planning consent, either through full or outline permissions, has been granted for many of them (see Table 3 and Map 1 below).

**Table 3: Employment Allocations**

Site Ref.	Employment Site	Background
ES1	Sibleby Road, Barrow upon Soar	Owned by Tarmac Trading Limited who confirm that the land is available and consider it to be viable and deliverable to support employment uses.
ES2	North of Birstall Sustainable Urban Extension	Promoted by a developer consortium (Palmer-Tomkinson Trust, Cooper Family, Barwood Homes & Davidsons Homes). Hybrid application P/16/1660/2 was approved on 05/11/20. Due to its location, the employment area is essentially an open phase which can be developed from the construction of the access road from the A6 in parcels or individual sites led by market and occupier demand. The construction of residential units is timetabled to commence in 2022/23 and the employment land would be available to develop by this stage.
ES3	The Warren, East Goscote	Owned by Jelsons Ltd. Outline planning application approved on 20/02/01 for entire site, permission extant.
ES4	West of	Promoted by a developer consortium (William Davis Ltd &

Site Ref.	Employment Site	Background
	Loughborough Sustainable Urban Extension	Persimmon Homes). Outline application P/14/1833/2 was approved on 20/07/18. An application to discharge the condition requiring a site wide phasing programme was approved on the 4/11/19 (P/18/2406/2). The employment land component of the development proposal (16ha) will be provided upon completion of the Strategic Link Road. The potential exists to access the employment land from Hathern Road, Shepshed which could occur prior to the link road's completion.
ES5	Dishley Grange, Loughborough	Promoted by Brackley Property Developments. Reserved Matters approval (P/19/1370/2) was granted on 14/08/20 for the erection of three office buildings (Use Class B1) and two industrial /warehouse buildings (Use Classes B2/B8) with associated parking and landscaping. The permission requires provision of an access road from the A6 roundabout and a flood compensation scheme prior to occupation of the development.
ES6	Rothley Lodge, Rothley	Promoted by Rotherhill Developments. Full planning approval (P/17/2062/2) was granted on 16/03/18 for 3 units. Extant consent remains for Unit 1 (11,334sqm B8 with ancillary offices 557sqm).
ES7	Loughborough Road, Rothley	Promoted by Mather Jamie Ltd, latest application obo APAC Group Ltd. Outline permission (P/12/2462/2) for employment uses on entire site was granted on 12/03/14. Full planning approval (P/20/0825/2) was granted on 04/09/20 for final phase comprising 1 unit (8,361sqm B8).
ES8	Fairway Road, Shepshed	Promoted by Savills UK Ltd obo the Trustees of the Garendon Estate. A concept masterplan has been prepared marketing purposes and additional technical work has been commissioned. The promoter has confirmed the site as deliverable.
ES9	Watermead Business Park, Syston	Promoted by Raynsway Properties Ltd. Environmental Impact Assessment Screening Request (P/17/2081/2) for Phase 2 (8.15ha) and Phase 3 (3.91ha) determined an EIA was not required on 15/03/18. The EIA request proposed a different mix of development from previous approval P/12/0003/2 with the removal of A3/A4, C1 and D2 uses; however, since the EIA request no application has been submitted.
ES10	North East of Leicester Sustainable Urban Extension	Promoted by a developer consortium (Davidsons Development Ltd, David Wilson Homes & William Davis Homes). Outline approval (P/13/2498/2) granted on 04/08/16. An application to discharge the condition requiring a site wide phasing programme was approved on the 24/12/19 (P/19/1204/2). This shows that as part of Phase 2 provision of the serviced employment land will commence, with further provision as marketing demonstrates demand.

**Map 1: Distribution of Employment Allocations**



- 3.3 The delivery of sites has been examined and an employment land trajectory (Appendix 2 of the Local Plan) has been developed to seek to determine any potential supply issues over the plan period. This has been based upon discussions with the developers and landowners, information available from the relevant planning applications and knowledge of any potential site constraints involved (see Table 3 above). The trajectory shows a relatively steady level of provision across the plan period with no obvious issues at any particular stage in the plan. However, it should be noted that employment sites are built out in response to market demand and the fragility of the economy following the withdrawal from the European Union and the Covid-19 pandemic means that there is greater risk for investors engaging in the speculative market for industrial development, especially for smaller units with start-ups and early years businesses being at greater risk.
- 3.4 In terms of location, Loughborough, Shepshed and the edge of Leicester are all well served by sites and there is some supply at a number of smaller settlements (see Map 1 above). Economic development in rural areas is supported by Policy E3: Rural Economic Development and Policy C1: Countryside in accordance with the NPPF (paras 84 & 85) by encouraging the sustainable growth and expansion of businesses, supporting their diversification and encouraging sustainable tourism and leisure developments. The policy recognises that the needs of rural businesses cannot be restricting development to locations within existing settlements.
- 3.5 There are a generous number of strategic employment sites allocated in the Plan to more than adequately meet the identified need for employment land provision. A range of sites in terms of size and location has been made available to ensure

choice and flexibility for the market and to enable responses to changes in the local economy to be accommodated. Through this strategy we are seeking to prevent any constraints upon economic growth and show that Charnwood is open for business.

- 3.6 On that basis it is not considered that it is necessary to allocate additional strategic sites for employment beyond those already identified through Policy DS4. The Local Plan has taken into account local business needs and wider development opportunities through its evidence base and subsequent site allocations to support economic growth and productivity, in accordance with the NPPF (para 80, 81 & 82). Should any windfall sites be brought forward for employment uses during the plan period then Policy E1: Meeting Employment Needs and Policy E3: Rural Economic Development, along with other relevant policies in the Plan provide a positive framework for their determination.

#### **4. Strategic Warehousing and Logistics**

- 4.1 Logistics and distribution are a vital component of the UK's economy, with Leicestershire's transport links and central location making it a prime location for large scale distribution centres. This commercial market operates at a regional and national level and the Leicester and Leicestershire authorities recognise that delivering new commercially attractive strategic sites on this scale cannot be undertaken by local planning authorities working alone. Delivering any identified need appropriately and effectively will require long-term strategic and collaborative planning across Leicestershire. On that basis the local authorities, along with the LLEP, commissioned a study to update our evidence on this sector of the economy, the Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change (April 2021) study.
- 4.2 The study considered a variety of topics related to the current and future needs of the sector, including the market and warehouse land supply in Leicester, Leicestershire and across the 'golden triangle' along with drivers for change; various estimates for future strategic warehousing need; potential future development areas; assessment of labour and skills in the sector and implications for employment; and, advice on planning policy and development needs.
- 4.3 The most critical component recommended the future strategic warehouse floorspace requirements at 5 year intervals from 2020 to 2041. It identified the need to plan for around 2,570,000sqm of additional floorspace to 2041, including a margin for flexibility. An increase in rail orientated freight is expected in the future, driven by national policy, the decarbonisation agenda and the efficiency benefits of rail and the study takes a balanced view in terms of the rate that this can occur, planning for 43% of future need at rail served sites.
- 4.4 There is a considerable amount of existing supply already identified in Leicestershire and, taking this into account, the study identified that on 1<sup>st</sup> April 2020 there was a shortfall of 768,000sqm (307ha) for rail served sites to 2041, based on 43% of future need being at rail sites. In terms of non-rail (i.e. road) served sites with 57% of future need at such sites, the shortfall to be planned for non-rail sites was 392,000 sqm (112ha) taking existing supply into account. This has further reduced since the study's base date in 2020 following local authority's annual monitoring for the year

2020/21 and on 1st April 2021 to 2041 there was a shortfall of 718,875sqm (288ha) for rail served sites and 334,986 sqm (96ha) for non-rail sites.

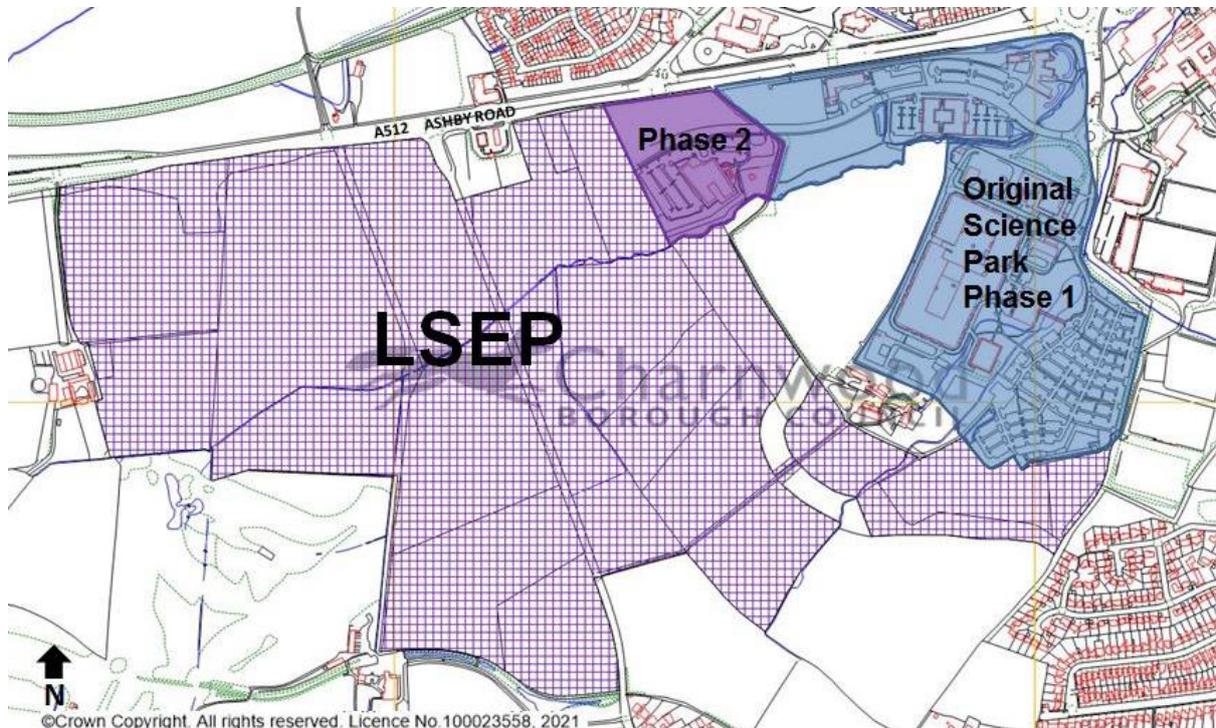
- 4.5 To address rail served supply, proposals for a Hinckley National Rail Freight Interchange have been put forward by Tritax Symmetry which would largely meet requirements. This is a Nationally Significant Infrastructure Project (NSIP), with the Secretary of State responsible for decision making, and the process cannot easily be pre-empted. This makes it extremely challenging to plan for rail served need until the outcome of the NSIP process is known.
- 4.6 The non-rail (road) supply in Leicestershire is strong, distributed across several areas, and an overall shortfall in large warehousing and logistics floorspace is not forecast to emerge until the mid-2030s. However, to ensure the remaining floorspace is appropriately planned for the Leicestershire authorities are collaborating to agree the distribution of large warehousing need. A Statement of Common Ground has been jointly prepared and agreed by the eight plan making authorities and Leicestershire County Council in November 2021, identifying the stages required to meet future strategic warehousing need. Work has already commenced on the next steps and the authorities are committed to addressing the requirements of strategic warehousing and logistics needs in the area.
- 4.7 Paragraphs 5.30 to 5.35 of the Pre Submission Draft Charnwood Local Plan sets out the Council's approach to Warehousing and Logistics and it is recognised that should the joint work across Leicestershire identify a need for strategic warehousing to be accommodated in the Borough then this would be undertaken through subsequent work to update the Plan. Our evidence shows that the existing land supply across Leicestershire can accommodate short and medium term requirements which will provide ample time for future needs to be met through an update of the Local Plan.

## **5. Loughborough Science and Enterprise Park**

- 5.1 Loughborough Science and Enterprise Park (LSEP) is home to over 90 organisations and a workforce of over 2,500 people, offering opportunities for businesses of all sizes to collaborate with each other and access Loughborough University's world-class research base and skilled work force supply. It occupies a unique location on over 50 hectares of extensive, landscaped grounds adjacent to Loughborough University; one mile from junction 23 of the M1, with East Midlands Airport half an hour away, and Loughborough's Midland Mainline station reached in 10 minutes the site has excellent national and international travel links.
- 5.2 The LSEP has been an objective of successive planning and economic development strategies, for the Council and other public authorities and agencies, since the 1980's (see Map 2 below). It has developed over a number of years and provides a base for a range of businesses associated with the University's own activities and the wider research and development sector. It provides high quality and high value employment and is a key element in the local and sub-regional economy. LSEP supports specialist businesses and does not accommodate more general employment uses which are well provided for elsewhere and has a particular role in

terms of business start-ups and innovation, proving successful with very high levels of occupancy.

## Map 2: Loughborough Science and Enterprise Park (LSEP allocation hatched)



- 5.3 The original LSEP is almost fully developed out and to allow for further expansion of LSEP the Core Strategy allocated an additional 77ha of land. The entire allocation was not envisaged as being completed during the plan period but sought to provide long-term security for growth of LSEP by safeguarding sufficient land for potential development well into the future, continuing the substantial economic benefits it brings.
- 5.4 The specialist nature of LSEP, focussing on the University's own activities and the research and development sector, along with the University's specific 'gatekeeper' policies for occupiers of LSEP, will ensure that the allocation will serve a specific employment sector at a broader regional and national context. The strategic employment land allocations identified elsewhere in the Plan will not compete with LSEP and there will be no adverse effect in respect of those allocations.

## 6. Conclusion

- 6.1 The Local Plan has been prepared to provide an economic vision and strategy for Charnwood which will positively support sustainable economic growth and respond to the requirements of the local economy. The Plan, and the policies it contains, have been based upon evidence of our identified employment needs and prepared in accordance with national policy. Some sectors of our economy operate at a scale which can only be adequately met through collaboration with neighbouring authorities and we have sought to address this need through the Duty to Cooperate process.