

DRAFT NORTH WEST LEICESTERSHIRE LOCAL PLAN 2020 - 2040

TOPIC PAPER - EMPLOYMENT



EMPLOYMENT FLOORSPACE REQUIREMENTS

1. **General employment land** for these purposes comprises;
 - offices (use class E(g)(i))
 - research & development (E(g)(ii))
 - light industrial (E(g)(iii)) and industrial (B2)
 - non-strategic warehousing (units up to 9,000sqm) (B8).
2. It excludes strategic-scale warehousing (units 9,000+ sqm) which is dealt with separately.
3. The outstanding amount of general needs employment floorspace to plan for stems from the findings of the [Need for Employment Land Study \(2020\)](#) ('the Stantec Study') rolled forward an additional year to correspond with the end of the plan period (2040). The residual figure also takes account of a) land allocated in the adopted Local Plan; b) development built and permitted since the study base date of 2017; c) a losses allowance to compensate for sites which will be redeveloped for other uses over the plan period; and d) a flexibility margin to deal with unanticipated circumstances¹.
4. The new Local Plan should identify sufficient land to satisfy the outstanding requirements shown below.

	Offices	Industrial/small warehousing
REMAINING REQUIREMENT (2023-40)	Up to 10,506sqm (=1.75Ha)	At least 114,562sqm (=28.64Ha)

5. The [Leicester & Leicestershire Housing & Economic Needs Assessment 2022](#) (HENA) also considers development requirements for the Leicester and Leicestershire area and is intended to inform the preparation of local and strategic plans across the area. The HENA confirms that Leicester City and the Leicestershire authorities surrounding it, including North West Leicestershire, form the Greater Leicestershire Functional Economic Market Area.
6. There is no single way to undertake an assessment of employment land requirements or one 'correct' answer for the amount of additional employment floorspace which will be needed. Fundamentally, forecasting future economic performance and hence implications for land requirements is inherently beset by uncertainty.
7. The Stantec study and the HENA have both been undertaken by expert consultants and are considered to be appropriate and robust. With the caveat that the figures have been reached using different forecasts and with different approaches to allowances and adjustments, there is some welcome alignment between the studies' findings. This gives some confidence that the requirements are broadly of the right order.

¹ Details in [Local Plan Committee 5 July 2023 – Local Plan: Housing and Employment Land Update](#)

	Offices	Industrial/small warehousing
Stantec (2017-39) (22 years)	57,000 sqm (max)	187,000 sqm (min)
Stantec/annum	2,590 sqm	8,500 sqm
HENA (2021-41) (20 years)	39,700 sqm	152,900 sqm
HENA/annum	1,985 sqm	7,645 sqm

8. The Stantec study is the more detailed and locally specific of the two studies and is being used as the primary evidence of general employment needs for the new Local Plan. As the findings are the higher of the two studies, issues of undercutting the county-wide figures do not arise.
9. **Strategic warehousing.** The logistics and distribution market has a wide geography, extending along the M1 from Milton Keynes to Nottingham/Derby and across to Birmingham. North West Leicestershire sits within the ‘core Golden Triangle’ for strategic distribution comprising the broad area between Leicester, Rugby and Coventry where excellent road links (M6, M1, M69) mean most major population centres are within a 4½ hour drive.
10. The requirements for strategic distribution for Leicester and Leicestershire as a whole (2020-41) have been assessed in the [‘Warehousing and Logistics in Leicester and Leicestershire: Managing growth and change \(April 2021\)’](#) (‘the study’). The study concludes on the amount of land to be planned for, differentiating between road-served sites and road and rail-served sites. The road/rail-served requirement would be largely fulfilled through the proposed Hinckley National Rail Freight Interchange (NRFI) at M69 J2, if permitted. The examination for this Nationally Significant Infrastructure Project is underway and the current timetable indicates that a decision is expected in September 2024.
11. At its meeting on 12 July 2022 Local Plan Committee agreed to work towards a provisional figure of 106,000sqm of strategic warehousing for the new Local Plan. This corresponded to 50% of the outstanding Leicester and Leicestershire requirement for road-served strategic distribution floorspace. The option was preliminary and did not signal the council’s commitment or agreement to take a particular share of the remaining Leicester and Leicestershire need.
12. In the meantime, the Leicester and Leicestershire authorities have commissioned further work to assess how best to apportion the needs identified in the Strategic Distribution Study within the county area. This work is in preparation and its findings will inform, but not dictate, the selection of location/s for strategic warehousing for the new Local Plan. Our intention to address this as part of the Regulation 19 Plan.

EMPLOYMENT LAND SUPPLY

13. As background, it is helpful to list out some of the larger developments which make a significant contribution to our 1 April 2023 employment land supply.
14. General needs employment:
- **Money Hill** – 16Ha of employment land allocated in the adopted Local Plan. This is described in more detail below.
 - **Park Lane, Castle Donington** (09/01226/OUTM; 20/01614/REMM) –planning permission for 7,618sqm offices/light industrial, 12,273sqm industrial and 12,273sqm general warehousing (6.07Ha). This development, called Stud Brook Business Park, is under construction.
 - **EM Point, J23A M1 Castle Donington** (18/02227/FULM) – full planning permission for 3 office buildings totalling 6,523sqm (2.16Ha). Current application to determine whether development approved under 22/01939/VCUM has been lawfully implemented (23/01532/CLE)
 - **Land At Stephenson Way Coalville** (20/00330/FULM) - Outline permission (access) for up to 3000sqm of office, B2 or B8 floorspace and full planning consent for 3 employment units (office, B2) (total 8,472sqm, 3.31Ha)
15. Strategic Distribution:
- **Land At Netherfield Lane, Sawley** (20/00316/OUTM) - 72,725sqm of strategic & non-strategic B8 (51.74Ha)
 - **J1A50** (19/01496/OUTM) Development of up to 92,500 sqm of B8, B2 and E(g)(iii) (20.6Ha)
16. Since April 2023, permission has been granted for up to 6,719sqm of Class E(g)(iii), B2 and/or B8 floorspace at **Land West of Regs Way, Bardon** (21/02281/FULM). The remaining requirement for general employment land in the table below takes account of this consent.

	Offices	Industrial/small warehousing
REMAINING REQ. (2023-40)	Up to 10,506sqm	At least 114,562sqm
Land West of Regs Way		6,719sqm
REMAINING REQ. (incl. Regs Way)	Up to 10,506sqm	At least 107,843sqm

17. Policy Ec1 of the adopted Local Plan lists sites with planning permission for employment uses where construction has not yet commenced. In the event that permission on a listed site expires and a renewal is sought, the policy indicates the council’s likely response. This policy approach is likely to be carried forward in the new Local Plan at the next stage. The sites where development has not started which we expect to include in the policy are listed in the table below.

Site		Area	Capacity (sqm)	Uses
EM Point, J23A M1	Castle Donington	2.16Ha	6,523sqm	E(g)(i) & (ii)
Land At Stephenson Way	Coalville	3.31Ha	8,472sqm	E(g), B2, non-strategic B8
Land West of Regs Way	Bardon	3.38Ha	6,719sqm	B2, non-strategic B8
Land Off Cartwright Way Bardon Hill	Bardon	1.1Ha	>836sqm	Non-strategic B8
Land adj. Aldi RDC	Sawley	14Ha	60,000sqm	strategic B8
Land At Netherfield Lane	Sawley	51.74Ha	72,725sqm	strategic & non-strategic B8
Land south of J1A50	Castle Donington	20.6Ha	92,500sqm	B2, strategic B8
Quarry Manufacturing And Supplies Ltd., Grange Road	Bardon	2.3Ha	4,771sqm	B2

18. **Money Hill** on the north-eastern side of Ashby is allocated for a mixed-use housing and employment development in the adopted Local Plan (Policies H1b, H3a and Ec2).
19. Policy Ec2 provides for up to 16Ha of employment development within the allocated site. The southern part of the site has planning permission for residential-led development which is currently under construction. A planning application has not yet been submitted for the remainder of the site.
20. The approved [Money Hill Masterplan](#) identifies two locations for new employment:
 - A land parcel of some 14Ha at the eastern edge of the site, adjacent to A511. The land borders the McVities site to the south east.
 - Some 2Ha of land towards the northern edge of the site which would be accessed from the Smisby Road/A511 roundabout. Both Policy Ec2(c) and the masterplan identifies this location for Class E(g) uses.
21. To date we have assumed that the overall site area (16Ha) will be split equally between the three main uses (Class E(g); B2; B8). Using the plot ratios in the Stantec study this equates to 31,980sqm offices, 21,320sqm of industrial and 21,320sqm of general warehousing. These are figures we have included in our employment land supply to date.
22. However these are raw figures and are not based on an actual scheme or land parcels. Using capacity figures derived from schemes built/permitted in the district [see Appendix A], the capacity could be of the following order:
 - 2Ha = 6,000sqm offices/R&D
 - 14Ha = 37,800sqm B2/B8
23. We will confirm the contribution from the Money Hill site at the next stage.

24. **Primary Employment Areas** (PEAs) are identified in Policy Ec3 in the adopted Plan and these are locations where office, industrial and warehousing development is acceptable in principle. With some amendments, the PEAs are being carried forward into the new plan.
25. There are some undeveloped plots within the PEAs which will also contribute to our confirmed supply if/when they get permission:
- **Land south of Interlink Way (EMP23)** – 1.19Ha, owned by Leicestershire County Council
 - **Land at Dents Road, Ashby (EMP46)** – 1.16Ha
 - **Plots 4b/d Willow Farm, Castle Donington (EMP50)** – 0.43Ha. Land is subject to a restrictive covenant which limits its use to offices.
 - **Southern parts of Willow Farm (south of Gordon Ellis)** – 1.79Ha
 - **Land off Telford Way, Stephenson Industrial Estate, Coalville** – 0.44Ha
 - **Unused land at Terex Pegsun, Hermitage Industrial Estate, Coalville** – 0.72Ha
26. Excluding Willow Farm, this adds up to 5.3Ha of undeveloped land which could deliver in the order of 14,300sqm of B2/B8 floorspace.
27. Pegasus Business Park, East Midlands Airport (EMP75) is not a proposed PEA in the new Local Plan. The area of the west of the Pegasus Business Park (2.4Ha) could be suited to an expansion of the existing office park. Although office development is not explicitly listed in the uses in draft Local Plan Ec8 – East Midlands Airport, it may be categorised as ‘airport ancillary infrastructure where the proposed development requires and benefits from an airport location and is of a scale that is appropriate to that relationship’ (criterion d).
28. This demonstrates that there is some significant additional capacity for general needs employment over and above what already has permission and what we may allocate in the new Local Plan.

SITE ASSESSMENT APPROACH

29. Some 47 potential employment sites identified in the [SHELAA \(2021\)](#) have been assessed to determine which are the most suitable for allocation in the new Local Plan. The sites were assessed against a comprehensive and consistent range of planning considerations and through a parallel process of Sustainability Appraisal undertaken by specialist, external SA consultants. The [Site Assessment Methodology](#) describes the overall process which has been followed. The outcomes of the assessment are available on the council’s [website](#).
30. The preferred strategy for how employment land should be distributed across the district was decided by the Local Plan Committee at its meeting on 27 September 2022. This sees development focused at Coalville, Ashby and Castle Donington/East Midlands Airport, at Local Service Centres and at a ‘new’, expanding employment location at J11 M42. This strategy is considered to take a balanced approach, including the higher order settlements where historically the market has been strongest, capitalising on the existing Mercia Park development and the excellent transport links at J11 and also making some limited provision for new employment land in the more rural parts of the district.

31. Consequently, the site selection process has been both ‘top down’ and ‘bottom up’. The potential allocations fit with the overall preferred strategy (top down) and must be acceptable in terms of their planning merits, taking account of the SA outcomes (bottom up).
32. The selected sites, which are included in the Local Plan: Proposed Site Allocations consultation document, are listed in the table below. The sites have sufficient capacity to meet and exceed the residual, minimum requirement for industrial and smaller scale warehousing. There is a shortfall of office space compared with the maximum requirement revealed by the Stantec study.

Site Reference	Site Address	Offices (sqm)	Industry/smaller warehouse (sqm)
EMP24	East of Midland Road, Ellistown	0	29,160
EMP89	West of Hilltop, Castle Donington	6,000	11,850
EMP73 (part)	N of A6 Derby Road, Kegworth	0	30,000
EMP73 (part)	N of A543 Remembrance Way, Kegworth	0	40,000
EMP60	Burton Road, Oakthorpe	0	12,100
IW1	New settlement, Isley Woodhouse	0	4,600
		6,000	127,710

OFFICES

33. Offices are a main town centre use² and a sequential approach should be followed when identifying new sites for development. This means that town centre and then edge of centre locations should be favoured over out of centre sites³. The NPPF glossary defines edge of centre/out of centre sites⁴.

² NPPF glossary page 72

³ NPPF paragraph 90d/e and NPPG paragraph: 010 Reference ID: 2b-010-20190722

⁴ Edge of centre: For main town centre uses (excl. retail), a location within 300 metres of a town centre boundary. For office development, this includes locations outside the town centre but within 500 metres of a public transport interchange. Out of centre: A location which is not in or on the edge of a centre but not necessarily outside the urban area.

34. The NPPG advises that “In plan-making, the sequential approach requires a thorough assessment of the suitability, viability and availability of locations for main town centre uses. It requires clearly explained reasoning if more central opportunities to locate main town centre uses are rejected”⁵.
35. The following SHELAA sites are in town centre or edge of centre locations and have been assessed to test if they are feasible as sites for offices. Only two of these have been put forward for employment/mixed use development (EMP21, 25) whilst the others were proposed as residential sites and are included for completeness.

EMP21	Motors Ltd, Coalville	In-centre	The majority of the site is in active use as a car sales/repair business and a smaller part (0.15Ha) fronting Hotel Street is vacant. Overall there is a lack of market demand for new office space in central Coalville. There is no developer interest in this site meaning its deliverability for office use (or as a mixed use development) is uncertain unless it came forward through public sector intervention.
C32	Land at 28 London Road, Coalville	Edge	The site is to the south of London Road, Coalville, to the rear of Christ Church. The site is part brownfield and part greenfield land and comprises the vicarage and associated garden. The site is physically close to the town centre but poorly related visually and functionally.
C28/EMP25	Land at Market Street, Coalville	Edge	There has been a planning application approved on the vacant (southern) part of the site (to the south of Baker Street) for the development of 77 dwellings (21/00596/FULM).
lb22	Land adjoining 8 Curzon Street, Ibstock	Edge	Landlocked site
lb29	Land off New Row, Ibstock (308m)	Out (just)	Recreation area
lb20	Land r/o111a High Street, Ibstock	Edge	The site is promoted on behalf of a volume housebuilder with an option agreement on the site.
M1	West of High Street, Measham	Edge	It is not clear if this site is available. Development of the site for housing may frustrate the wider Measham Waterside side which includes the restoration of the Ashby Canal. The site is in the Limits to Development so could come forward via a planning application once the future of

⁵ Paragraph: 010 Reference ID: 2b-010-20190722

			Measham Waterside is clearer (subject to any access, heritage and residential amenity issues being overcome).
M2	Rear of Chapel Street, Measham	Edge	The site is poorly related to Measham Local Centre. It is not clear if these sites are available and the fact a previous permission lapsed suggests there are deliverability issues.

36. Based on this analysis, there is a lack of sequentially preferable sites which are realistic candidates for new office development.

37. To complete the picture, the following SHELAA sites were promoted for office development.

EMP31	Langley Priory Estate - Site 5	Out of centre	Countryside location
EMP32	Langley Priory Estate - Site 6	Out of centre	Countryside location
EMP33	Langley Priory Estate - Site 7	Out of centre	Countryside location
EMP44	Manor Farm, Packington	Out of centre	Countryside location. Expired pp for offices. Site is process of being sold.
EMP50	Plots 4b&d, Willow Farm Business Park, Castle Donington	Out of centre	Within a Primary Employment Area designation.
EMP57	Land North of Leicester Road and West of Corkscrew Lane, New Packington	Out of centre	Countryside site
EMP75	Pegasus Business Park, East Midlands Airport	Out of centre	See paragraph 27 above.
EMP78	Slaughter House, Ashby Road, Sinope	Out of centre	Countryside location. Current application for an industrial unit awaiting determination
EMP88	Park Farm Buildings, Stretton en le Field	Out of centre	Countryside location.

38. On this basis, we are satisfied that including offices as part of the mix of employment uses at the West of Hilltop site (EMP89) is an appropriate way forward. This could deliver some 6,000sqm of office floorspace compared with a requirement for up to 10,500sqm by the end of the plan period.

39. The Stantec Report⁶ identifies that:

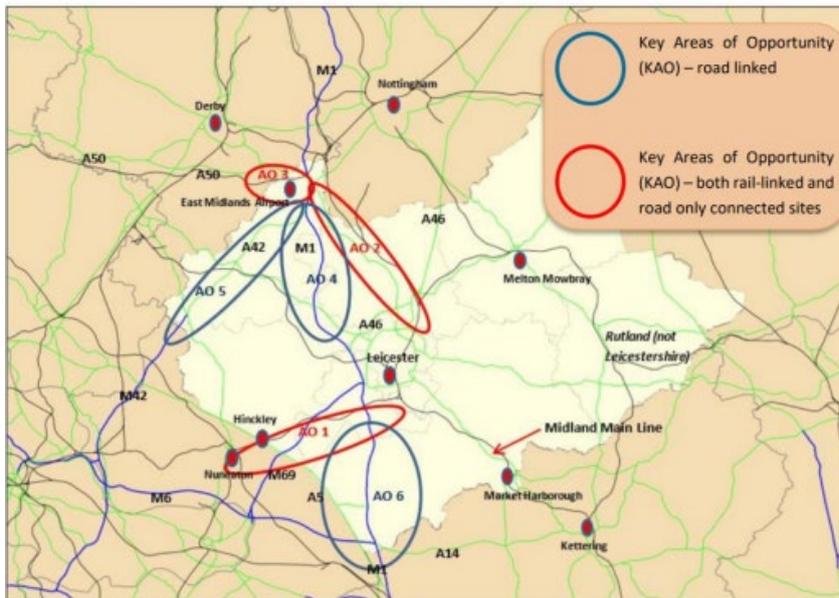
- the supply of office floorspace is constrained by poor viability and restrictions on loan finance so that speculative office development [outside the largest centres] is not financially deliverable at present.

⁶ Paragraphs 5.105-5.108

- In North West Leicestershire the financial constraint bites particularly hard, because the local market is dominated by small units let on short leases, which offer little value to investors. The issue cannot be resolved by planning policy because it is not related to land supply.
 - Another factor that restricts the potential for growth is the shift in occupier preferences away from out-of-town business parks and towards city centres with good public transport and facilities close by. For North West Leicestershire, a more rural district with this means lower office demand.
 - NWL, as a secondary location, is more affordable than the larger centres such as Nottingham, Derby and Leicester.
 - Vacancy rates are relatively high, in the order of 7.5%.
 - the Covid pandemic is having a sustained impact on the amount of office space in use as many more people work from home. The consultants anticipate that businesses will continue to use offices but with the possibility that some will re-organise to require less office space in the future. As yet, it is too early to predict the duration and scale of any such impacts.
40. Taken as whole, these factors could curtail office demand in the future. Accordingly, the office floorspace requirement in the Stantec study is expressed as a maximum figure.
41. In addition, there has been a recent increase in the number of office to residential conversions, albeit from a low base. This may signal an overall rationalisation of lower quality office stock as demand falls in response to higher rates of home working etc. whilst residential use is a more viable option. It could also mean that, in time, the demand strengthens as existing suitable premises become occupied.
42. In summary the picture for offices is a mixed one. Employment forecast shows that the number of people in office-based jobs will increase over the plan period which, on the face of it, translates into a need for new office premises. Crucially however a market demand for new stock is not apparent and, linked to this, speculative office development is not currently viable. This situation is not unique to North West Leicestershire and a quite substantial market adjustment would need to happen for this position to change.
43. Taking all these factors into account, we consider that some shortfall compared with the maximum requirement in the Stantec Study is justifiable.

STRATEGIC DISTRIBUTION

44. The [Strategic Distribution Study \(2021\)](#) identifies six broad areas across Leicestershire where new strategic logistics sites should be located. These 'Areas of Opportunity' follow main transport corridors. Four of these areas fall partially or entirely within NWL.



Area 2 (road + rail served) – between Syston and Ratcliffe-on-Soar, broadly following the A6, M1 and Midland Main Line transport corridors, incorporating Loughborough;

Area 3 (road + rail served) – between Ratcliffe-on-Soar and Castle Donington/border with Derbyshire broadly following the A50, M1, Midland Main Line and the freight- only line

Area 4 (road only)– to the NW of Leicester broadly following M1 and A511, including Coalville and Shepshed

Area 5 (road only) - A42 transport corridor including Ashby de la Zouch

45. The L&L authorities have committed to continued joint working on strategic B8 matters and have signed a [Statement of Common Ground](#) to this effect. The authorities have appointed consultants to advise on an approach to satisfying the need for strategic distribution floorspace in a way which maintains an appropriate supply across the Areas of Opportunity (AoO) in terms of geography and trajectory, as recommended by the strategic distribution study. This report is in preparation.
46. In advance of the apportion work being completed, we note that:
 - There is an existing supply of land with planning permission in and around Castle Donington which coincides with Ao3 and the northern ends of AoO2, AoO4 and AoO5⁷; and
 - G Park, Ashby is under construction at J13 A/M42 (Ao5).
47. This, coupled with the assessment of the individual candidate sites, points towards the southern end of A/M42 corridor in NWL (Area 5) as the most likely area for a site allocation in NWL at this time, if additional land is required in this part of the district. In these circumstances, the view is that **Land east of A444 and west of A42 J11** (EMP82) would be the most appropriate site to allocate.

⁷ Land at Netherfield Lane, Land at J1A50, Land adj. to Aldi RDC

48. **Freeport site.** SHELAA site EMP90 is a greenfield site of some 100Ha located to the south of East Midlands Airport and to the east of the village of Diseworth. The site is part of the East Midlands Airport and Gateway Industrial Cluster ('EMAGIC') which in turn is one of the three locations in the East Midlands Freeport (EMF). In March 2022 the Government confirmed the EMF as a Freeport Tax Site. Businesses locating to the Freeport will benefit from a package of special (financial) incentives. As some of the incentives were due to cease in 2026, there is pressure to develop the site quickly. The site promoters had indicated that a planning application would be submitted in early 2023 but this is still awaited.
49. A purpose of the Freeport designation is to incentivise business and enterprise. It is a statement of Government policy which must be given due weight when considering the potential development of this site. It is not, however, an assessment of the planning merits (or otherwise) of the site. The acceptability of the proposal in planning terms is a matter for this Local Plan Review and/or a planning application.
50. The Strategic Growth Plan identifies East Midlands Airport and its immediate area as a major employment opportunity and forms part of the broad 'Leicestershire International Gateway' area.
51. In December 2023 the Government set out a comprehensive set of measures to support the delivery of Freeports in its [Freeports Delivery Roadmap](#). The Government sees the potential of Freeports as transformational. Included in the range of matters the roadmap covers, are the following:
- The Department for Transport will ensure the needs of Freeports are considered in transport funding decisions and that their impacts on the transport network are accounted for in scheme appraisal work.
 - National planning policy (NPPF, the new National Development Management Policies, the National Policy Statement for Ports and the associated Planning Practice Guidance around Ports and Transport) will be amended over 2024/25 to reflect the needs and priority of Freeports, to provide greater certainty and clarity.
 - The government will issue advice about the priority of Freeports to statutory consultees in the planning process.

SITE CAPACITY ESTIMATES

General Employment. The Stantec Study uses the following standard plot ratios to determine the sqm capacity of a site:

Offices - 0.6

Industry/smaller-scale warehousing – 0.4.

These ratios have been used in the SHELAA (2021) as an outline estimate of sites’ capacities.

These are useful as rules of thumb but do not take account of more specific site details with the result that a site’s capacity could be under or over-estimated. Further analysis is needed

To address this, we have considered a number of recent schemes.

Industry/warehousing

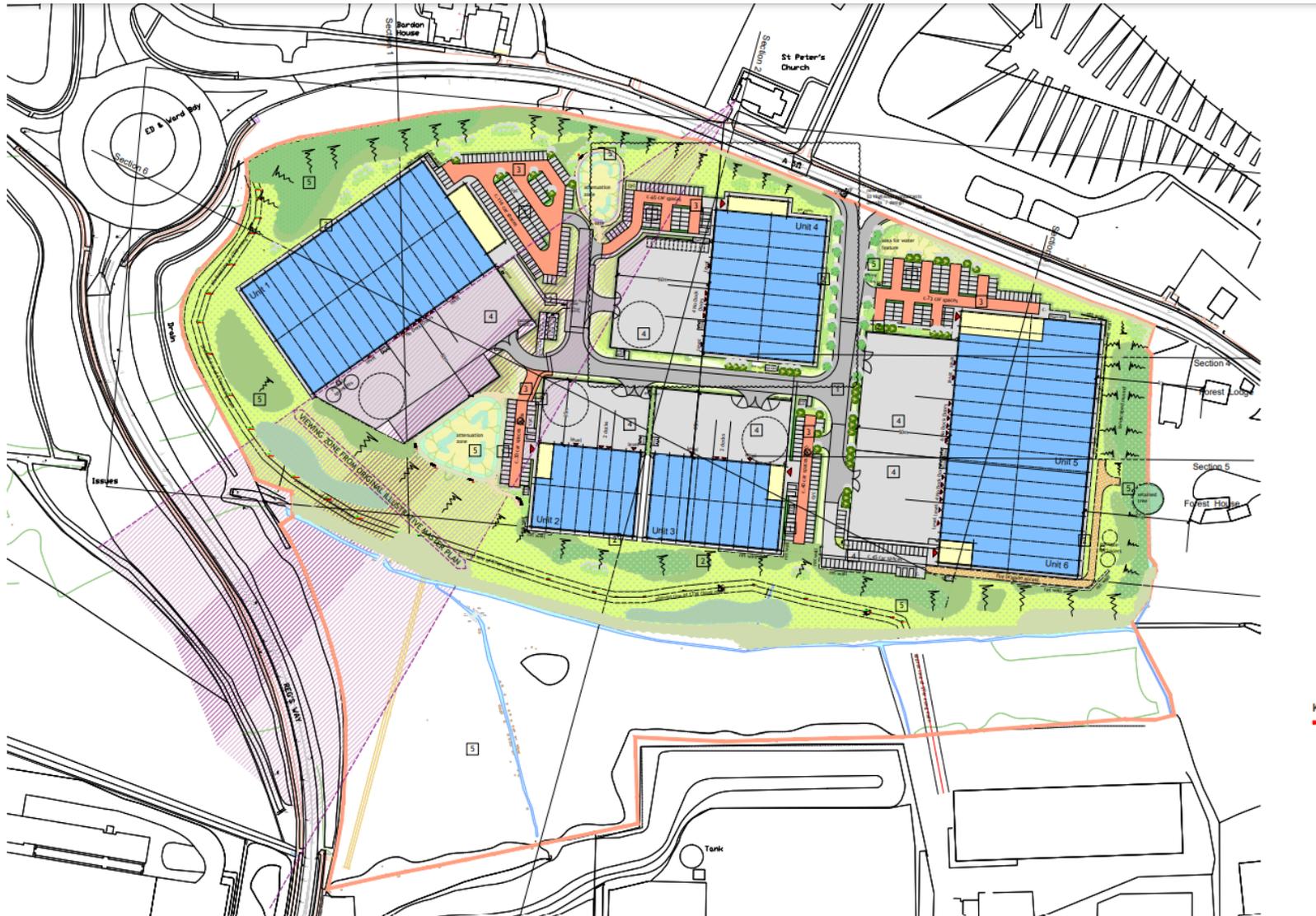
Address	Uses/floorspace	Site area	Developable area	Plot ratio
East of Regs Way 20/02029/REMM	31,048sqm light and general industrial/warehousing	15.59	11.15	0.28
Stephenson Way 20/00330/FULM	4,972sqm offices and industrial (FULL)	2.31	-	0.22
	3,000sqm offices/industrial/warehousing (OUTLINE)	1.0	-	0.3
West of Regs Way 21/02281/FULM	2,719sqm offices/industrial/warehousing (FULL)	3.37	2.75	0.24
	4,000sqm offices/industrial/warehousing (OUTLINE)			
Carnival Way 17/01136/OUTM (refused)	23,838sqm light and general industrial/warehousing (OUTLINE)	8.75	7.93	0.3
				Average: 0.27

Offices

Address	Uses/floorspace	Site area	Developable area	Plot ratio
EM Point, Finger Farm Site, J23A M1 Castle Donington 18/02227/FULM	Erection of 3 no. office buildings (Class B1(a) & B1(b)), access, car parking, landscaping and associated work. 6,523sqm	2.16Ha		0.3

Strategic warehousing The Strategic B8 Study applies a plot ratio of 0.35 for road served sites and 0.25 for road and rail served sites.

Land East of Regs Way



Stephenson Way



Land West of Regs Way



Carnival Way



EM Point

