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MEMORANDUM OF UNDERSTANDING

North West Leicestershire District Council Publication
Local Plan

Iceni Projects Limited & North West
Leicestershire District Council

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NORTH WEST
LEICESTERSHIRE DISTRICT
COUNCIL

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MEMORANDUM OF UNDERSTANDING
NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL
PUBLICATION LOCAL PLAN

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A1. DRAWING 042: EMPLOYMENT AREAS

1. INTRODUCTION

1.1 This Memorandum of Understanding ('MoU') has been prepared by Icen Projects Limited ('Icen'), on behalf of the Money Hill Consortium (MHC), and North West Leicestershire District Council ('NWLDC') as a position statement of the parties in respect of Policy Ec2 – Employment allocations: new allocations of the NWLDC Publication Local Plan June 2016 ('the Local Plan').

1.2 Policy Ec2 of the Local Plan states:

Land north of Ashby de la Zouch (Money Hill) is allocated for employment development up to 16 Ha subject to the following:

- (a) The provision of vehicular access to the A511 in conjunction with the adjoining housing development proposed under policy H3a and;***
- (b) The provision of employment units of varying sizes to meet the needs of a wide range of employers and;***
- (c) The provision of appropriate landscaping, planting and other features so as to minimise the impact upon the adjoining housing development proposed under Policy H3a as well as the impacts on the wider landscape and biodiversity and;***
- (d) Design and layout of the proposed development should minimise the impact upon the setting of Ashby de la Zouch Conservation Area and the Ashby Castle Scheduled Ancient Monument;***
- (e) The provision of cycle and walking links to the adjoining housing development proposed under Policy H3a and;***
- (f) The provision of green infrastructure links, providing both a ecological connectivity and footpath and cycle links, within the development and to the wider area and;***
- (g) Provision for a discharge of wastewater into the Mease catchment in accordance with the provisions of Policy En2. Development which does not meet these provisions will not be permitted. In addition, development will not be permitted until a second 'development window' for the Developer Contributions Scheme has been agreed.***

1.3 The Local Plan was submitted for independent examination by an Inspector on 4 October 2016. The Inspector will determine whether the plan is sound and complies with all legal requirements, including whether it is positively prepared; justified; effective; and consistent with national policy.

1.4 In order to reach sound conclusions on the employment policies within the Local Plan, the Inspector has raised the following question (Matter 6c):

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

1.5 Policy Ec2 of the Local Plan relates specifically to land north of Ashby-de-la-Zouch, known as Money Hill. The proposed areas of land identified on the Proposals Map for employment development form part of a wider land holding by the MHC, which equates to 118 hectares. The extent of this holding is illustrated on the drawing at [Appendix A]. In addition to the allocation of 16 hectares of employment land, the site is also the focus of strategic housing development and the provision of social infrastructure to meet the needs of the current and future population.

1.6 The wider Money Hill site has been identified in previous iterations of the Local Plan as the preferred location for the future growth of Ashby-de-la-Zouch. This is supported by a Sustainability Appraisal of the NWLDC Local Plan that assesses, amongst other things, the sustainability credentials of the Money Hill site. The appraisal also looks at alternative options although these are discounted on the grounds that they are not as sustainable as Money Hill. This includes land to the south of Ashby.

1.7 The land parcels identified on the Proposals Map for future employment development and which are the subject of Policy Ec2 therefore need to be considered in the context of the overarching objectives for sustainable development having regard to the economic, social and environmental dimensions of this and the need for NWLDC to balance the employment, housing and social infrastructure needs of Ashby-de-la-Zouch and its catchment over the Local Plan period.

1.8 This is particularly important given that the supporting text to Policy Ec2 advises:

“An issue in recent years in Ashby de la Zouch has been the loss of employment land to other uses, principally housing. Therefore, it is considered that making further in Ashby de la Zouch would help to offset some of these losses. On the basis of this assessment we concluded that it would be appropriate to allocate land north of Ashby de la Zouch as part of a comprehensive, mixed use development involving housing.”

1.9 This MoU is intended to represent the joint positions of the MHC and NWLDC in support of the allocation of Money Hill and to respond positively to the question raised by the Inspector. It should not be interpreted as a binding agreement and it does not create obligations between the parties.

2. THE SITE

- 2.1 The site at Money Hill comprises c.118 hectares of land primarily in agricultural use and it is designated on the Proposals Map of the extant development plan as within a 'Countryside' location and thus outside the limits to built development. It is located immediately beyond the north-east boundary of Ashby-de-la-Zouch, a historic market town which provides an extensive range of shops, facilities and services.
- 2.2 The site is principally controlled by the MHC which is made up of Cogent Land LLP, Bloor Homes and Taylor Wimpey Plc. Miller Homes also have a small interest in respect of land off Woodcock Way (Nottingham Road) but this does not include any of the proposed employment land.
- 2.3 The site is enclosed to the north and east by the A511, a single carriageway road that links Markfield (Leicestershire) and Foston (South Derbyshire). The A511 has a junction with the A42 (J13), which provides access to the M1 Motorway and East Midlands International Airport, a short distance to the north-east, and access to the West Midlands, including Birmingham, to the south west. The Nottingham Road, which forms part of the primary east –west route through the town, extends along the south of the land holding with Smisby Road to the west. The site is therefore well connected to the strategic road network and other larger towns and employment centres nearby including Leicester and Coalville (south-east); Loughborough (east); Burton-upon-Trent (west).
- 2.4 Policy Ec2 of the Local Plan relates to two separate parcels of land within the wider Money Hill site. These are illustrated on the drawing at Appendix A. The policy requires 16 hectares of employment accommodation to be provided. The parcels of land identified on the drawing 042 (Appendix A) equate to c.15 hectares. One of these is located in the north-west corner of the site with access off the A511/Smisby Road and adjacent to the Ivanhoe Industrial Estate comprising KP Snacks and the more recent Ivanhoe Business Park which is currently being built out. The other is located towards the south-east corner accessible via the A511 and abutting the Flagstaff Industrial Estate comprising McVities National Distribution Centre.

3. THE MARKET AREA

- 3.1 Ashby-de-la-Zouch is located within the East Midlands region. Data provided by Savills on behalf of the MHC advises that the Midlands continues to be a core location for industrial and distribution occupiers due its location at the heart of the 'golden triangle', which is the name given to the area spanning from Kidderminster (west), Bedford (east) and Nottingham (north) and which comprises a high number of large distribution centres of retailers. The area is popular with large national companies as they are accessible to a high proportion of the UK population.
- 3.2 Evidence suggests that the average size of new builds has increased in the Midlands where there is strong demand for national distribution centres, although there continues to be a shortage of Grade A accommodation. This trend is expected to continue with the construction of sheds to meet demand from internet based business, retailers and logistic operators, all of whom are expected to continue to have a strong presence in the region in the years ahead.
- 3.3 The manufacturing sector has and continues to perform well in the Midlands, making up nearly a quarter of occupier transactions. Information provided by Savills suggests that this is largely driven by the car manufacturing sector with significant investment in new plants and engineering together with government subsidy support. The information identifies that manufacturing is experiencing a resurgence and many companies are looking to relocate back to the UK to access the skilled labour force and reduce operation and logistic costs.
- 3.4 There is a general consensus amongst commercial agents that confidence in the region is increasing and this is demonstrated by the increase in the number of speculative developments that are being delivered, although these are expected to be limited to smaller units with demand for larger units to be met by the design and build market.
- 3.5 The advice received from Savills is that demand for business accommodation on the site is likely to come from the storage and distribution sector (use class B8), although some demand would also be expected from the manufacturing sector (use class B1c/B2).
- 3.6 The site is highly accessible to the national road network with the A42 providing links to the M42 and M1. It is therefore in a prime location and demand by commercial occupiers in such locations is expected to be high.

- 3.7 The advice received from Savills also identified that there is a limited amount of business floorspace in Ashby, with the focus mainly on smaller units. There is a shortage of land to meet demand from B8 storage and distribution occupiers.
- 3.8 Market interest in the site arising since the grant of planning permission for the residential scheme has been strong and the MHC is now in detailed discussions with potential operators of the future employment space at the site.

4. THE MONEY HILL STRATEGIC VISION AND THE DEVELOPMENT FRAMEWORK

- 4.1 The strategic vision for the Money Hill and adjacent Arla site is currently to provide 1,750¹ new dwellings together with social infrastructure and employment land to deliver a sustainable and comprehensive urban extension to Ashby to meet the needs and aspirations of the district's population over the Local Plan period.
- 4.2 The MHC and NWLDC, together with other key stakeholders, are committed to meeting the growth needs of the district at Money Hill while respecting the historic character of Ashby and making effective and efficient use of the land. As part of this commitment, the MHC and NWLDC are currently preparing a Development Framework which will be used to guide the design development of the proposals for the wider site and it will be a material consideration in the determination of all future applications.
- 4.3 Phase I of the strategic vision was granted outline planning permission (NWLDC ref. 15/00512/OUTM) on 42 hectares of land for the construction of 605 dwellings (use class C3) including a 60 unit extra care centre (use class C2), a new primary school (use class D1), a new nursery school (use class D1), a new community hall (use class D1), new neighbourhood retail use (use class A1), new public open space and vehicular access from the A511 and Nottingham Road.
- 4.4 It is currently envisaged that Phase II of the strategic vision will comprise c.900 dwellings and the provision of employment accommodation. On the basis of the advice received from the MHC's commercial agent, the employment provision is expected to be for B8 use class purposes (storage and distribution) although this will be subject to a detailed marketing campaign at the relevant point in time therefore it is appropriate for the land identified for employment purposes on the Proposals Map to be set aside for a range of employment generating uses in order to ensure that employment opportunities are deliverable over the whole of the Local Plan period in response to market conditions at the time.

¹ The District Council has proposed to increase this to 2,050 dwellings to reflect the fact that at publication stage it was agreed to include additional land at the Ivanhoe Equestrian Centre but the overall number was not increased.

5. THE BENEFITS OF AN EMPLOYMENT ALLOCATION

5.1 It is agreed that the allocation of part of the Money Hill site for employment purposes will give rise to a number of benefits, including but not limited to:

- Creation of job opportunities and apprenticeships for the local population during and post the construction phase.
- Provision of modern employment accommodation to meet existing and future needs.
- Increased spending in the local and regional economy in accordance with the overarching objectives of the North West Leicestershire Growth Plan.
- Potential reduction in unemployment rates in the district.
- Contribution to the delivery of a sustainable and comprehensive mixed use development on the site comprising flexible B class accommodation.
- Enhancement of the region's image as a strategic employment hub.
- Provision of employment land in a sustainable location that is accessible to the primary road and motorway network.
- Protection of less sustainable and more environmentally sensitive sites from employment development in the district, including those in or around the National Forest.
- Potential reduction in out-commuting of local workforce and retention of skilled labour within the district.
- Offset the loss of about 7ha of employment land in Ashby de la Zouch since 2011

6. SUMMARY AND CONCLUSION

- 6.1 The provision of employment generating uses on the wider Money Hill site forms part of the strategic vision for the delivery of a comprehensive and sustainable development over the plan period. The MHC and NWLDC are currently preparing a Development Framework which will guide the proposals for each phase of the overall development and will be a material consideration in the determination of the consequent applications for planning permission.
- 6.2 The amount of employment land that has been set aside is deemed to be sufficient on the basis of the commercial information provided to date and could allow a logistical operator to locate to the site while providing the opportunity for other related commercial operators to locate to the site also. While an occupier has not yet been identified, the MHC is currently in discussions with prospective operators and an announcement will be made on this at the relevant point in time.
- 6.3 The allocation of the wider Money Hill site for housing, community, social infrastructure and employment purposes will ensure that a truly sustainable form of development will be delivered in accordance with the social, economic and environmental dimensions of the National Planning Policy Framework and more importantly to meet the needs of existing and future populations.
- 6.4 The employment allocation is therefore deliverable and sufficient to ensure that the requirement is met over the Local Plan period.

7. SIGNATORIES

1. Mr Ian Nelson

North West Leicestershire District Council

12 December 2016


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2. Mr Matthew Druce

Iceni Projects Ltd on behalf of the Money Hill Consortium

12 December 2016



