

# **NORTH WEST LEICESTERSHIRE LOCAL PLAN**

## **Publication stage**

### **BACKGROUND PAPER 6**

**Policy Ec1 - Employment provision: permissions**

**Policy Ec2 – Employment allocations: new allocations**

**Policy Ec3: Existing employment areas**

**June 2016**

## **1 INTRODUCTION**

- 1.1 This is one of a number of background papers which have been published to support the draft Local Plan. The purpose of these papers is to provide more information in support of some of the policies than can be included in the draft Local Plan document itself if it is to remain of a manageable size.
- 1.2 This paper provides more information in respect of Policy Ec1 (Employment provision: permissions), Policy Hc2 (Employment allocations: new allocations) and Policy Ec3 (Existing employment areas).
- 1.3 In considering employment land needs we mean those uses falling within Use Classes B1, B2 and B8 of the Use Classes Order 2015. For the avoidance of doubt these are:

Class B1 –

(a) Offices

(b) research and development

(c) any industrial process which can be carried out in a residential area without causing detriment to amenity

Class B2 – General industry

Class B8 – Storage or Distribution

## **2 THE POLICIES**

- 2.1 Policy Ec1 identifies those sites which as at 1 October 2015 had the benefit of planning permission for some form of employment use and states that *“In the event that planning permission lapses on these sites it will be renewed subject to the policies of this Local Plan and any other material considerations including any evidence in respect of deliverability of any particular site.”*
- 2.2 Policy Ec2 proposes the allocation of land at Money Hill Ashby de la Zouch for employment purposes.
- 2.3 Policy Ec3 identifies the proposed approach in respect of existing employment areas.

## **3 EMPLOYMENT PROVISION**

- 3.1 The overall employment requirement was established as part a study undertaken by the Public and Corporate Economic Consultants (PACEC) on behalf of the then Leicester Shire Economic Partnership. This work was then updated in 2013 on behalf of the LLEP and covered the period 2010 to 2031.

- 3.2 The 2013 PACEC report forecast<sup>1</sup> the number of workplace jobs and the number of jobs in the B Use Class up to 2031. The latter are those uses which fall within the B Use Class of the Use Classes Order 2015 and are generally referred to as employment uses. These are summarised below.

**Table 1 – summary of jobs forecast in PACEC study 2013**

Workplace jobs			B Use Class		
Annual change	Total change	Total jobs by 2031	Annual change	Total change	Total jobs by 2031
381	9,400	65,600	267	5,600	34,500

- 3.3 The PACEC study took the projected growth in jobs in the B Class and converted this in to land requirements for employment purposes. In order to arrive at the future requirements the study applied assumptions to the above figures in respect of the floorspace per job for the different Use Classes and the density of development. The result of this was as set out in table 2 below.

**Table 2– summary of land requirements PACEC study 2013**

Use Class	Amount
B1	31,900 sq metres
B2	35.50 hectares
B8	51.89 hectares
Total	87.4 hectares plus 11,300 sq metres B1
Annual requirement	4.2 hectares plus 538 sq metres B1

- 3.4 The PACEC study identified the B1 uses in square metres. In order to try and understand how this would translate into land requirements we have turned this in hectares by applying a plot ratio for office uses of 4,000sq metres per hectare as used in an Employment Land Study (2012) by Peter Brett Associates. This converts the office requirement to 7.98 Hectares and gives an overall total requirement of 95.4Hectares (i.e. 96 hectares).

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<sup>1</sup> Table 4.83 of PACEC report

Progress against requirements

- 3.5 In considering progress to date there are a couple of components to consider; namely starts and commitments.
- 3.6 Unlike with housing where we record under construction and completion we record when an employment development is started. Table 3 below summarises the annual starts since 2011, the start date for the Local Plan, up to October 2015.

**Table 3 – annual starts April 2011- October 2015**

<b>Year</b>	<b>Annual Employment land starts</b>	<b>Cumulative Employment land starts</b>
2011/12	0.16	0.16
2012/13	1.32	1.48
2013/14	0.00	1.48
April 2014 to 31 September 2015	6.27	7.75
<b>Total 2011- October 2015</b>	<b>7.75</b>	
<b>Average 2011- October 2015</b>	<b>1.72</b>	

- 3.7 The average annual starts from April 2011- to October 2015 (1.72ha) is lower than that required by the findings of the PACEC study. This partly reflects the effects of the economic downturn from 2008.
- 3.8 In terms of commitments these are summarised in table 4 below.

**Table 4 – Employment commitments as at 1 October 2015**

<b>Site</b>	<b>Area (Hectares)</b>	<b>Use Class</b>
Battleflat (Interlink)Bardon	1.77	B1,2,8
Lounge Disposal Point Ashby*	25.5	B8
West of Smisby Road (Ivanhoe Business Park) Ashby	5.8	B1,2,8
Ashby Business Park	6.57	B1,2
East Midlands Distribution Centre Castle Donington	20.39	B8
Pegasus Business Park East Midlands Airport	10.00	B1
Swainspark Albert Village	2.11	B1,2
Rear of Charnwood Arms Bardon*	1.14	B1 offices
Beveridge Lane Ellistown*	25	B2, 8
Off Beveridge Lane/South Lane Bardon*	3.88	B1,2,8
Land at Sawley Crossroads*	24.88	B1,8
<b>Total</b>	<b>127.04</b>	

- 3.9 It should be noted that the provision figures above are net of land occupied by major peripheral structural landscaping and main distributor roads. Other on-site infrastructure, such as access roads, ancillary landscaping, car parking and buildings are all included in the net figure
- 3.10 As at 1 October 2015 development had yet to commence on those sites marked with an \* and are the subject of policy Ec1 ((Employment provision: permissions). The remaining sites, together with other existing sites, are the subject of Policy Ec3 (Existing employment areas).. More information about these sites is set out further on in this paper.
- 3.11 The level of starts since 2011(7.75ha) and the amount of commitments (127.04ha) results in a higher provision (134.79ha) than the requirement (96ha). However, there are other factors which we need to consider.

- 3.12 The Planning Practice Guidance (Housing and Economic Development Needs Assessment) advises that in considering future economic needs consideration should be given to “*The recent pattern of employment land supply and loss to other uses*”.
- 3.13 In considering the amount of future employment land needed it is , therefore, appropriate to have regard to the likelihood that over the plan period some land currently used for employment uses will be lost to other uses, particularly housing. The effect of this would be to reduce the number of jobs available in the district and so we need to ensure that the amount of new provision is sufficient to compensate for such possible losses.
- 3.13 There can be no certainty regarding how much existing employment land might be lost in the future. A site in use today may in another 10 years be no longer attractive to the employment market but would be attractive to another form of development. It is not possible to identify which sites or how many this might apply to, although it is reasonable to assume that it is more likely to be older stock.
- 3.14 We have analysed, from a statistical point of view, the amount of employment land lost to other uses going back to 1991 and more recently.
- 3.15 The table below identifies that between 1991 and 2011 (the start of the Local Plan period) some 23.57ha of employment land was lost to other uses, principally housing at an annual average of 1.18 hectares. Taking this average and projecting forward for the twenty years of the plan period (2011-2031) would equate to about 24ha of existing employment land being lost to other uses (i.e. 1.18 X 20).

**Table 5 – summary of employment land lost 1991-2011**

Period	Hectares Lost		
	B1, B2, B8 Land	Cumulative total	Annual Average (Cumulative)
1991 / 92 – 2006 / 07	18.91	18.91	1.18
2007 / 08	4.21	23.12	1.36
2008 / 09	0.45	23.57	1.31
2009 / 10	0.00	23.57	1.24
2010 / 11	0.00	23.57	1.18
<b>TOTAL</b>	<b>23.57</b>	<b>23.57</b>	<b>1.18</b>

- 3.16 However, looking at what has happened between 2011 and October 2015 suggests that an allowance based on the rate between 1991 and 2011 may not be appropriate.
- 3.17 Between April 2011 and October 2015 the following employment sites have been lost to housing:
- Former works at Lount – 2ha in 2012/13
  - Standard Soap, Derby Road Ashby - 1.7ha in 2013/14 and
  - Former Arla Dairies, Smisby Road, Ashby – 5.4ha in 2014/15
- 3.18 Therefore, for 2011 to October 2015 a total of 9.1ha has been lost equating to 2.02Ha per annum. If this figure was to be repeated for the remainder of the plan period (October 2015- April 2031) it would result in the loss of 31.3ha in total (i.e.  $2.02 \times 15.5 = 31.3$ ).
- 3.19 However, in addition to those existing employment sites referred to above, a 4.83ha site near Woodville (but located in North West Leicestershire) which had planning permission for employment uses is being redeveloped for housing. In addition, 1hectare of a site at Swainspark , Albert Village which had permission for employment has been lost to a solar park. These two sites account for a further 5.83 hectares lost to other uses. Added to that lost on former employment sites between 2011 and October 2015 sites (9.1ha) means that some 14.93ha of employment land has been lost since 2011, an average of 3.32Ha.
- 3.20 If this occurred for the remainder of the plan period then in the region of 51ha could be lost ( $3.32 \times 15.5$ ). This may be slightly on the high side having regard to the previous figures recorded and rolled forward (24ha based on 1991-2011 figures and 31ha based on 2011-15 figures for existing employment sites only). Therefore, we have concluded that it would be prudent to assume towards the higher end and so a figure of 45 hectares is assumed.
- 3.21 When this potential loss is built in to the calculation as set out below we see that there is now a shortfall of about 6 hectares against the identified need of 96 hectares.

**Table 6 – employment land requirements**

Requirement 2011-31	96 Ha	A
Starts 2011-14	7.75Ha	B
Commitments	127.04	C
Residual requirement (A-B-C)	+38.79	D
Allowance for potential loss of employment land	45	E
Residual requirement (D-E)	-6.21	

## **4 PROPOSED EMPLOYMENT ALLOCATIONS**

- 4.1 As noted above there is a shortfall in employment provision of just over 6 hectares. Policy Ec2 proposes the allocation of about 16 hectares of land north of Ashby de la Zouch to address this shortfall.
- 4.2 In deciding which site (or sites) should be allocated to address this shortfall we have had regard to a range of sites which have previously been notified to as part of an Employment Land Availability Assessment (ELAA) we undertook in 2013/14. Twenty sites were put forward across the district as having potential for employment.
- 4.3 These sites were assessed as part of the Sustainability Appraisal in order to assess the relative sustainability merits of each site. Section 10 of the Sustainability Appraisal provides more information about this assessment.
- 4.4 A number of sites in the Coalville Urban Area performed very well against the Sustainability Framework, but having regard to the level of commitments already in Coalville it was concluded that the allocation of one or more of these sites would not be appropriate.
- 4.5 In accordance with the settlement hierarchy the next places to consider are Ashby de la Zouch and Castle Donington. Whilst the ELAA identifies a number of potential sites in the vicinity of Castle Donington it is considered that in view of the fact that there is already a significant amount of employment in this area, along with the potential Strategic Rail Freight Interchange that additional employment would represent an imbalance with housing provision in the locality.
- 4.8 In terms of Ashby de la Zouch, as noted above, some 7ha of employment land has been lost in since 2011. The provision, therefore, of additional land there would help to offset this loss.
- 4.9 Two potential sites are included in the ELAA – south of Ashby (site E5 in the ELAA) and north of Ashby (E17). These are in the same localities as the potential housing allocations. The provision of employment as part of a strategic, mixed use development would represent a more sustainable form of development and would also relate well to existing employment areas which are largely concentrated on the eastern side of Ashby de la Zouch. In contrast the site south of Ashby would be an isolated development poorly related to rest of Ashby de la Zouch.

## **5 EXISTING EMPLOYMENT AREAS**

- 5.1 Policy Ec3 sets out the Council's proposed approach in respect of existing employment areas.
- 5.2 Part 1 of the policy refers to Primary Employment Areas which are to be retained in employment use. The identification of these Primary Employment Area was based on



work undertaken in 2010 by Roger Tym and Partners working with Lambert Smith Hampton.

- 5.3 This looked at sites in terms of a number of factors to assess whether the sites continued to meet market requirements:
- accessibility by road,
  - accessibility by public transport,
  - external environment and
  - internal environment
- 5.4 The assessment concluded that whilst most sites were still relevant from an employment point of view and should therefore be retained in employment use, there were some sites where this was not the case and so release to another use would be appropriate.
- 5.5 The following sites were considered suitable for retention and so are identified in this Local Plan as Primary Employment Areas:
- Ashby Business Park, Nottingham Road (south) Ashby de la Zouch\*;
  - Ivanhoe Business Park, Smisby Road , Ashby de la Zouch\*;
  - Flagstaff Industrial Estate, Nottingham Road (north), Ashby de la Zouch;
  - Smisby Road Industrial Estate, Ashby de la Zouch;
  - Nottingham Road Industrial Estate, Ashby de la Zouch;
  - Willow Farm, Castle Donington;
  - Trent Lane industrial Estate, Castle Donington;
  - East Midlands Distribution Centre, Castle Donington\*
  - Bardon Employment Area\*;
  - Hermitage Industrial Estate, Whitwick Road, Coalville;
  - Whitwick Business Park, Whitwick Road, Coalville;
  - Marcroft, Thornborough Road, Coalville;
  - Old Station Close, Coalville;
  - Owen Street, Coalville;
  - Terex Pegson site, Whitwick Road, Coalville;
  - Stephenson Industrial Estate, Stephenson Way, Coalville;
  - Scotlands Industrial Estate, London Road, Coalville;
  - Highfield Street, Coalville;
  - Oaks industrial estate, Ravenstone Road, Coalville;
  - Pegasus Business Park, East Midlands Airport\*;
  - Former South Leicester Colliery, Ellistown;
  - Computer Centre, Derby Road, Kegworth;
  - Cott Beverages, Derby Road, Kegworth;
  - Slack and Parr, Long Lane, Kegworth;
  - Westminster industrial estate, Measham;

- Marquis Drive, Moira

Those sites marked with an \*are also included in the list of commitments set out at Table 4 of this paper.