May 2012

NORTH WEST LEICESTERSHIRE LOCAL PLAN: CORE STRATEGY

ECONOMIC PROSPERITY BACKGROUND PAPER

North West Leicestershire District Council

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1.0 INTRODUCTION

1.1 The Economic Prosperity Background Paper is one of a collection of Background Papers which provide guidance to, and evidence behind, the Council's approach to a variety of issues in its **Core Strategy Development Plan Document**[1].

1.2 Historic build rates and available commitments are balanced against a raft of documents and their recommendations, particularly in respect of allocations and strategic distribution. Analysis of issues affecting retailing, East Midlands Airport and the National Forest are also included.

[1] Those documents in the text in bold type are those which have previously informed (for example, the Regional Spatial Strategy) or continue to inform the policies of the Council's Local Development Framework Local Development Documents.

2.0 APPROACH TO ECONOMIC PROSPERITY

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

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

These codes are taken from the Use Classes Order[2] which puts land and buildings into various classes and uses of land. It also outlines public and community uses and main town centre uses.

Planning Policy Statement 4: *Planning for Sustainable Economic Growth* (PPS4), published in December 2009, defines 'employment land' as contributing to 'economic development'. The definition includes the B Use Classes outlined above, but has expanded to include public and community uses (D1 and D2) and main town centre uses (A1, A2, A3, A4 and A5). Moreover, the provisions of PPS4 apply to all development achieving one or more of the following objectives:

- provides employment opportunities;
- generates wealth, or
- produces or generates an economic output or product.

2.2 The Council will, therefore, assess the extent to which all proposed development falling within the above use classes contributes to the district's economic development and seek to maximise the positive impact of such development. The Council will seek to use these provisions in its approach to economic development, focusing on the following key issues:

- Allocating land: All land within the district that is considered appropriate for contributing to economic prosperity will be allocated as such. The Council is required to review existing allocations for economic development and employment in line with national policies.
- Protection policies: The Council uses protection policies to ensure existing employment uses and commitments[3] are not lost to other uses, and it will continue to do so. Employment land reviews will influence the Council's approach as to what land should continue to be protected and what should be considered for release to other uses.
- East Midlands Airport: As a significant, and the highest-profile, contributor to economic development in the district, the airport's proposed development should be accommodated within the Council's employment policies. The Master Plan, published 2006, remains the key document in directing the Council's approach to the airport's operation.

[2] Please refer to Appendix 1 for an explanation of the Use Classes Order and an extract from it.
[3] "Commitment" in this sense refers to a Local Plan allocation for employment, or to a planning permission.

3.0 EMPLOYMENT LAND REQUIREMENTS

HISTORICAL DEVELOPMENT TRENDS (AMOUNT AND LOCATION)

3.1 The **Regional Spatial Strategy** (RSS) does not set any targets for the amount of employment land to be provided at either regional or local levels. Instead, the RSS requires that Councils "work together with *emda*[4] and other organisations with relevant responsibilities to encourage and foster the regional economy" (East Midlands Regional Plan 2009, p49) in developing and updating employment land reviews to inform the employment land allocation process.

3.2 Prior to the RSS, the Council measured employment land starts against targets outlined in the now-defunct **Leicester, Leicestershire and Rutland Structure Plan** (adopted March 2005), which required that 326 hectares of employment land be started within the district between 1996 and 2016 (equating to 16.30 hectares per annum). The adopted North West Leicestershire Local Plan (adopted August 2002), informed by the previous Structure Plan (adopted March 1994), required that 345 hectares of employment land provision be made between 1991 and 2006. The Council continues to monitor employment land starts against the Local Plan target in the absence of any other – the Structure Plan has been deleted and the RSS provides no targets. Starts, rather than completions, are reported since this was required under the 2005 Structure Plan and there has been no particular need to alter this approach.

3.3 Before assessing employment land requirements, it is important to note the amount of development that has occurred historically. Table 1, below, shows the amount of employment development and compares these to the Structure Plan's targets. The table demonstrates net[5] starts and does not take into account losses; these figures are found in Table 1 overleaf.

[4] The East Midlands Development Agency.
[5] "Net" starts are those which include only the area of the development used for employment-related purposes. For example, if a development of 5.0 hectares has 0.5 hectares of landscaping, the figure in the Table 1 for that development would be 4.5 hectares.

Structure Plan		Financial Year	**Emp. land provision** (annual & hectares)	**Emp. land provision** (total & hectares)	**Emp. land starts** (annual & hectares)	**Emp. land starts** (cumulative & hectares)	**Shortfall or Over-Provision** (overall & hectares)
Structure Plan 1991 - 2006		1991/92	17.25	17.25	16.34	16.34	- 0.91
		1992/93	17.25	34.50	15.56	31.90	- 2.60
		1993/94	17.25	51.75	2.60	34.50	- 17.25
		1994/95	17.25	69.00	12.88	47.38	- 21.62
		1995/96	17.25	86.25	11.44	58.82	- 27.43
		1996/97	16.30	102.55	7.50	66.32	- 36.23
	Structure Plan 1996 - 2016	1997/98	16.30	118.85	12.24	78.56	- 40.29
		1998/99	16.30	135.15	35.12	113.68	- 21.47
		1999/2000	16.30	151.45	20.50	134.18	- 17.27
		2000/01	16.30	167.75	18.10	152.28	- 15.47
		2001/02	16.30	184.05	15.43	167.71	- 16.34
		2002/03	16.30	200.35	18.23	185.94	- 14.41
		2003/04	16.30	216.65	11.74	197.68	- 18.97
		2004/05	16.30	232.95	8.58	206.26	- 26.69
		2005/06	16.30	249.25	7.76	214.02	- 35.23
		2006/07	16.30	265.55	5.75	219.77	- 45.78
		2007/08	16.30	281.85	13.86	233.84	- 48.01
		2008/09	16.30	298.15	5.82	239.66	- 58.49
		2009/10	16.30	314.45	1.80	242.22	- 72.23
		2010/11	16.30	330.75	15.90	258.12	- 72.63
		Average	**16.54**		**12.91**		

Table 1 – Employment Land Starts
1996/97 to 2010/11 by financial year

3.4 Starts on employment land have been significantly lower than required since 2004/05, with the following year – and every year thereafter – seeing the Council being unable to demonstrate an over-provision for the first time since 1998/99. A bar chart demonstrates the reduction in starts (see overleaf):

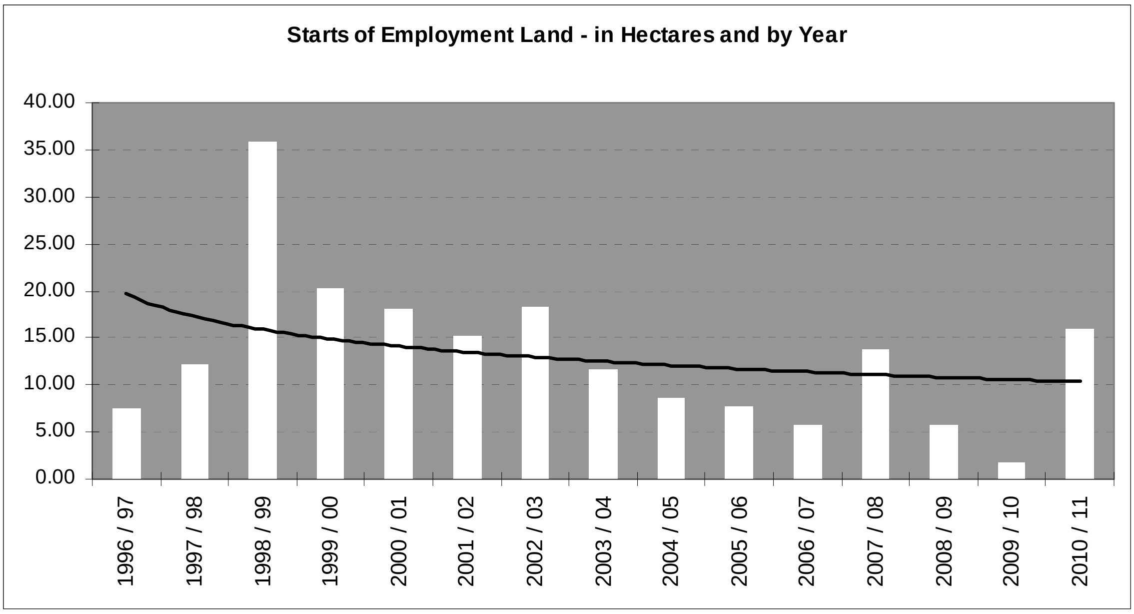


Figure 1 – Employment Land Starts
1996/97 to 2010/11, in hectares and by financial year

There are two potential reasons for this long-term dropping off in employment land starts:

- firstly, and in the short-term, the recession will have had a temporary impact on demand during 2008 and 2009, and
- secondly, and looking further back, demand may have reduced after significant employment land development as the local economy recovered from a period of mining decline.

In the context of the above, it is worth noting that the unemployment rate for the district at April 2004 was just 1.3%, and remained at or below 1.8% until December 2008 as unemployment rose following the recession. It is apparent from Chart 1, above, that low unemployment levels saw the beginning of continued low levels of employment land starts, suggesting a balance between supply of labour and demand for employment premises.

In terms of an average start rate, the Council's figures demonstrate 78% attainment of the implied Structure Plan target from 1996/97 to date.

3.5 East Midlands Airport has a significant employment role within the district, and this is reflected in the figures above. Historically, commitments at Ashby and Coalville (including Bardon) have made a significant contribution to employment land starts. At the time these sites were allocated for employment land use, the Council demonstrated full compliance with Structure Plan Strategy Policy 2A[6], which set out the hierarchical priorities for new employment land development such that it would be directed to the "Main Towns" of Ashby and Coalville. These sites have now been mainly built out. In addition, the allocation of the East Midlands Power Station site for storage and distribution services was fully in

[6] The full text of Structure Plan Strategy Policy 2A can be found at Appendix D.

accordance with Structure Plan Employment Policy 6[7]. Since that time, the Structure Plan has been deleted.

3.6 In accordance with both the 1991–2006 and the 2001–2016 Structure Plans, large areas of former coalfield land were "made attractive to job-creating investment" (1991–2006 Structure Plan) and were allocated for employment uses across North West Leicestershire by the District Council in its Local Plan. The Mining Decline Area – a significant swathe of former mining land – included Coalville and Bardon and was referred to specifically as an area which required regeneration. This explains the historically high levels of employment land allocated and developed in the Coalville and Bardon area. This has proven a successful approach to reversing unemployment levels and triggering regeneration.

3.7 Settlement-specific details on the start rates can be found in Table 2 overleaf. There has been a concentration of development in two areas, which highlights the Council's meeting of the provisions of Policy 2A as discussed above:

- Coalville, including Bardon: this was due to the need to make employment provision following the demise of coal-mining related industry in the area, and
- Castle Donington and its surrounding area: the unique geography of the north of the district – primarily the strong transport/communication links of the M1, A42 and East Midlands Airport – in addition to a large amount of previously developed land in the area (mostly on the site of the former Castle Donington Power Station) have made allocating significant land for employment use appropriate.

[7] The full text of Structure Plan Employment Policy 6 can be found at Appendix D.

Financial Year	Employment land starts (annually and by hectare)								
	Ashby	**Castle Donington**	**East Midlands Airport**	**Coalville**	**Bardon**	**Kegworth**	**Measham**	**Elsewhere**	**Total**
1991 / 1992	5.30	1.5		1.84	7.70				16.34
1992 / 1993	0.70			0.16	14.70				15.56
1993 / 1994	0.40			1.04	1.16				2.60
1994 / 1995				0.88	4.40			7.60	12.88
1995 / 1996	3.90	0.24		1.86	5.44				11.44
1996 / 1997	3.26			2.44	1.80				7.50
1997 / 1998	0.51	1.66		1.29	7.77	1.01			12.24
1998 / 1999	2.49	3.46	22.91	1.10	5.16				35.12
1999 / 2000	2.70	1.81	2.72	5.26	6.26	0.08		1.67	20.50
2000 / 2001	5.60	0.69	0.40	1.97	7.30			2.14	18.10
2001 / 2002	0.92	5.40	1.38	5.25	2.20	0.10		0.18	15.43
2002 / 2003		2.46		9.56	2.96		2.20	1.05	18.23
2003 / 2004		3.85		1.13	6.45			0.31	11.74
2004 / 2005		1.71	0.14	0.94	5.79				8.58
2005 / 2006		4.56	0.27	1.01	1.48			0.44	7.76
2006 / 2007	0.76	2.31	1.39	0.21	1.08				5.75
2007 / 2008	1.80	3.41		0.08	2.05		6.73		14.07
2008 / 2009	3.63	0.94			1.25				5.82
2009 / 2010			1.80					0.76	2.56
2010 / 11			15.90						15.90
Total	**31.97**	**49.90**	**31.01**	**36.02**	**84.95**	**1.19**	**8.93**	**14.15**	**258.12**
Aggregated Total	**31.97**	**80.91**		**120.97**		**1.19**	**8.93**	**14.15**	**258.12**

Table 2 – Employment Land Starts by Settlement
1991/92 to 2010/11 by financial year

3.8 Coalville and Bardon are separated to show the separate contribution of the two areas; the same is true of Castle Donington and East Midlands Airport.

CURRENT LEVEL OF PROVISION

3.9 The Local Plan defined previously developed land (PDL) within or adjoining the "Main Towns" (Ashby and Coalville) as the highest priority for employment land development. The majority of this land allocated for employment use has been (or is being) developed or has planning permission; the result is that most hectares of employment land commitments in the district are located at Castle Donington, where the vast majority of this is PDL and on a single site. As noted above, this site is a former power station and its allocation was in line with Employment Policy 6 of the Structure Plan.

A schedule of employment land commitments as of March 2010 – those sites either with planning permission (Full or Outline) or allocated in the adopted **Local Plan** – can be found overleaf in Table 3. It should be noted that some of these commitments have been recommended by a 2010 Employment Sites Assessment (see paragraph 3.18 onwards) as not being appropriate for employment uses:

	Employment land commitments as at March 2010							
	Ashby	**Castle Donington**	**East Midlands Airport**	**Coalville**	**Bardon**	**Measham**	**Elsewhere**	**Total**
Planning Permissions (hectares)	14.23	39.91	14.61		11.85			**80.60**
Allocations (hectares)		2.80			2.93	5.03	5.00	**15.76**
Total (hectares)	**14.23**	**42.71**	**14.61**	**0.00**	**14.78**	**5.03**	**5.00**	**96.36**
Percentage	14.77%	44.32%	15.16%	0.00%	15.34%	5.22%	5.19%	100%
Aggregated Total (hectares)	**14.23**	**57.32**		**14.78**		**5.03**	**5.00**	**96.36**
Aggregated Percentage	14.77%	59.48%		15.34%		5.22%	5.19%	100%

Table 3 – Employment Land Commitments by Settlement
As at March 2010

3.10 As Table 3 identifies, the vast majority of available employment land in the district is located at Castle Donington and East Midlands Airport (58.83%), while the remainder is shared between Ashby (14.77%), the Bardon/Coalville area (15.34%), Measham (5.22%) and elsewhere in the district (5.19%).

3.11 Ashby, Castle Donington and Measham all have remaining employment land commitments while none remain at Coalville, Kegworth or Ibstock. The issue of a lack of employment land commitments at Coalville, where the emerging Core Strategy aims to locate the majority of the district's future housing development, needs addressing. There are good public transport links between Bardon and Coalville, as well as a geographic proximity between the two. Additionally, Bardon is considered by the Council to fall within the Coalville Urban Area (CUA) such that, while the town of Coalville may have no employment land commitments, the CUA has 14.78 hectares as at March 2011.

3.12 The following sections outline the evidence on which the Council's approach to making provision and allocating land will be based.

FUTURE EMPLOYMENT LAND REQUIREMENTS

3.13 The Council's employment land evidence base has developed considerably since officers began preparing the Core Strategy. Documents have been commissioned by, and prepared for, the Council at a district-level, while county- and regional-level documents have also been commissioned by outside bodies (such as the now-defunct East Midlands Development Agency and Leicester Shire Economic Partnership).

3.14 This section summarises that evidence base.

NWLDC Employment Land Studies (2005, 2010)

3.15 Roger Tym and Partners produced an **Employment Land Study** ("ELS") for the Council in 2005 to inform the Core Strategy's employment policies specifically in respect of the amount and quality, from a market perspective, of employment land currently and proposed within the district, and what might be considered to meet needs.

3.16 Since its recommendations on employment land requirements have largely been overtaken by more recent documents and events, the ELS is not reviewed in detail here. Notwithstanding this, it is worthwhile noting how the basis on which the recommendations made in the 2005 ELS have changed, and how these highlight the difficulties in long-term employment land forecasting[8].

3.17 Between 2004 and 2021, the ELS suggests planning requirements for the three types of employment land. For the same period, it also assessed the commitments (i.e. supply) of employment land in the district. The "supply" figure, based on the commitments as at March 2004, is shown in Table 4, below:

<table>
<tr><th rowspan="2">Type of Land</th><th colspan="3">Hectares</th></tr>
<tr><th>Recommended Requirement</th><th>Supply</th><th>Difference</th></tr>
<tr><td>B1 (Office)</td><td>6.50</td><td>27.10</td><td>+20.60</td></tr>
<tr><td>B2 (Industrial)</td><td>11.60</td><td>43.00</td><td rowspan="2">+6.30</td></tr>
<tr><td>B8 (Warehousing)</td><td>70.30</td><td>55.20</td></tr>
</table>

Table 4 – Employment Land Supply and Demand between 2004 and 2021
Taken from the ELS

Supply was therefore considered to outstrip the recommended requirement for all uses – the ELS grouped B2 with B8 (these uses are often sought together in planning permissions), resulting in a modest B28 oversupply of 6.3 hectares.

3.18 The ELS identified Pegasus Business Park (18 hectares at the time the ELS was published) as representing almost the entire estimated oversupply of office space in the district (21 hectares at the time the ELS was published). Very soon after, East Midlands Airport's Masterplan allocated it for airport-operational uses, thereby removing it completely from supply figures and, in effect, balancing out B1 supply and demand as assessed in the ELS. Pegasus Business Park has planning permission for office (B1) use only, so its removal from supply figures did not affect supply regarding general industrial (B2) or storage and distribution (B8)

[8] The ELS concludes by stating: "As is well known, forecasts are uncertain and often wrong" (2005: 55).

land. The ELS prediction that “it seems unlikely that significant office space will be lost in redevelopment or change of use” (2005: 42-43), has therefore been shown as inaccurate. This is discussed in further detail in 3.34, below.

3.19 The ELS provides two separate recommendations – one for a ‘business as usual’ scenario, and one that is more ‘radical’.

3.20.1 Under the first option, with B128 land in balance, the ELS recommends the Council consider managing the types of permissions on the existing employment land commitments. Such an approach would allow for industrial/distribution uses on Ashby and Pegasus Business Parks rather than the then permission for offices.

3.20.2 The second option recommended the Council take a stance to attract “footloose” businesses – that is, those businesses not tied to a particular location – from land-poor urban authority areas in the East Midlands by allocating land at strategically-attractive locations, particularly for B28 land uses. This would involve the managed release of poorer quality employment land to reinvigorate the economic vitality of the district, while allocating the spatially best land for new uses. The ELR considers that the Council might be faced with this position by around the year 2010.

3.21 During 2010, Roger Tym & Partners produced an **Assessment of Employment Sites** (AES) as an update to the 2005 ELS, giving a view as to which employment sites should be retained for existing uses and which should be released for alternative uses. The AES did not update employment land requirements; instead it provides a comprehensive analysis of all employment land within, and crossing the borders of, the district. The assessment included existing Local Plan allocations and extant planning permissions and considered market interest.

Five issues were considered:

- accessibility by road;
- accessibility by public transport
- external environment (adjoining uses and proximity to services);
- internal environment (the shape and topography of the site), and
- (where applicable) the quality of buildings on the site and scope for intensification.

3.22 According to the AES, the majority of employment space in the district, whether allocated, under construction or built, should be retained for existing or proposed uses. However, it did identify over 15 hectares of built and allocated land that should be considered for release to non-employment uses. This needs to be considered in the context of the Housing Market Area-wide[9] study, which is discussed on pages 13 to 21 of this Background Paper.

A summary of the AES’s recommendations are outlined in Appendix B, while an extract showing those sites that may be worth releasing to other uses is shown overleaf:

[9] A Housing Market Area (HMA) is defined in DCLG’s *Identifying sub-regional housing market areas advice note* as “geographical areas defined by household demand and preferences for housing” (2007: 6).

Site	Status	Recommendation, Analysis and Caveats	Site Area with potential for release (Ha)
Stardust, Bardon	No status (Outline PP expired in 2009)	**No recommendation**; represents a "good investment opportunity"	0.88
Woodville Woodlands		**Release of all or part of site could be considered**	4.83
Swainspark, Albert Village	Local Plan Allocation	**Release to other uses or consider a return to scrubland**	5.00
Market Street / Baker Street, Coalville	Existing employment site	**Consider for release to other uses**; quality of location and premises is poor and medium- to long-term vacancy is to be expected. Redevelopment for employment uses remains a possibility	3.54
Occupation Lane, Woodville Woodlands		**Release to other uses could be considered** for derelict part of site	1.09
		Total considered appropriate for release (irrespective of caveats)	**15.34**

Table 5 – Summary of Assessment of Employment Sites in NWLDC
Summary of Extract from Assessment of Employment Sites 2010

East Midlands Employment Land Assessment: Audit of Employment Land Studies (2010)

3.23 Nathaniel Lichfield and Partners were commissioned by *emda* to review the robustness of all the Local Planning Authorities' Employment Land Studies in the East Midlands. Three specific criteria were used in the Audit of Employment Land Studies (AELS):

- compliance with 2004 Office of Deputy Prime Minister Guidance;
- additional PPS4/post-recession factors, and
- strategic coherence/fit.

3.24 The primary purpose of the AELS was to highlight areas requiring updating rather than focus on deficiencies in a particular ELS. NWLDC's ELR was considered to 'cover to a limited degree' (NLP 2010: 35) all three of these factors.

3.25 There were two NWLDC-specific comments in the AELS. Firstly, concerns were raised over the age of the Council's ELR were partially put to rest by the existence of a more recent study covering Leicestershire itself (see 3.24, below). Secondly, while the Council's ELR relied too heavily on job forecasting to project employment land requirements, the AELS notes the Leicestershire-wide study's use of labour supply forecasts and past trends on employment land take-up as giving the Council solid evidence from which to project those requirements.

3.26 Although the AES was not considered as part of the AELS (due to both the AES and the AELS being published at roughly the same time), it is considered the findings of the former would have been outside the brief of the latter.

Leicester and Leicestershire Housing Market Area Employment Land Study (2008)

3.27 The **Leicester and Leicestershire Housing Market Area Employment Land Study**, published by Public and Corporate Economic Consultants in October 2008 and commissioned by The Leicester Shire Economic Partnership (hereafter 'the PACEC Study') covers Leicester and Leicestershire, and provides district-specific assessments of employment land supply.

3.28 The PACEC Study provided an assessment of employment land needs in the district and suggested 20–25 hectares of new employment land be accommodated during the Plan period (at the time of its preparation, this was anticipated as being 2006-2026). The PACEC Study warns that where supply and demand are roughly balanced, as was considered the case in the district, a flexibility allowance should always be made. This would reflect the fact that supply tends to dry up before the end of the Plan period; the consultants considered that 20-25 hectares would provide such an allowance, but gave no evidence as to why this range would be appropriate.

3.29 Owing to this importance in assessing future employment land provision in the district, the PACEC Study's methodology was reviewed by officers, and some concerns with its methodology and subsequent conclusions were identified. This review found that, rather than requiring 20–25 hectares of additional land as suggested in the PACEC study, a figure of 66.80 hectares of land is required until the end of the Plan period. A complete version of the review can be found at Appendix E to this Background Paper.

3.30 In addition to the concerns identified in respect of the PACEC study, the decision to extend the Plan period to 2031, led officers to conclude that new work was needed to help identify an employment land target. Roger Tym and Partners were commissioned to prepare such a document, the details of which are summarised below.

Employment Land: Updated Demand Forecasts (2012)

3.31 An **Employment Land: Updated Demand Forecasts** (ELUDF) document was required for the reasons outlined above. While partly updating the 2005 and 2007 ELRs, the primary focus was to provide a forecast of employment land requirements the district from 2006 until 2031.

3.32 The forecasts reflected the projected dwelling and population changes in the district which came out of the **Leicester and Leicestershire Housing Requirements Project** (the L&LHRP), published September 2011. This estimated that 9,700 new dwellings would be needed during the Plan period to ensure 10% employment growth by 2031 from 2006 levels and this was agreed as being the revised housing requirement for the Core Strategy. (These new dwellings would house around 17,500 new residents.) It was considered appropriate that, if the Core Strategy was to plan for housing on this basis, its employment land policies should relate to the employment needs of the new residents. The ELUDF was commissioned on this basis.

3.33 RT&P prepared an analysis in three stages:

- an assessment of employment by economic sector, and the credibility of converting these projections into land and employee projections;
- the second section translates these projections into demand for floorspace and land, while
- section three offers the implications for planning policy of these floorspace and land demands.

3.34 The projected need for new employment land, by hectares and square metres, are set out below.

Type of land	Hectares Required	Square Metres Required
Industrial (B2)	-11	-45 833
Warehousing (B8)	125	498 764
Industrial and warehousing (B2 & B8) (rounded)	*113*	*452 931*
Offices (B1)	21	83 263
Total (B1, B2, B8)	**134**	**563 194**

Table 6 – NWLDC Employment Land Requirements
Taken from Employment Land: Updated Demand Forecasts (2012)

3.35 The figures in Table 6 do not take into account several factors:

- the starts on employment land since the beginning of the Plan period (2006);
- the losses of employment land to other uses (including projecting these losses forward until 2031);
- existing commitments, and
- those commitments which are unlikely to come forward for employment use during the Plan period.

Each of these factors is set out below:

Source of Change	Hectares
Starts on employment land (2006-2011)	**43.13**
Losses of employment land to other uses (2006-2031) (based on average annual loss of 1.18 hectares between 1991 and 2011)	**29.50**
Existing commitments	**85.82**
Existing commitments unlikely to come forward for employment use during the Plan period	**9.83**

Table 7 – Employment Land Situation as at March 2011
Taken from NWLDC Records

3.36 Details on the projected losses can be found in Appendix E, paragraphs E.17 to E.19 inclusive. Some 23.57 hectares of employment land were lost between 1991 and 2011, equating to an annual average of 1.18 hectares. It was considered appropriate to project forward this average annual loss for the Plan period (25 years) on the basis of a 20-year trend.

3.37 The residual effect of taking into account the figures in Table 7 is set out below. The total (F) in Table 8 represents the residual requirement for employment land based on the ELUDF. It should be noted that a significant proportion of commitments do not have a specific land use permitted (i.e. many have permission for B1, B2 and B8 use) such that calculating residual requirements for each use class would be neither practical nor useful.

Code	Source of Change	Hectares
A	ELUDF Projected Requirement	134.00
B	Starts	43.13
C	Losses allowance	29.50
D	Existing commitments	85.82
E	Existing commitments not taken forward	9.83
F	**Residual Requirement (A-B+C-D+E)**	**44.38**

Table 8 – Residual Employment Land Requirements
A comparative analysis of the ELUDF with Table 7, above

On the basis of the findings of Table 8, it is considered appropriate that a provision of an additional 45 hectares of employment land be made in the Core Strategy.

The Sustainable Urban Extensions – Housing and Employment Land Study

3.38 The 20-25 hectares of employment land the PACEC Study recommends for allocation within Bardon Grange has been the subject of further work by Experian, published in the **Sustainable Urban Extensions – Housing and Employment Land Study** ("the Experian Study"). While the PACEC Study's findings have been discounted, the Experian Study's analysis remains worthy of summary. The Experian Study expects the SUE to provide 6,000 dwellings, and categorises future residents across Leicestershire to project employment land requirements within each SUE accordingly. (It should be noted that the figure of 6,000 is significantly in excess of the number of dwellings projected for Bardon Grange during the Plan period.) To do this, the Experian Study applies the Mosaic Public Sector segmentation system, which uses citizens' demographics and lifestyle behaviours to provide, among other things, an individual's likely housing type, location, tenure, income, travel and employment patterns[10]. The recommended split of job numbers and employment land is set out overleaf.

[10] Over 400 data variables in both statistical (e.g. the British Crime Survey, Index of Multiple Deprivation) and market research (MORI's Financial Research, the Expenditure and Food Survey) formats were used in the formulation of the Mosaic Public Sector segmentation system.

Employment demand generated by a Coalville Sustainable Urban Extension		
Office	400 jobs	7,200 square metres
Industrial	870 jobs	6.40 hectares
Warehousing	362 jobs	6.40 hectares

Table 9 - Total Employment and Employment Land Requirements
Taken from the Experian Study

It should be noted that the Experian Study focussed solely on the SUEs themselves, and consequently the figures above are for the demand created by the residents of the SUEs. Therefore, they do not reflect any wider demand in the district or region and the figures above do not correlate with the 20-25 hectare recommendation of the PACEC Study. The figures for Industrial and Warehousing use are thought to be separate from one another (i.e. a total requirement of 12.80 hectares), but this is not clarified in the Experian Study.

<u>Strategic Distribution</u>

3.39 The PACEC Study recommends strategic distribution sites be identified in North West Leicestershire, although it neglects to evidence this (PACEC 2008: p92), while the **East Midlands Regional Spatial Strategy** ("the RSS") Policy 21 requires East Midlands partners[11] to work together in bringing forward sites for strategic distribution, considering the Leicester and Leicestershire HMA a preferential location.

3.40 In accordance with Policy 21 of the RSS, the **Strategic Distribution Site Assessment Study for the Three Cities Sub-area of the East Midlands** (hereafter 'the *emda* study') was commissioned in 2009 by *emda* and provides the only evidence in support of making provision for Strategic Distribution uses on a specific site in North West Leicestershire.

3.41 RSS Policy 21 notes that the **East Midlands Strategic Distribution Study** ("the EMSDS") published in 2006 recommends sites for Strategic Distribution purposes should:

- be a minimum of 50 hectares in size;
- have the potential for 'inter-modal' connectivity (that is, the site connects to both the strategic road and rail networks);
- have internal sidings capable of receiving trains of up to 750 metres in length, and
- have a road layout and parking facilities capable of accommodating visiting heavy goods vehicles.

3.42 The *emda* study identifies three sites in the East Midlands as meeting the EMSDS criteria set out above, of which one is located in North West Leicestershire at Junction 24 of the M1. In recognising that the J24 site meets the above criteria, the *emda* study also acknowledges a need (although it neglects to evidence this

[11] These partners are: Local authorities, *emda*, Sub-Regional Strategic Partnerships, the Highways Agency and Network Rail.

(AECOM 2010: p101)) for a rail-freight interchange serving the three cities of Derby, Leicester and Nottingham.

EMPLOYMENT SECTORS

3.43 Data from the 2001 Census show three sectors totaling over 50% of jobs for residents of the district – Manufacturing, Wholesale/Retail and Vehicle Repair and Real Estate. Mining and quarrying, once important sectors in North West Leicestershire, were by 2001 employing only a small proportion of people, albeit still the largest of the Leicestershire authorities:

Sector	**Percentage Employed (NWL)**	**Percentage Employed (Leicestershire)**
Manufacturing	21.90	21.77
Wholesale / Retail and Motor Vehicle Repair	17.94	18.30
Real estate, Renting and Business Activities	10.82	10.23
Transport, Storage and Communication	8.32	6.33
Health and Social Work	8.08	9.87
Construction	7.46	6.22
Education	7.46	8.52
Others		
Hotels and Catering	4.19	4.22
Other Industries	3.93	4.15
Public Administration and Defence	3.60	4.31
Financial Intermediation	2.50	3.44
Agriculture, Hunting and Forestry	1.56	1.26
Mining and Quarrying	1.32	0.36
Electricity, Gas and Water Supply	0.92	1.01
Fishing	0.00	0.00
Total	**100.00**	**100.00**

Table 10 – Employment Sector for NWLDC Residents
Taken from 2001 Census

3.44 It is important to note that the figures above, taken from the 2001 Census, refer to the employment sectors of residents of the district.

3.45 No data prior to this is immediately available, but the low percentage of residents employed in mining reflects the decline of that more “traditional” sector in the area. NWLDC allocated the derelict coal mine land for industrial uses, the vast majority of which has since been built out – this was evident even at the 2001 Census with the large number of residents employed in manufacturing, transport and distribution.

3.46 An employer survey is carried out by NOMIS annually and provides similar data to that in Table 14 above, but is not comparable with that of the Census as it shows numbers of jobs rather than the jobs of residents, and the sectors are slightly different. It is, however, the only available data which show historical changes in employment. Owing to the sensitivity of the data, figures are rounded to the nearest 100. 1995 and 2008 represent the earliest and most recent surveys for which data are available; the changes in numbers between these years are reflective of the full period, and there are no dramatic spikes or troughs.

Industry	Numbers Employed			Percentage Increase / Decrease
	1995	2008	Difference	
Manufacturing	15,800	8,200	-7,600	-48.10%
Construction	2,200	3,300	+1,100	+50.00%
Distribution, Hotels and Restaurants	7,500	10,900	+3,400	+45.33%
Transport and Communications	5,000	8,500	+3,500	+70.00%
Finance, IT and Other Business Activities	4,100	9,300	+5,200	+126.83%
Public Admin, Education and Health	4,400	7,100	+2,700	+61.36%
Other Services	900	1,700	+800	+88.89%
Tourism-related	2,400	3,400	+1,000	+41.67%
Total	**42,300**	**52,400**	**+10,100**	**+23.88%**

Table 11 – Employment Sectors and Jobs within NWLDC
Taken from NOMIS Annual Business Inquiry

3.47 Before comparing the figures, it is important to note three issues with them. Firstly, the definitions of industry have changed slightly during the period. It is not immediately clear how this affects the figures, but those of 1995 have been rounded by the Council to the nearest 1,000 employed while those of 2008 were presented in the raw data as rounded to the nearest 1,000. The second concern is that the “Tourism-related” industry can include other industries (the Hotel industry being a good example), and it is not clear if double-counting has been accounted for or avoided in the figures above. Thirdly, no account is taken of agricultural employment in the figures; NOMIS provide no explanation.

Notwithstanding this, the figures show some important trends between 1995 and 2008 inclusive:

- Total jobs in the district have increased by nearly a quarter
- Jobs in “Manufacturing” have reduced by nearly 50%
- All other job sectors have increased by 39% or more
- Growth in “Finance, IT and Other Business Activities” has been the most significant in the district in both percentage and absolute terms; this is reflective of a shift in the national economy towards this industry

The annualised figures are presented fully in Appendix C.

Represented diagrammatically, the change in absolute jobs in the district becomes clearer:

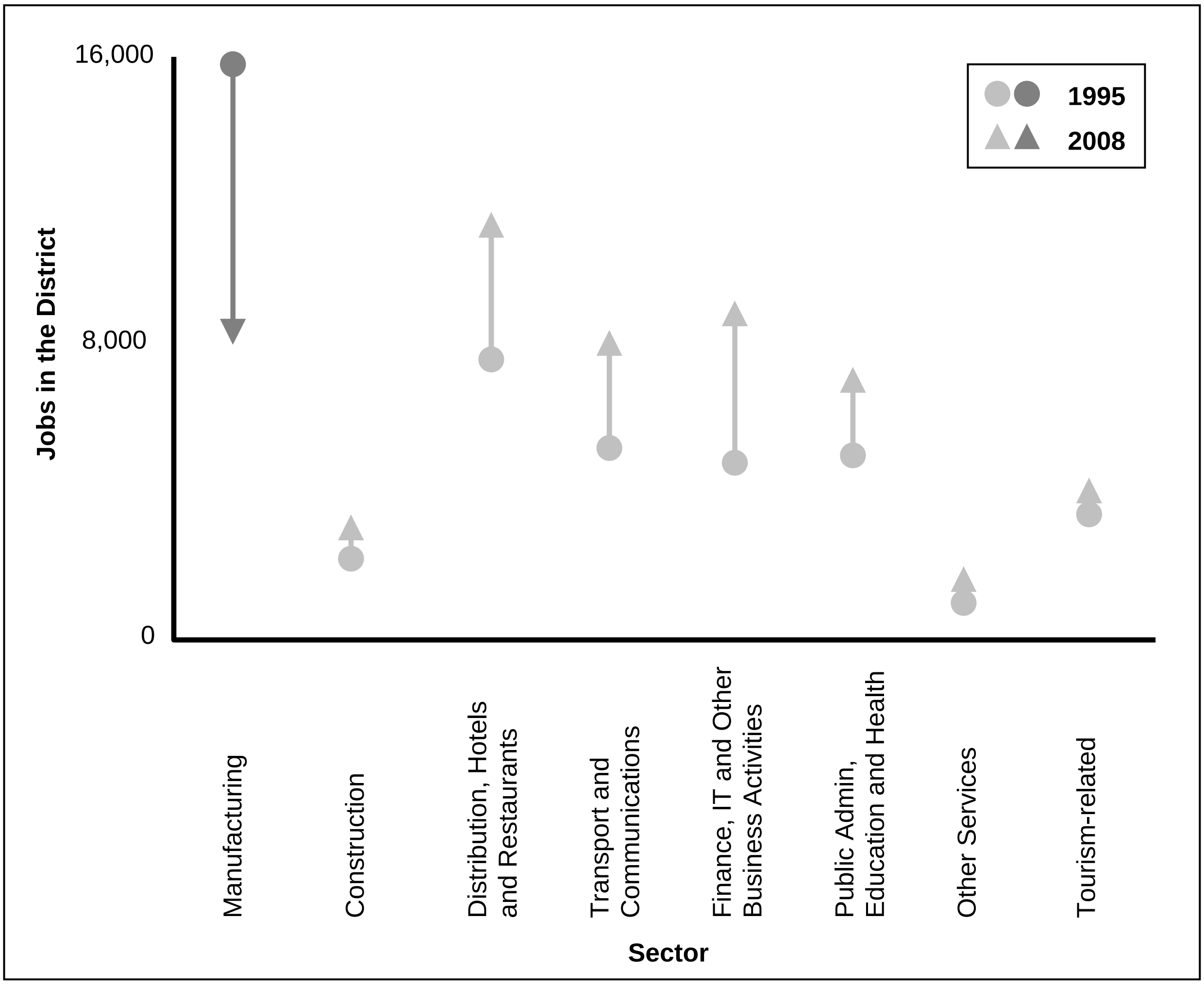


Figure 2 – Total Jobs: Change by Sector, 1995 - 2008
Taken from NOMIS Annual Business Inquiry

3.48 Unsurprisingly, a 25% increase in total jobs is accompanied by large rises in jobs across most sectors. The sizeable reduction in manufacturing jobs is interesting in the context of the data from the 2001 Census, which suggested over 20% of NWLDC residents were employed in that field. By 2008, 16% of jobs in the district were in manufacturing so there is a certain correlation between these figures even if they are not immediately comparable.

3.49 The most significant increases are in the “Distribution, Hotels and Restaurants”, “Transport and Communications” and “Finance, IT and Other Business Activities” sectors, and the trends show that these increases are continuing; the final five sectors on the graph above all showed their highest number of jobs in 2008, while “Construction” showed its highest number in 2006 and “Distribution, Hotels and Restaurants” in 2007. If the trend continues, it can be expected that the number of jobs will continue to increase across all sectors (excluding “Manufacturing”). It is worth noting, however, that between 2004 and 2008 only 400 jobs were lost in “Manufacturing”, suggesting a possible leveling out in its employment rate.

3.50 It is difficult to assess the effect of the recent recession on the above figures, and consequently difficult to assess its impact when looking to the future.

4.0 TOWN CENTRES

4.1 The Council's **Retail Capacity Study** ("RCS") was published in May 2005, followed by an **Update of the 2005 District-Wide Retail Capacity Study** ("RCS Update"), published in October 2007. The RCS Update's brief was to improve the methods used to assess retail requirements in the RCS as a result of new best practice guidance and changes to the RSS. It should be noted that both the RCS and the RCS Update based their analysis on the provisions set out in **Planning Policy Statement 6: *Town Centres*** (PPS6), which has since been withdrawn.

4.2 An important consideration is how much relevance these two documents retain given their age.

4.3 Taken together, the two RCSs use nine indicators to assess the health of what they referred to as the District's town centres – Ashby, Castle Donington, Coalville, Ibstock and Measham. Kegworth was excluded due to its size.

4.4 The adopted **North West Leicestershire Local Plan** identifies 'Core Town Centre Shopping Areas' and 'Local Centres'. The areas assessed in Ashby and Coalville broadly correspond to those of the Core Town Centre Shopping Areas as identified in the Local Plan. The areas assessed in Castle Donington, Ibstock and Measham are identical to the Local Centres as identified in the Local Plan.

The nine indicators were:

- accessibility;
- actions;
- amenities;
- diversity of uses;
- prime Zone A shopping rents;
- retail rankings;
- retail yields;
- retailer demand, and
- vacancy rates

4.5 Table 12, overleaf, is a summary of the findings of the original Retail Capacity Study.

Town / Local Centre	**Overall Assessment**	**General Comments**
Ashby de la Zouch	Healthy market town	• Vacancy rate significantly lower than UK average • Architecturally attractive town centre • Lack of breadth and depth in clothing offer • Limited supermarket offer • Lack of quality restaurants • Significant demand from multiple operators for larger units, building of which would allow better competition with other nearby centres • Majority of interest located within rather than outside the town centre
Castle Donington	Healthy district centre	• Adequate for day-to-day shopping needs • Appropriate level of comparison outlets • Market interest limited to that of independent operators
Coalville	Moderately healthy town centre, but with room for improvement	• Vacancy slightly above UK average (this taken from the RCS Update; the original RCS noted vacancy as being slightly below UK average) • General retail offer below that expected for a centre of its size • Significant lack of mid-range, high-profile retailers • Significant lack of footwear / clothing retailers, a key measure of a centre's retail attractiveness (or lack thereof) • Supermarket offer restricted to discount / value operators • Very limited level of operator interest, with the majority of that limited interest being in lower-order retail operators • Majority of interest located within rather than outside the town centre
Ibstock	Moderately healthy local centre	• Adequate for day-to-day shopping needs • Potentially unattractive to prospective retailers due to the size of units (predominantly small) and that these are in private ownership
Measham	Reasonably healthy local centre	• Adequate for top-up convenience and day-to-day service needs, but does not properly serve needs for bulk provisions • Vacancy levels decreasing

Table 12 – Health Check Summaries
The District's Town and Local Centres

4.6 The RCS recommends no specific actions to either continue supporting those areas considered to be performing strongly or to resolve the issues identified.

4.7 The assessment of floorspace requirements has assumed trend growth in disposable household income. Since the RCS there has been a recession and other ongoing impacts on household incomes and, as a consequence, the previous growth in disposable incomes may have been over-stated. As a result, it is unlikely that the retail requirements as outlined below will be entirely accurate, although it is accepted that comparison retail shopping trends tend to be more "recession-proof".

RETAIL REQUIREMENTS - CONVENIENCE

4.8 The 2005 RCS notes no particular need for the Council to plan for new convenience retail[12] floorspace in the district until 2016 – beyond which the 2005 RCS did not project. This is broadly similar to the findings of the RCS Update, which projects until 2026. The RCS Update notes a bigger requirement towards the end of the study period; these requirements are projected on the basis of high and low forecasts[13]. Details are shown in Table 17 below:

	2004 – 2008	2008 – 2011	2011 – 2016	2016 – 2021	2021 – 2026	2004 - 2026
Floorspace Requirement (low forecast) (sqm)	21	363	734	897	755	**2,770**
Floorspace Requirement (high forecast) (sqm)	43	742	1,501	1,833	1,544	**5,663**

Table 13 – Convenience Floorspace Requirements
High and Low Forecasts

These figures represent need from 2004 to 2026, and take into account the new Lidl store in Coalville. Primarily, projected need post-2011 is related to population increases; the RCS Update notes no particular "over-trading" in the District's existing major foodstores.

RETAIL REQUIREMENTS - COMPARISON

4.9 The figures from the two RCSs are more comparable when looking at comparison retail[14] as they are presented in similar formats in both. Rather than rely solely on high and low forecasts, the consultants also outline "static retention" and "increased retention" scenarios. The former scenario assumes that the level of money spent in the district's comparison shops is unchanged throughout the study period, while the latter assumes an increase in money spent in the district's comparison shops throughout the study period.

Static Retention		2004 – 2008	2008 – 2011	2011 – 2016	2016 – 2021	2021 – 2026
2005 RCS	**Floorspace Requirement (low forecast) (sqm)**	-791	1,804	3,756	-	-
2007 RCS		-1,001	2,854	6,749	7,546	10,017
	Difference	**210**	**-1,050**	**-2,993**	**-**	**-**
2005 RCS	**Floorspace Requirement (high forecast) (sqm)**	-608	1,387	2,888	-	-
2007 RCS		-599	1,707	4,036	4,512	5,990
	Difference	**-9**	**-320**	**-1,148**	**-**	**-**

Table 14 (a) – Comparison Floorspace Requirements
Static Retention, High and Low Forecasts

[12] Convenience retail outlets predominantly sell food, but includes newsagents.
[13] Both studies use a high and low forecast. These are based on assumed floorspace efficiency, with a low figure of £5,380 per sqm of sales area and a high figure of £11,000 per sqm of sales area. Floorspace efficiency is a method used to indicate how much of a commercial unit is used for its intended purpose. For example, smaller retail units have low floorspace efficiency because the non-retail area of the unit will be significantly higher, proportional to its overall size, than the non-retail area of a supermarket.
[14] Comparison retail outlets sell solely non-food items (clothing, household items and the like).

Increased Retention		2004 – 2008	2008 – 2011	2011 – 2016	2016 – 2021	2021 – 2026
2005 RCS	**Floorspace Requirement (low forecast) (sqm)**	1,187	4,009	7,069	-	-
2007 RCS		240	4,253	10,566	12,925	17,624
	Difference	**947**	**-244**	**-3,497**	**-**	**-**
2005 RCS	**Floorspace Requirement (high forecast) (sqm)**	913	3,082	5,435	-	-
2007 RCS		143	2,543	6,319	7,729	10,539
	Difference	**770**	**539**	**-884**	**-**	**-**

Table 14 (b) – Comparison Floorspace Requirements
Increased Retention, High and Low Forecasts

4.10 On the basis of the above, there is a need for a minimum of 5,990 square metres of new comparison retail floorspace in the district. The RCS Update recommends that the majority of the new provision be directed towards Coalville owing to it being the highest order settlement in the district, but only if comparison expenditure improves materially from current (i.e. October 2007) rates.

4.11 The RCS Update also advocates some new comparison retail development in Ashby in recognition of high market interest in the town and by way of ensuring the District's overall comparison retention rate is maintained. No comparison retail floorspace is recommended for development outside of Coalville and Ashby in line with the modest size and role of the other settlements in the district. The effect of this will be the intensification and/or enlargement of existing centres.

MEETING IDENTIFIED NEEDS

4.12 In respect of the above, the Council has received some large scale planning applications for retail development in both Coalville and Ashby since 2009:

Location	Site	Convenience Retail Floorspace (sqm)	Other Floorspace (sqm)	Year Application Determined
Coalville	Ford Garage, Whitwick Road	3,252	1,400 (all shops, financial services and food and drink uses; various sizes)	2011
	Belvoir Centre Redevelopment	8,098	9,128 (all shops and food and drink uses; various sizes)	2010
Ashby de la Zouch	Nottingham Road / Dents Road	1,488	None	?
	Ashby Business Park, Nottingham Road	1,575	2,469 (hotel and food and drink uses)	2011
	Nottingham Road Industrial Estate	1,579	None	?
	Tesco (expansion), Nottingham Road	3,875	None	2010
Total Convenience Retail Floorspace Sought		**19,867**		
Total Convenience Retail Floorspace ***Granted*** **Permission**		**16,713**		
Total Convenience Retail Floorspace ***Refused*** **Permission**		**3,154**		

Table 15 – Major Retail Planning Applications
Received since 2009

Table 15 summarises those major retail applications received by the Council since the publication of the Retail Capacity Study Update. There has been far more convenience retail land granted permission than the provision suggested in the RCSs, but both documents were clear that the recommended requirements they outlined were minimum rather than maximum.

COALVILLE REGENERATION STRATEGY

4.13 The Prince's Foundation for the Built Environment was commissioned during 2009 to produce a **Regeneration Strategy for Coalville**; the final document was received by the Council during 2010 and outlines a comprehensive development framework for the town in its wider context. It does not solely relate to economic prosperity.

4.14 Initial proposals involve restructuring the town centre around four squares by way of improving accessibility for both pedestrians and cars. By freeing up existing road and pedestrian routes from clutter, and developing new routes through the use of these principles, the town centre will benefit from greater pedestrian permeability thus making it more attractive to businesses and consumers alike.

4.15 The six areas around which the regeneration strategy is based are as follows:

- Regeneration principles:
    - *Maximise Coalville's role as a main town in both the region and the National Forest;*
    - *Enhance existing historic centres and free up arterial routes, and*
    - *New development to be guided by development briefs with a view to economic, environmental and social benefits*
- A series of linked villages
  Preservation of existing settlements' distinct identities by using separators (e.g. woodland) and integrators (e.g. parks, playing fields) where appropriate
- Green infrastructure
- The framework plan
  Develop and refine the pedestrian routes in the town centre
- Four squares linked by vibrant streets
  Supplement the existing two squares with the development of two new squares
- Development opportunity areas and development briefs
  Nine distinct areas for redevelopment have been identified within the town centre

RETAIL SUPPLEMENTARY PLANNING DOCUMENT (2011)

4.16 Pressures were being experienced by a number of the district's town and villages for the change of use of shops to other services. Concerns were also raised over the impact and number of take away uses on the centre's shopping function. In light of theses challenges the Retail Supplementary Planning Document (SPD) was prepared to protect the retail function and character of the District's centres and supplements existing planning policy.

4.17 The SPD contains a number of Key Principles prepared to protect the shopping function of the District's centres as well as to control the number of hot food takeaway uses. A number of Key Principles seek to protect the vitality and viability of the centres where shops should be the predominant use supported by a range of appropriate and complementary uses. Other Key Principles seek to ensure that the number of takeaways in a centre is not so great as to have an adverse impact on an area's shopping character and function. Further Key

Principles place restrictions on the number of takeaways in specific parts of the district, namely Ashby and Ibstock.

4.18 The success of the SPD will be monitored to assess whether its Key Principles are having a positive impact on our town and village centres and also whether any other problems arise.

5.0 LEICESTER AND LEICESTERSHIRE ECONOMIC ASSESSMENT

5.1 The Local Democracy, Economic Development and Construction Act 2009 placed a requirement on county councils and unitary authorities to prepare an assessment of economic conditions within their area. In May 2010, the Leicester and Leicestershire Leadership Board published the **Leicester and Leicestershire Economic Assessment** (the "LLEA").

5.2 It should be noted that the LLEA is more an aspirational than evidential document, being largely based on existing local and regional documents (for example, retail capacity studies or the PACEC Study). Moreover, the few recommendations which are not Leicester-centric refer to the county as a whole rather than its market towns or the individual districts and boroughs.

EMPLOYMENT

5.3 The LLEA's publication followed that of the PACEC Study and much of its analysis covers the findings of that report with the main finding being that North West Leicestershire, in a regional and sub-regional context, is in a good position as regards type and amount of employment land provision. Additionally, the District is unique in Leicestershire in having a higher number of in-commuters than out-commuters, with approximately 3,000 more of the former than the latter. This is primarily due to East Midlands Airport being located in the District, but is also related to the district's high level of jobs per residents of employment age – 0.70 jobs per person, second in the county only to Leicester at 0.74 jobs per person.

5.4 Implications of the over-supply of industrial land in the district should, the LLEA states, "be considered further", though no specifics are given as to how this should be approached. The LLEA notes that Prospect Leicestershire was, as of May 2010, determining how to respond to this issue. Since this time, Prospect Leicestershire has been disbanded, and it is therefore unclear how and by whom the implications of the over-supply of industrial land will be addressed. This should be seen in the context of work presented in this document which highlights the perceived oversupply as being subject to a number of caveats.

EAST MIDLANDS AIRPORT

5.5 In recognising East Midland Airport's status as one of the UK's major freight airports, the LLEA notes it has one of the largest catchment areas of all UK airports with over 10 million people living within a 90 minute drive. The importance of EMA is underlined by its freight hub which provides connection for non-UK companies to a range of markets across England.

RETAIL

5.6 The LLEA notes that the relatively small loss of expenditure outside the HMA boundary is primarily located within North West Leicestershire District and Melton Borough Councils. The LLEA states this is largely due to the main towns' proximity to Derby, Leicester and Nottingham, although the Council's 2005 Retail Capacity Study suggests this is only true of comparison retail. It states that convenience retail leakage is primarily accounted by supermarkets in Long Eaton, Swadlincote and Loughborough.

5.7 The leakage of expenditure at NWLDC and Melton Borough Council is similar and is important to note, in that the two main towns – Coalville and Melton Mowbray – are significantly different in terms of consumer attractiveness. It is to be expected that the implementation of retail planning permissions granted during 2010 and 2011 (noted in Table 19, above) will have an impact on this loss of expenditure.

6.0 EAST MIDLANDS AIRPORT

6.1 East Midlands Airport (EMA) is the UK's largest "pure freight" operator, carrying approximately one third of the UK's total pure freight (pure freight is that carried in dedicated freighter aircraft). Its economic role within the district is therefore significant in terms of jobs created and income generated. For every additional 1,000,000 passengers served, 650–750 jobs are created, while for every additional 100,000 tonnes of air freight handled, roughly 900 jobs are created at EMA alone.

6.2 EMA published their **Master Plan** in December 2006 in response to the government's **Air Transport White Paper** (ATWP) (published 2003). The Master Plan gives a strategic overview for proposed development at EMA from 2006 until 2030, but has no statutory function within the Council's Local Development Framework – rather, it forms part of the evidence base. The Masterplan, available online, summarised the airport's business and tourism contexts and scope for expansion:

- EMA is the UK's 11th largest passenger airport;
- 10.6 million people live within 90 minutes of EMA, the largest such catchment in the Midlands and one of the largest in the UK;
- EMA is the UK's largest "pure freight";
- Royal Mail's main airmail hub is located at EMA, while UPS and DHL have their main UK bases there;
- the express delivery industry, well-catered for at EMA, is one of the UK's fastest growing sectors;
- EMA employs 4,700 people and supports 10,200 in the region;
- EMA's catalytic impact on economic performance contributes £1.3bn to annual GDP, projected to rise to £5bn over the next 20 years;
- 10% of the region's surveyed businesses rely so heavily on EMA's overnight deliveries that those businesses would relocate should the service cease;
- 7,000 people are employed on over 100 businesses on or near the airport site;
- EMA supports 9,100 jobs in indirect and induced employment roles, projected to rise to 26,000 by 2030, and
- EMA's location away from large population centres, and strong local support for the airport's economic and tourism roles, makes it particularly suitable for geographical expansion.

Developmental issues outlined in the Masterplan are:

- Extension of the existing runway
- Expansion and improvement of existing terminal building
- Increased number of long-stay parking spaces
- Expansion of existing cargo and maintenance zones
- Expectation that all new development not intrinsically required to be at EMA be located at existing, nearby urban areas
- No need for a second runway has been quantified

6.3 The **Master Plan 2006 Monitoring and Implementation Report** ("the MI Report") (published July 2009) notes the **Progress Report on Air Transport White Paper** (published December 2006) showed the ATWP's air travel forecasts to be accurate, although this did not fully reflect the recession and slow period of economic recovery thereafter. The figures of freight carriage and passenger numbers are noted as being below the trend line required to meet the ATWP targets by 2016, although both have shown increases since 2004:

	2004	**2008**
Passenger Numbers (people)	4.4 million	5.6 million
Freight Carried (tonnes)	279 000 tonnes	295 000 tonnes

Table 16 – Changes in Freight and Passenger Carriage
Taken from EMA's Monitoring and Implementation Report

The MI Report notes that variations from the trend line are both common and expected, and that the latest Department for Transport projections (2009) indicate a growth in passenger numbers to between 7 million and 9 million passengers per annum. It is for this reason that EMA continues planning on this basis and continues implementing its 2006 Masterplan.

7.0 THE NATIONAL FOREST

ECONOMY AND EMPLOYMENT

7.1 Published in May 2010, **The Initial Assessment of the Costs and Benefits of the National Forest** provides an outline of the impact of the existence of The National Forest (TNF) within its boundary, with particular emphasis placed on the financial valuation of different types of land use. There is also a description of non-quantifiable benefits of TNF itself.

7.2 The report makes clear the benefits of future investment, both from public and private (i.e. developer) sources, into TNF area. These are primarily social but also economic in scope. Finances will be required to maintain the facilities in TNF as existing, but there is also a need to maintain a finance stream to ensure the ongoing benefits associated with coalfield regeneration. The economic role TNF has to play in the district is therefore well made[15].

TOURISM

7.3 Supporting The National Forest Company goal of 33% woodland cover across its geographic area is directly related to encouraging a diverse, sustainable and prosperous economy, through maximising The NFC's profile and activities within the district.

7.4 The NFC has produced a **Volume and Value of Tourism** report, providing details on the following outputs (all financial figures are annually indexed to represent true increases in expenditure):

• Tourism employment	3,948 jobs in 2003 4,422 jobs in 2008
• Visitor spending	£262.34m in 2003 £287.12m in 2008
• Day visitor expenditure	69% of total spend in the area in 2003 75% of total spend in the area in 2008
• Visitor numbers	6.77m visitors in 2003 7.97m visitors in 2008
• Overnight accommodation	3,110 bed spaces in 2003 3,607 bed spaces in 2008
• Overnight visitors (2008)	216,510 people stayed serviced accommodation 26,980 people stayed in non-serviced accommodation 303,030 stayed with friends or relatives

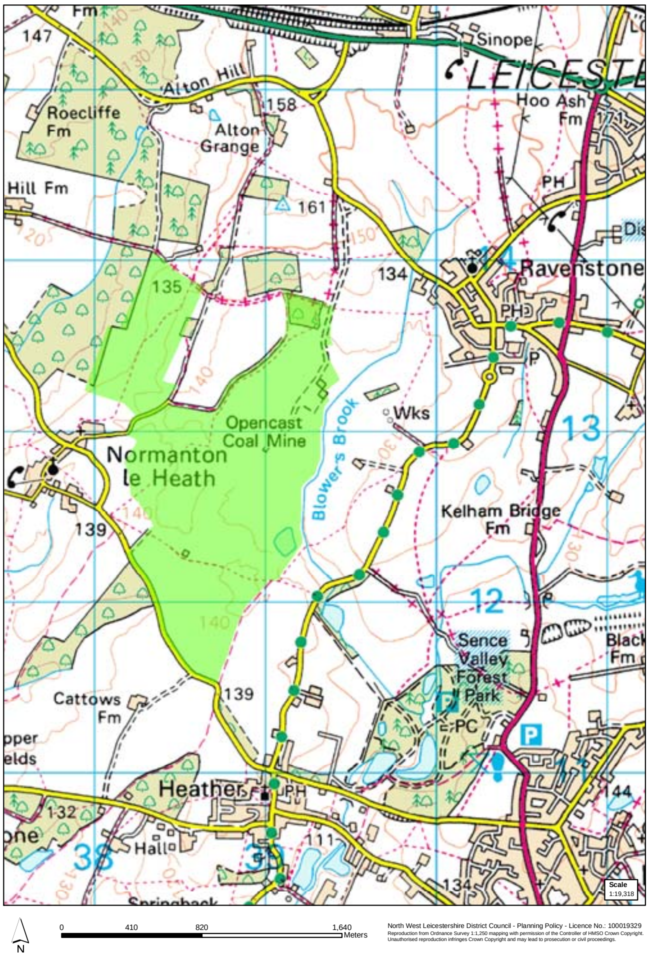
[15] The report states that: "Work to continue the expansion of the Forest and then maintain it to [the year] 2100 provides positive returns in spending taxpayers' money, and therefore the case for continued investment in the forest is sound" (Eftec 2010: 31).

These figures demonstrate increasing visitor spend, and increasing demand for accommodation, which the Council must consider as it prepares its Development Plan.

7.5 in The NFC's **A Vision and Action Plan for Sustainable Tourism in the National Forest – Final Report** notes the need for hotel and self-catering accommodation in TNF area, alongside the acknowledged success of the small number of such businesses already operating. While the report emphasises the need for self-catering accommodation over that of hotels, it also notes that almost half of all visitors to the National Forest are on business-related trips; this should be reflected when considering tourist accommodation need.

<u>JUBILEE WOODS – THE FLAGSHIP DIAMOND FOREST</u>

7.6 During 2011, the Woodland Trust announced it would be creating a 460 acre (186 hectare) forest to celebrate the Queen's 2012 Jubilee as part of their Jubilee Woods programme. This area, known as The Flagship Diamond Forest, is to be in the National Forest between Heather, Ravenstone and Normanton le Heath:



7.7 The Woodland Trust indicate that they intend this area to be the first of 60 such forests throughout the UK, and that they should all 'reflect the wider scope of woodland: from art and fuel to flood prevention and recreation, woods and trees have stronger significance in the 21st century than ever before' (Woodland Trust website, 2011). Such a nationally significant project is likely to generate important tourism and related economic activity in the District.

APPENDIX A

Use Classes Order (selected extract)

Use Class CODE	Use Class USES	Use Class DESCRIPTIONS
A1	Shops	Shops, Retail Warehouses, Post Offices, Ticket and Travel Agents, Hairdressers, Funeral Director & Undertakers, Domestic Hire Shops, Dry Cleaners, Sandwich Bars – Sandwiches or other cold food purchased and consumed off the premises, Internet Cafés and Cyber Cafés.
A2	Financial & Professional Services	Financial Services (Banks, Building Societies and Bureau de Change), Professional Services (excluding Health or Medical Services) (Estate Agents and Employment Agencies). Other Services – Betting Shops. Principally where services are provided to visiting members of the public.
A3	Restaurants & Cafés	Restaurants, Snack Bars and Cafés – Use for the sale of food for consumption on the premises.
A4	Drinking Establishments	Use as a public House, Wine-Bar or other Drinking Establishment. The primary purpose is the sale and consumption of alcoholic drink on the premises.
A5	Hot Food Takeaway	Use for the sale of hot food for consumption off the premises.
B1	Business	(a) Offices other than in a use within Class A2 (Financial & Professional Services). (b) Research and Development – Laboratories, Studios. (c) Light industry.
C1	Hotels	Hotels, Boarding Houses & Guest Houses. Development falls within this class if ‘no significant element of care is provided’.
D1	Non-Residential Institutions	Medical & Health Services, Crèche, Day Nursery, Day Centres, Museums, Public Halls, Libraries, Art Galleries, Exhibition Halls, Non-residential Education and Training Centres, Places of Worship, Church Halls, Law Courts.
D2	Assembly & Leisure	Cinemas, Concert Halls, Sports Halls, Swimming Baths, Skating Rinks, Gymnasiums, Bingo Halls. Other Indoor and Outdoor Sports and Leisure Uses, not involving motorized vehicles or firearms.
Sui Generis		There are many uses that are not specifically categorized by the four main uses classes. These uses are classified as sui generis. For example: Petrol Stations, Retail Warehouse Clubs, Amusement Arcades, Launderettes, Taxi or Vehicle Hire Businesses & the Selling and Displaying of Motor Vehicles, Nightclubs, Theatres, Hostels, Builders Yards, Scrap Yards, Casinos.

APPENDIX B

<u>Summary of Assessment of Employment Sites Report (published 2010)</u>

Site	Status and Use Class	Recommendation and Analysis	Site Area with potential for release (Ha)
High Quality Employment Sites			
Ashby Business Park, Ashby	Under Construction	**Retain**; site best suited for B1 uses	-
Pegasus Business Park, Castle Donington	Under Construction	**Retain** solely for airport-related uses	-
All Other Employment Sites			
Swainspark, Albert Village	Local Plan Allocation	**Release to other uses or consider a return to scrubland**	5.00
Arla Dairy, Ashby	Existing employment site	**Retain**	-
Flagstaff Industrial Estate, Ashby	Existing employment site	**Retain**	-
Ivanhoe Business Park, Ashby	Under Construction	**Retain** for medium- to long-term; site is poorly linked to major employment areas, the M1 and the three cities and, as such, minimal take-up can be expected even when the market recovers	-
The Maltings, Ashby	Existing employment site	**Retain**	-
Nottingham Road, Ashby	Existing employment site	**Retain**	-
Smisby Road Industrial Estate, Ashby	Existing employment site	**Retain**	-
Standard Soap Factory, Ashby	Existing employment site	**Retain**; if current occupier wishes to relocate, then release to other uses could be considered	-
Bardon (B128), Bardon	Under Construction	**Retain**	-
Bardon Lodge, Bardon	Existing employment site	**Retain**; includes a number of high-quality, modern industrial units and ancillary offices	-
Interlink, Bardon	Under Construction	**Retain**; strong market interest	-
Stardust, Bardon	No status (Outline PP expired in 2009)	**No recommendation**; represents a “good investment opportunity”	0.88
East Midlands Distribution Centre, Castle Donington	Under Construction	**Retain**; significant land remains but some speculative units are already occupied	-
Station Close, Castle Donington	Existing employment site	**Retain**; site’s units meet a market requirement for affordable industrial premises	-
Trent Lane,	Existing	**Retain**	-

Castle Donington	employment site		
Willow Farm, Castle Donington	Under Construction	**Retain**; well-occupied	-
Cropston Drive, Coalville	Existing school and employment site	**Retain**; there is market interest and the site is unlikely to come forward without public subsidy	-
Hermitage Industrial Estate, Coalville	Existing employment site	**Retain**	-
Highfields Street, Coalville	Existing employment site	**Retain**; most units in good order and occupied	-
Marcroft, Coalville	Existing employment site	**Retain**	-
Market Street / Baker Street, Coalville	Existing employment site	**Consider for release to other uses**; quality of location and premises is poor and medium- to long-term vacancy is to be expected. Redevelopment for employment uses remains a possibility	3.54
Old Station Close, Coalville	Existing employment site	**Retain**; mostly occupied and generally fit for purpose	-
Owen Street, Coalville	Existing employment site	**Retain**; most units in good order and occupied. Potential for some intensification	-
Scotlands Industrial Estate, Coalville	Existing employment site	**Retain**; most units in good order and occupied	-
Stephenson Industrial Estate, Coalville	Existing employment site	**Retain**	-
Terex Pegson, Coalville	Existing employment site	**Retain**; only one third of site required by current occupier, but market interest is good	-
Whitwick Business Park, Coalville	Existing employment site	**Retain**	-
TNT, Coleorton	Existing employment site	**Retain**	-
East Midlands Airport [east]	Existing employment site	**Retain** solely for airport-related uses	-
East Midlands Airport [west]	Existing employment site	**Retain**	-
Pall-Ex, Ellistown	Existing employment site	**Retain**	-
South Leicester Industrial Estate, Ellistown	Existing employment site	**Retain**	-
Dawson's Yard, Heather	Existing employment site	**Retain**; if current occupier wishes to relocate, then release to other uses could be considered providing the poor relationship with surrounding development is addressed	-
Ashburton Road,	Existing employment site	**Retain**; if current occupier wishes to relocate, then release to other uses could be considered –	-

Hugglescote		but only if the site is unsuccessfully marketed for a substantial period	
Brookside Industrial Estate, Ibstock	Existing employment site	**Retain**	-
Computer Centre, Kegworth	Existing employment site	**Retain**; redevelopment for uses other than office would need to demonstrate why retention for office uses is non-financially viable	-
Cott Beverages, Kegworth	Existing employment site	**Retain**	-
Slack and Parr, Kegworth	Existing employment site	**Retain**	-
Lount Works, Lount	Existing employment site	**Retain**; if current occupier wishes to relocate in the short-term, then release to other uses could be considered	-
Extension to Westminster Industrial Estate, Measham	Under Construction	**Retain**; prominence is low and market interest limited and, while the undeveloped land should be retained, the site may not be required	-
Tamworth Road, Measham	Existing employment site	**Retain**	-
Marquis Drive (Rawdon Colliery), Moira	Existing employment site	**Retain**	-
Oaks Industrial Estate, Ravenstone	Existing employment site	**Retain**	-
Church Lane, Whitwick	Existing employment site	**Retain**; if current occupier wishes to relocate, then release to other uses could be considered	-
Occupation Lane, Woodville Woodlands	Existing employment site	**Release to other uses could be considered** for derelict part of site	1.09
Woodville Woodlands	No status (Outline PP expired in 2009)	**Release of all or part of site could be considered**	4.83
		Total considered appropriate for release (irrespective of caveats)	**15.34**

Jobs in North West Leicestershire District by Sector, 1995-2008

All - Numbers	Manufacturing	Construction	Distribution, Hotels and Restaurants	Transport and Communications	Finance, IT and Other Business Activities	Public Admin, Education and Health	Other Services	Tourism-related	All
1995	15,800	2,200	7,500	5,000	4,100	4,400	900	2,400	**42,300**
1996	15,300	1,700	7,700	5,100	3,200	4,300	1,200	2,200	**40,700**
1997	14,300	2,000	7,800	5,600	3,200	4,900	1,200	2,400	**41,400**
1998	9,800	3,200	7,900	5,400	4,100	5,000	1,000	2,300	**38,700**
1999	9,100	1,900	8,100	6,300	4,400	5,100	1,300	2,400	**38,600**
2000	10,400	2,900	8,100	6,000	4,400	4,600	1,200	2,400	**40,000**
2001	9,800	3,400	9,700	6,200	6,000	4,900	1,300	2,500	**43,800**
2002	9,800	3,200	10,100	6,800	5,200	5,100	1,200	2,600	**44,000**
2003	9,400	3,100	10,300	7,600	5,300	5,800	1,200	2,500	**45,200**
2004	8,600	3,000	10,600	7,800	7,100	6,500	1,300	2,600	**47,500**
2005	8,100	3,500	10,900	8,000	7,600	6,800	1,600	2,900	**49,400**
2006	8,400	4,400	11,100	8,500	6,900	6,800	1,500	3,000	**50,600**
2007	8,400	3,400	11,400	8,400	9,000	6,100	1,500	3,200	**51,400**
2008	8,200	3,300	10,900	8,500	9,300	7,100	1,700	3,400	**52,400**
Change	**-7,600**	**1,100**	**3,400**	**3,500**	**5,200**	**2,700**	**800**	**1,000**	**10,100**
%age Change	**-48.10%**	**50.00%**	**45.33%**	**70.00%**	**126.83%**	**61.36%**	**88.89%**	**41.67%**	**23.88%**

15,800	Highest recorded figure
8,100	Lowest recorded figure

Table C1a – Jobs in North West Leicestershire District (Numbers)
Taken from Annual Business Inquiry (NOMIS)

Percentage Employed by Sector in North West Leicestershire District, 1995-2008

All - Percentages	**Manufacturing 1995 - 2008**	**Construction 1995 - 2008**	**Distribution, Hotels and Restaurants 1995 - 2008**	**Transport and Communications 1995 - 2008**	**Finance, IT and Other Business Activities 1995 - 2008**	**Public Admin, Education and Health 1995 - 2008**	**Other Services 1995 - 2008**	**Tourism-related 1995 - 2008**	**All**
1995	37.35%	5.20%	17.73%	11.82%	9.69%	10.40%	2.13%	5.67%	**100.00%**
1996	37.59%	4.18%	18.92%	12.53%	7.86%	10.57%	2.95%	5.41%	**100.00%**
1997	34.54%	4.83%	18.84%	13.53%	7.73%	11.84%	2.90%	5.80%	**100.00%**
1998	25.32%	8.27%	20.41%	13.95%	10.59%	12.92%	2.58%	5.94%	**100.00%**
1999	23.58%	4.92%	20.98%	16.32%	11.40%	13.21%	3.37%	6.22%	**100.00%**
2000	26.00%	7.25%	20.25%	15.00%	11.00%	11.50%	3.00%	6.00%	**100.00%**
2001	22.37%	7.76%	22.15%	14.16%	13.70%	11.19%	2.97%	5.71%	**100.00%**
2002	22.27%	7.27%	22.95%	15.45%	11.82%	11.59%	2.73%	5.91%	**100.00%**
2003	20.80%	6.86%	22.79%	16.81%	11.73%	12.83%	2.65%	5.53%	**100.00%**
2004	18.11%	6.32%	22.32%	16.42%	14.95%	13.68%	2.74%	5.47%	**100.00%**
2005	16.40%	7.09%	22.06%	16.19%	15.38%	13.77%	3.24%	5.87%	**100.00%**
2006	16.60%	8.70%	21.94%	16.80%	13.64%	13.44%	2.96%	5.93%	**100.00%**
2007	16.34%	6.61%	22.18%	16.34%	17.51%	11.87%	2.92%	6.23%	**100.00%**
2008	15.65%	6.30%	20.80%	16.22%	17.75%	13.55%	3.24%	6.49%	**100.00%**

37.59%	Highest recorded percentage
15.65%	Lowest recorded percentage

Table C1b – Jobs in North West Leicestershire District (Percentages)
Taken from Annual Business Inquiry (NOMIS)

Strategy Policy 2A of the Leicester, Leicestershire and Rutland Structure Plan (adopted 2005) sets out the hierarchical priorities for employment land development. In respect of the location and amount of employment land starts recorded in Table 2 of this Background Paper, the Council can currently demonstrate compliance only with part "f" of Policy 2A, which reads in full:

Strategy Policy 2A

A sequential approach towards the location of development

Land for development will be allocated in development plans in the following priority order:

(a) Previously developed land and buildings within or adjoining the central area of Leicester and the town centres of the Main Towns (Ashby, Coalville, Hinckley/Earl Shilton, Loughborough, Lutterworth, Market Harborough, Melton Mowbray, Shepshed, Oakham and Uppingham);

(b) Previously developed land and buildings elsewhere within the Leicester and Leicestershire Urban Area and the Main Towns;

(c) Other land within the Leicester and Leicestershire Urban Area and the Main Towns;

(d) Land adjoining the Leicester and Leicestershire Urban Area and the Main Towns, particularly where this involves the use of previously developed land;

(e) Land within or adjoining Rural Centres, or other settlements which are or will be well served by public transport, particularly where this involves the use of previously developed land; and

(f) In other locations, subject where relevant to the considerations in Strategy Policies 5, 6 or 8.

Employment Policy 6 of the Structure Plan set the criteria within which the Castle Donington Power Station site was allocated for rail-freight distribution use.

Employment Policy 6

Storage and distribution

The use of employment land for storage and distribution purposes (Use Class B8) will be permitted on sites with good access to the Principal Road Network and provided that:

(a) Development would not cause unacceptable environmental consequences; and

(b) Any potential for development to be served by rail or water freight, to meet current needs and those which may emerge in the future, is maximised.

East Midlands Regional Plan sets out the broad development strategy for the East Midlands Area. Policy 12 provides the distribution of development which should be followed in the Three Cities Sub-Area (that is, Derby, Leicester and Nottingham):

Policy 12

Development in the Three Cities Sub-area

Development should support the continued growth and regeneration of Derby, Leicester and Nottingham, and maintain and strengthen the economic, commercial and cultural roles of all three cities in accordance with the policies and proposals in Section 4.2 below. This will be achieved by ensuring that the agreed Growth Point Programme of Delivery for the 3 Cities and 3 Counties is achieved both in overall numbers of dwellings and in the agreed phasing of development and that provision is made for:

- *a mix of housing types;*
- *a balance in the provision of jobs and homes within and adjoining urban areas to reduce the need to travel;*
- *employment land to meet the needs of indigenous manufacturing and distribution uses and to encourage new investment;*
- *regeneration of deprived inner urban areas and outer estates;*
- *enhancement of transport links and public transport accessibility both within and between the cities, to reduce car use, especially commuting;*
- *retailing, office, residential, entertainment and service uses within central areas, to provide for a mix of uses to support the vitality and viability of the city centres; and*
- *the protection, development and enhancement of green infrastructure to address past environmental degradation and contribute to the development of sustainable communities.*

Outside Derby, Leicester and Nottingham, employment and housing development should be located within and adjoining settlements. Such development should be in scale with the size of those settlements, in locations that respect environmental constraints, in particular the River Mease Special Area of Conservation, and the Derwent Valley Mills World Heritage Site, and the surrounding countryside, and where there are good public transport linkages.

Development associated with East Midlands Airport should be focussed where possible in surrounding urban areas, in particular the Principal Urban Areas of Derby, Leicester and Nottingham and the Sub-Regional Centre of Loughborough.

ANALYSIS OF "THE PACEC STUDY"

E.1 The **Leicester and Leicestershire Housing Market Area Employment Land Study**, published by Public and Corporate Economic Consultants in October 2008 and commissioned by The Leicester Shire Economic Partnership (hereafter 'the PACEC Study') covers Leicester and Leicestershire, and provides district-specific assessments of employment land supply. The PACEC Study was, as of 2011, the most up-to-date document the Council then had which provided an assessment of employment land in the district. As noted in paragraphs 3.24 to 3.26 inc., following an officer review of the findings of PACEC Study it became clear that new work was required, and the summary of this work is provided at paragraphs 3.31 to 3.35 inclusive.

For completeness, the extensive review of the PACEC Study is provided here under the following headings:

- Introduction to the Study
- Conclusions in the Study
  - Employee numbers
  - Renewal
  - Overall supply
  - Recommended level of allocation
- Assessment of the Study
  - Pegasus Business Park
  - Forecasting
  - Renewal
  - Employment land losses (actual and potential)
  - Employment land commitments
  - Other matters
- Conclusions: Future Need

Following the assessment of the Study will be a concluding subsection which outlines the potential future needs for employment land in the district based on all the subsections of this chapter dealing with B128 employment land. The issue of Strategic Distribution is discussed separately.

Introduction to the Study

E.2 A complex brief required the PACEC Study to review existing employment land and premises, and also to review supply and demand forecasts, to provide advice on potential employment land allocations based on an estimation of a supply and demand gap. This required the consultants to analyse these themes within the constraints of what the market can deliver, to ensure sustainable development and to create a locally prosperous and distinct economy. The overall intention was to develop an HMA-wide approach which assessed need across local authority boundaries.

E.3 In responding to the brief, the PACEC Study relied on a wealth of data from a wide variety of sources. 23 separate studies, data sources and organisations provided the PACEC Study with its qualitative and quantitative data, including the

Office of National Statistics, Experian, Invest Leicestershire and all eight Local Planning Authorities in the county[16].

E.4 The Council provided details in respect of employment land commitments as at March 2007, which was used as the Study's baseline data. The district's employment land status as at March 2007 is set out below:

	Employment land commitments as at March 2007							
	Ashby	**Castle Donington**	**East Midlands Airport**	**Coalville**	**Bardon**	**Measham**	**Elsewhere**	**Total**
Planning Permissions (hectares)	16.52	44.26	14.61	2.68	17.11		7.72	**102.90**
Allocations (hectares)		2.80			2.93	11.76	3.10	**20.59**
Total (hectares)	**16.52**	**47.06**	**14.61**	**2.68**	**20.04**	**11.76**	**10.82**	**123.49**
Percentage	13.38%	38.11%	11.83%	2.17%	16.23%	9.52%	8.76%	100%
Aggregated Total (hectares)	**16.52**	**61.67**		**22.72**		**11.76**	**10.82**	**123.49**
Aggregated Percentage	13.38%	49.94%		18.40%		9.52%	8.76%	100%

Table E1 – Employment Land Commitments by Settlement
As at March 2007

Conclusions in the Study

Employee Numbers

E.5 Experian data which projected employee numbers was agreed by both *emda* and the Leicester Shire Economic Partnership (LSEP) as being the most appropriate to use for the purpose of projecting future levels of employees at the time of the PACEC Study's preparation. The figures used for the period 2008 – 2016 are also used to project employee growth between 2016 and 2026:

[16] The other sources of information and data, in order in which they appear in the PACEC Study, are: the 2001 Census, PACEC's own data sources, the Draft RSS for the East Midlands, the East Midlands Regional Plan, Roger Tym and Partners, the East Midlands Strategic Distribution Study, the Annual Business Inquiry, the Annual Population Survey, Floorspace Statistics (published by the Office of the Deputy Prime Minister), DTZ Pieda, the East Midlands Land Provision Study and Leicestershire County Council.

NWLDC	Employees by year			Employee increase	
	2007	**2016**	**2026**	**2007 – 2016**	**2007 – 2026**
	55,100	59,100	61,000	4,100	5,900

Table E2 – Employee Numbers, Existing and Projected
Based on Experian forecast data

The employment land forecasts, and assessment of supply (see 3.30 below), are based on this Experian data which projects estimated rates of employee growth for the period 2008 to 2026[17].

Renewal

E.6 The PACEC Study makes an allowance for "renewal", which they define as the modernisation of obsolete or ageing premises, for each type of employment land. These levels are not based on any evidence, although the rates of renewal set out below are determined by an assessment of the age and market attractiveness of the existing stock in the HMA, in addition to a projected rise in fuel prices and environmental standards:

	Offices	**Industrial**	**Warehousing**
Level of renewal	Medium	Medium	Medium
Annual rate of renewal	1.00%	0.75%	1.00%
% on previously undeveloped employment land	50%	50%	75%

Table E3 – Renewal Rates for Employment Land
Annually and by Business Use Class

The outcome is that, of the 650 hectares of existing employment land in the district, the PACEC Study assumes that roughly 6 hectares (i.e. between 0.75% and 1.00% of those 650 hectares) will be subject to renewal annually.

Overall supply

E.7 Based on the change in jobs in employment forecasts, the PACEC Study considers that North West Leicestershire has a significant overprovision of B2 industrial land (41.40 hectares), a small overprovision of B1 office land (4,318 square metres) and a negligible under-provision of B8 warehousing land (0.5 hectares) over the period 2007-2026. Full details are in table 9, below, where positive figures indicate an oversupply and the negative figure an undersupply. The figures are based on two assumptions: firstly, that all employment land commitments as at March 2007 will be built out to their fullest extent by 2026.

[17] These rates of employment growth or contraction are based on the Experian forecasts published in 2008 and for the period 2008 to 2016. If a sector is predicted to expand or contract during 2014-16, but by an increasing or decreasing amount compared to 2008-2013, the PACEC Study forecasts expansion or contraction for 2016-2026 based on that increasing or decreasing amount, rather than a long-term forecast based on the 2008-2016 projection figures.

Secondly, that Pegasus Business Park be excluded from the figures for office provision owing to its inclusion in the East Midlands Airport Masterplan for airport operational uses.

	Offices (sqm)	Industrial (ha)	Warehousing (ha)
Demand	36,884	10.0	57.0
Supply	99,642	51.4	56.5
Gap	62,758	41.4	-0.5
Effective[18] Supply	41,202	51.4	56.5
Effective Gap	**+4,318**	**+41.4**	**-0.5**

Table E4 – Supply and demand gap (analysis)
From 2007 to 2026. Taken from the PACEC Study

E.8 Alongside this assessment of supply, the Study notes that the smaller, infill sites in the district – i.e. commitments other than East Midlands Distribution Centre – cannot be relied upon to deliver land since they are generally in single ownership and thus tied to specific uses. As at April 2011, the East Midlands Distribution Centre comprised nearly 25% of all employment land commitments in the district (20.39 of 87.25 hectares). The issue, therefore, is that approximately 75% of the district's current employment land commitments cannot be relied upon to deliver employment land.

Recommended level of allocation

E.9 The PACEC Study notes that where predicted supply figures and demand figures are proportionate, supply is often inadequate to meet demand: a Local Planning Authority should plan "flexibly". The PACEC Study argues that such an approach justifies its recommending the inclusion within Coalville's proposed Sustainable Urban Extensions (SUEs) of 20–25 hectares of employment land. Details on this can be found in the **East Midlands Northern Sub Region Employment Land Review** (published by Arup)[19], supported by the 2006 **East Midlands Land Provision Study** (published by Roger Tym and Partners).

Assessment of the Study

E.10 The conclusions outlined above are based on a number of assumptions, the appropriateness of which are considered in this section.

Pegasus Business Park

E.11 The assumption that all undeveloped land at Pegasus Business Park be removed from the office supply figures is consistent with the East Midlands Airport

[18] "Effective" is used to indicate that the supply figure takes into account commitments which are not likely to be taken forward into Development Plan Documents. This ensures a more realistic figure is used in assessing supply.
[19] The Review states that: 'it is standard practice to allow for a degree of flexibility or "margin of choice" in the allocations by applying a stated factor into the demand calculations. Determining a robust figure is not an exact science, and will (due to the lack of specific studies on the matter) always be subject to a certain degree of subjectivity. Past studies have used a range of figures to represent flexibility' (p.116).

Masterplan, which proposes the land be used as "Passenger Ancilliary Facilities and Car Parking". The EMA Masterplan intends that, by 2016, this land will be within the Airport Operational Area (currently, it is not).

Forecasting

E.12 There is concern that the forecasting of a ten year period (that of 2016-2026) is based on an eight year period (2008-2016), particularly as these projections form the basis of expected employment land requirements. These estimates produce the second largest increase of employee numbers amongst authorities in the HMA, and the impact for planning on the basis of this assumption, should it prove inaccurate, will be significant on both a district and HMA level.

E.13 The **Leicester and Leicestershire Housing Requirements Project** (the L&LHRP), published September 2011, estimates significantly different figures for the total number of jobs within the district. The PACEC Study estimates 55,100 jobs in the district as at 2007 while the L&LHRP estimates 46,720 jobs in the district as at 2006. Even under the highest of its employment growth forecasts, the L&LHRP projects only 51,392 jobs in the district by 2031 while the PACEC Study projects 61,000 jobs in the district by 2026. While a direct comparison is inappropriate given the different sources of data used[20], the size of the discrepancy raises doubts about the PACEC Study's estimate of required employment land provision in the district.

Renewal

E.14 For clarity, the PACEC Study defines renewal as 'the modernisation of obsolete or ageing premises', and assumes that, depending on the sector, between 50% and 75% of renewal will take place on PDL, and the Study implicitly assumes between 25% and 50% of that renewal will take place on greenfield land. It is not clear how renewal can take place on greenfield land. Land on which employment buildings sit is by definition previously developed and hence not greenfield.

E.15 The PACEC Study itself acknowledges that there is no basis for any of its assumptions in respect of renewal rates. It is impossible to accurately estimate the amount of employment land that will be subjected to renewal since the Council has no accurate assessment of how much of each type of employment land is represented in the (estimated) figure of 650 hectares given above.

E.16 There is a link between renewal and the findings of the Assessment of Employment Sites (2010). The AES indicates those employment sites in the district which (a) could benefit from modernisation, and (b) could potentially be released to other uses. In respect of this link, it is considered that renewal as an issue will be considered as part of the loss of employment land (see below).

Employment land losses (actual and potential)

E.17 The PACEC Study does not explicitly take into account specific losses of employment land. In acknowledging that the RSS requires losses to be monitored and managed, and that losses will occur during the Plan period, and that losses are taken into account in recommending its 20-25 hectare allocation,

[20] While the PACEC Study uses Experian projections, the L&LHRP uses Census and Annual Population Survey data in calculating their estimates.

the Study neglects to quantify these losses. Working on this basis provides no clear mechanism for identifying an allocation of any size.

E.18 As the PACEC Study assesses the status of employment land as of March 2007, it is important to note the losses of employment land since that date. Losses prior to this are also reported to provide a longer-term overview. All losses are entirely due to housing development. This highlights that government planning policies direct new housing development to previously-developed land, and also that employment land users are willing to move to other locations. The full losses for the district are 23.57 hectares for the 19 year period from 1991/92 to 2010/11:

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

Table E5 – Employment Land Losses by Settlement
1991/92 to 2010/11 by financial year

This is separate to the issue of "renewal" discussed earlier. Clearly, if the rate of employment land losses continues as above (an average annual loss of 1.24 hectares over 19 years), there will be a reduced overall amount of, and therefore a greater demand for new, employment land in the period up to 2026. It is important to take into account the findings of the AES, which highlighted 15.34 hectares of employment land that might be released to other uses. Although it is not possible to determine the location of future losses, it is appropriate to assume a continuation of this annual loss of 1.18 hectares of employment land from 2010/11 to 2030/31 (totalling approximately 25 hectares).

E.19 Clearly, there is some conflict between the AES recommending all but 15.34 hectares of the district's employment land be protected from release to other uses and an annualised future loss of employment land totalling 25 hectares over the plan period. This issue will need considering further as the Council considers future employment land provision levels.

Employment land commitments

E.20 Failing to recognise the possibility of planning permissions lapsing on employment land – although an issue unlikely to significantly impact on the strategic approach to employment land – introduces uncertainty over the PACEC Study's findings.

E.21 The PACEC Study assumes that all employment land commitments as of March 2007 will be built to their fullest extent by 2026. This is a sizeable assumption, not least since the Study also acknowledges that most of the district's employment sites are in single ownership and are therefore cannot be guaranteed to deliver land. If all employment land commitments as of March 2007 are not fully built out by 2026, the PACEC Study's assessment of future need – which was based on these commitments being fully built out – must be incorrect. To date, 5.71 hectares of employment planning permissions have already expired since the publication of the PACEC Study in 2008.

Additionally, some land which the PACEC Study considered as being available for development can only be used for landscaping. Details are set out below:

Site	Permission Expired (hectares)	Landscaping (hectares)
Flagstaff 42, Ashby		0.70
Bardon Lodge, Bardon		1.08
Stardust, Bardon	0.88	
Former Coalville Brickworks, Coalville		2.60
Former Rawdon Colliery, Moira		0.99
Woodville Woodlands, Woodville	4.83	
Total	**5.71**	**5.37**
Overall Total	**11.08**	

Table E6 – Employment Land Expired and Given Over to Landscaping
Since March 2007

Similarly to the issue of employment land losses above, the lapsing of planning permissions and giving over of land to landscaping will result in a reduced overall amount of employment land in the period up until 2026.

E.22 There is the potential for double counting losses in considering these figures and looking at an appropriate level of allocation to pursue in the LDF. There is no way of accurately predicting, for example, (a) the extent to which the expirations in Table 11, above, have already been considered by PACEC in their calculations behind the recommended allocation of 20-25 hectares at Coalville, and (b) whether the sites recommended for release to other uses in the AES should be considered separately from, or in conjunction with, the average annual rate of employment land losses (see Table 10, above).

E.23 Despite this, it is worth considering that a planning permission expiry can indicate a lack of market interest in the type of employment land and/or labour supply at the location itself. In short, it may not be necessary to replace employment land lost through expiration or landscaping with a similar kind of employment land in the same place.

Other matters

E.24 The PACEC Study argues that the smaller, infill sites in the district – i.e. those other than East Midlands Distribution Centre – cannot be relied upon to deliver land since they are generally in single ownership and thus tied to specific uses. Officers are not in a position to corroborate this assumption, but there is inconsistency between this and the implicit assumption that all employment land commitments will be built to their fullest extent by 2026.

E.25 Its study area being that of the entire HMA, North West Leicestershire-specific research and findings in the PACEC Study are limited. Thus, the issues raised above in respect of 25% of the district's employment land commitments being on one site at Castle Donington are not addressed. A significant amount of employment land at Castle Donington is also inconsistent with Regional Plan Policy 12[21], which outlines the distribution of new development in the Three Cities Sub-Area[22]. While there is some conflict with identifying the majority of housing land at Coalville and the majority of available employment land elsewhere in the district, the constraints on land at Castle Donington are such that making proportionate provision for both employment and housing land there is not possible.

Conclusions: Future Need

E.26 Table E7, below, aims to consolidate the above issues raised in relation to the PACEC Study such that a more accurate assessment of future employment land needs is made. To avoid double counting, the sites recommended for release to non-employment uses in the AES 2010 are assumed to be accommodated within the "Future Losses" section, as is the issue of renewal.

E.27 Since the Council's plan period is now to be extended until 2031, it is appropriate to pro rata extrapolate a future losses figure. The average annual loss of 1.18Ha (see Table E5, above), multiplied by the 19 years remaining of the plan period (2012 to 2031) results in a projected loss of 23.56 hectares of employment land.

E.28 In basing its findings on data which was incomplete, the PACEC Study failed to take account of the losses outlined above. Having regard to the actual and potential losses, it is considered that these should be taken account of in addition to the PACEC Study's recommended allocation when assessing the future need for employment land in the district. The following table sets out the potential requirement for employment land in the district:

Source of Change	**Hectares**
Suggested allocation in the PACEC Study	22.50*
Planning permission expiration and employment land given over to landscaping between April 2007 and March 2011	16.08
Employment land lost to non-employment uses between April 2007 and March 2011	4.66
Future losses	23.56
Potential requirement for new employment land	**66.80**

* this figure is used since the PACEC Study is not more specific than "20-25 hectares"

Table E7 – Employment Land – Change
Accounting for issues discussed above

[21] The full text of East Midlands Regional Plan Policy 12 can be found at Appendix D.
[22] That is, the cities of Derby, Leicester and Nottingham and the area in between.

E.29 This indicates the potential need to plan for approximately 65 hectares of new employment land during the plan period, of which approximately 25 should be located within an SUE at Coalville.

E.30 It is not appropriate to outline changes in specific settlements as this would give a false impression of the employment land situation on three fronts:

- there is no way of telling where the assumed losses of 23.56 hectares will take place in the district, and also whether or not this figure is accurate;
- treating actual losses and potential losses as the same introduces uncertainty (actual losses have taken place while potential losses are only predicted to do so), and
- specifically to Coalville, it could be assumed that those hectares of actual and potential losses of employment land in the town should be added to the suggested allocation 20-25 hectares – there is no evidence to back up such an approach and the assumption should therefore be avoided.

E.31 Table E7 (above) sets out what would, if officers were minded to take the PACEC Study's recommendations forward, be the potential requirement for new employment land based on the critique of the PACEC Study's findings.

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