

North West Leicestershire District Council EMPLOYMENT LAND STUDY



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InnesEngland

Final Report
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CONTENTS

1	INTRODUCTION.....	1
2	POLICY CONTEXT	3
	Structure and Local Plans.....	3
	Regional Strategies	4
3	THE LOCAL ECONOMY	9
	Overview.....	9
	The Workplace Economy.....	9
	The Residents.....	20
	The Labour Market.....	22
	Conclusions	27
4	LOCAL PROPERTY MARKETS	29
	Offices	29
	Types of Industrial/Distribution Space	30
	General Industrial Space	31
	Strategic Distribution.....	32
	Conclusions	34
5	THE QUANTITY OF EMPLOYMENT LAND	35
	Introduction.....	35
	Demand	35
	Supply.....	40
	Market Balance.....	41
6	THE QUALITY OF EMPLOYMENT LAND	45
	Assessment Method	45
	Development Sites.....	46
	Existing Employment Areas.....	51
7	CONCLUSIONS.....	53
	Offices	53
	Industry and Distribution	54
	Managing the Existing Stock.....	55
	Plan, Monitor and Manage.....	55

APPENDIX 1 ECONOMIC SECTORS AND TYPES OF SPACE

APPENDIX 2 TAKE-UP OF EMPLOYMENT LAND 1991-2004

APPENDIX 3 ASSESSMENT OF EXISTING EMPLOYMENT AREAS

1 INTRODUCTION

- 1.1 This study was commissioned by North West Leicestershire District Council in November 2005, to inform the Council's forthcoming Local Development Framework (LDF). An early element of this will be a Core Strategy Development Plans Document, to be followed later by an allocations Development Plan Document, which will include employment land. The Council's Project Brief (September 2004) notes that the study is to advise on:
- 'What would constitute an adequate supply of employment land, the quality, from a market perspective, of the existing and proposed employment land in the District, and whether the supply is adequate to meet the District's needs.'
- 1.2 In the brief, and throughout this report, employment land uses are defined as the Business (B) Class of the Use Classes Order, comprising factories, workshops, warehouses and offices. This definition is invariably used in land-use planning, though it excludes many land uses that also provide jobs, such as retail, education and health.
- 1.3 In particular, the brief requires the study to establish:
- 'Whether the Structure Plan requirement of 326 hectares represents an appropriate figure for ensuring that the employment needs of the District will be met;
 - The suitability for employment purposes of all outstanding employment allocations and permissions, including any use restrictions placed on them;
 - The likely viability of existing employment areas continuing in an employment use in the event of them being vacated by current occupiers;
 - In the light of the above findings, whether the existing supply of employment land will be sufficient to meet the District's employment needs and
 - Whether the sites concerned are of local or more strategic significance.'
- 1.4 Following accepted practice and recent Government guidance, we approached the study in five stages, considering in turn:
- The *current policy context* (Chapter 2), to set out the local policies which the new LDF will replace and the strategic policies to which it must conform;
 - The *local economy* (Chapter 3) and *land and property markets* (Chapter 4), to establish the needs and opportunities to which local employment policies should respond and set the baseline for the later discussion of future change;
 - The *quantity of land* (Chapter 5), to forecast future requirements to 2021, measure the supply currently identified by the planning system ('planned supply'), and compare the two to see if this supply should be increased or reduced;
 - The *quality of land* (Chapter 6), to see how far the particular sites identified provide what the market wants, and hence which sites or types of site should be added to or removed from the employment land portfolio.
- 1.5 Conclusions and policy recommendations are in Chapter 7.

2 POLICY CONTEXT

Structure and Local Plans

- 2.1 The Leicestershire, Leicester and Rutland Structure Plan, 1996-2016, was adopted in March 2005 after lengthy delay, partly related to a Government requirement for changes to the Green Belt.
- 2.2 For present purposes, a key policy in the Structure Plan is Employment Policy 1, which requires North West Leicestershire to provide 326 hectares of land for new B Class development in 1996-2016. This is by far the highest figure for any local authority in the Structure Plan area (the next highest is Blaby with just 206 hectares) and accounts for roughly one quarter of the total for the Structure Plan area. Of the total requirement of 326 hectares, the District Council estimates that in 2004 some 142 hectares had been developed since 1996, outstanding Local Plan allocations provided 35 hectares and 117 hectares had outstanding planning permissions, leaving a further 31 further hectares to be identified for employment.
- 2.3 The Structure Plan's employment land calculations are informed by two main strands of evidence: firstly actual land take-up in 1981-1997 and secondly employment forecasts initially prepared in 1998 for the period 1997-2007 and subsequently extrapolated to 2016. In our view, the age of this evidence means that the Structure Plan calculations are not relevant for present purposes. Accordingly, it is a central objective of this study to calculate future land requirements anew, showing how much land, if any, should be provided for employment in the period to 2016. We address this question in Chapter 5 below.
- 2.4 Other Employment Policies in the Structure Plan are less specific or less relevant to North West Leicestershire. Policy 2 requires that provision be made for Strategic Employment Sites in six specific Districts, which do not include North West Leicestershire. Policy 3 states that major office development should be located in Leicester City Centre or central areas that are well served by public transport, and edge-of-centre sites well-served by public transport will only be considered where no central area sites are available. Policy 4 requires provision for Science and Technology Parks, though without reference to North West Leicestershire (the only specific location mentioned is Loughborough, where land should be provided for a major science park). Policies 5-8 are statements of general principle.
- 2.5 The North West Leicestershire Local Plan was adopted in 2002, after an even longer gestation period: the Plan covers the period 1991-2006, the Inspector's Report on it was issued as long ago as 1997, and its employment land calculations are based on 1993.
- 2.6 The main thrust of employment land policies in the Local Plan is to allocate sites for development, in conformity with the previous Structure Plan, now superseded, which required 345 hectares to be provided for employment in 1991-2006. In accordance with this earlier Structure Plan, these allocations are concentrated in the Transport Choice Corridor based on the Ivanhoe Line - the proposed reopening of a passenger rail connection between Leicester and Burton upon Trent via Coalville and Ashby de la Zouch, over which there is now considerable doubt - and Junctions 23A and 24 of the M1.
- 2.7 As part of this study, we have reviewed the Local Plan land allocations, to see which have now been developed, identify the land supply still available, and audit this land supply against future requirements.
- 2.8 The adopted Local Plan also contains policies to safeguard existing and allocated employment sites from alternative uses, other than small-scale uses ancillary or complementary to employment. For relatively minor employment areas - those not

specifically identified in the Plan - Policy J11 sets out exceptions to this safeguarding rule, indicating that change of use may be permitted if it would not result in a local shortage of employment land or if the existing use is inappropriate. As part of this study, we consider if a similar safeguarding policy should be included in the new Local Development Framework and if so what it should say.

- 2.9 Due to their age, the employment land policies in adopted Structure and Local Plans are of limited relevance to the task of planning ahead for North West Leicestershire. In any case, under the new planning legislation which came into force last September, the District Council's main source of strategic guidance is no longer the Structure Plan, but the Regional Spatial Strategy, which is discussed in the next section.

Regional Strategies

The Regional Spatial Strategy

Regional Priorities

- 2.10 The Regional Spatial Strategy for the East Midlands, RSS8, was issued in March 2005 and covers the period to 2021. RSS8 is driven by the objectives of sustainability and the sequential principle, aiming to concentrate development on previously developed land, urban areas and places well served by public transport.
- 2.11 In line with this approach, Policy 5 of the RSS sets out a framework of regional spatial priorities, indicating that Local Development Frameworks and other policies should:
- Locate 'significant levels of new development' in *Principal Urban Areas (PUAs)* - which are the built-up areas centred on Derby, Leicester, Lincoln, Northampton and Nottingham - and the *Communities Plan growth towns* of Corby, Kettering and Wellingborough;
 - Locate 'appropriate development, though of a lesser scale' in 12 *Sub-Regional Centres (SRCs)*;
 - 'Provide for the development needs of *other settlements and rural areas generally*'.
- 2.12 Coalville, designated as a Sub-Regional Centre, is the only settlement in North West Leicestershire mentioned by name in Policy 5. The rest of the District by implication is classified to the last tier of the hierarchy, 'other settlements and rural areas generally'.
- 2.13 In supporting text, the RSS notes that 'the Sub-Regional Centres have been identified for their ability to perform a complementary role to the Principal Urban Areas... Development of the SRCs should support individual roles and functions. It should not be of a form or scale that prejudices the urban renaissance of the PUAs'.
- 2.14 With regard to other settlements and rural areas, the text provides guidance under two headings:
- *Market towns* 'play a key role in the region's rural areas, serving as centres for employment, shopping and service provision. The future vitality of many rural areas will depend increasingly upon market towns. It is therefore crucial that the economic and service base of these settlements is consolidated and where appropriate enhanced'.
 - In *rural areas outside market towns*, 'it will be essential to seek ways of sustaining village communities and to reverse the decline in services available to rural populations'.

Sub-Regional Priorities

- 2.15 At sub-regional level, RSS 8 provides spatial strategies for five Sub-Areas within the East Midlands. Yet again, these sub-regional strategies emphasise that priority goes to

the Principal Urban Areas. Thus in relation to the Three Cities Sub-Area, of which North West Leicestershire is part, Policy 15 states that

‘Local Development Frameworks... should support the continued regeneration of Derby, Leicester and Nottingham, and maintain and strengthen the economic, commercial and cultural role of all three cities’, providing development land for a mix of housing types, employment growth, regeneration of deprived areas, enhanced transport links and mixed uses to support the vitality and viability of the city centres.

... Outside Nottingham, Leicester and Derby, ‘development should be.. in scale with the scale of these settlements’. Supporting text adds that ‘the development needs and opportunities of large and medium-sized settlements [other than Derby, Leicester and Nottingham] should be considered in the light of their relationships to the PUAs’.

- 2.16 The RSS in supporting text notes that ‘the Three Cities Sub-Area contains the region’s only international Airport, situated in North West Leicestershire near Castle Donington, which is a key national regional and national asset... In the past, there has been pressure for development in the vicinity of the Airport. However, urbanization of the area around the Airport would not lead to a sustainable pattern of development and would in the long term undermine its operational viability’. Accordingly, Policy 15 provides that:
- 2.17 ‘Development associated with Nottingham East Midlands Airport should be focussed, where possible, in surrounding urban areas, in particular the PUAs of Derby, Leicester and Nottingham and the Sub-Regional Centre of Loughborough.’
- 2.18 In Policy 16, objectives for the Three Cities Sub-Area include:
- ‘An improvement to the collective economic performance of the Sub-Area and a reduction in deprivation;
 - An approach to optimizing the benefits of Nottingham East Midlands Airport consistent with sustainable patterns of development and movement’.

Topic-Based Priorities

- 2.19 With regard to regional priorities for employment land, RSS policies are informed by the QUELS and RELPS studies, whose findings for the Three Cities Sub-Area are summarised in supporting text as follows:

‘Office supply is constrained in Derby, Nottingham and Leicester, partly due to pressure from other uses such as housing. There is a particular shortage of sites suitable for science and technology uses. The availability of good-quality industrial land is also constrained, particularly within the city boundaries. In parts of Leicestershire, pressure from the storage and distribution industry is starting to restrict other uses.’

The Regional Economic Strategy

- 2.20 The Regional Economic Strategy for the East Midlands, ‘Destination 2010’ (March 2003) provides a clear diagnostic of the regional economy, and a corresponding objective for improving that economy:
- ‘The fundamental aim of this strategy and all other associated economic strategies and plans are to increase regional incomes and productivity... Virtually everything in this strategy is designed to lead toward an improvement in income levels in the region.
- ‘... Productivity in the region, measure by GVA [output] per capita and per hour worked, is lower than the UK as a whole... Some parts of the region are still strongly associated with traditional sectors such as mining, textiles and footwear. In these areas, there is a lower skill and education base.’

... A low-productivity, low-pay, low-skill equilibrium in the East Midlands is nevertheless accompanied by a buoyant labour market, which means that there is little incentive for businesses or individuals to try to improve their technology or skills.¹

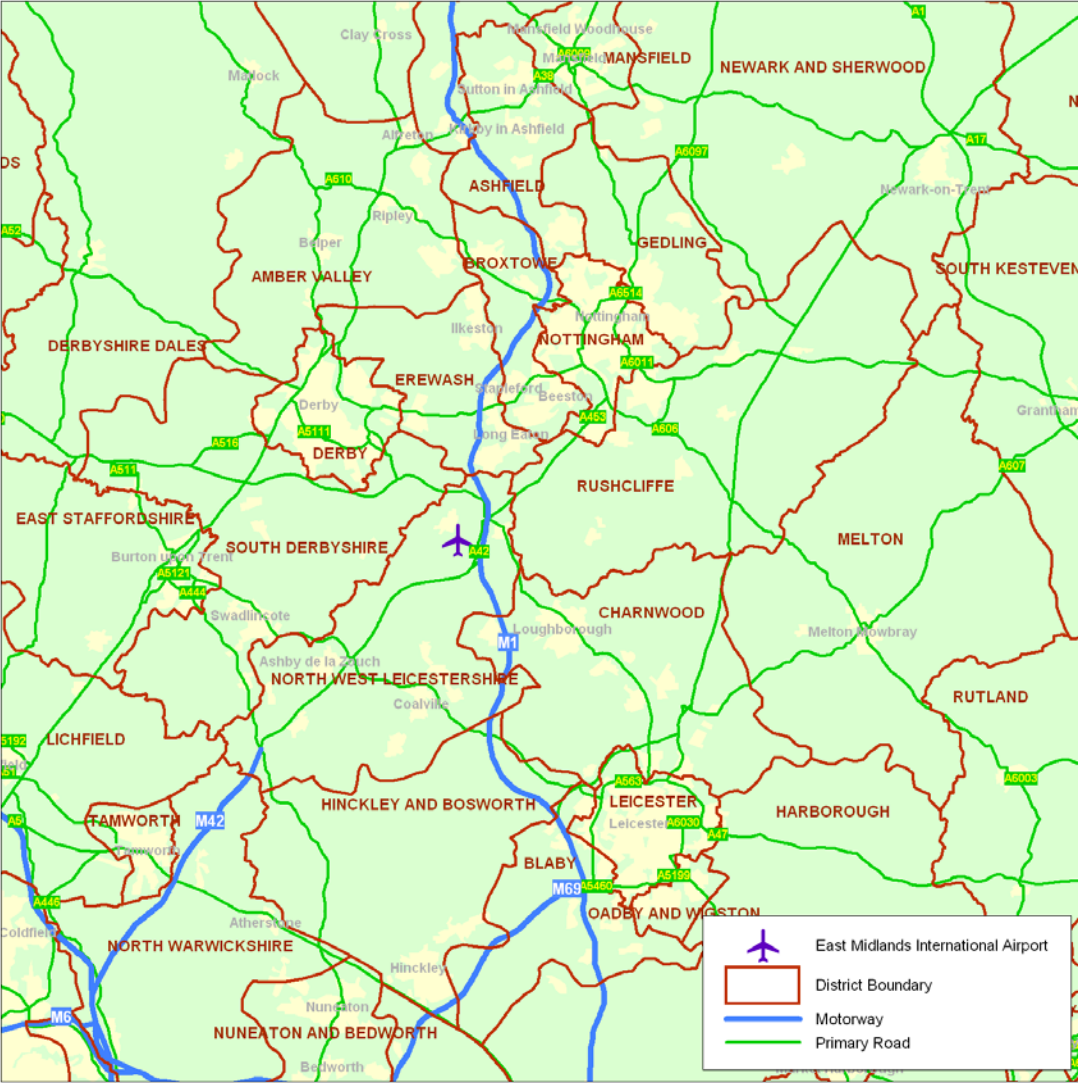
- 2.21 To paraphrase, the East Midlands enjoys high employment, but it suffers from comparatively low labour productivity and consequently low earnings, due to high representation of low-value-added sectors, low skills and low technology. The Regional Economic Strategy, like its predecessors, aims to upgrade the mix towards higher-value activities, labour and technologies. Accordingly, the document sets four key targets for the region, all relating to the trend growth of the region's labour productivity (output per head or per hour worked).
- 2.22 The RES notes that much of this productivity growth must come from higher technology and skills in the manufacturing sector, given the size of the sector in the East Midlands. To this end, emda and its partners are implementing a cluster development programme focusing on:
- High-performance engineering, especially motor sports and aerospace
 - Clothing and textiles, concentrating on design-led , fast-turn manufacturing and technical textiles;
 - Food and drink, with the emphasis on food technologies;
 - Healthcare, focusing on bio-science;
 - Creative industries, particularly new media.
- 2.23 As one of twelve areas of activity that contribute to higher productivity and earnings, the RES discusses site provision and development. This discussion closely follows the Regional Spatial Strategy, emphasising the principles of sustainability and sequential development and the lessons from the QUELS study.

Implications

- 2.24 Strategic spatial priorities have changed considerably over the last few years. The Structure Plan, effectively completed in 2003, allocated the highest share of development land in its area to North West Leicestershire. In contrast, RSS8, issued in final form two years later, firmly puts the major cities and Communities Plan Growth Areas first.
- 2.25 The East Midlands Airport is the one place in North West Leicestershire that is recognised in the RSS as an area of strategic opportunity. But the development associated with the Airport so far as possible is to be diverted to larger centres outside the District. Coalville, the only settlement in North West Leicestershire which is named in the spatial strategy, is designated a second-tier centre, whose development is to be subordinated to the needs of the Principal Urban Areas.
- 2.26 Thus, the Regional Spatial Strategy suggests that over the period to 2021 no settlement in North West Leicestershire is to have a strategic role. The scale of development in the District is to be limited to fulfilling local needs, except possibly insofar as North West Leicestershire can receive overspill investment displaced from the Principal Urban Areas by the land shortages identified in the QUELS and RELPS studies.
- 2.27 In terms of the quality of development, as opposed to its scale, the strategic agenda is set by the overarching objective of the Regional Economic Strategy of higher income per head through higher labour productivity. One route to higher productivity is an upgraded industrial mix, which employment land policy can encourage by providing sites attractive to higher-value business activities. In the next chapter, we begin to explore the need and opportunity for such diversification in North West Leicestershire.

¹ Chapter Three, page 14

North West Leicestershire in Context



3 THE LOCAL ECONOMY

Overview

- 3.1 In this chapter, we profile the economy of North West Leicestershire in its regional context, under three main headings:
- The workplace economy, comprising the businesses and jobs located in North West Leicestershire;
 - The residents, comprising population and workforce that live in North West Leicestershire; and
 - The labour market, which brings together the labour demand generated by the workplace economy with the labour supply provided by the resident population.
- 3.2 Most of this chapter considers the whole economy. From the next chapter onwards, we will narrow the focus to activities which use employment space - defined here as industrial space, warehouses and offices.
- 3.3 The analysis throughout is shaped by two broad questions. Firstly, we aim to assess the economic well-being of the area's residents and workers - how well off they are and may be expected to be in the future and why. This diagnostic will help set objectives for employment land policy, suggesting what deficiencies the Council might aim to correct and what opportunities it might aim to seize.
- 3.4 Secondly, we examine the economy for clues about the demand for employment (business) space, which is broadly defined here to cover the Business Use Classes. The analysis in this chapter serves as background and reality check on the quantitative demand forecasts provided later in this report. More importantly, it begins to describe demand qualitatively, profiling what the area offers to industrial and commercial businesses, what kinds of businesses operate there, what they do, and hence what kinds of space they need. This qualitative analysis will be continued in the property market profile in the next chapter.
- 3.5 Throughout, we aim to benchmark the local economy against norms or expectations based on the performance of larger areas like the County and Region and comparable or competing areas like neighbouring Districts. For obvious reasons, we use as benchmarks other Leicestershire Districts, the East Midlands region and the national economy.

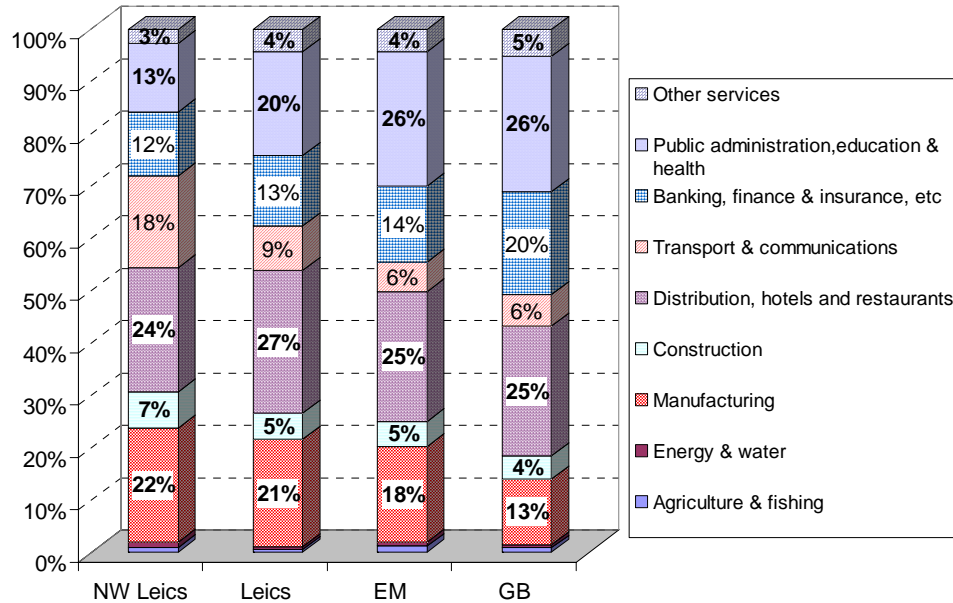
The Workplace Economy

Industrial Structure

- 3.6 Official statistics for 2003 - the latest date for which information is available - shows there are approximately 43,500 employee jobs in NW Leicestershire. (This does not include the self-employed). Figure 3.1 breaks these down into the main industrial categories. Other sectors are similarly proportioned.
- 3.7 Leicestershire has even more manufacturing employment than the East Midlands, and slightly less in banking, finance and insurance. It also has slightly more employees in distribution, hotels and restaurants. It has fewer employees in public administration, education and health.
- 3.8 North West Leicestershire has slightly more employment in manufacturing than the County, more than the region, and far more than the national average. Like the County, the District is strongly under-represented in banking, finance and insurance sectors. It is strongly over-represented in transport and communications employment, compared to Leicestershire, the East Midlands and Great Britain.

3.9 This tells us that the East Midlands is biased towards industrial employment compared to the national economy. Within this structure, Leicestershire is further skewed towards manufacturing and away from financial and business services. North West Leicestershire is even more specialised in this direction, with over-representation in industrial and warehousing sectors.

Figure 3.1 Industrial Structure



Source: Annual Business Inquiry, 2003

3.10 Major employers include²:

- Coalville
 - Metzler Automotive Profile Systems 500 jobs
 - *Rubber and plastics manufacturing*
 - Stephenson College 500 jobs
 - *Further Education*
 - ACR Logistics 500 jobs
 - *Distribution Services*
 - WM Morrisons Superstores 400 jobs
 - *Supermarkets*
 - Aggregate Industries UK Ltd 350 jobs
 - *Quarries*
 - Mondipackaging 300 jobs
 - *Manufacture of packaging materials*
- Ashby-de-la-Zouch

² Source: www.focusnet.com, classification www.yell.co.uk

- KP Foods 600 jobs
 - *Preparation of food products - prepared*
- Davies Sports 500 jobs
 - *Sports equipment manufacturers and wholesalers*
- Nottingham Rehab Ltd 500 jobs
 - *Mobility and access - equipment and vehicles*
- Tesco Stores Ltd 350 jobs
 - *Superstores*
- Midlands Distribution Centre 300 jobs
 - *Distribution services*
- Springs Health Farm 300 jobs
 - *Health clubs*

3.11 Yet again, this list highlights the importance of manufacturing and distribution.

Knowledge-Based Industries

3.12 Employment in knowledge-based industries is currently recognised as a key measure of economic competitiveness, which in turn is a determinant of current and future prosperity. The thinking behind this view is best summarised in a quote from the Government White Paper *Our Competitive Future: Building the Knowledge Based Economy*:

'In a knowledge-driven economy... the generation and the exploitation of knowledge has come to play the predominant part in the creation of wealth. Companies in countries with higher labour costs, such as the UK, therefore have to innovate and adapt continuously to retain their competitive edge.'

3.13 Figure 3.2 shows employment in knowledge-based sectors as defined by the Organisation for Economic Co-operation and Development (OECD)³:

- In Leicestershire as a whole, 12% of jobs are in knowledge-based industries - a similar figure to the East Midlands, but well below GB, where the proportion is some 17%.
- North West Leicestershire has just under 10% of its employment in knowledge-based industries - lower than the figure for Leicestershire and above only Rutland and Melton in local comparison.

3.14 To look at knowledge-based industries in more detail, Figure 3.2 groups them into five categories as follows:

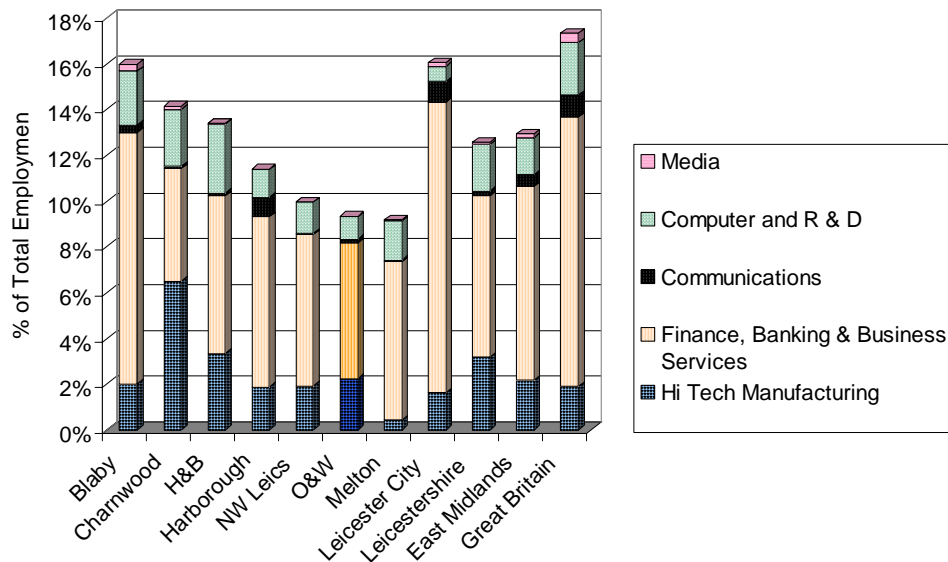
- i) High-tech manufacturing;
- ii) Finance and business services (FBS),

³ This definition comprises: publishing and sound recordings, reproduction of recorded media, manufacture of pharmaceuticals etc, manufacture of office machinery/computers, manufacture of electric motors/generators etc, manufacture of electricity distribution etc, manufacture of accumulators etc, manufacture of electrical equipment nec, manufacture of electronic valves, manufacture of TV/radio transmitters etc, manufacture of TV/radio receivers etc, manufacture of medical/surgical equipment etc, manufacture of instruments for measuring, manufacture of optical instruments etc, manufacture of watches and clocks, manufacture of aircraft and spacecraft, telecommunications, accounting/bookkeeping activities etc, architectural/engineering activities etc, technical testing and analysis, advertising, labour recruitment etc, motion picture and video activities, radio and television activities, financial intermediation etc, insurance and pension funding etc, act auxiliary financial intermediation, computing and related activities, and research and development.

- iii) Communications,
- iv) Computing and R&D,
- v) Media.

3.15 We have already seen that, against national and regional benchmarks, North West Leicestershire is heavily under-represented in the first of these categories. The District is similarly under-represented in the media and communications sectors, and in computing and R&D. In high-tech manufacturing, North West Leicestershire is averagely represented compared to the national and regional benchmarks: that the District's especially large share of manufacturing in general does not extend to high-tech manufacturing specifically.

Figure 3.2 Employment in Knowledge-Based Industries



Sour

ce: Annual Business Inquiry 2003

Business Space Sectors

- 3.16 In this study, we are particularly interested in the jobs that occupy business space, comprising office jobs and industrial/warehousing jobs, and sometimes jointly referred to as Business or B space jobs.
- 3.17 To identify these jobs, we use a range of economic sectors based on the Standard Industrial Classification (1992) which is set out at Appendix 1. Broadly, our analysis assumes that offices (which in this definition included R&D) are occupied by financial and business services, parts of public administration and publishing. Industrial space is occupied by manufacturing industries plus certain parts of the construction industry, motor repairs/maintenance and sewage and refuse disposal. Warehousing is occupied by a variety of transport and distribution activities which are widely spread across the Standard Industrial Classification.
- 3.18 The correspondence between sectors and types of space is not perfect, and hence our definitions of office and industrial/warehousing jobs are no more than approximations. But they are the best possible approximations, which we have developed through a series of employment space studies, most recently the Industrial and Warehousing Land Demand study we produced for the Greater London Authority.

- 3.19 Table 3.1 shows the different categories of business space employment in North West Leicestershire, expressed first as absolute numbers and second as shares of total employment. To reduce the impact of possible errors in the Annual Business Inquiry, we have averaged job numbers over four years:

Table 3.1 Employment in Business Space Sectors, Average Between 1998 and 2002⁴

	Jobs	NWL % of total jobs	GB % of all jobs	LQ
Industrial	10,600	27%	17%	1.6
Warehousing	4,800	12%	7%	1.7
Office	5,600	14%	23%	0.6
Total B Space jobs	21,000	53%	47%	1.1
Other sectors	18,500	47%		
Total Jobs	39,500	100%	100%	1.0

Source: Annual Business Inquiry 1998-2002, RTP

- 3.20 In total, just over half the employee jobs in North West Leicestershire are in business space - a similar proportion to Great Britain. However, the mix of jobs is very different in North West Leicestershire compared to Great Britain.,

- Office jobs in North West Leicestershire account for around 14% of all jobs - well below the national proportion of 23%.
- Industrial jobs in North West Leicestershire account for 27% of all jobs, compared to 17% in GB as a whole. This mainly reflects the high share of manufacturing in the economy, although other sectors, such as construction and sewage are included in industrial.
- The share of warehousing jobs is 12% in North West Leicestershire - almost double the national average of 7%.
- Thus, slightly less than half of all jobs operate in space outside the Business-Use Class - which includes leisure and retail premises, schools, hospitals, and many other kinds of space.

- 3.21 This comparison to the national proportions is shown in Table 3.2 below. We have separated out manufacturing from other kinds of industrial employment (such as construction and sewage and refuse). All of the areas have a much higher proportion of manufacturing than the country. North West Leicestershire is strongly over-represented in warehousing space. All of the areas are under-represented in office employment, with a LQ of just 0.6 in North West Leicestershire.

Table 3.2 Location Quotients, Business Space Sectors

	NW Leics	Leics	EM
Mfg	1.7	1.7	1.5
Other Ind	0.9	1.0	1.1
Warehousing	1.8	1.5	1.2
Total Ind & Whsg	1.7	1.6	1.4
Offices	0.6	0.7	0.7

Source: Annual Business Inquiry 2002

⁴ In the final column of the table, the location quotient (LQ) is a sector's share of total employment in the study area (in this case, North West Leicestershire) divided by that sector's share of total employment in Great Britain. Sectors with an LQ greater than 1 are over-represented in the area against the national norm and those with an LQ below 1 are underrepresented. An LQ of 1 indicates that a sector accounts for the same share of total employment in the study area as in the national economy.

- 3.22 Table 3.3 below looks more closely at the activities that occupy business space. As explained earlier, the location quotients (LQs) in the first column show the representation of that employment sector in the local economy compared to the national economy. To identify those sectors which are strongly over-represented in the District, the table selects sectors with LQs greater than 1.5 and employment sectors with more than 300 employees. All these employment sectors are either industrial or warehousing sectors; no office sectors are over-represented in North West Leicestershire. Courier activities are highly over-represented, with 9 times as strong a representation than the national economy⁵ - no doubt due to the presence of the East Midlands International Airport.

Table 3.3 Over-Represented Economic Sectors in North West Leicestershire

	LQ	Jobs	% of all jobs
Courier activities	9.0	1,300	3%
Mfg other non-metallic products	6.0	1,200	3%
Storage & whsg	3.5	600	1%
Mfg food products & beverages	3.4	2,500	6%
Freight transport by road	2.9	2,300	5%
Mfg rubber & plastic goods	2.9	1,000	2%
Mfg chems & chem products	2.7	1,000	2%
Renting machinery/equipment etc	2.5	600	1%
Mfg pulp, paper & paper products	2.4	300	1%
Mfg medical, precision instruments, etc	2.1	400	1%
Plumbing	2.0	300	1%

Source: Annual Business Inquiry 2002

- 3.23 In some case, a very high LQ is due to just one or two large firms. For example, Metzler Automotive Profile systems account for half of the jobs in the manufacturing of rubber and plastic goods.

Unit Size

- 3.24 Table 3.4 below analyses the size of establishments (units)⁶, measured in numbers of employees.

Table 3.4 Employment Units by Size

No of Employees	% of Units			
	NW Leics	Leics	EM	GB
1-10 employees	82.6%	84.6%	82.5%	83.3%
11-49 employees	13.2%	12.2%	13.6%	12.9%
50-199 employees	3.2%	2.7%	3.2%	3.1%
200 or more employees	1.0%	0.6%	0.7%	0.7%
Total	100%	100%	100%	100%

Source: Annual Business Inquiry 2003

- In all areas, the great majority of business units (establishments) are small, with over 80% employing 10 people or fewer and less than 5% employing 50 people or more.

⁵ This includes pick-up, transport and delivery of letters and mail-type parcels and packages by firms other than national post. This may be carried out with either self-owned transport media or via public transport. This sector is likely to be located close to the Airport to deliver parcels as they arrive, or supply parcels abroad. Equally, they are likely to be located there because of the good road links around the country.

⁶ Units are not the same as firms. A company may have several branches and offices in a town, each of which would be counted as a separate unit, even though they are the same firm. A single work place may also be counted as two data units where there are two distinct business activities at the same site.

- In the East Midlands, the breakdown is similar to the national one.
 - Leicestershire has slightly more smaller units and slightly fewer large units than Great Britain.
- 3.25 North West Leicestershire has slightly fewer small units (1-10 employees) but far more large units (50 - 200 or more) (compared to all benchmark areas).

Entrepreneurship

- 3.26 Table 3.5 below shows numbers of VAT-registered firms per 10,000 working-age population for 2002 and 1994. Both Leicestershire and North West Leicestershire have far more VAT registered firms per 10,000 working-age population than both the region and the country. There has been a large growth in VAT registered firms in North West Leicestershire since 1994 compared to Leicestershire, the East Midlands and Great Britain. North West Leicestershire has changed from having fewer firms per 10,000 working aged population compared to Leicestershire in 1994, to having far more in 2002.

Table 3.5 VAT-Registered Firms

	Stock 2002 per 10,000 working age population	Stock 1994 per 10,000 working age population	% change since 1994
NW Leics	471	411	15%
Leics	447	423	6%
EM	393	371	6%
GB	409	379	8%

Source: NOMIS, 1994-2002

North West Leicestershire as a Business Location

Investment Enquiries

- 3.27 Leicestershire Promotions provided us with data about companies that have contacted them to find space in North West Leicestershire. The data should be interpreted with caution, since some companies (possibly many) will have areas of search that extend beyond the District.
- 3.28 In total there were ninety-five enquiries in 2004. The geographical origin of these enquiries is analysed at Table 3.6 below.

Table 3.6 Location of Enquiring Companies, 2004

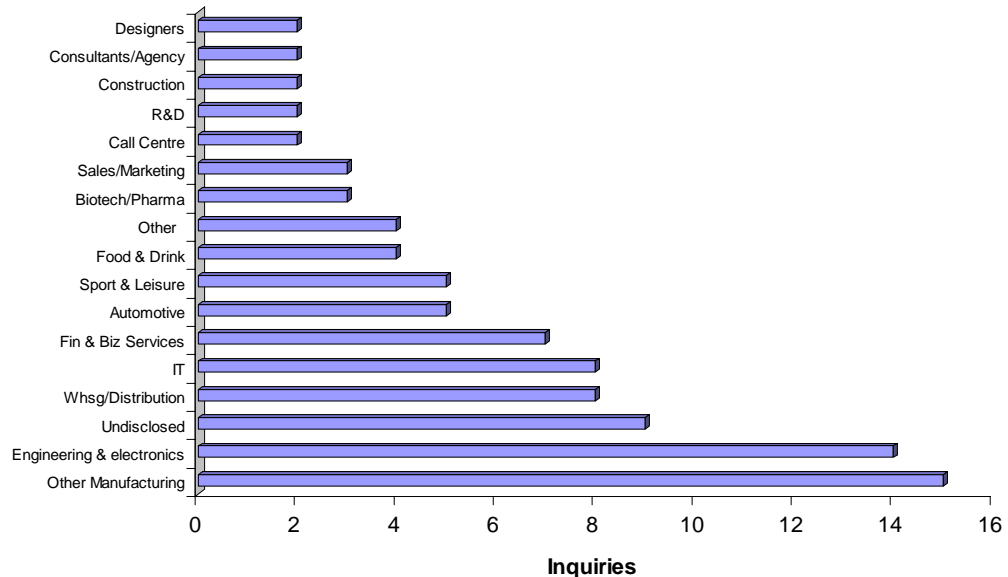
Leicestershire	35
Rest of East Midlands	17
Rest of UK	24
Europe	9
North America	8
Other international	1
Consultant/Agent	1

Source: Leicestershire Promotions

- 3.29 The figures suggest that the District has considerable potential to attract inward investment, from the East Midlands beyond Leicestershire, the rest of the UK and abroad.

3.30 The industrial mix of inquiries is detailed in Figure 3.3 below. This is heavily biased towards industrial and warehousing sectors. Business services form a very small proportion, just 10% of the inquiries. The inquiries seem to be in line with the existing industrial structure of the area, suggesting there is little interest from other kinds of industry.

Figure 3.3 Investment Enquiries, 2004: Activity Sectors⁷



Source: Leicestershire Promotions

3.31 Recent inward investors in North West Leicestershire include⁸:

- O'Neill Electrics (electronics) in 1999, who relocated from South Africa, bringing five jobs.
- Novara Plc (distribution) in 1999 who relocated to Ashby Park from Nottingham in 1999, bringing 250 jobs.
- TNT (call centre) in 2002 who relocated to North West Leicestershire from Australia; providing 250 new jobs.
- Trimark Europe (automotive distribution) who came to Coalville from the USA in 2003, safeguarding 11 jobs and creating nine.
- The accountants PriceWaterhouseCoopers, who merged three East Midlands offices into one on Pegasus Business Park.

Business Consultation

3.32 We spoke to ten companies who have relocated in or moved to the District recently, as well as three companies that have looked for space in the District and one local business networking organisation. We wanted to find out what businesses like about the location, what problems they have and why they moved there (or alternatively chose not to move away). Searching companies gave us an idea of why a company might look to locate in North West Leicestershire, what the District has to offer, what it lacks and how it compares to other possible areas.

⁷ 'Other' includes voluntary organisations, government agencies, health and general information request.

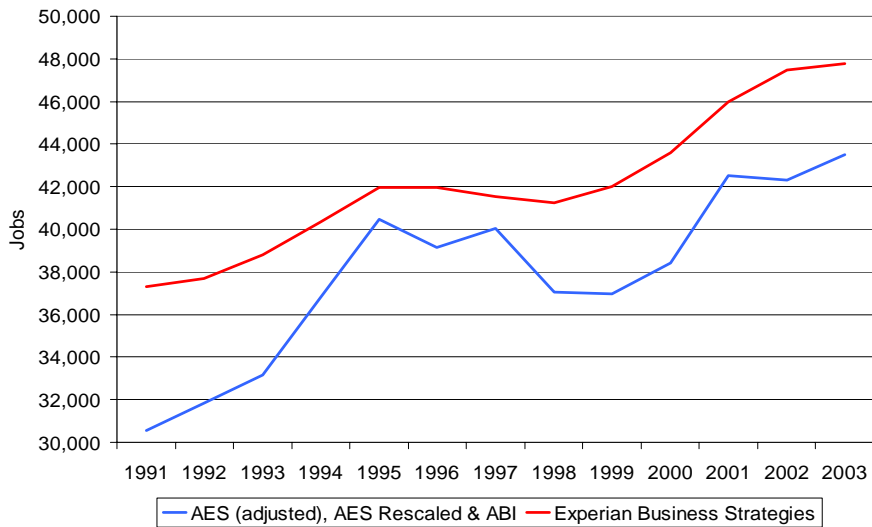
⁸ Source: Leicestershire Promotions

- 3.33 Companies looking to move into North West Leicestershire from elsewhere tended to be from the region - mainly Loughborough or Derby. The companies were a mixture of light industrial, other manufacturers and offices. Of those relocating within or moving to the District, about three quarters of the companies mentioned a benefit of the District is its central England location and excellent access to motorways. The East Midlands Airport was also mentioned by both incoming and searching companies as a benefit of the areas. As usual, many companies wanted to remain in the District because of convenience and familiarity, particularly for the local workforce. One company cited cheaper business accommodation as a reason for staying rather than moving to a nearby District. Another mentioned that Ashby serves local businesses well and that access to services is good. However, another company complained that Coalville town centre did not support services well and access is poor due to parking difficulties. The latter problem, of course, is very common everywhere.
- 3.34 With the companies seeking accommodation in the District, two companies mentioned that North West Leicestershire compares favourably on rental price with neighbouring Districts - Derby being mentioned specifically as more expensive. All mentioned they were attracted to North West Leicestershire by a combination of superior road links, good motorway access and access to East Midlands Airport (useful for both receiving supplies and bringing in clients and customers). However, all three companies we spoke to have had difficulty finding suitable premises for their individual company's requirements, including manufacturing and warehousing, particularly with good quality office space attached.
- 3.35 The business networking organisation reinforced much of what was said in the direct consultations about benefits and problems of the area. They added that the lack of a railway connection would increasingly become an issue as the road network congests, and that the poor public transport would speed this problem as there are no alternatives to the car. They suggested there was a lack of space for small, start-up companies - of which there are many in North West Leicestershire. One particular issue of concern for indigenous businesses is that employment space will be taken up with large distribution sheds, leaving insufficient space for development for expanding or relocating local companies.

Employment Change

- 3.36 The graph below illustrates employment change in North West Leicestershire from 1991 to 2003 (the date of the latest available statistics). There are two series: official statistics (AES/ABI) showing employees in employment and the EBS (Experian Business Strategies) series, which is based on the official data but additionally shows the self-employed.

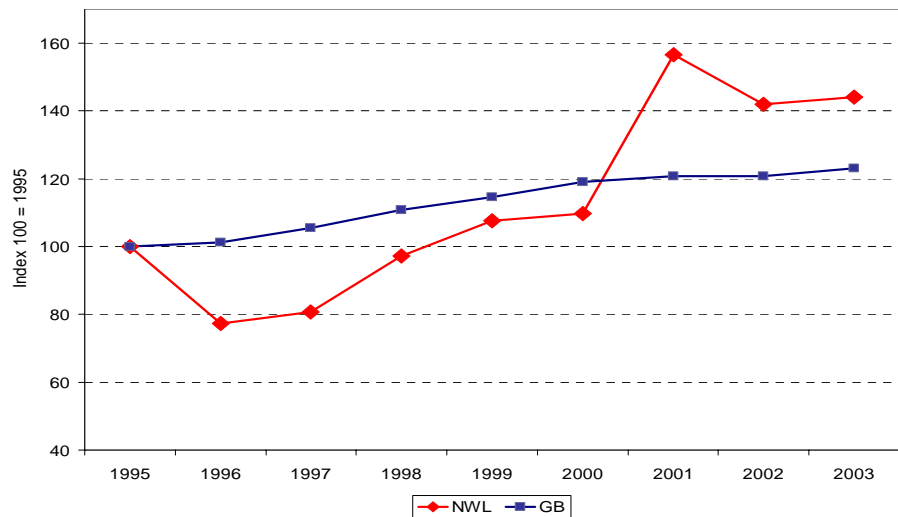
Figure 3.4 Total Employment Change, 1991-2003



Source: NOMIS, Experian Business Strategies

- 3.37 The two employment change series not surprisingly show very similar patterns. Employment in the District grew over most of the period, except for a dip in the mid-to-late 1990s, which was largely due to manufacturing, specifically of food and drink and transport equipment.
- 3.38 Turning to the business space sectors, Figure 3.5 shows estimated office jobs in North West Leicestershire and Great Britain in 1995-2003, based on the official statistical series.

Figure 3.5 Office Employment Change, 1995-2003

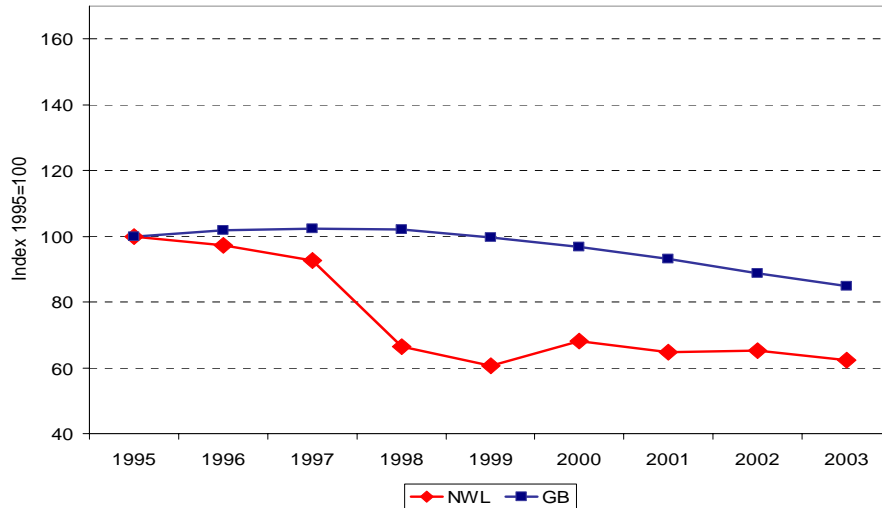


Source: Annual Employment Survey Rescaled, Annual Business Inquiry

- 3.39 Office employment in the District declined in the early 1990s, to be followed by a period of strong and steady growth. Over the whole period, office jobs increased by 40% in North West Leicestershire, against only 22% in Great Britain; but the difference between the two is due to exceptionally strong local growth in just one year, 2001, and therefore might be misleading. Except for 2001, change in North West Leicestershire's office employment followed the national trend.

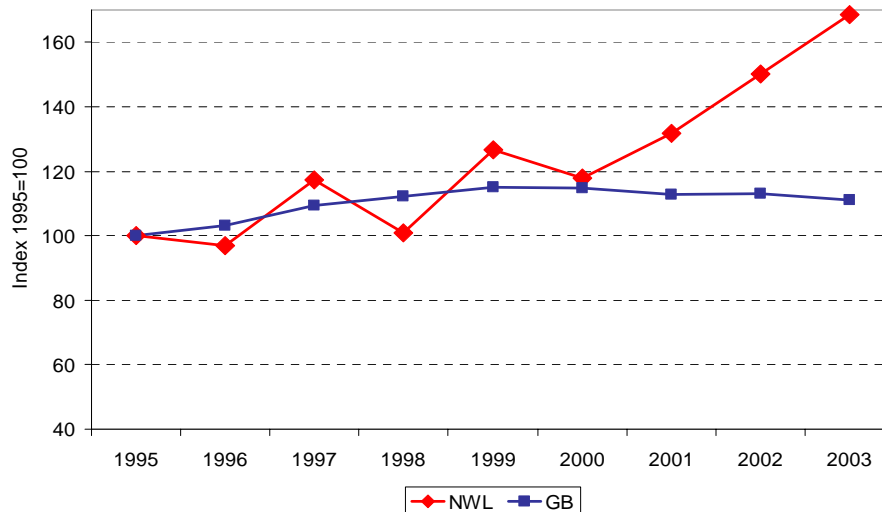
3.40 As mentioned earlier, industrial employment in North West Leicestershire (Figure 3.6) fell steeply in the late 1990s, at a time when the national total showed almost no change. Since 1999, however, it is the District's industrial employment that has been virtually unchanged, while the national industrial total has fallen by almost one fifth.

Figure 3.6 Industrial Employment Change, 1995-2003



Source: Annual Employment Survey Rescaled, Annual Business Inquiry

Figure 3.7 Warehousing Employment Change, 1995-2003



Source: Annual Employment Survey Rescaled, Annual Business Inquiry

3.41 Warehousing employment in North West Leicestershire has been on a strong growth trend, although levels from year to year have been volatile. Growth has been particularly strong since 2000. Over the whole period 1995-2003, estimated employment in warehouses rose by 68% in the District against just 11% in GB.

The Residents

3.42 The economic analysis so far has been about the workplace economy, considering the activities of the people who work in North West Leicestershire, regardless of where they live. In this section, we turn our attention to the resident population and workforce of North West Leicestershire, analysing their attributes and activities of the people with jobs, regardless of where they work.

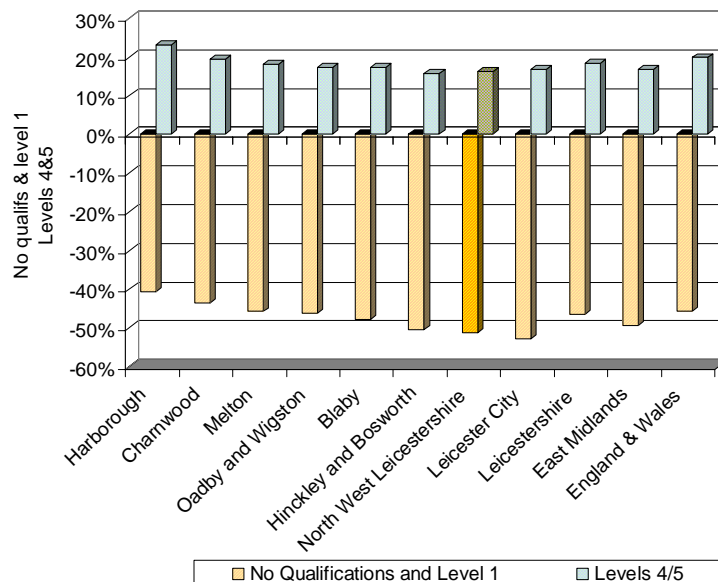
Qualifications

3.43 Figure 3.8 shows qualification levels of residents of North West Leicestershire. The positive bars measure the proportion of the resident working age population which has the highest qualifications, NVQ4 and 5, equivalent to degree and higher level qualifications. The negative bars show the share of the least well qualified, with either no qualifications or NVQ1 entry-level qualifications.

3.44 Compared to national averages, the East Midlands has fewer people with higher levels of qualifications, and more people with low levels or none. The County of Leicestershire is similar to the national norm, but North West Leicestershire is more like the region as a whole.

3.45 These statistics are from the Census in 2001. We understand that there have been high flows of in-migration since this time which will have changed the relative balance of people with different skills levels. North West Leicestershire District Council believe in-migration has occurred mainly amongst higher- skilled people. As yet, we have no hard evidence to substantiate this.

Figure 3.8 Qualifications of North West Leicestershire Residents, 2001



Source: Census 2001

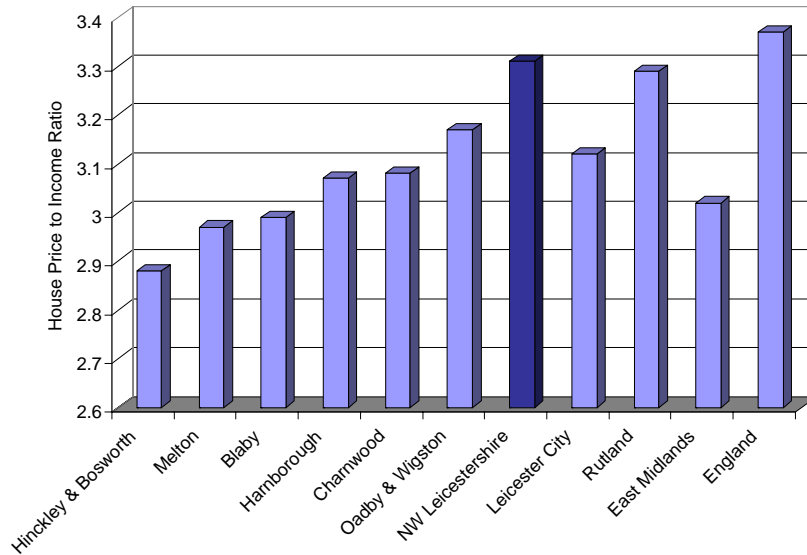
Housing Affordability

3.46 One factor that affects both the quality of life and competitiveness is provision of affordable housing. If houses are expensive, lower paid employees will struggle to buy and will seek residence elsewhere (unless they can get affordable housing or key worker housing) and employers may have difficulty recruiting for lower-paid jobs.

3.47 Research for the Rowntree Foundation in 2002 provided an indicator of affordability, the ratio of house prices to residents' incomes, across local authority areas. This

indicator is shown at Figure 3.9 below⁹. The lower the ratio, the more affordable is housing on average.

Figure 3.9 House Price to Income Ratio, 2002



Source: Joseph Rowntree Foundation, 2002

- 3.48 This shows that houses are relatively unaffordable in North West Leicestershire compared to the rest of the county and the region, though by national standards the area is still relatively affordable.

Population Change

Table 3.7 Population Change 1991-2003

	1991	2001	2003	91-01	01-03	91-03
Harborough	67,900	76,800	79,100	13.1%	3.0%	16.5%
Blaby	83,000	90,400	91,500	8.9%	1.2%	10.2%
NWL	81,000	85,700	87,500	5.8%	2.1%	8.0%
Melton	45,300	47,900	48,200	5.7%	0.6%	6.4%
Oadby & Wigston	52,900	55,800	56,100	5.5%	0.5%	6.0%
Rutland	33,000	34,600	35,700	4.8%	3.2%	8.2%
Charnwood	146,600	153,600	155,400	4.8%	1.2%	6.0%
Hinckley & Bosworth	96,700	100,200	101,500	3.6%	1.3%	5.0%
Leicester City	281,500	282,800	283,900	0.5%	0.4%	0.9%
Leicestershire	573,300	610,300	619,200	6.5%	1.5%	8.0%
East Midlands	4,011,400	4,189,600	4,252,300	4.4%	1.5%	6.0%
Great Britain	55,831,400	57,424,200	57,851,100	2.9%	0.7%	3.6%

Source: Mid-Year Population Estimates

- 3.49 From 1991 to 2001, North West Leicestershire increased saw its population increase by 4,700, or 5.8% - twice the national growth rate and close to regional and county averages. In the last two years for which estimates are available, 2001-03, the District's growth rate speeded up, with a gain of 2,000 residents or 2.1%, more than

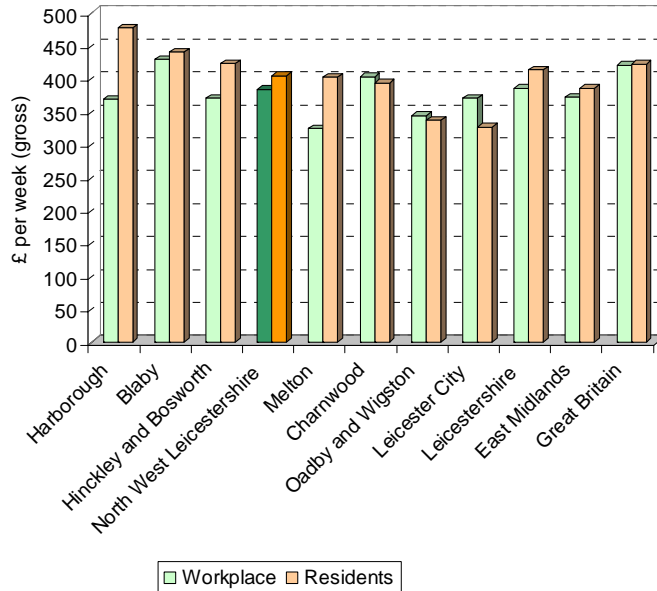
⁹ Affordability is shown for local authority areas and England only. Regional and sub-regional data are not readily available.

any comparator area except Harborough. The District Council confirm that there have been substantial rises in in-migration to the District since 2001.

The Labour Market

Earnings

Figure 3.10 Gross Weekly Earnings, 2003



Source: Annual Survey of Hours and Earnings, 2004

- 3.50 On average, both for workplace and resident jobs:
- Earnings in the East Midlands are lower than in Great Britain;
 - Leicestershire does better than the East Midlands, especially in respect of residents' earnings, which are close to the national average, while its workplace earnings are closer to the (lower) regional figure;
 - North West Leicestershire is virtually equal to the County average.

Unemployment

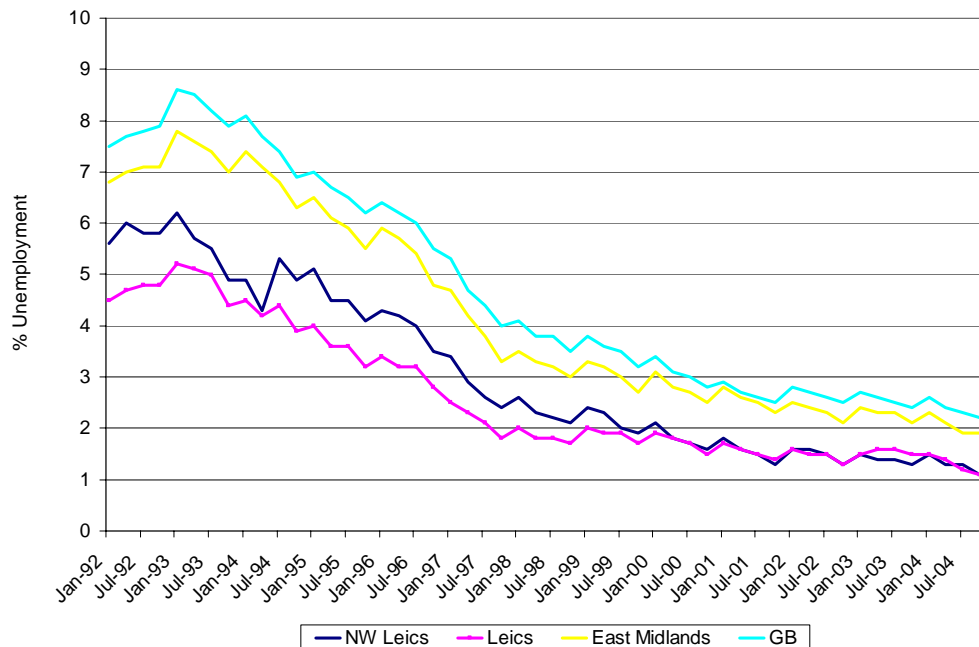
Table 3.8 ILO Unemployment Rate, 2001

	Unemployment rate
Harborough	2.4%
Blaby	2.8%
Melton	3.3%
Hinckley and Bosworth	3.4%
North West Leicestershire	3.5%
Oadby and Wigston	3.7%
Charnwood	3.9%
Leicester	7.9%
Leicestershire	3.3%
East Midlands	4.9%
England & Wales	5.0%

Source: Census 2001

- 3.51 On the ILO measure¹⁰, unemployment at the time of the Census was roughly the same in the East Midlands as it was in England and Wales. Unemployment was lower in Leicestershire than in the East Midlands. North West Leicestershire's unemployment, at 3.5%, was fractionally above Leicestershire's, but lower than Oadby and Wigston, Charnwood and Leicester.
- 3.52 Figure 3.11 shows unemployment measured by a different yardstick, the claimant count. On this alternative indicator, the unemployment rate is lower in absolute terms, but the relativities described above are unchanged.
- 3.53 Since 1992, claimant count unemployment rates in the different areas have converged, as generally happens across the country as the economy approaches full employment. Compared to Leicestershire, North West Leicestershire has changed its relative position, moving from higher unemployment levels in the early 1990s to lower or similar levels by mid 2000.

Figure 3.11 Claimant Count Unemployment



Source: Office for National Statistics, Claimant Count, 1992-2004

Travel to Work¹¹

- 3.54 This section analyses travel-to-work data from the 2001 Census. We describe travel-to-work patterns for North West Leicestershire and compare the District with nearby Districts and wider benchmarks.
- 3.55 Table 3.9 shows the workplaces of the working residents of North West Leicestershire in 2001. 58% live and work in North West Leicestershire. 8% commute out to Charnwood and 6% to Leicester. In total, 80% of North West Leicestershire's working

¹⁰ Unemployment here, based on the International Labour Organisation (ILO) definition and taken from the Census 2001, measures the numbers of people who say that they are economically active, currently not working and actively seeking work. This is the 'official' definition of unemployment used by the Government. ILO unemployment is also available from the Labour Force Survey more recently than the Census. However, much of the data is statistically unreliable, and so we have not included it here.

¹¹ Our analysis of travel-to-work flows, based on the 2001 Census, shows different numbers of jobs from the ABI numbers quoted earlier. This is because the Census and the ABI relate to different dates and use different definitions and methods.

residents work within Leicestershire. There are no major employment draws outside the County.

Table 3.9 Travel to Work, Residents of North West Leicestershire, 2001

Residents - Live in NW Leicestershire		
	2001	
Total	41,995	
NW Leicestershire	24,371	58%
Charnwood	3,416	8%
Leicester	2,465	6%
Hinckley & Bosworth	1,785	4%
Rest of Leicestershire	1,526	4%
Nottinghamshire	1,412	3%
Other Derbyshire	1,407	3%
West Midlands	1,289	3%
South Derbyshire	1,279	3%
Staffordshire	1,161	3%
Other	1,884	1%

Source: Census 2001

Table 3.10 Travel to Work, Workplace of North West Leicestershire

Workplace - Working in NW Leicestershire		
	2001	
Total	45,081	
NW Leicestershire	24,371	54%
South Derbyshire	3,806	8%
Charnwood	2,550	6%
Nottinghamshire	2,519	6%
Derby	2,036	5%
Other Leicestershire	1,975	4%
Erewash	1,955	4%
Staffordshire	1,437	3%
Hinckley & Bosworth	1,389	3%
Other West Midlands	902	2%
Other Derbyshire	592	1%
Other	1,549	3%

Source: Census 2001

3.56 Table 3.10 shows the residence of people who work in North West Leicestershire. 54% of the total live in the District, 8% commute from South Derbyshire, 6% commute from Charnwood and 6% from Nottinghamshire. People tend to commute in from a much wider area than to where people commute out.

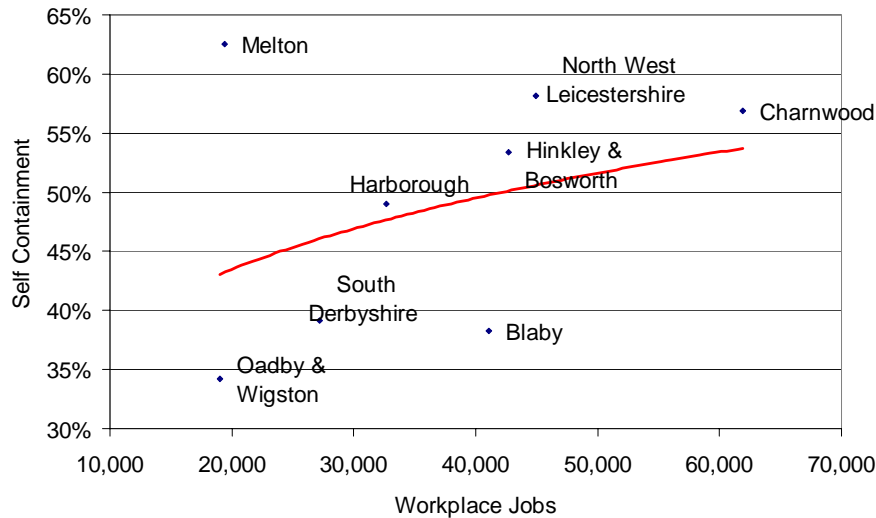
3.57 The net balance is 3,100 (7% of the resident workforce), comprising 20,710 in-commuters less 17,624 out-commuters.

Self-Containment

3.58 Figure 3.1 shows resident-based self-containment rates¹² in North West Leicestershire and neighbouring Districts and plots them against numbers of workplace jobs in each District.

¹² The resident's self-containment rate is the proportion of working District residents who work in the District.

Figure 3.12 Self Containment Rates against Number of Workplace Jobs



Source: Census 2001

- 3.59 There is a consistent relationship between the two variables on average: the more jobs a District provides, the greater its level of self-containment.
- 3.60 Compared to other Districts in and around Leicestershire, North West Leicestershire has a high self-containment rate in absolute terms. Its self-containment is even higher than one would expect given that it has a relatively high number of jobs.
- 3.61 Table 3.11 below summarises travel-to-work flows in North West Leicestershire and comparator Districts:

Table 3.11 % of Workplace Jobs held by Residents

	Resident Workers	Workplace Workers	Live and work in District	Net Balance	SC Rate (res)	SC Rate (wkpl)
Melton	24,097	19,428	15,069	-4,669	63%	78%
North West L	41,919	44,952	24,378	3,033	58%	54%
Charnwood	73,367	61,932	41,721	-11,435	57%	67%
H&B	51,317	42,735	27,377	-8,582	53%	64%
Harborough	39,815	32,663	19,521	-7,152	49%	60%
S Derbs	39,998	27,196	15,647	-12,802	39%	58%
Blaby	47,136	41,078	18,044	-6,058	38%	44%
O&W	26,651	19,018	9,128	-7,633	34%	48%

Source: Census 2001

- Out of the comparator areas, North West Leicestershire is the only recipient of net in-commuting, as shown by its positive net balance.
- In the final column, workplace self-containment shows the percentage of workplace jobs held by residents in each District. North West Leicestershire has a lower proportion than most comparator places, showing that it provides comparatively high numbers of jobs to in-commuters.

Distance and Travel Mode

- 3.62 Long journeys to work have a variety of potential adverse impacts. They may affect the quality of life and real incomes, put pressure on infrastructure, and - especially if made

by car - they may cause traffic congestion and environmental damage. The figures on between-District commuting flows which we analysed earlier do not tell us much about these adverse effects, because they are based on local authority areas; a journey which crosses a local authority boundary is not necessarily longer or more undesirable than one that does not.

- 3.63 To provide an alternative measure of the possible adverse impact of commuting, Table 3.12 and Figure 3.13 analyse residents' travel to work by distance and mode respectively. In both cases, we benchmark North West Leicestershire against national, regional and county averages.

Table 3.12 Residents' Average Journey to Work, 2001

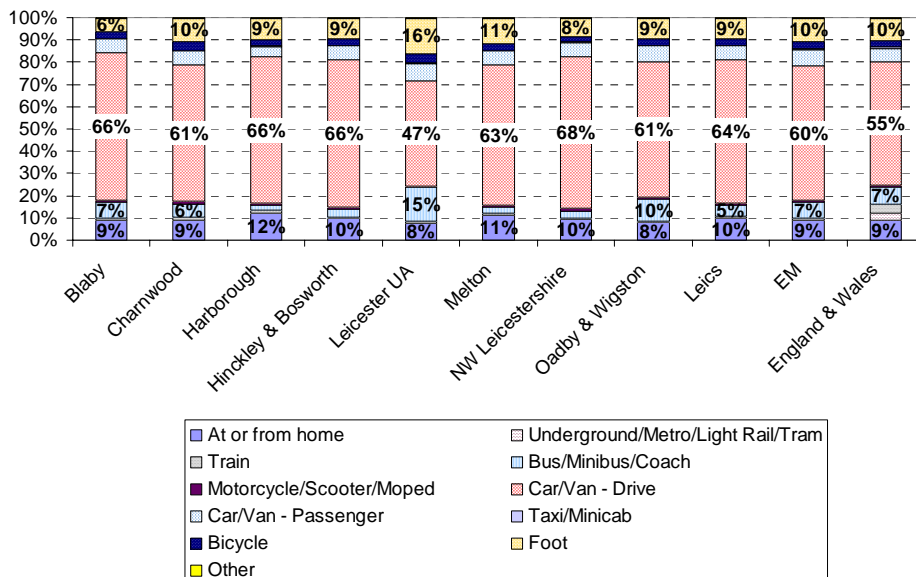
	km
Harborough	12.2
Melton	11.7
NW Leics	11.1
H&B	9.9
Charnwood	9.4
Blaby	9.0
O&W	8.3
Leicester City	6.4
Leicestershire	10.1
EM	9.7
Eng & Wales	9.6

Source: Census 2001

- 3.64 Working residents in the East Midlands travel a similar distance to work as the national norm. In turn, Leicestershire's working residents travel slightly further. Working residents in North West Leicestershire travel on average slightly further than the County average and most other Leicestershire Districts, but not as far as residents of Harborough and Melton. The figure reflects North West Leicestershire's rural nature and its good road links, which make long trips to work easier.

- 3.65 In terms of mode of travel to work (Figure 3.13), North West Leicestershire stands out as different from the County, region and other Leicestershire Districts:

Figure 3.13 Mode of Travel to Work, 2001



Source: Census 2001

- Driving cars and vans account for 55% of journeys to work nationally. This proportion is higher for residents of the East Midlands and Leicestershire at around 64%. It is even higher in North West Leicestershire, at 68%.
- Public transport accounts for 14% of journeys to work nationally. For residents of the East Midlands and Leicestershire, the share of public transport is lower at 8% and 6% respectively. North West Leicestershire is even lower, at 3%, the lowest proportion out of all of the Leicestershire Districts.

Conclusions

- 3.66 In many ways, North West Leicestershire is an economically advantaged area. Its residents and workers are especially well off in terms of employment opportunities, given that the District has recovered from the loss of coalmining jobs and now enjoys very low unemployment. Compared to surrounding Districts, it provides employment for a high proportion for its residents and also for many in-commuters from other Districts. The District also has high and rising birth rates of newly VAT-registered firms, pointing to a high level of entrepreneurship.
- 3.67 In terms of competitiveness and growth opportunities, North West Leicestershire enjoys a highly accessible position in the middle of the country, with good road links and a fast-growing international airport. Partly because of its accessibility, it has proved attractive to inward investors, and in the last five years or so has seen high levels of employment growth (though in earlier years its performance was well below average).
- 3.68 On the negative side, North West Leicestershire, like the East Midlands as a whole, specialises in comparatively low-value-added activities, with many jobs in manufacturing (though not high-tech manufacturing) and logistics and few jobs in white-collar and knowledge-based sectors. Consistent with this industrial structure, residents' skills are comparatively low, and workplace earnings slightly below the national norm (though better than the East Midlands average). In recent years, logistics employment has been growing especially fast, adding to the area's 'blue-collar' specialisation.
- 3.69 In terms of policy objectives, this suggests that employment land policy should aim to contribute to an upgrading of the District's industrial structure, with a growing share of higher-value, higher-knowledge activities. At regional level, this as mentioned earlier is also the key objective of the Regional Economic Strategy for the East Midlands.
- 3.70 Because North West Leicestershire consists of quite small settlements, with no major city or town centres and no higher education institutions, it may have limited opportunities to attract office and R&D development, unless there is further strategic office development close to the Airport. But it could and should build on its strengths by targeting higher-value, higher-knowledge activities in the sectors in which it specialises, manufacturing and logistics. It should also consider carefully its stance towards further growth in large-scale warehousing, to find the right balance between exploiting the growth opportunities this brings and allowing it too great a dominance of the employment and land markets. We will return to these issues in discussing the quality of employment sites.
- 3.71 A further possible problem area is travel to work. Residents of North West Leicestershire have long trips compared to people in other areas, and a high proportion of these trips are made by car.

4 LOCAL PROPERTY MARKETS

Offices

The Stock

- 4.1 North West Leicestershire's office market is concentrated in Coalville, Ashby de la Zouch and locations in the vicinity of M1 Junction 24. The 'Junction 24' stock is located within the operational boundaries of East Midlands Airport and the associated and adjacent Pegasus Business Park. Other stock at Junction 24 is located at Boundary Court, Willow Farm (new pavilion offices), Lockington Hall (various occupiers) and Donington Hall (which is the headquarters of British Midland).
- 4.2 Pegasus Business Park is a strategic high quality employment site that was commenced circa 1998 following the formation of a joint venture between Wilson Bowden Developments and the Airport. To date, offices have been provided for EON, PWC, Babcock and Regus.
- 4.3 Office stock in Ashby de la Zouch is located either in the town centre (primarily in converted buildings) or at Ashby Park. Ashby Park is also a strategic high quality employment site situated on the edge of Ashby town adjacent to the Junction of the A42 and the A511. Ashby Park is smaller in extent and less prestigious than Pegasus Business Park. Office occupiers include Hill Rom, Alstom Power and Findell Education. Also on the Park are Transmitten and the MM Communication Group who occupy buildings that are 'part office and part shed'.
- 4.4 Whereas Junction 24 is dominated by relatively recent developments and stock in Ashby comprises part traditional offices and new development at Ashby Business Park, office stock in Coalville is more diverse. It comprises traditional offices in converted houses, small business/incubator units (some in converted buildings) and a range of modern office buildings at Whitwick Business Park, including multi-let space and freestanding offices (eg East Midlands Housing/Winbro Group).
- 4.5 The total stock of offices is circa 135,000 sq m (see table below) which is just less than a quarter of the total stock available in Leicester City, similar in quantum to Charnwood but less than Blaby.

Table 4.1 Office Floorspace, 2000-2004, 000 sq m

	2000	2004	% change
Leicester	593	580	-2.19%
Blaby	158	183	15.82%
Charnwood	116	132	13.79%
Harborough	60	65	8.33%
Hinckley & Bosworth	62	76	22.58%
Melton	53	53	0.00%
NW Leicester	117	135	15.38%
Oadby & Wigston	37	40	8.11%

Source: ODPM

- 4.6 Since the year 2000, the District's office floorspace stock has grown by 15%, which is similar to Blaby and Charnwood but less than Hinckley (which grew very fast from a low base). It is however notably more robust than Leicester City, where the stock has actually declined, reflecting loss of obsolescent stock to redevelopment and some occupiers moving to out of town locations.

Demand

- 4.7 The take-up of office floorspace has been reasonably robust across the whole of the District, both for new and old stock and across various size ranges, although the depth of demand has been for relatively small suites (under 5,000 sq ft). Demand for larger sized units is much more limited and sporadic.
- 4.8 At Appendix 2, we detail new office development between 1991 and 2004. Over this period a total of 16.79 hectares has been developed, primarily in three locations, comprising Ashby Business Park, Pegasus and Whitwick Business Park. There has also been some small scale development in rural locations (typically barn conversions and similar) some small campus development at Boundary Court (part of Willow Farm) and a large call centre within the Airport complex.
- 4.9 After a relatively strong start, floorspace take up has slowed in relation to the District's two principal office development sites, Pegasus and Ashby Park, with no development over the last two years. The recent fall off in demand is due to a number of factors. Increased competition has had some impact, with a new business park at M1 Junction 26 (Nottingham Business Park), increased investment at Carlton Park and Grove Park Junction 21 of the M1 and growth in office land supply in areas surrounding Derby, Nottingham and Leicester. At Pegasus, the 'unwinding' of the joint venture development agreement between the landowner (East Midlands Airport) and the developer at Pegasus has also had an impact, giving rise to uncertainty and loss of marketing momentum.

Supply and Market Balance

- 4.10 Most of the currently available office floorspace comprises small office suites, typically from 1,000 to 5,000 sq ft, and includes serviced offices and managed workspace (Regus/Coalville Business Centre/ Whitwick Business Centre), although current occupancy levels are high, with a vacancy rate of just 3% of stock. Of the total availability of existing space of circa 45,000 sq ft (January 2005) only two units exceed 5,000 sq ft.
- 4.11 New development currently under construction includes a small unit office scheme being undertaken by Westleigh at the Stephenson Industrial Park with units from 1,500 sq ft. We understand Wilson Bowden are also about to undertake a further phase of speculative office development at Boundary Court, Willow Farm.
- 4.12 Current office asking rents for good quality new development (eg Boundary Court) are circa £14 per sq ft, which is more than sufficient to justify speculative development.

Types of Industrial/Distribution Space

- 4.13 Our analysis of the industrial/distribution market splits the market into two segments:
- *Strategic distribution*, or Big Sheds, comprising large specialist distribution units, generally providing 100,000 sq ft or more and located on specialist distribution parks;
 - *General industrial* space, covering all industrial property (factories and workshops) and warehousing other than Big Sheds.
- 4.14 The distinction is especially important in the North West Leicestershire and indeed much of the East Midlands, given the large size of the strategic distribution sector and its dramatic and continuing growth. As the next chapter will show, the distinction is difficult to make in quantitative analysis, because of inadequate data. But it important in qualitative terms, because the two sectors are subject to different trends and have different location requirements.
- 4.15 Below, we discuss the two categories of industrial/distribution space in turn.

General Industrial Space

The Stock

- 4.16 North West Leicestershire has a large industrial/distribution sector, with extensive modern industrial estates located in the larger settlements of Coalville (including Bardon), Ashby de la Zouch and Castle Donington (Junction 24). Elsewhere, industrial stock tends to be of small scale comprising typically small modern terraces of industrial units (for instance in Ibstock, Moira, Ellis Town) although Measham supports a relatively large industrial area located virtually alongside the A42 (but some distance from a junction).
- 4.17 The stock includes modern development on modern industrial estates (Willow Farm, Bardon Hill, Whitwick Business Park, Stephenson Industrial Estate) together with much older buildings. Much of this older stock comprises former engineering or textile factories, several of which have now been sub-divided and applied to other light industrial purposes. The stock also includes a number of large factories including KP Snackfoods at Ashby de la Zouch, Cott Beverages at Kegworth (soft drinks), Plastic Omnium at Measham and Pexon Terex (plant and equipment) at Coalville.
- 4.18 The stock also includes a number of older industrial areas which are characterised by large yard areas and poor buildings, including a significant number of haulage depots (eg South Leicester Industrial Estate, Scotlands Industrial Estate and parts of Trent Lane, Castle Donington etc).
- 4.19 Over the last decade, the District has seen a steady flow of new speculative industrial development, together with new construction on a design and build basis. Most recent speculative development has occurred at Willow Farm, Castle Donington, Stephenson Industrial Estate and Forest Business Park (at Bardon).
- 4.20 The total stock of factory space (Table 3.3)¹³ is circa 530,000 sq m, which is significantly less than Charnwood, Hinckley and Leicester City but significantly greater than other Leicestershire Districts.

Table 4.2 Factory Floorspace, 2000-2004, 000 sq m

	2000	2004	% change
Leicester	2292	2184	-4.71%
Blaby	345	348	0.87%
Charnwood	1095	1035	-5.48%
Harborough	309	292	-5.50%
Hinckley & Bosworth	835	947	13.41%
Melton	53275	289	5.09%
NW Leicester	501	530	5.79%
Oadby & Wigston	321	282	-12.15%

Source: ODPM

- 4.21 Since the year 2000, the stock has grown by some 6%, which is greater than any other Leicestershire District except Hinckley. Most other Districts have actually recorded losses.

Demand

- 4.22 Take-up has been robust in recent years. Most relatively modern units have either let or sold fairly rapidly and this trend applies across virtually all unit sizes and in most locations.

¹³ Because of data availability, the table covers factory space only, rather than 'general industrial space' as defined in this study, which also includes warehousing other than Big Sheds.

- 4.23 There has been particularly strong demand for small freehold units, reflecting the current attractions of ownership relative to leasing in large part due to low interest rates.
- 4.24 At Appendix 2, we detail the take up of land for new industrial/distribution development between 1991 and 2004. Analysis of the take up also points to robust demand with some 78 hectares taken up between 1991 and 2004 (13 years), of which 43 hectares is accounted for by the last five years only (circa 55% of the total). (NB excludes strategic distribution).
- 4.25 Of the take up that has occurred during the last five years, just three schemes account for virtually 50% of the total comprising Flagstaff 42 (6.79 ha), Willow Farm (13.31 ha) and Stephenson (12.69 ha).
- 4.26 Take up of both existing stock and new development has predominantly been for distribution/warehousing type activities although there continues to be a wide cross-section of interest from manufacturers. Willow Farm appears to be benefiting particularly from supply constraints in Greater Nottingham and continues to attract companies that were previously not located in the District. The Airport is also a significant generator of demand for freight forwarding and general distribution space. Similarly, Bardon (M1 Junction 22) has benefited from companies relocating from Leicester City where there are also supply constraints.
- 4.27 The range of manufacturing activity is diverse. It includes traditional textiles and engineering (but much of this is in decline). Food manufacturing is significant and there is also a notable representation from printing and plastics.
- 4.28 The District also supports a wide range of haulage yards and ancillary facilities that service an extensive haulage/distribution sector attracted to the area by the excellent road network. Many of these facilities are located in the District's older industrial areas.

Supply and Market Balance

- 4.29 There is limited availability of general industrial floorspace across the whole of the District, irrespective of size and type of unit. Where units have been built speculatively, take up has been reasonably swift. Whilst most stock readily re-lets, there are some exceptions comprising primarily either poor quality early twentieth century stock or large more specialist complexes with very limited appeal to a general market. An example of the latter includes McVities biscuit factory at Smisby Road, Ashby where some 217,000 sq ft on a site of circa 7.15 acres has been available since early 2004 but has to date attracted little interest apart from residential developers.
- 4.30 New speculative development is currently under construction at Forest Business Park (Bardon), Willow Farm and Stephenson Industrial Estate.
- 4.31 Current industrial rental values for new stock (eg Willow Farm) are circa £5 per sq ft which is sufficient to justify speculative development.

Strategic Distribution

The Stock

- 4.32 As noted earlier, for the purposes of this report strategic distribution comprises units exceeding 100,000 sq ft and which are used exclusively for distribution purposes. The District's appeal to the strategic distribution sector is now well established and growing.
- 4.33 The existing stock is modern and includes a number of large buildings owned and occupied by major distribution companies or manufacturers, including most of the country's leading third party contractors and several high street retailers.

- 4.34 Recent developments include a large airside cargo shipment centre for DHL at East Midlands Airport, Pall Ex, Ellistown, McVities at Flagstaff 42 and Hays Distribution at Interlink.
- 4.35 In the Table below, we analyse warehouse floorspace across Leicestershire between 2000 and 2004. This data includes all warehousing/distribution space and not just large strategic units; no separate figures are available for strategic distribution units

Table 4.3 Warehousing Floorspace Change, 2000-2004, 000 sq m

	2000	2004	% CHANGE
Leicester	1,024	1,043	1.86%
Blaby	323	372	15.17%
Charnwood	419	434	3.58%
Harborough	599	955	59.43%
Hinckley & Bosworth	271	300	10.70%
Melton	168	201	19.64%
NW Leicester	461	752	63.12%
Oadby & Wigston	104	170	63.46%

Source: ODPM

- 4.36 From the table, it is evident that there has been huge growth in warehousing floorspace in Harborough (which includes Magna Park), North West Leicestershire and Oadby (but from a low base). In contrast, there has been little growth in Leicester City or Charnwood. We would surmise that the majority of this growth is due to large units.

Demand

- 4.37 The take-up of strategic distribution units has been for both regional and national operations, although companies with an established local connection are a particular feature of the market (eg McVities at Flagstaff, Brantano at Interlink).
- 4.38 At Appendix 2, we detail past development specifically by the strategic distribution sector. Since 1991, some 103 hectares of land has been developed in North West Leicestershire, at only six sites, of which three are clustered in the same location at Bardon 22 (Interlink, Canister Farm and Hilltop).
- 4.39 Notable development includes large DHL airside facilities at the Airport, Pall Ex at Ellistown and at Bardon, numerous occupiers including Hays Distribution, TNT, Nestle and Canon.

Supply and Market Balance

- 4.40 There is no strategic distribution floorspace currently vacant in North West Leicestershire. This is normal for the Big Sheds market, because these very large units in general tend to be purpose-built and seldom stand vacant.
- 4.41 The market for *land* suitable for strategic distribution development is tight at present. Although historically good land supply has been a defining characteristic of the District, current availability of serviced sites is diminishing as major schemes commenced some time ago approach completion. There are few remaining large sites at Interlink and elsewhere in Bardon most of the land is now developed, as is Flagstaff 42. However, imminent new supply includes the East Midlands Distribution Centre (formerly Castle Donington Power Station), a useful addition to supply which would otherwise be running out...
- 4.42 Whilst the strategic distribution market is somewhat volatile, with many requirements relatively footloose and not tied to any particular location, the District is extremely attractive to occupiers in this sector and we expect that demand will continue to be high.

Conclusions

- 4.43 Over the last decade, North West Leicestershire has seen considerable growth in warehousing and distribution space, supported by access to an excellent road network and an expanding market. The availability of large tracts of greenfield land next to major roads has enabled the District to respond to growing demand in this sector, for instance at Interlink, Flagstaff 42, Willow Farm and Stephenson.
- 4.44 The take up of land and premises for manufacturing has been less robust reflecting national trends, although even in this sector the District has succeeded in attracting investment from neighbouring areas and also from further afield. A particular feature of this market is the extent to which the North West Leicestershire has attracted business from the cities of Nottingham and Leicester, where constrained supply of employment land has frustrated the relocation ambitions of a number of companies indigenous to those cities. Willow Farm and Bardon (Interlink, Hilltop) have been direct beneficiaries.
- 4.45 The office market has been more subdued. Although land supply has been significant, there is little depth to the local office market based in North West Leicester, and accordingly major growth in the sector is dependent on drawing inward investment from neighbouring areas or further afield. Supply includes a high quality business park at Pegasus and also Ashby Business Park (not as prestigious as Pegasus but still good quality). After a relatively strong start, neither of these two schemes has performed well in recent years with no new take up over the last two years. At Pegasus, recent poor performance is, we would suggest, partly due to a change of developer following the dismantling of the former joint venture agreement. Increased competition has also had an impact.

5 THE QUANTITY OF EMPLOYMENT LAND

Introduction

- 5.1 In this chapter, we forecast the *market requirement* for industrial/warehousing and office space, based on employment forecasts, and compare it with *planned supply* - comprising the land currently identified by the planning system for B class development (including redevelopment), together with any existing vacant space surplus to requirements. Following the District Councils' instructions, the analysis in this chapter focuses on the period to n2016, which is the probable time horizon of North West Leicestershire's Local Development Framework (LDF). We also consider the period to 2021, the end date of the Regional Spatial Strategy.
- 5.2 The analysis in this chapter relates purely to the quantitative balance of demand and supply. Qualitative features will be considered in the next chapter.
- 5.3 The analysis is in three stages. First, we forecast the demand for employment land, based on employment forecasts. Second, we calculate planned supply, and finally we assess market balance - the relationship between forecast demand and planned supply.
- 5.4 It is important to note that our employment forecasts and hence our calculations on future demand, relate to net change. Net change in employment (the stock of jobs) is the difference between jobs lost and jobs gained. The corresponding net change in the floorspace stock is the difference between floorspace gained, mostly from new development, and floorspace lost, for example where industrial sites are cleared and redeveloped for housing and other uses. Unfortunately, the available data both on past take-up and planned land supply show only gross gains, comprising land areas developed and floorspace built.

Demand

Forecasting Method

- 5.5 The baseline employment forecasts used in this study were provided by Experian Business Strategies (EBS) in February 2005, consistent with EBS's main macroeconomic forecasts. In addition to these baseline forecast, we develop a high scenario, reflecting possible development associated with the Airport.
- 5.6 Having forecast jobs by sector in North West Leicestershire, the next step is to translate these jobs into demand for employment space. To this end:
 - i) We first translate jobs by sector into jobs by type of space, using the sector-to-space mapping described in paragraph 3.16 above and Appendix 1 below.
 - ii) For each type of space, we then translate jobs into floorspace using assumed employment densities (sq m of built floorspace per head) and plot ratios (sq m of built floorspace per hectare of site area) to arrive at forecast *market demand* for land.
 - iii) To this market demand, we add a margin, or buffer, to produce a forecast *planning requirement* for employment land.
- 5.7 At the second step, we assume plot ratios of 40% (4,000 sq m per hectare) for all land uses and employment densities as follows:
 - Offices: 18 square metres per worker;
 - General industrial (all factories and many warehouses): 31 square metres per worker;

- Strategic distribution (large purpose-built warehouses): 88 square metres per worker.
- 5.8 For offices and general industry, these densities are taken from a 1997 study by Roger Tym & Partners for SERPLAN¹⁴, as is the assumed plot ratio. The government's recent Guidance Note on Employment Studies quotes these figures¹⁵, noting that the RTP study 'remains one of the most comprehensive data sources for London and the South East'; there are no such studies for other regions. For the very large units defined here as strategic distribution, no comprehensive statistics are available; our assumed density is taken from unpublished surveys of individual developments by Roger Tym & Partners. In translating warehouse jobs into warehouse space, we have assumed that all the net growth in warehouse jobs goes into strategic distribution units. The intention is to err on the generous side, since in practice some growth may also be accommodated in general industrial warehousing, where floorspace per worker is less.
- 5.9 With regard to offices, it is often asserted that employment densities are falling, due to changing working practices such as hot-desking, teleworking and homeworking, and increasing competitive pressure on corporate occupiers to use space cost-effectively. There is some evidence to support these views. Examples include IBM and BP, which are seeking ratios of 10-11 sq m per person. The latest Total Occupancy Cost Survey (March 2004)¹⁶, suggests that the overall average for offices across the UK is now 14 sq m per person.
- 5.10 However, the view that office employment densities are rising overall - as opposed to rising in particular businesses or groups of businesses - is not supported by statistically reliable evidence so far. Indeed a recent study by DTZ Pinda for SEERA¹⁷, also quoted in the ODPM Guidance, concludes that employment densities have not changed significantly from those in the SERPLAN study. We do not know whether these differ for the East Midlands rather than for the South East.
- 5.11 Certainly it is possible that the average office density will increase substantially in the future. But, on the evidence available to date, it would not be right to incorporate such an increase into our forecasts. Even if we wanted to create a contingent 'worst-case' scenario to explore the impact of a possible rise in densities, from the data currently available we would not know what size of increase we should test. Therefore, our calculations below are based on constant employment densities. We suggest later that demand forecasts should be reviewed at least every five years, and more often in case of economic shocks. If convincing evidence of changing densities emerges in future, it should of course be incorporated in these reviews.
- 5.12 As the final step in the calculation, we add a safety margin to translate market demand into a planning requirement - the amount of land which the planning system should make available if demand is to be fully met in a smoothly functioning market. The main function of this margin is to allow for frictional vacancy - the land which at any one time is identified in planning terms for B Class development or redevelopment, but in practice is not yet capable of producing built floorspace because it is in the process of gaining permission or undergoing site preparation, or under construction. Logically, this 'sterilised' supply equals annual gross take-up (the amount of land developed in any one year) times the number of years required from allocation of a site to building completion on that site. In calculating the required margin, we use as a proxy for future gross take-up the average gross take-up in the 13 years to 2004, which as shown in

¹⁴ Roger Tym & Partners for SERPLAN, The Use of Business Space: Employment Densities and Working Practices in South East England, 1997

¹⁵ Office of the Deputy prime Minister, Employment Land Reviews: Guidance Note, ODPM Publications, December 2004

¹⁶ Actium Consult, Total Occupancy Cost Survey, March 2004

¹⁷ DTZ Pinda for SEERA, Use of Business Space and Changing Working Practices in the South East, May 2004.

the Appendix was 1.3 hectares per year for offices and 13.9 hectares per year for industry and warehousing. We also assume that the average time required to achieve planning consent, site preparation and construction is two years. The resulting margins are 2.6 hectares for offices and 27.9 hectares for industry and warehousing.

The Baseline Forecast

Table 5.1 Total Employment, 2004-2021

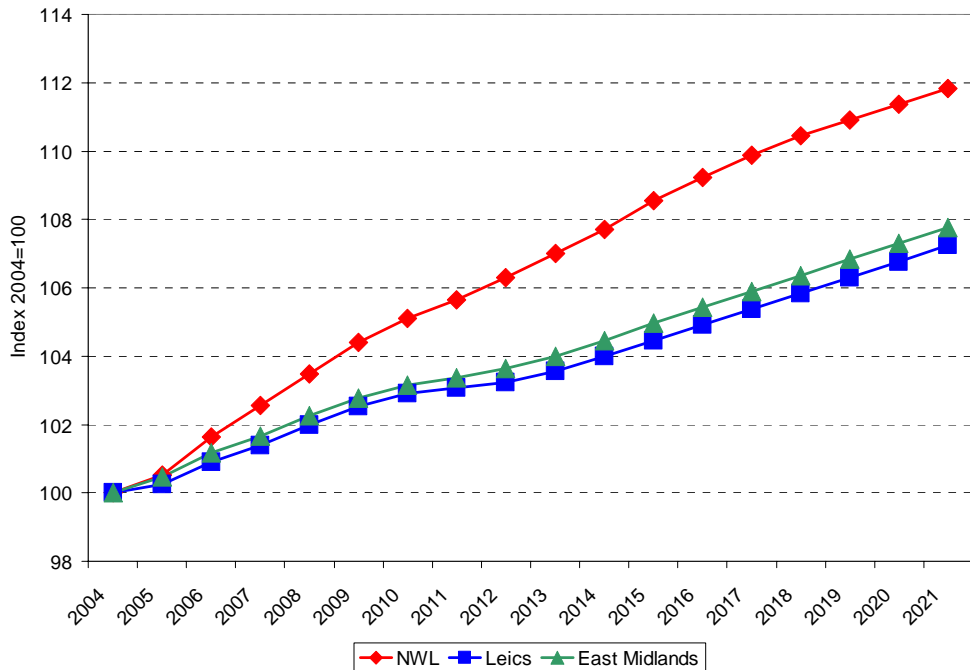
	2004	2006	2011	2016	2021	% change pa 2004-21
NW Leics	47,815	48,602	50,518	52,230	53,465	0.66%
Leics	455,266	459,386	469,297	477,600	488,217	0.41%
East Midlands	2,001,119	2,024,324	2,068,371	2,109,825	2,156,416	0.44%

Source: Experian Business Strategies

5.13 Table 5.1 shows total forecast employment change for North West Leicestershire, the ‘virtual county’ of Leicestershire and the East Midlands. North West Leicestershire from 2004 to 2016 gains some 4,400 jobs, and from 2016 to 2021 a further 1,100 jobs. In terms of annual growth rates, Leicestershire and the East Midlands show similar rates, some 0.4% pa. North West Leicestershire does considerably better, at 0.66% per annum.

5.14 The baseline employment forecasts are shown as an index in Figure 5.1 below.

Figure 5.1 Total Employment Forecasts, 2004-2021



Source: Experian Business Strategies, RTP

5.15 Between 2004 and 2016, total jobs in the District grow by 9%. Total business space employment (Table 5.2) is close to the general trend, with a 10% increase. Office employment grows by around 700 jobs - a 10% increase, in line with B-Space growth. Industrial employment is virtually unchanged. Warehousing employment increases dramatically, by nearly 1,900 jobs, or 28%.

- 5.16 Between 2004 and 2021, total jobs grow by around 12%. Office employment grows by around 900 jobs, also 12%. Industrial employment stagnates, with a net loss of around 60 jobs over the period. Although manufacturing is forecast to decline, increases are forecast in other industrial sectors, which include construction and sewage and waste. Warehousing employment rises, with 2,500 more jobs in the period - an increase of almost 40%.

Table 5.2 Employment Forecasts, Baseline Scenario

	2004	2016	2021	Change 04-16	%	Change 04-21	%
Total Offices	7,362	8,092	8,243	730	10%	881	12%
Total Manufacturing	9,837	9,381	9,310	-456	-5%	-527	-5%
Other Industrial	1,253	1,584	1,724	331	26%	471	38%
Total Industrial	11,090	10,966	11,034	-124	-1%	-56	-1%
Wholesale	2,509	2,604	2,595	95	4%	86	3%
Other Warehousing	4,119	5,889	6,510	1,770	43%	2,391	58%
Total Whsg	6,628	8,493	9,105	1,865	28%	2,477	37%
Total B-Space	25,080	27,551	28,382	2,471	10%	3,302	13%
Total Jobs	47,815	52,230	53,465	4,416	9%	5,650	12%

Source: Roger Tym & Partners, Experian Business Strategies

- 5.17 The resulting employment space requirements, calculated as explained earlier, are at Table 5.3. The table shows both floorspace, in square metres, and the corresponding land, in hectares, based on a plot ratio of 40% (4,000 sq of built space per hectare of land).

Table 5.3 Floorspace and Employment Land Requirement, hectares

	Demand 2004-16	Demand 2004-16	Demand 2004-21	Demand 2004-21	Margin	Requirement 2004-16	Requirement 2004-21
	sq m	ha	sq m	ha	ha	ha	hs
Offices	13,142	3.3	15,857	4.0	2.6	5.9	6.5
Industrial	-3,852	-1.0	-1,739	-0.4	12.0	11.1	11.6
Warehousing	164,120	41.0	217,973	54.5	15.8	56.9	70.3
Total Ind/Whsg	160,268	40.1	216,234	54.1	27.9	67.9	81.9

Source: Roger Tym & Partners

- For offices, forecast demand to 2016 is a modest 13,000 sq m, or 3.3 hectares. The estimated frictional margin adds another 2.6 hectares, producing a planning requirement of 5.9 hectares. The margin is very high compared to the forecast demand; this is due to the high rate of historical gross take-up, bearing in mind that, as explained earlier, the margin was estimated on the basis of this past take-up. Because of lack of data, our method for estimating the margin is a crude approximation, and the resulting figure in our view should be considered as a maximum, or ceiling.
- For industrial space, forecast demand to 2016 is for a loss of some 4,000 sq m of floorspace, equivalent to one hectare of land. This is an insignificant change; in effect, the stock of industrial space stagnates. The estimated margin adds 12 hectares, producing a planning requirement of 11 hectares. As for offices, but more so, the margin is very large compared to the forecast demand and should be regarded as very much a maximum, or worst case.
- In contrast to the other two sectors, demand for warehousing is large and positive, amounting to 160,000 sq m of additional floorspace or 41 hectares of land in 2004-

16. The estimated frictional margin adds another 16 hectares, producing a planning requirement of 57 hectares to 2016¹⁸.

The High Forecast

- 5.18 Major growth in passenger numbers and freight volumes is currently forecast for the East Midlands International Airport (EMIA). The EBS employment forecast, which is derived from a macroeconomic model, does not explicitly take account of this potential expansion. To assess its possible impact, therefore, we have added to our baseline forecast the direct, indirect and induced employment resulting from Airport expansion, as forecast in 'EMIA Economic Development Strategy', by York Aviation. Of the different forecasts provided in the York Aviation report, our high scenario is based the greatest expansion, which for 2001-2030 shows freight increasing from 0.23 million to 2.6 million tons and annual passenger numbers from 3.2 million to 15.3 million.
- 5.19 In Table 2.7 of their report, York Aviation forecast total employment generated by the Airport in 2001, 2015 and 2030, in three categories, comprising direct, indirect and induced employment, and split by county (direct employment, as defined in the York Aviation report, includes some off-site jobs as well as jobs located on the Airport itself). To estimate figures for North West Leicestershire (Table 5.4), we err on the generous side by assuming that all the jobs which York Aviation forecasts for Leicestershire are located in North West Leicestershire. We also make rough and ready assumptions about the composition of the additional Airport jobs- assuming that they contain the same shares of office, industrial and warehousing employment as the District as a whole - and about the time profile of their creation, which we spread uniformly across the York Aviation forecasting periods to interpolate figures for our forecast years.

Table 5.4 Employment Generated by East Midlands International Airport

	% of total jobs 2004	Direct	Indirect	Induced	Total
2001		1,100	400	400	1,900
<i>2004</i>		<i>1,486</i>	<i>529</i>	<i>529</i>	2,543
2015		2,900	1,000	1,000	4,900
<i>2016</i>		<i>3,013</i>	<i>1,033</i>	<i>1,033</i>	5,080
<i>2021</i>		<i>3,580</i>	<i>1,200</i>	<i>1,200</i>	5,980
2030		4,600	1,500	1,500	7,600
Change 04-16		1,528	505	505	2,537
Change 04-21		2,094	671	671	3,437
Offices 04-16	15%	235	78	78	390
Ind 04-16	23%	354	117	117	588
Whsg 04-16	14%	212	70	70	352
Offices 04-21	15%	322	103	103	529
Ind 04-21	23%	486	156	156	797
Whsg 04-21	14%	290	93	93	476

Source: York Aviation, RTP

- 5.20 Between 2004 and 2021, the Airport in this upside scenario produces some 500 office jobs, 800 industrial jobs and 500 warehousing jobs.
- 5.21 Below, the additional Airport jobs at Table 5.4 are added to our baseline forecasts to produce the high employment scenario.

¹⁸ Unlike for offices and industrials, the margin for warehousing is not particularly large, therefore the comment that the resulting demand forecasts should be regarded as a maximum does not apply.

Table 5.5 Employment Forecasts, High Scenario

	2004	2016	2021	Change 04-16	% Change 04-21	
Total Offices	7,362	8,483	8,772	1,121	15%	1,410
Total Manufacturing	9,837	9,381	9,310	-456	-5%	-527
Other Industrial	1,253	1,584	1,724	331	26%	471
Total Industrial	11,090	11,554	11,831	464	4%	741
Wholesale	2,509	2,604	2,595	95	4%	86
Other Warehousing	4,119	5,889	6,510	1,770	43%	2,391
Total Whsg	6,628	8,845	9,582	2,217	33%	2,953
Total B-Space	25,080	28,882	30,185	3,802	15%	5,105

Source: Roger Tym & Partners, Experian Business Strategies, York Aviation

- 5.22 In the high scenario, office employment grows by some 1,400 jobs, against 900 in the baseline scenario. Industrial employment, which in the baseline scenario showed virtually no change, in the high scenario grows by a modest 700 jobs, or 4%. In proportional terms, warehousing is least affected, with employment change in the high scenario of 3,000 instead of 2,500 in the baseline.

Supply

- 5.23 Planned supply is the net physical capacity identified by the planning system for future change in the occupied business floorspace. We need to look back in time to calculate planned supply at 2004, the base year for our demand-supply calculation.
- 5.24 Planned supply at our survey date is the sum of:
- i) Outstanding net *planning commitments* (planning allocations and permissions);
 - ii) Current *surplus floorspace*, which is the difference between vacant floorspace and a vacancy rate of 7.5% of the stock - the equilibrium vacancy rate which we assume is required for smooth operation of the market.
- 5.25 Either of these components can be either positive or negative, indicating either an increase or a fall in the occupied floorspace stock. In practice, the available supply data are incomplete. We only have gross positive planning commitments - showing the additions to employment land from outstanding permissions and allocations. There are no data on any gross losses that might be implicit in outstanding commitments, for example if any industrial sites are allocated or permitted for transfer to housing.
- 5.26 Table 5.6 below shows the vacant floorspace calculation and Table 5.7 shows the planned land supply at 2004.

Table 5.6 Surplus Vacant Floorspace, 2004

Offices	
Floorspace office stock	135,000 sq m
Vacant office flsp	4,174 sq m
Current vacancy rate	3.1%
Equilibrium vacancy rate	7.5%
Surplus vacancy rate	-4.4%
Surplus vacant office floorspace	-5,951 sq m
Site area of surplus vacant floorspace	-1.5 ha
Industrial and warehousing	
Floorspace ind stock	530,000 sq m
Vacant ind flsp	44,317 sq m
Current vacancy rate	8.4%
Equilibrium vacancy rate	7.5%
Surplus vacancy rate	0.9%
Surplus vacant ind/whsg floorspace	4,567 sq m
Site area of surplus vacant flspace	1.1 ha

Source: ODPM Floorspace Statistics, 2004, Innes England

Table 5.7 Planned Supply of Employment Land, 2004, hectares

	Office	Industrial Warehousing	
Commitments: gains	28.6	41.9	55.2
Commitments: losses	No data	No data	No data
Surplus Vacant Floorspace	-1.5	1.1	0.0
Total Supply	27.1	43.0	55.2

Source: North West Leicestershire District Council, Innes England, RTP. Commitments are the total land areas of development sites listed in Chapter 6 below.

Market Balance

- 5.27 Table 5.8 and Figure 5.2 below show the demand-supply balance for the baseline demand scenario. To help the reader grasp the scale of change, all figures are expressed as a percentage of the District's estimated stocks of employment space as well as in absolute terms. These stock figures are taken from ODPM Floorspace Statistics and translated into land using the assumed 40% plot ratio. Industry and warehousing are merged at this stage (the qualitative discussion in the next chapter will consider general industry and strategic warehousing separately).
- 5.28 For offices, planned land supply is 27 hectares, as much as 80% of the District's existing stock of offices. This greatly exceeds the estimated requirement of 5.9 hectares to 2016, although, as we have seen, almost half of this requirement is due to a generous safety margin. The estimated oversupply amounts to 21 hectares, nearly two thirds of the District's existing stock. Anticipating on the site-by-site analysis in the next chapter, we note that a site area of 18 hectares, nearly equal to this estimated oversupply, is accounted for by Pegasus Business Park at East Midlands Airport; without Pegasus, the market to 2016 would be nearly in balance. Figures for 2021 are similar.
- 5.29 In the industrial and warehousing sector, the forecast requirement to 2016 is 68 hectares, just over a quarter of the estimated stock, of which as we have seen forecast demand amount to 40 hectares and a generously estimated safety margin to another 28 hectares; all the demand is accounted for by warehousing. Planned supply is 98 hectares, producing an oversupply at of 30 hectares, just 9% of the District's estimated stock. By 2021, this oversupply falls to 16 hectares, 5% of the stock.

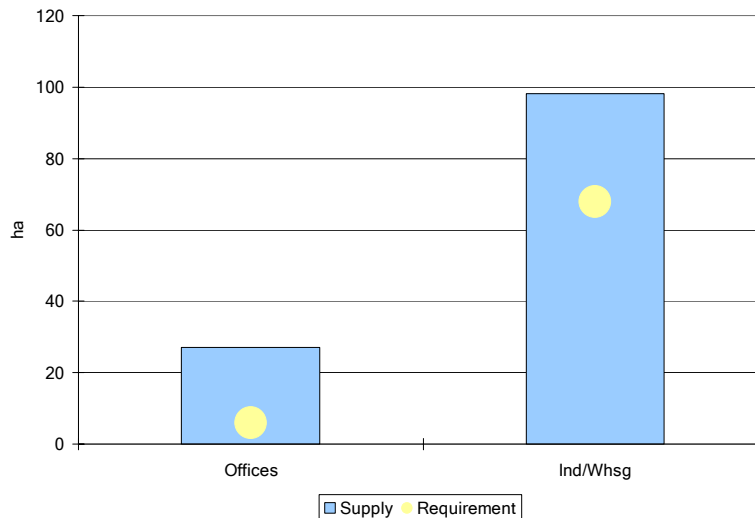
Table 5.8 Market Balance, Baseline Scenario

2004-2016		Offices	% of stock	Ind + Whsg	% of stock
Floorspace Stock, 2003	sq m	135,000		1,282,000	
Estimated Stock of Land	ha	33.8		320.5	
Forecast demand		3.3	10%	40.1	13%
Margin		2.6	8%	27.9	9%
Total requirement to 2016		5.9	17%	67.9	21%
Total Supply		27.1	80%	98.1	31%
Over (under) supply		21.3	63%	30.2	9%
2004-2021					
Floorspace Stock, 2003	sq m	135,000		1,282,000	
Estimated Stock of Land	ha	33.8		320.5	
Forecast demand		4.0	12%	54.1	17%
Margin		2.6	8%	27.9	9%
Total requirement to 2021		6.5	19%	81.9	26%
Total Supply		27.1	80%	98.1	31%
Over (under) supply		20.6	61%	16.2	5%

Source: ODPM Floorspace Statistics, RTP

- 5.30 In broad terms, and bearing in mind the margins of error that inevitably surround our calculations, the industrial/warehousing market both in 2016 and 2021 looks to be roughly in balance.

Figure 5.2 Market Balance, 2004-2016, Baseline Scenario, hectares



Source: Roger Tym & Partners

- 5.31 In interpreting the demand-supply balance, it is important to bear in mind that our forecast demand and requirement related to net change - land gained less land lost; whereas the supply figures show gross gains only, taking no account of any employment land that may be lost to other uses in future. To estimate gross land requirements - the total land that should be provided for development if market demand is to be met - we need to add to the net requirement a replacement for any land that is lost.
- 5.32 In the office sector, this caveat probably makes little difference to our conclusions on market balance, because it seems unlikely that significant office space will be lost in

redevelopment or change of use. In the industrial/warehousing market, however, loss of existing floorspace could easily be enough to offset or even reverse the modest oversupply we have forecast.

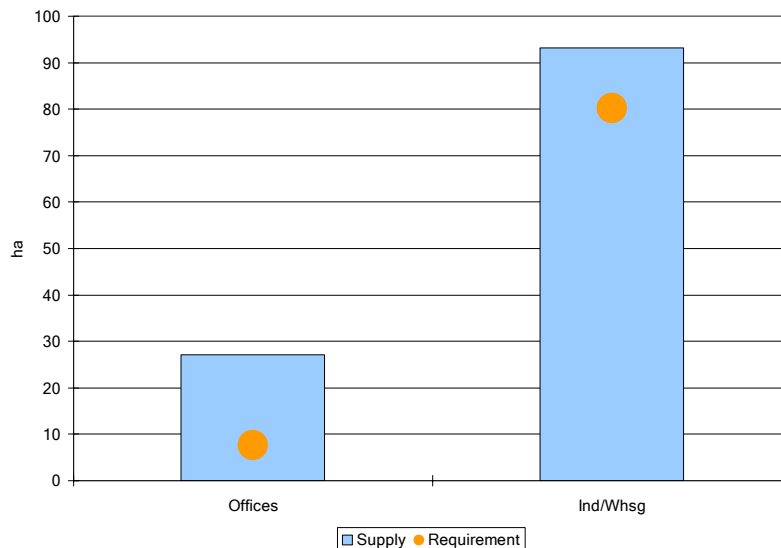
- 5.33 Table 5.9 and Figure 5.3 below show the demand-supply balance under the high scenario.
- 5.34 In the office sector, although the high scenario lifts net new floorspace demand by about 60% above the baseline, it makes an insignificant difference to the estimated oversupply, because that oversupply is so large.

Table 5.9 Market Balance, High Scenario

2004-2016		Offices	% of stock	Ind + Whsg	% of stock
Floorspace Stock, 2003	sq m	135,000		1,282,000	
Estimated Stock of Land	ha	33.8		320.5	
Forecast demand		5.0	15%	52.4	16%
Margin		2.6	8%	27.9	9%
Total requirement to 2016		7.6	23%	80.2	25%
Total Supply		27.1	80%	93.2	29%
Over (under) supply		19.5	58%	13.0	4%
2004-2021					
Floorspace Stock, 2003	sq m	135,000		1,282,000	
Estimated Stock of Land	ha	33.8		320.5	
Forecast demand		6.3	19%	70.7	22%
Margin		2.6	8%	27.9	9%
Total requirement to 2021		8.9	26%	98.6	31%
Total Supply		27.1	80%	93.2	29%
Over (under) supply		18.2	54%	-5.4	-2%

Source: RTP, ODPM Floorspace Statistics

Figure 5.3 Market Balance, 2004-2016, High Scenario, hectares



Source: Roger Tym & Partners

- 5.35 In the industrial/warehousing sector, the high scenario differs from the baseline, but the differences are not large. At 2016, the oversupply in the high scenario is insignificant, at 4% of the stock. At 2021, there is now an insignificant undersupply of 2% of the stock. Yet again, the market is broadly in balance on the assumption that no

industrial/warehousing space is lost. If there are such losses, the market will be undersupplied unless more land is provided to replace what is lost.

- 5.36 Before drawing the conclusions from these quantitative findings, we need to consider the qualitative features of land supply against market requirements. This is the subject of the next chapter.

6 THE QUALITY OF EMPLOYMENT LAND

Assessment Method

- 6.1 In the sections that follow, we describe and assess North West Leicestershire's planned supply site by site, considering all the supply currently identified by the planning system for business class development. The assessment is in two parts, considering firstly development sites identified for B Class development, and secondly existing, occupied employment areas.
- 6.2 For each development site, we have assessed quality from a market perspective (ie how well the sites match market requirements), having particular regard to the following criteria:
- **Accessibility by road** - This criterion considers access to principal roads and in particular, takes into account the state of secondary roads that provide linkage from the site to the primary network. Connectivity by road is an important (but not sole) consideration when assessing a site's accessibility to labour markets and the ease with which goods can be distributed to and from manufacturing and distribution facilities. In office markets, sites which are readily accessible to labour will have greater appeal than more isolated opportunities.
 - **Accessibility by public transport** - The range and frequency of services are important factors particularly in relation to activities that employ a high level of labour.
 - **External environment** - This criterion takes into account neighbouring uses, proximity to facilities, proximity to activities similar to the potential use of the site, and availability of main services. Generally, the quality of the external environment has a more significant bearing on office relative to industrial markets. Attractive outlooks and freedom from noise and other disturbances are pre-requisites of a good quality office scheme. Proximity to facilities - shopping, restaurants, banks etc - is also important as is connectivity to broadband.
 - **Internal environment** - This criterion takes into account the shape, topography, ease of access and the profile and prominence of a site. Also under this criterion, we include exposure to risk - for example flooding and ground contamination/movement.
- 6.3 We have assessed each site against the above criteria in order to make a judgement about the qualitative balance of supply. For the purposes of the assessment, each site is ranked as either poor, good or average relevant to the market segment for which it is best suited.
- 6.4 For the avoidance of doubt, our qualitative judgments are based on comparison with other sites in Leicestershire. Thus a site rated 'poor' is poor by the standards of Leicestershire, but may be average when compared to locations elsewhere in the East Midlands in for instance former coalfield areas to the north.
- 6.5 We have also assessed the availability of sites for development, taking account both of physical constraints such as infrastructure and non-physical constraints such as ownership. We classify as 'available' those sites which are *either* immediately available for development *or* likely to come forward within a reasonable timescale (say three years) through ordinary market mechanisms, without any need for public intervention.
- 6.6 The assessment of existing employment areas uses the same approach and quality criteria, but it excludes availability and includes an additional quality criterion, 'market conditions'. This is a judgment about the general attractiveness of the location to the market, as evidenced by extent of vacancy, rental levels, strength of demand and level of market activity.

Development Sites

Office Sites

In the tables of development land supply set out below, we differentiate between supply that is exclusively or primarily suited to office use, supply that is best suited to industrial/distribution use and supply that is primarily targeted at the strategic distribution market (viz large distribution units typically in excess of 100,000 sq ft). The data relates to sites identified by the planning system but where development had not yet commenced as at January 2005. The site areas represent estimated gross developable area excluding principal estate roads and structural landscaping.

- 6.7 The development office supply includes a high quality site adjacent to East Midlands Airport and known as Pegasus Business Park. Current occupiers include PWC (their East Midlands headquarters), Regus Serviced Offices and Eon (electricity retailers known formerly as Powergen). The site has excellent road accessibility, being located virtually at the junction of the M1, A50 and A42 principal roads and has direct access to East Midlands Airport. Accessibility by public transport is less impressive although there are regular coach services to the Airport from the surrounding cities and there are proposals to construct a railway station (Parkway Station) on the London - Nottingham line at a point closest to the Airport (approximately 3 miles distant) which would be linked via a shuttle bus.
- 6.8 Given that Pegasus lies virtually equidistant between Nottingham and Derby (just over 10 miles from each city) and is 15 miles north of Leicester, the site can both draw from a large labour catchment and is well placed to serve the East Midlands' three core cities. The site also has an attractive external environment with prestige enhanced by proximity to the Airport, although it lacks retail and other facilities except within the terminal buildings. The internal environment, whilst not class-leading, is reasonably appealing with good quality infrastructure and reasonably smart but functional looking buildings.
- 6.9 Notwithstanding the undoubted attributes of the site, take up has been slow (refer Chapter 3 Local Property Market). Only four office buildings have been constructed on the site (plus a hotel) since commencement in 1998 and there has been no new development for almost three years. In large part, lack of recent development is a consequence of change of ownership at the Airport which is now controlled by Manchester Airports and the subsequent dismantling of the joint venture development agreement between the Airport owners and Wilson Bowden who were originally selected as development partner for the Pegasus scheme.
- 6.10 Whilst Pegasus, which is located very close to the north eastern boundary of North West Leicestershire District, has only limited relevance to the needs of businesses indigenous to the District, the scheme has much greater relevance to sub-regional and regional markets given its outstanding attributes and a location close to the centre of the triangle framed by the core cities of Nottingham, Derby and Leicester.
- 6.11 Although there are and continue to be concerns from neighbouring cities that the site could detract from the vibrancy of local office markets (PWC merged three East Midlands offices into one new facility at Pegasus) the site could potentially draw in new demand that might not otherwise locate into the region. Failure to attract significant inward investment to date is as much a function of confusion about delivery mechanisms following change of ownership and lack of marketing than inherent weaknesses with the site.
- 6.12 Whilst the property arm of Manchester Airport now has responsibility for development at Pegasus, we are aware that a new masterplan for the whole Airport complex (including Pegasus) is under preparation and it is conceivable that the current owners

may have alternative aspirations for part of the Pegasus site. It follows that availability of the current allocation is not necessarily assured from a market perspective.

Table 6.1 Office Sites

Ref	Site	Gross Dev Area	Planning Status	Market Score	Comment
AVAILABLE		Remaining (ha)			
	Ashby Business Park	8.4	Permission	Good/Average	Consent restricts use to B1 (inc. light industrial) and B2 compatible with a high-quality employment site. Area includes island site between Coalfield Way and Smithy Road).
	Pegasus Business Park, East Midlands Airport	17.6	Permission	Good	Consent for 17.6 hectares but understand current owners might to retain 3.4 hectares of this area for operational Airport purposes.
	Boundary Court, Willow Farm	2.6	Permission	Average	Part of the Willow Farm development which is predominantly an 'industrial scheme'.

6.13 Ashby Business Park is also a modern business park but significantly inferior to Pegasus. Although located adjacent to the A42 (virtual motorway status) road connections are inferior and Ashby is not as centrally located as Pegasus relative to the major conurbations of Nottingham, Derby and Leicester with consequent limitations on labour catchment and proximity to established markets. The scheme was commenced in 1995 and take up has been relatively slow on the whole, although periodically demand does arise (currently there is some interest for small office suites). Unlike Pegasus, the scheme has been actively promoted by a single developer throughout the entirety of its life and relatively low levels of activity reflect the limitations of the location as a major office destination. The current planning permission at Ashby Business Park restricts use to B1, including light industrial, and B2 compatible with a high-quality employment site. The B2 consent adds little value, partly because much of the demand is for B8, but more particularly because it is difficult to design a B2 scheme which is consistent with a high-quality park.

6.14 Boundary Court at Willow Farm represents a relatively small component of the larger Willow Farm development at Castle Donington. The scheme to date has comprised development of relatively small two storey pavilion offices targeted specifically at companies requiring rapid access to the motorway and high levels of mobility in order to serve sub-regional markets. Some land remains at Willow Farm as detailed in the

schedule, for expansion of the existing office campus in a location that is otherwise dominated by industrial and distribution units.

- 6.15 None of the office supply is constrained and development of buildings could commence immediately.

General Industrial Sites

- 6.16 Like the office supply, all of the general industrial/distribution sites are classified as available.

Table 6.2 General Industrial Sites

Ref	Site	Gross Dev Area	Planning Status	Market Score	Comment
AVAILABLE		Remaining (ha)			
	Extension to Westminster Estate, Measham	7.9	Allocation	Average	Remaining land at Measham
	Willow Farm, Castle Donington	3.2	Permission	Good	Remaining land for industrial development (NB within same scheme some land remains for office development).
	Site off Citrus Grove, Kegworth	2.9	Permission (inc. wider area)	Good	Owned for expansion purposes by Cott Beverages (exc. Yard area which can also potentially be redeveloped).
	Site off Long Lane, Kegworth	1.2	Allocation	Average	Potential expansion for Slack & Parr.
	Site on corner of Long Lane and Side Ley	1.8	Allocation	Average	Potential expansion for Slack & Parr.
	Forest Business Park (also known as Bardon Lodge), Coalville	2.5	Permission	Good	
	Whitwick Business Park	1.3	Permission	Good	Remaining land.
	Stephenson Industrial Estate	1.4 (2 plots)	Permission	Good	Remaining land.
	Trent Lane, Castle Donington	2.8	Allocation	Average	Expansion land for Gordon Ellis.
	Langam Park, Castle Donington	1.68	Permission	Average	New infill site.
	Ivanhoe Business Park, Ashby	10.17	Allocation	Good	New site awaiting infrastructure.
	Land at Swain Park, Albert Village	5.0	Allocation	Average/Poor	Relatively remote site

- 6.17 Some 40% of the sites (by area) are classified as good. Of those to which we have allocated an average rating, the largest single site (Ivanhoe Business Park - 10.17 hectares) hovers on the boundary of good/average. Only one site, at Swains Lane, is judged average/poor.

- 6.18 Whilst Ivanhoe Business Park is a large greenfield site located directly at the end of the Ashby Bypass on the northern edge of Ashby, the site is located on the western edge of the District furthest away from major employment areas, the M1 corridor and the major conurbations at Nottingham, Derby and Leicester. Although access is relatively quick to the M42 and internal and external environments are good quality, the site's location away from the mainstream diminishes its appeal to the market.
- 6.19 The next largest site after Ivanhoe is land to the west of the Westminster Estate at Measham (7.96 hectares). We have also classified this site as of average quality. The development land is greenfield and lies adjacent to the A42. Access however to the A42 is relatively poor with connection either via Measham town through narrow streets with speed ramps or less direct rural roads, although access in a southerly direction is quite good as the B5006 connects directly to Junction 11 of A/M42. Similar to Ivanhoe, the supply is located on the western edge of the District away from the principal areas of employment activity and market interest which tend to be more M1 focused and underwritten by requirements emanating out of Nottingham and Leicester (and to a lesser degree Derby) where industrial land supply is constrained.
- 6.20 Willow Farm (3.2 hectares) is a good quality site located very close to the junction of the M1, A50 and A42. Take up on the site has been relatively brisk attracting interest from a large area including indigenous North West Leicestershire companies and also companies from Nottingham. Excluding land reserved for expansion of the Boundary Court office scheme (see office supply above) only limited supply now remains at Willow Farm.
- 6.21 Other significant supply includes sites owned and held for expansion purposes by neighbouring occupiers. These sites include land off Citrus Grove, Kegworth for Cotts, two other sites also in Kegworth (totalling 3 hectares) held for expansion by Slack and Parr and a site at Castle Donington (2 hectares) for Gordon Ellis.
- 6.22 Some limited supply also remains at Forest Business Park (opposite Interlink) at Coalville where significant levels of speculative development have recently been undertaken and have attracted strong interest.
- 6.23 Remaining supply comprises relatively small sites 'left over' following the development of larger areas of land at modern estates such as Whitwick and Stephenson.

Strategic Distribution Sites

- 6.24 Strategic distribution supply is concentrated in just two locations, both constituting good quality provision.
- 6.25 There is remaining land at the established Interlink scheme which has attracted a number of major distribution occupiers including recently Laura Ashley. The remaining supply is concentrated in just three sites and market interest is strong.

Table 6.3 Strategic Distribution Sites

Ref	Site	Gross Dev Area	Planning Status	Market Score	Comment
	AVAILABLE	Remaining (ha)			
	East Midlands Distribution Centre (Previously Castle Donington Power Station Site)	(circa 40 ha minimum)	Permission	Good	Regional strategic distribution site. Rail connected.
	Interlink (also known as Battleflat)	15.2	Permission	Good	Comprises the few remaining plots at Interlink.

Source: Innes England

- 6.26 The other major supply comprises a former power station site at Castle Donington which is new supply. Site preparation is well advanced and site availability and completion of core infrastructure is due by Summer 2005. The site is well located relative to the junction of the M1, A50 and A42, is of regular shape and is large scale. It accordingly can accommodate very large requirements. The site also has rail access. It is a condition of the planning consent for the site that a significant proportion of buildings must have railside access.

Existing Employment Areas

The Floorspace Stock

- 6.27 Most of the employment floorspace stock in the District is relatively modern, with much having been built following early coal mining closures in response to the need to diversify and broaden the District's economic base. Most office provision and all strategic distribution stock is modern and fit for purpose.
- 6.28 The general industrial and smaller warehouse stock is more mixed quality although here again the majority is post war and all the main industrial areas are populated predominantly by modern buildings.
- 6.29 Whilst there are a variety of small employment areas across the District, including at Measham and Kegworth, the vast majority of business premises are concentrated in the three principal towns of Ashby, Coalville and Castle Donington
- 6.30 In Ashby-de-la-Zouch, a significant proportion of total industrial stock comprises older premises, including on the northern side of the town the Standard Soap factory (part is pre 1900), the McVities biscuit factory (vacant since mid 2004, with parts which are inter-war) and the KP snack factory which is mainly just post war. Other stock in Ashby with limited exceptions is modern.
- 6.31 At Coalville, (including Whitwick and Bardon), the stock includes modern industrial estates at Stephensons and Whitwick Business Parks, the Bardon Hill Industrial Estates and although some of the stock is older Hermitage Industrial Estate. Old/low grade stock is relatively limited and comprises in the main industrial units/yards located to the south of High Street/London Road including for instance, the Scotlands and Orton Industrial Estates.
- 6.32 The Castle Donington stock is again predominantly modern with new development at Pegasus and Willow Farm an older supply at Trent Lane Industrial Estate.

Assessment

- 6.33 In assessing existing employment areas, our main purpose is to identify areas which are no longer suitable for employment use because they have very little or no relevance to market requirements. This assessment is important for two reasons. Firstly, it shows where there are potential opportunities for other kinds of development, especially housing. Secondly, it measures the potential need for new supply to replace land that is lost to employment uses.
- 6.34 The detailed results of the existing area assessments are set out at Appendix 3. Table 1 provides a schedule of good quality employment areas, which in our view should be safeguarded for employment use, Table 2 a schedule of average quality employment areas, which merit retention for employment use but in exceptional circumstances could be released, and Table 3 lists poor quality employment areas, with little or no relevance to the market, which could be released for alternative use development could occur without major detriment to the balance of the market.
- 6.35 Most of the District's established employment areas are good quality and should be safeguarded for employment use. The stock includes mainly post 1980 development at Bardon (Hilltop and Interlink); Stephenson Whitwick and Hermitage Estates at

Coalville; Flagstaff and Ashby Business Park in Ashby and Willow Farm and Pegasus at Castle Donington.

- 6.36 Areas that we have judge as poor quality and with potential to be released for alternative use are few in number and relatively small in items of aggregate size. They include single use premises often located within or close to housing areas, usually some distance from main industrial areas and typically include or are dominated by pre-war buildings (eg. Evelyn Ltd, Bernard Riley, McVities). Other poor quality areas comprise former industrial premises which whilst having similar characteristics to those described above have multiple occupation (eg Ortons/Scottand/Coalville Business Park). Much of this poor quality stock is currently occupied and can only be released for alternative use once key occupiers have left. The schedule also includes an area close to Coalville town centre (between Market Street and Baker Street), where buildings are currently still occupied but the quality of the location and the premises is very poor, and significant vacancy in the short to medium term is a likely prospect.
- 6.37 Employment areas classified as average quality and meriting retention include many small employment areas in rural locations which serve very local needs. The average quality stock also includes much larger industrial areas (eg. South Leicester and Westminster Industrial Estates) which are less attractive than the modern estates elsewhere (especially in terms of internal environment) but which still fulfil an important role, particularly in meting the buoyant local demand for haulage and plant yards - a reflection of the importance of quarrying in the District and its excellent road networks.

7 CONCLUSIONS

Offices

- 7.1 Based on our demand forecasts - which might be described as business-as-usual scenarios, reflecting the District's established economic profile and its recent performance - North West Leicestershire has a large oversupply of office development land. The forecasts are for minor growth in offices, measured in hundreds rather than thousands of jobs, generated by local demand. The District's planned land supply far exceeds this forecast growth, largely due to Pegasus Business Park, which is a strategic site and could only be filled over a reasonable period if it receives significant inward investment. If the remaining land at Pegasus is reassigned by its current owners to operational Airport use, the oversupply will largely disappear.
- 7.2 In this context, one policy option for the Council is to adopt our forecast requirement of some 6 hectares of net new office supply over the period to 2016 and aim to reduce planned land supply accordingly. This would mean encouraging the transfer of undeveloped land at Pegasus to other uses and probably being more flexible about permitted uses at Ashby Business Park, so that some of the remaining land there is allowed to be developed for industry/distribution rather than offices. In this option, the Council would accept that, in line with economic forecasts and the current RSS, office development in North West Leicestershire is to be modest, serving local requirements only.
- 7.3 Alternatively, and more radically, the Council could aim for the role of a strategic office location, in which North West Leicestershire would be home to major business park development, attracting occupiers from other parts of the East Midlands and beyond. In this option, planning policy would provide substantial land supply at the District's most promising office location - close to Junction 24 of the M1 and the East Midlands Airport. If some or all of the remaining land at Pegasus becomes unavailable, other land would be released in the locality for major office development.
- 7.4 In support of this second option, it could be argued that the Pegasus Business Park in the past has achieved this kind of strategic role to some extent, attracting footloose office operations displaced from the Principal Urban Areas by shortage of suitable sites, and perhaps attracting or retaining activity which otherwise would not be in the East Midlands at all. The planned growth of the Airport may be expected to create more opportunities of this kind.
- 7.5 There are two major lines of argument against the 'strategic office development' option:
- Firstly, as shown earlier there is now less scope for North West Leicestershire to attract office demand pushed out of the Three Cities by shortage of land, because of the new supply which has come forward in and around these cities in recent years. As the urban renaissance of Leicester, Nottingham and Derby progresses, the extent of overspill may be expected to shrink further.
 - Secondly, the promotion of strategic out-of-town office development at the Airport on the face of it would seem contrary to the letter and the spirit of the current Regional Spatial Strategy, as summarised in Chapter 2 above.
- 7.6 Should the Council wish to pursue the second option, it would have to be demonstrated that there is potential demand for large-scale office space close around Junction 24 and the Airport for which the Principal Urban Areas would not provide a realistic alternative and which would generate net additional activity for the region as a whole. To quantify the potential office land requirement based on the second option would require a wider regional analysis of office demand and supply, to see how footloose demand could potentially be redistributed between North West Leicestershire

and other Districts by supply-led planning policy. These analyses are beyond the scope of the present study.

Industry and Distribution

- 7.7 Our quantitative analysis suggests that, based on business as usual scenarios (with or without high growth of the Airport), existing planning commitments in North West Leicestershire provide roughly the right amount of land for the planning period to 2016 to 2021. Our calculations show a modest oversupply, but as explained earlier this does not take account of any future losses of existing employment land, and could be easily absorbed by the need to compensate for such losses.
- 7.8 Based on this analysis, the first policy option for the Council is to adopt our quantitative guidance on future land requirements, and manage land supply accordingly, with regard to both new allocations and the managed release of the worst existing sites. In this option, policy would also need to build in qualitative considerations, in two ways:
- i) To match the qualitative profile of demand and the policy objective of upgrading the mix of economic activity, the Council should give priority to the best development sites - those rated as 'good' by the quality assessments in the last chapter. This means that any managed release for other uses should be at secondary or 'average' sites. Furthermore, the take-up of the 'good' development sites should be monitored to make sure that supply keeps up with demand. Because of the qualitative mismatch of demand and supply, we suspect that some years into the planning period, perhaps from 2010 onwards, the supply of 'good' development sites may become exhausted, while there is considerable capacity left in the secondary or 'average' categories. The Council should be prepared at that stage to provide more 'good' sites, and perhaps reallocate some secondary or 'average' land to meet that eventuality.
 - ii) All the evidence suggests that a high share of industrial/warehousing demand is for logistics uses, not only in strategic distribution (Big Sheds) but also in general industrial property. Accordingly, if demand is to be met, priority should be given to the most accessible sites, most suitable for distribution uses.
- 7.9 As in the case of offices, there are alternative options in which the North West Leicestershire aims to fulfil a more strategic role, attracting footloose demand from other areas over and above the local demand which the forecast scenarios represent:
- For general industrial space (much of which is probably occupied by small-to-medium-scale distribution rather than industry), this would mean providing good-quality sites over and above the forecast requirement, which could attract activity pushed out of the Principal Urban Areas by land shortages. Such overspill is more likely for industry than for offices, because the Three Cities are probably still not providing enough industrial/distribution land to meet indigenous requirements.
 - In the strategic distribution (Big Sheds) sector, demand is extremely buoyant at present, the most favoured locations in the East Midlands and beyond are running short of land, and much demand is highly footloose. Therefore, the District Council, if it wanted to, could attract demand over and above the forecast by providing more suitable sites, at least in the short to medium term (we do not know for how long the present Big Sheds boom will last).
- 7.10 Yet again, we have not attempted to quantify the land requirements implied by these alternative options. To do so would require regional or sub-regional assessments of supply and demand, beyond the scope of the present research.

Managing the Existing Stock

- 7.11 If the market demand for employment land is to be met, the District needs not only to allocate new developments sites, but also to control the loss of employment land to other uses. Given that much of North West Leicestershire's business stock is modern, fit for purpose and well occupied, the number of sites which could justifiably be released for other uses is relatively low.
- 7.12 At Appendix 3, we provide a qualitative assessment of the District's employment areas, splitting them into three categories.
- 7.13 Table 1 lists good quality employment areas, which in our view should be safeguarded for business uses. The list includes the District's principal business and industrial areas, providing mainly modern space. It includes Bardon Hill Industrial Estate (Canister Farm, Hilltop, Bardon Lodge, Battleflat) Whitwick and Stephenson Business Parks, Trent Lane Industrial Estate, Pegasus Business Park, Willow Farm, Ashby Business Park, Flagstaff 42, Ivanhoe Business Park and Hermitage Industrial Estate, as well as three major single-occupier sites.
- 7.14 Table 2 shows employment areas of average quality. It includes small employment areas in rural locations that serve local demand, as well as large industrial estates such as South Leicester and Westminster, which cater successfully to secondary and bad neighbour uses. In general, these areas in our view should be safeguarded for employment, but could be released in exceptional circumstances, depending on the balance of supply and demand.
- 7.15 Table 3 lists poor quality employment areas which in our view are not equal to market requirements and should be considered for managed release. These areas typically comprise buildings surrounded by residential uses and far from the main industrial areas. One large site on this list, the McVities biscuit factory in Ashby, is currently vacant and hence could be released for alternative use in the short term. In Coalville, the area around Market Street/Baker Street, though currently occupied, is of such poor quality that it is likely to see significant vacancy in the near future. The other areas we have assessed as poor quality are mostly well occupied; we cannot predict how much land in these areas might come forward for redevelopment and over what time scale.
- 7.16 As well as policies for specific sites, the Council should consider setting general criteria on the release of employment land for other uses. Outside the key employment areas listed at table 1, any permission for non-employment development in employment areas might be subject to:
- i) Demonstration that there is sufficient quantity and range of alternative employment sites available locally;
 - ii) The proposal not inhibiting or prejudicing the activities of neighbouring businesses; and
 - iii) The proposal being generally appropriate to the location, having regard to usual good planning principles.

Plan, Monitor and Manage

- 7.17 As is well known, forecasts are uncertain and often wrong. Nevertheless, we must use them, because they are the only tools available to help you plan for the long term - which you are required to do by national and regional guidance. There is another, and less obvious, difficulty in planning for the long term: while forecasts and Plan periods have a definite end date (2016 or 2021 in the present case), in reality time will not end abruptly at that date. Good planning has to take account of both the near and the far future, in different ways and with different degrees of precision, with no hard and fast dividing lines between distinct periods.

- 7.18 The best way to deal with these difficulties of course is to Plan, Monitor and Manage. In this approach, analysis and forecasting and the resulting policies are periodically reviewed and rolled forward. Policy is always based on the best knowledge available at the time, and the end of the planning period is never reached or even approached closely.
- 7.19 In this spirit, the Council should consider the following approach to monitoring and review of employment land polices:
- Review employment forecasts and the resulting land demand forecasts at 3-5 year intervals and when there are major step changes in the economy or strategic guidance.
 - Continuously monitor the planned land supply, covering:
 - Actual development (completions) and commitments (the planning pipeline);
 - Both gains and losses of both floorspace and land;
 - Vacant floorspace;
 - And if possible splitting the B1 class into offices and light industrial sites.
 - Based on these data, continuous monitoring of the demand-supply balance, using the method set out in Chapter 5 above.
- 7.20 This information on the balance of demand and supply, as it changes over time, should provide a robust evidence base for individual planning decisions.
- 7.21 As well as these core data on demand and supply, it will be useful to monitor contextual data on the District's economy and property markets, including:
- Employment change by sector against national and regional trends;
 - So far as possible, business relocations and expansions into and out of the local authority area, together with enquiries for business space.
 - Floorspace vacancy rates, rentals and land values in the local authority compared to competing areas.

APPENDIX 1

ECONOMIC SECTORS AND BUSINESS SPACE

Industrial Sectors	SIC (1992)	Activities
Manufacturing	15.11-37.20 (ex publishing, 22.11-22.15)	<ul style="list-style-type: none"> ▪ Includes all manufacturing, including recycling, but excludes publishing)
Some construction	45.33-45.45	<ul style="list-style-type: none"> ▪ Plumbing ▪ Other building installation ▪ Plastering ▪ Joinery installation ▪ Floor and wall covering ▪ Painting and glazing ▪ Other building completion
Motor vehicle activities	50.20, 50.40	<ul style="list-style-type: none"> ▪ Maintenance and repair of motor vehicles ▪ Sale, maintenance and repair of motor cycles and related parts and accessories
Sewage and refuse disposal	90.00	<ul style="list-style-type: none"> ▪ Sewage and refuse disposal, ▪ Sanitation and similar activities.
Warehousing Sectors	SIC (1992)	Activities
Wholesale	51.11-51.70	<ul style="list-style-type: none"> ▪ Wholesale on a fee contract basis ▪ Wholesale of goods
Freight transport by road	60.24	
Cargo handling	63.11	
Storage and Warehousing	63.12	
Other supporting land transport activities	63.21	
Post and courier activities	64.11-64.12	
Office Sectors (including R&D)	SIC (1992)	Activities
Financial and business services	65-67, 70-74	<ul style="list-style-type: none"> ▪ Financial intermediation etc ▪ Insurance and pension funding ▪ Activities auxiliaries to financial intermediation ▪ Real estate activities ▪ Renting machinery, equipment etc ▪ Computing and related activities ▪ Research and Development ▪ Other business activities
Publishing	22.1	
Administration of the State and the economic and social policy of the community	75.1	<ul style="list-style-type: none"> ▪ General (overall) public service activities ▪ Regulation of the activities of agencies that provide health care, education, cultural services and ▪ Other social services excluding social security ▪ Regulation of and contribution to more efficient operation of business ▪ Supporting service activities for the government as a whole

APPENDIX 2

TAKE-UP OF EMPLOYMENT LAND, 1991-2004

Office Take-Up (1991-2004) (ha)

Site Location	Local Plan ref	Site Area Gross	Site Area Net	91/2	92/3	93/4	94/5	95/6	96/7	97/8	98/9	99/0	0/01	01/02	02/03	03/04	Total
Ashby Business Park	J5	19.8	14.7	-	-	-	-	1.0	1.3	-	2.5	2.3	-	-	-	-	
Pegasus	J4	26.0	20.6	-	-	-	-	-	-	-	-	2.4	0.4	1.8	-	-	
Boundary Court at Willow Farm				-	-	-	-	-	-	-	-	-	0.7	-	-	-	
Whitwick				-	-	-	0.5	-	1.6	-	-	-	-	-	-	-	0.3
Grange Farm		0.5	0.5	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1
Hall Farm Bardon Hill		0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	0.3	-	
Bawdon Lodge, Charley		0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	0.2	-	
Adj Home Farm, Heather		0.2	0.2	-	-	-	-	-	-	-	-	-	-	0.2	-	-	
Percy Bilton Airport (British Midland)		1.3	1.3	-	-	-	-	-	-	-	-	1.3	-	-	-	-	
Sub Total				-	-	-	0.5	1.0	2.8	-	2.5	5.9	1.1	2.0	0.6	0.5	16.8

Source: North West Leicestershire District Council, Innes England

Site Location	Site Area Gross	Site Area Net												Total		
			91/2	92/3	93/4	94/5	95/6	96/7	97/8	98/9	99/0	0/01	01/02		02/03	03/04
Ellistown																
Former S. Leicester Colliery	4.2	4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Station Farm	0.2	0.2	-	0.2	-	-	-	-	-	-	-	-	-	-	-	
Bardon Hall	0.8	0.8	(expansion for Bardon Aggregates)													
Vulcan Way Hermitage Estate	1.0	1.0	-	-	-	-	-	-	-	-	0.7	-	-	-	-	
Thornborough Road	0.4	0.4	-	-	-	-	-	-	-	-	0.4	-	-	-	-	
Kegworth																
West of Long Lane	1.2	1.2	-	-	-	-	-	-	-	-	-	-	-	-	-	
North of Side Laey	1.8	1.8	-	-	-	-	-	-	-	-	-	-	-	-	-	
The Wymeshead	1.0	1.0	-	-	1.0	-	-	-	-	-	-	-	-	-	-	
Rest of District																
Swainspark	6.1	5.0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Jubilee Farm, Appleby Magna	0.7	0.7	-	-	-	-	-	-	-	-	-	0.7	-	-	-	
Hall Farm, Lockington	0.3	0.3	-	-	-	-	-	-	-	-	-	-	-	-	0.3	
Westminster Estate, Measham	-	19.4	0.6	-	-	-	-	-	-	0.8	-	-	-	2.2	-	
Rawdon Colliery, Moira	6.1	6.1	-	-	-	-	-	-	-	-	1.7	2.1	-	-	0.9	
Sub Total			5.2	1.5	2.4	1.1	1.4	6.6	11.3	6.0	9.1	5.8	10.6	9.9	7.4	78.2

Source: North West Leicestershire District Council, Innes England

Strategic Distribution Take-Up (1991-2004) (ha)

Site Location	Site Area Gross	Site Area Net												Total		
			91/2	92/3	93/4	94/5	95/6	96/7	97/8	98/9	99/0	00/01	01/02		02/03	03/04
Battlefield (Interlink)	44.0	44.0	-	-	-	2.7	3.0	-	-	5.2	6.7	6.0	-	-	5.1	
Canister Farm (Bardon 22)	22.7	22.7	2.6	14.3	-	1.0	2.1	-	-	-	0.4	-	-	-	-	
Power Station	91.0	40.0	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gimbro Farm	60.0	22.0	-	-	-	-	-	-	-	-	22.0	-	-	-	-	
Newbold Works, nr Lout (Panic Link)	7.6	7.6	-	-	-	7.6	-	-	-	-	-	-	-	-	-	
Hilltop Bardon (Ex-Industrial)	-	-	2.6	-	-	-	-	-	6.4	-	-	2.2	-	-	-	
Former Ellistown Colliery (Pallex)	11.3	7.2	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-Total			5.2	14.3	-	11.3	5.1	-	6.4	5.2	29.2	6.0	8.2	7.2	5.1	103.0

Source: North West Leicestershire District Council, Innes England

Leicestershire Employment Land Take-Up (1991-2004) (ha)

Site Location	91/2	92/3	93/4	94/5	95/6	96/7	97/8	98/9	99/0	00/01	01/02	02/03	03/04	Total
Blaby	5.0	1.4	3.7	1.9	11.9	11.4	2.8	8.2	4.1	3.0	4.7	7.9	11.5	77.7
Charnwood	6.3	2.1	1.3	1.9	3.7	0.5	7.7	7.7	7.7	4.9	5.2	2.2	4.4	55.6
Harborough	9.6	0.4	17.5	0.0	1.0	0.0	19.6	19.6	19.6	23.6	27.2	3.5	3.4	144.9
Hinckley & Bosworth	1.0	0.7	0.4	1.9	0.8	21.4	1.6	1.2	13.1	1.1	0.7	27.9	0.0	71.9
Leicester	5.7	5.2	1.9	2.8	1.4	3.4	10.0	3.4	3.7	8.1	7.2	5.6	0.5	59.0
Melton	2.0	0.2	0.2	1.1	0.0	13.7	6.0	6.0	6.0	0.0	0.0	16.5	0.0	51.5
NW Leics	17.4	15.1	2.6	12.9	11.4	10.4	12.9	35.1	20.5	18.1	15.2	18.3	11.7	201.6
Oadby & Wigston	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.1	0.1	3.2	0.8	1.8	0.0	6.2
Rutland	0.0	4.4	0.4	0.0	5.5	1.6	0.0	5.8	1.0	4.7	0.0	3.5	0.0	26.8
Totals	47.0	29.6	28.0	22.6	36.0	62.4	60.6	87.0	75.7	66.8	61.1	87.1	31.5	695.3

APPENDIX 3

QUALITATIVE ASSESSMENT OF EXISTING EMPLOYMENT AREAS

'FITNESS FOR PURPOSE' ASSESSMENT OF EXISTING EMPLOYMENT AREAS

TABLE 1 GOOD QUALITY EMPLOYMENT AREAS WHICH SHOULD BE SAFEGUARDED FOR EMPLOYMENT USE

LOCATION	SEGMENT	SIZE	AGE	MARKET CONDITIONS	ACCESSIBILITY	EXTERNAL ENVIRONMENT	INTERNAL ENVIRONMENT AND QUALITY EXISTING PORTFOLIO	OVERALL ASSESSMENT	COMMENT
COALVILLE Stephenson Industrial Estate	Ind/Dist	Large	Modern (Late 1980's)	Good	Good	Good	Good	Good	Retain
Hermitage Industrial Estate	Ind/Dist	Large	Modern (Mainly 1970's/80's onwards)	Good	Good	Good	Good	Good	Retain
Whitwick Business Park	Ind/Dist & Office	Large	Modern (Late 1980's)	Good	Good	Good	Good	Good	Retain
BARDON HILL Canister Farm Hilltop Bardon Lodge Battleflat (Interlink)	Ind/Dist and some Strategic Dist (especially Battleflat)	Large	Modern (Mainly late 1980's onwards)	Good	Good	Good	Good	Good	Retain
CASTLE DONINGTON East Midlands Airport East	Ind/Dist and Specialist (Airport related activities)	Large	Modern	Good	Good	Good	Good	Good	Retain
East Midlands Airport West	Mainly Specialist (Airport related distribution)	Large	Modern	Good	Good	Good	Good	Good	Includes the very large DHL distribution unit Retain

LOCATION	SEGMENT	SIZE	AGE	MARKET CONDITIONS	ACCESSIBILITY	EXTERNAL ENVIRONMENT	INTERNAL ENVIRONMENT AND QUALITY EXISTING PORTFOLIO	OVERALL ASSESSMENT	COMMENT
CASTLE DONINGTON (Cont/d) Willow Farm Business Park	Ind/Dist and small office component	Large	Modern (From late 1990's)	Good	Good	Good	Good	Good	Retain
	Office	Large	Modern (From mid 1990's)	Good	Good	Good	Good	Good	Retain
ASHBY Ashby Business Park	Office/Ind	Large	Modern (Mid 1990's onwards)	Good	Good	Good	Good	Good	Retain
Flagstaff 42	Ind/Dist	Large	Modern (Early 1990's onwards)	Good	Good	Good	Good	Good	Retain
Ivanhoe Industrial Estate, Smisby Road	Ind/Dist	Large	Mixed	Average	Average	Good	Average/Good	Good/Average	Very mixed employment area including large units (eg KP Foods, ARLA and Tetrapack) and also small nursery units. Units are mainly post war and later.
Ellistown Pall – Ex site Coalville	Dist	Large	Single modern distribution unit	Good	Average	Average	Good	Good	Retain
Cotts Beverages Kegworth	Ind	Large	Single occupier plant (soft drinks)	Good	Good	Good	Good	Good	Retain
TNT site Newbold Colearton	Dist	Large	Single owner	Good	Average	Average	Good	Good	Retain

'FITNESS FOR PURPOSE' ASSESSMENT OF EXISTING EMPLOYMENT AREAS

TABLE 2 AVERAGE QUALITY EMPLOYMENT AREAS THAT REMAIN RELEVANT TO EMPLOYMENT MARKETS AND MERIT RETENTION

LOCATION	SEGMENT	SIZE	AGE	MARKET CONDITIONS	ACCESSIBILITY	EXTERNAL ENVIRONMENT	INTERNAL ENVIRONMENT AND QUALITY EXISTING PORTFOLIO	OVERALL ASSESSMENT
CASTLE DONINGTON Trent Lane Industrial Estate	Ind/Dist	Large	Mixed (Mainly post war onwards)	Good	Good/Average	Average	Poor	Average
COMMENT: Includes to the rear several open storage uses but imminent availability of new road infrastructure to service the EMDC site likely to result in interest from developers to redevelop for employment purposes.								
Station Road	Ind/Dist	Large but dispersed amongst residential	Mixed (Some early 1900's through to 1990's built)	Good	Good/Average	Average	Poor	Average
COMMENT: Older premises occupied by Duflex Ltd and located off Newbold Street and Victoria Street are low grade and could potentially be released.								
COALVILLE Old Station Close and Mammoth Street (including Pegson Terex site)	Ind/Dist	Large	Mixed (Much of Pegson Terex site dates from 1930's onwards)	Average	Average	Average/Poor	Poor	Poor/Average
COMMENT: The location is dominated by the Pegson Terex works which is now outdated. We understand the company are currently considering relocation possibilities. If the company were to relocate then their existing site, which virtually abuts the Hermitage Industrial Estate, could have continuing relevance to employment markets but could also be applied to alternative uses.								
Workspace 17	Ind/Dist	Small	Mixed (Some converted old units and some new)	Average	Poor	Poor	Poor	Poor/Average
COMMENT: Only a small site. Includes some new buildings.								

LOCATION	SEGMENT	SIZE	AGE	MARKET CONDITIONS	ACCESSIBILITY	EXTERNAL ENVIRONMENT	INTERNAL ENVIRONMENT AND QUALITY EXISTING PORTFOLIO	OVERALL ASSESSMENT
COALVILLE (Cont/d) Sweepstone Road Heather	Ind/Dist	Small	Mixed	-	-	-	-	-
COMMENT: Small local site serving local need.								
Marquis Drive Moir	Ind/Dist	Small	Modern units	-	-	-	-	-
COMMENT: Small local site serving local need.								
Oaks Industrial Estate Ravenstone	Ind/Dist	Small	Modern units	-	-	-	-	-
COMMENT: Small local site serving local need.								
Spring Road Ibstock	Ind/Dist	Small	Modern units	-	-	-	-	-
COMMENT: Small local site serving local need.								
ASHBY The Maltings Industrial Estate	Ind/Dist	Small	Mixed	-	-	-	-	-
COMMENT: Small local site serving local need.								
Nottingham Road Industrial Estate Ashby	Ind/Dist	Medium	Mixed	Good	Good	Average	Poor	Average
COMMENT: Well located estate adjacent to Ashby Business Park but includes some low-grade buildings and uses.								
South Leicester Industrial Estate Ellistown	Ind/Dist And some bad neighbours	Large	Mixed	Good	Average	Average	Poor	Average
COMMENT: Includes significant elements of bad neighbour use (especially haulage yards) but serves important function.								
Slack and Parr Waites Kegworth	Ind	Medium (including expansion land)	Mixed	Good	Good	Average	Average	Average

COMMENT: Well-located site with residential nearby.

LOCATION	SEGMENT	SIZE	AGE	MARKET CONDITIONS	ACCESSIBILITY	EXTERNAL ENVIRONMENT	INTERNAL ENVIRONMENT AND QUALITY EXISTING PORTFOLIO	OVERALL ASSESSMENT
Westminster Industrial Estate Measham	Ind/Dist And some bad neighbours	Large	Mixed	Average	Average/Poor	Average	Poor	Average

COMMENT: Large established estate with wide mix of users including some bad neighbours.

'FITNESS FOR PURPOSE' ASSESSMENT OF EXISTING EMPLOYMENT AREAS

TABLE 3 POOR QUALITY EMPLOYMENT AREAS WHICH HAVE NO OR VERY LIMITED RELEVANCE TO EMPLOYMENT MARKETS AND POTENTIALLY COULD BE RELEASED

LOCATION	SEGMENT	SIZE	AGE	MARKET CONDITIONS	ACCESSIBILITY	EXTERNAL ENVIRONMENT	INTERNAL ENVIRONMENT AND QUALITY EXISTING PORTFOLIO	OVERALL ASSESSMENT
COALVILLE Cropston Drive	Ind/Dist	Small	Pre-war	Average	Average	Poor	Poor	Average/Poor
COMMENT: Little employment space now remaining in this location as former factory sites nearby are currently being redeveloped for housing. A few employment units remaining with limited relevance to the market.								
Areas in the vicinity of Market St and Baker St (excl Ashtenne, office scheme off Linden Way)	Ind/Dist	Large	Mixed but mainly early 1900's, relatively large units with a few small modern nursery units nearby	Average	Poor	Poor	Poor	Poor
COMMENT: The early 1900's stock although currently occupied is very poor quality. The service roads and public realm are similarly inadequate.								
Coalville Business Park off Owen Street	Ind/Dist and Office	Large	Mixed – pre and post war	Average	Poor	Poor	Poor	Average/Poor
COMMENT: Comprises former manufacturing premises with offices that have been converted and re-let providing a wide range of accommodation, for amongst others, Leicestershire Social and Education Services (in a relatively modern office block), Printers and Distributors. The site is located amongst high-density early 1900's housing. There is little current vacancy but given the site's limitations, alternative use, in the longer term, would merit consideration. For the present the site provides useful accommodation. Currently occupied.								
Ortons Industrial Estate, London Road	Ind/Dist	Small	Mixed	Average	Poor (on account of immediate access)	Poor	Poor	Poor
COMMENT: Converted old works site behind residential.								
Scotlands Industrial Estate	Ind/Dist (and some bad neighbour)	Small	Mixed	Average	Poor (on account of immediate access)	Poor	Poor	Poor
COMMENT: Converted old works site behind residential. Currently occupied.								

LOCATION	SEGMENT	SIZE	AGE	MARKET CONDITIONS	ACCESSIBILITY	EXTERNAL ENVIRONMENT	INTERNAL ENVIRONMENT AND QUALITY EXISTING PORTFOLIO	OVERALL ASSESSMENT
COALVILLE (Cont/d) Evelyn Ltd North Street, Whitwick	Single premises (Ind – textiles)	Small (Premises circa 6,000m ²)	Pre-war	Poor	Poor	Poor	Poor	Poor
COMMENT: Comprises old factory premises which appear to be in good condition and fully occupied by Evelyn Ltd. If company were to relocate then there would be merit in consideration of alternative uses.								
Bernard Riley Church Lane, Whitwick	Single premises (Ind – catering equipment)	Small (Premises circa 6,000m ²)	Pre-war	Poor	Poor	Poor	Poor	Poor
COMMENT: Comprises old factory premises which are not fully occupied. Redevelopment for alternative uses would merit consideration.								
ASHBY McVities Biscuit Factory and Soap Factory off The Calls	Ind – comprises two separate but adjoining factory complexes	Large	Some pre-war with later additions	Poor	Poor/Average	Poor	Poor	Poor
COMMENT: These two adjoining sites are surrounded by residential on three sides and overlook a park to the rear. The Biscuit Factory is vacant and outdated and has recently been acquired by developers seeking consent to redevelop for residential purposes. The Soap Factory is fully operational and occupied. Release of either or both sites for alternative development (as and when they are no longer occupied) merits consideration.								
ASHBY Transmitton site, off Smisby Road	Single premises	Small (premises circa 6,000 m ²⁰)	Post war ,vacant since 1997	Poor	Average	Average	Poor	Poor
COMMENT: These premises occupy land to the rear of Smisby Road and lack profile and prominence. They have been vacant for some eight years and have been vandalised. The site abuts housing to the north.								