

North West Leicestershire Local Plan Examination

Matter 6. Employment

Further Submissions on behalf of St Modwen Developments (57)

Introduction

St Modwen are one of the UK's leading regeneration specialists, with numerous developments across the east and west Midlands. They have a particular specialism and track record in delivering employment land and buildings, focused on market and occupier requirements, taking specialist advice from leading property advisors and agents in the sector. They have land in the District and are actively seeking further development opportunities in the employment sector to meet known occupier requirements and needs.

The submissions which St Modwen have made in respect of the emerging North West Leicestershire Local Plan have focused on their concern to ensure that the Plan makes sufficient provision for employment land in the District to support national, regional and local economic objectives. Further, that the allocation and identification of specific sites is sufficient to support the market needs, provides for sufficient land to support all employment sectors in market focused locations, that are deliverable and available to genuinely contribute to employment land supply and add to economic benefits.

The representations submitted by St Modwen included a Review of Employment Land and Policy Report (August 2016) produced by Regeneris and the further submissions below should be read in conjunction with that Report. St Modwen also submitted representations promoting the allocation of land south of the A50 at J1 and note the Inspectors Guidance on Omission Sites and Scope for Modification in the Guidance Notes for the Examination.

The following sets out St Modwen's summary case and submissions in respect of the specific Questions within Matter 6, Employment and should be read in conjunction with the Representations made on behalf of St Modwen in respect of the Submission Plan.

Inspector's Questions

- a. **Is the future employment development requirement of the Plan, stated in Policy S1, derived from robust evidence of needs, including comparative local needs for investment, pending the conclusions yet to be published of the HEDNA and subject to Policy S1 for early review of the Plan if found necessary? [BP/01, BP/06, EC/04]**

Section 1 of the NPPF sets out policy to build a strong and competitive economy. Paragraph 18 states “**the Government is committed to securing economic growth in order to create jobs and prosperity, building on the country’s inherent strengths, and to meeting the twin challenges of global competition and of a low carbon future**”.

Paragraph 19 of the NPPF is particularly relevant as it states “**the Government is committed to ensuring that the planning system does everything it can to support economic growth. Planning should operate to encourage and not act as an impediment to sustainable growth. Therefore, significant weight should be placed on the need to support economic growth through the planning system**”. Paragraph 20 goes onto state that “**to help achieve economic growth, local planning authorities should plan proactively to meet the development needs of business and support an economy fit for the 21st Century**”.

NWL occupies a highly accessible position in the centre of the country with good road links and access to a growing international airport which has proved attractive to investors and seen recent high levels of employment. There are strong needs within the transport and logistics sectors. A key issue for the Plan, aligned with the Framework should be the aim to support economic growth through the plan; proactively meeting economic needs of business and do everything it can to support economic growth.

In this context, it is essential that the Plan provides for an appropriate level of employment growth and opportunity. The Plan recognises at paragraph 5.4 that it is “**essential that there is a sufficient supply of land for future business needs in order to ensure that the local economy continues to grow**”.

The evidence of employment needs must be up to date, yet it is evident that the assessment of economic needs used to underpin the plan was originally undertaken in 2008 and only updated in 2013 and is out of date, post recession. A new Housing and Economic Needs Assessment (HEDNA) is underway and is likely to have significant, more up to date evidence for the plan to consider. The Plan needs to do all it can to plan positively for growth, and not be reflective of the past recession.

The Report by Regeneris for St Modwen highlights a number of concerns in respect of the evidence used to underpin the Plan’s proposed requirement of 96ha of employment land for the plan period, not least;

- The out dated evidence base which is not fully comprehensive in terms of its assessment of future needs and the assumptions and forecasts used within are not defendable and sound
- The potential for a more up to date and comprehensive assessment of future needs to highlight a requirement greater than 96ha
- The likelihood of the requirement for 96ha of employment land being a limiting factor in achieving local and strategic economic growth aspirations
- The misalignment of the housing and employment requirements which, contrary to the issues identified in Section 4 of the Plan, could act as a constraint to sustainable development

The requirement for 96ha of employment land provision within the Plan has not been fully justified or supported by sound and up to date evidence. Paragraph 158 of the NPPF states that each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for employment uses, are integrated, and that they take full

account of relevant market and economic signals. Paragraph 161 highlights that assessments should identify the needs for land or floorspace for economic development, including both the quantitative and qualitative needs for all foreseeable types of economic activity over the plan period.

The approach in Policy S1 to offer an early review, merely seeks to respond to the out of date nature of the evidence. As a fall back, such an early review is supported, but it shouldn't justify the progression of an unsound evidence base and Plan. Progress on the Plan should await up to date evidence of employment needs. If a review of the Plan is found to be an acceptable way forward in the absence of up to date evidence of need, then a timeframe for the Review and its terms and triggers are essential and should be more clearly explained in the Plan (the proposed Main Modification is noted in this regard). These concerns also suggest a need for flexibility in the Plan to provide and/or support opportunities for further economic growth as future needs are evident or delivery on sites included in the Plan's identified supply stall or are delayed.

St Modwen believe that the requirement for 96 ha of employment land should be fully and comprehensively tested in light of up to date market and economic evidence which more appropriately reflects the need for employment land.increased.

The terms of reference and triggers for an early review of the Plan should be set out and greater emphasis and flexibility should be given to supporting further additional economic and employment growth where opportunities come forward with updated evidence of need.

b. Does Policy Ec1 make appropriate provision regarding uncompleted employment sites with planning permission and is there assumed contribution to employment land supply supported by robust evidence?

St Modwen are concerned that the supply identified in terms of both permissions and the additional site allocation will not appropriately support the economic objectives of the Framework, the Strategic Economic Plan (SEP) or the aims and objectives of the Plan itself.

Paragraph 161 of the Framework requires that Local Planning Authorities in preparing Local Plans should ensure the existing and future supply of land available for economic development is sufficient and suitable to meet identified needs. It specifically requires a review of land available for economic development to be undertaken at the same time as, or combined with, Strategic Housing Land Availability Assessments and should include a reappraisal of the suitability of previously allocated land and relevant here, we suggest, sites with permission or commitments which are heavily relied upon to meet needs.

The Report by Regeneris for St Modwen (taking advice from leading national agents) highlights in Table 2.3 of the Report a number of concerns in respect of the deliverable

supply of land for employment in the District. Reference is made to the supporting evidence base, however a number of concerns arise, not least;

- The supply of land set out in the draft Plan and supporting evidence (allocations and permissions) of 127 ha does not reflect the current deliverability and availability of employment land.
- A more realistic assessment of the supply indicates a much lower level of available supply, with deliverability and availability of land within those sites identified with permission being less.
- Both policies Ec1 and 2 are inadequate to provide for an appropriate quantity of employment land to meet needs
- There is a greater shortfall in supply than suggested in the Plan.

The availability and deliverability of supply is critical to meeting the Plan's economic objectives. Starts to employment land since 2011, at 7.75 ha, are low. A greater amount, range and choice of employment sites is needed to increase take up and ensure that the planned level of employment land in the District is delivered within the Plan period.

It is demonstrable that Commitments do not currently amount to a deliverable and market focused supply of 127 ha.

The allowance within the Plan for the potential loss of employment land is supported and it's appropriate that a cautionary approach is taken to this figure, particularly given past trends and the nature of some existing out dated employment areas.

Greater consideration should be given to the potential for lapse or non-delivery of sites. A number of sites have the potential not to deliver during the plan period. Whilst Policy Ec1 gives support to renewal of permissions, this does not necessarily add any further confidence or certainty to delivery. The extent of take up versus requirement is evidence in itself that there is considerable potential for the delivery on some sites to be delayed.

St Modwen also believe that it is critical that there is a rolling supply of employment land in order to support needs throughout the plan period. Such supply needs to be market focused, and provide for key sectors in need. Supply needs to recognise that with strong demand within the distribution sector, larger sites are likely to be required. There are some sites within the supply of identified permitted sites which are currently stalled or face problems in delivery, again particularly in the early period of the plan. Greater provision is needed to ensure a sound and on-going deliverable range of employment sites throughout the plan period, including early years.

The Table on page 5 updates Table 2.3 within the Regeneris Report and highlights a number of concerns in respect of supply. It demonstrates that the actual available supply of high quality, market focused sites within the District is far less than suggested within the Plan. This is frustrating current delivery, is not meeting current demands for sites and will prove a significant restraint to economic growth continuing through the Plan period.

NW Leicestershire Employment Land Supply Position

Site Name	Site Area (Ha)	Use Class	Comments	Residual Site Area (Ha)
Battleflat (Interlink)Bardon	1.77	B1,2,8	Goodman's have speculatively developed this site with circa 130,000 sq ft and is now let to freight forwarder Allport Ltd	0
Lounge Disposal Point Ashby – G Park*	25.5	B8	Application for single large format B8 unit originally lodged in 2007 and granted in 2012. Access from A512, via tunnel section under Ashby Road and into site. Marketed as G Park site. Proposed HS2 route, crosses the site (north/south) including across entrance to site from A512, which is now in the safeguarding zone.	0
West of Smisby Road (Ivanhoe Business Park) Ashby	5.8	B1,2,8	Mixed use business park for small-medium size development. Pre-lets / sales to Fisher German, Children's Day Nursery, Woodward Vets and DADC Office Solutions. Only residual element of site remaining.	2.5
Ashby Business Park	6.57	B1,2	Park or wider business park, with permission granted early 2000's, most developed. Proposed 235,000 sq ft single unit building to rear of existing Park. Previous permission for Erection of 10 No B1/B8 units withdrawn. Watercourse to re-locate which currently runs through centre of the site. Site currently marketed as a development plot on 3.54 hectares.	3.54
East Midlands Distribution Centre Castle Donnington	20.39	B8	Permission originally granted in February 2009 for main part of the Park with other parts of the Park developed earlier. M&S principal occupier of largest plot, in building circa 1M sq ft. Site part-committed through pre-lets. Plot 1 (550,000 sq ft on c. 11.33 hectares and Plot 5a (115,000 sq ft on c. 3.43 hectares). Residual available.	13
Pegasus Business Park East Midlands Airport	10	B1	Site on approach to airport. Prominent plots now principally developed with two large hotels (Raddison and Holiday Inn), Western Power principal occupier, as well as Regis Serviced Offices - residual land available	6.5
Swainspark Albert Village	2.11	B1,2	Local employment site on edge of Swadlincote, adjoining South Derbyshire District and forming part of wider area allocated for employment in South Derbyshire Local Plan at Woodville. Ground conditions known to be problematic. Wider mixed use development being promoted.	2.11
Rear of Charnwood Arms Bardon*	1.14	B1 offices	Outline planning application dates back to 2006. Proposed as prestigious offices and being marketed as Stardust 22. Former nightclub and function rooms demolished some time ago, now former hardstanding and car park evident on site. Longstanding marketing board on site.	1.14
Beveridge Lane Ellistown*	25	B2, 8	Outline planning application in 2013. Site fully committed through pre-let of 1.05m sq ft and spec build units of 314,500 sq ft and 63,000 sq ft. Pre-let to Amazon for 1.05 million sq ft, with spec units under construction in 2016.	0
Off Beveridge Lane/South Lane Bardon*	3.88	B1,2,8	Outline planning permission in 2014 and RM in 2015 and 2016. Marketed as Interlink 225. Land has been fully committed by spec build and currently being marketed.	0
Land at Sawley Crossroads*	24.88	B1,8	Hybrid planning permission to Aldi including Regional Distribution Unit for Aldi. Balance with outline permission. Sold to Aldi Stores Ltd in Oct 2015 for a new bespoke distribution centre. Phase 1 committed c. 13 hectares, phase 2 future expansion c. 11.88 hectares. Not being marketed and being retained for Aldi phased occupation.	0
Total	127.04		28.79	

Source: NW Leicestershire Local Plan Publication Background Paper 6; Knight Frank and St Modwen December 2016

In addition to the above Table, reference is made in Policy Ec1 to the extant planning permission for the proposed Strategic Rail Freight Interchange at Junction 24 of the M1 which has been granted planning permission through the Nationally Significant Infrastructure Project process. Whilst that development has the potential to deliver a significant number of jobs, it is a development which also requires considerable up front infrastructure improvement and commitments. It is supporting economic needs well beyond NWL and over a period well beyond this Plan period. Its employment proposals are focused upon a specific rail connected sector and national need in this regard and therefore its contribution to meeting the more diverse and general economic and employment needs of NWL are somewhat more limited particularly in the early and middle phases of the Plan period.

St Modwen believe that the likely delivery and generation of employment from sites with planning permission, if reviewed more critically, is significantly less than suggested. The Plan provision will not provide an appropriate rolling supply throughout the phases of the plan.

A greater level of supply is needed in order to ensure the Plan's economic and sustainable growth objectives are met, particularly in the early and middle years of the Plan.

c. Is the employment allocation by Policy Ec2 at Money Hill deliverable and sufficient to ensure that the requirement is met within the Plan period?

The allocation of merely 16 ha of additional employment land at Money Hill is insufficient to meet the needs for employment development in the District over the Plan period. St Modwen's believe that the evidence base supporting the plan's need for employment land is not up to date, the current suggested supply of land for employment is not robust, there is a more limited range of employment opportunities in the District than suggested, particularly over the short to medium term and additional flexibility is essential for the plan to do all it can to support economic development in line with Framework requirements.

Additional allocations of land for employment are needed.