North West Leicestershire
DISTRICT COUNCIL

LOCAL DEVELOPMENT FRAMEWORK

CORE STRATEGY

BACKGROUND PAPER: EMPLOYMENT LAND

NOVEMBER 2008

EMPLOYMENT BACKGROUND PAPER

DEFINITION OF EMPLOYMENT LAND

The definition of employment land used in the adopted North West Leicestershire Local Plan is:

- Business (Class B1)
- General Industrial (Class B2); and
- Storage and Distribution (Class B8).

However in the Consultation Document on PPS4 published in December 2007 the definition of ‘employment land’ was expanded to instead refer to economic development which would include the following uses:

Retail, leisure and offices, both in town centres and elsewhere;

Light, general and heavy industry;

Storage and distribution;

Housing

High technology premises including research, business and science parks;

Agriculture;

Minerals extraction;

Telecommunications;

Transport uses related to ports, airports and other inter-modal freight terminals;

Specialist waste facilities;

Energy production;

The creative industries; and

Tourism development.

Given that this PPS may still change before being adopted, employment land for the purpose of this consultation is still considered to be land uses fallings within Class B1, B2 or B8 of the Use Classes Order.

EMPLOYMENT LAND REQUIREMENTS

There is currently no specific requirement for employment land provision in either the adopted or the emerging Regional Spatial Strategy (RSS).

The last available figure in a strategic plan was the Leicester, Leicestershire and Rutland Structure Plan (2005) where North West Leicestershire was required to provide 326Ha of land for employment purposes in the District over a 20 year period (1996-2016). This equates to an annual requirement of 16.3 Ha being started per year. Since 2001 the average rate achieved has been 14.6Ha.

Whilst the RSS does not set a requirement for the amount of employment land to be provided across either the district or the region, it does state in Policy 22 that Local Authorities and Sub Regional Strategic Partnerships should work together to:

- Ensure that, by the allocation and de-allocation of employment land (B1, B2, B8) through the development plan and spatial planning process and through selective public investment, there is an adequate supply of good quality land for office and industrial uses available for development in sustainable locations;

The emerging RSS, following the government's modifications, points out that Local authorities, emda and sub-regional strategic partnerships should work together in housing market area groupings to undertake and keep up to date employment land reviews to inform the allocation of a range of sites at sustainable locations.

The effect of the above is that there is no adopted or draft figure at regional level against which to monitor the amount of employment land provided against the amount required.

In response to this the Leicestershire Strategic Economic Partnership (LSEP) commissioned consultants to undertake a Leicester and Leicestershire Housing Market Area Employment Study.

The emerging RSS also considers the issue of large scale sites for road-rail strategic distribution uses. In particular Policy 21 (Strategic Distribution) establishes a number of site selection criteria for identifying potential sites. These are:

- At least 50 Ha of developable land
- Good rail access with routes capable of accommodating large maritime containers (W10 or W12 gauge), the ability to handle full length trains, available capacity and full operational flexibility
- Good access to the highway network and to appropriate points on the trunk road network;
- A suitable configuration which allows large scale high bay warehousing, inter-modal terminal facilities, appropriate railway wagon reception facilities and parking for all goods vehicles;
- A need for such facilities due to demand in the logistics industry;
- A location which allows 24 hour operations and which minimises environmental and community impact; good access to labour, and
- The need to avoid locations near to sensitive nature conservation sites that have been designated as being or international importance, or that would directly increase traffic levels that would harm such sites.

There is no clear steer in the policy itself towards any specific locations for such distribution uses. Rather Leicestershire is identified as one of 5 possible areas across the region.

LEICESTER AND LEICESTERSHIRE HOUSING MARKET AREA EMPLOYMENT LAND STUDY

This was completed in September 2008. The main findings of this study in respect of North West Leicestershire is that Market analysis identified four property sub markets which are

- The M1 linked national and regional road based distribution market
- The M1 linked national and regional road-rail based distribution market
- The local office , industrial and warehousing market; and
- The sub-regional office market

Development to meet these sub markets has been provided. In Ashby sites at Ashby Business Park and Ivanhoe Business Park are being developed for offices, industrial and warehousing uses and have the capacity for some 18,000 square metres of offices and over 11 hectares for industrial and warehousing schemes. At Bardon/ Coalville nine sites have the capacity to provide over 27 Hectares for Industrial and Warehousing development and at Castle Donington a Strategic road-rail scheme is being developed at the East Midlands Distribution Centre at the former Castle Donington Power Station.

The main findings in terms of the supply/demand balance of employment land are that-

- Taking these sites with other allocations in the District, the supply of offices is in balance with forecast demand (if further office development at Pegasus Business Park next to East Midlands Airport is not brought forward)
- The supply of road based distribution sites is in balance with forecast demand
- There is an overprovision of light industrial and small scale warehousing sites.

The figures are shown in the table below

North West Leicestershire supply and demand gap analysis 2007-2026

	Offices (Sq m)	Industrial (ha)	Warehousing (ha)
Demand	36,884	10.0	57.0
Supply	99,642	51.4	56.5
Gap	62,758	41.4	-0.5
Effective Supply	41,202	51.4	56.5
Effective Gap	**4,318**	**41.4**	**-0.5**

The effective supply for offices takes into account the removal of Pegasus Business Park from the supply figures and with this the demand for office floorspace is only just met in the district. In addition the supply of industrial sites is likely to satisfy demand with an oversupply and the warehousing supply demand balance being roughly in balance.

In this regard the report suggests that Policy 21 of the RSS reflects growing market demand for road rail linked strategic distribution centres with Junction 24 of the M1 and A50 corridor presenting a potential area of search. It notes that North West Leicestershire is a potential location for such development.

The other main suggestion is that within an SUE at Coalville a further allocation of 20-25 hectares of employment land is identified as part of a mixed use development. It is acknowledged that this would contribute to the identified over supply of light Industrial and warehousing land. However the development would contribute to the development pipeline towards and beyond the end of the plan period and provide opportunities for zero carbon development.

OTHER ISSUES

Over the last few years there has been an increase in the amount of employment land lost to other uses, particularly housing. Between 1996 and 2008 22.22 Ha of employment land was lost to residential uses. This lost land is not reflected in the LSEP study and consideration is required as to whether this loss should be taken into account in determining how much employment land provision should be made.