

NORTH WEST LEICESTERSHIRE LOCAL PLAN EXAMINATION
EMPLOYMENT LAND REQUIREMENTS
IMPLICATIONS FOR LOCAL PLAN ARISING FROM THE PUBLICATION OF THE
HEDNA

1.0 BACKGROUND

- 1.1 The Leicester & Leicestershire Housing Market Area (LLHMA) authorities commissioned a Housing and Economic Development Needs Assessment (HEDNA) in February 2016 in order to replace the 2014 Strategic Housing Market Assessment (SHMA) and the 2013 Leicester & Leicestershire Employment Land Study (referred to as the PACEC Study).
- 1.2 At its meeting on 26 January 2017 the LLHMA Member Advisory group (MAG) agreed to publish the HEDNA report together with a joint statement of cooperation. The HEDNA was published on 27 January 2017. A stakeholder event is scheduled for 9 February 2017.
- 1.3 This note summarises the findings of the HEDNA in respect of employment land as they relate to North West Leicestershire and the likely implications for the Local Plan.

2.0 SUMMARY OF HEDNA

- 2.1 The principal purpose of the HEDNA is to identify the housing and employment land requirements for the LLHMA for the periods 2011-31 and 2011-36.
- 2.2 The key findings of the HEDNA in respect of employment land as they relate to North West Leicestershire are summarised below. Only those figures to 2031 are included as this is the period covered by the Local Plan.
- 2.3 The HEDNA identifies the following employment land needs for the LLHMA and North West Leicestershire.

Table 1

	2011-2031 (Ha)			TOTAL
	B1a/b	B1c/B2	Small B8	
LLHMA	142-198	132	93	367-423
NWL	45-46	3	17	65-66

- 2.4 Small B8 is defined as floorspace of less than 9,000sq metres. For floorspace of more than 9,000sq metres (strategic B8) the HEDNA repeats the finding of the Strategic Distribution Study (EC/02) which identifies a need for 361 Ha up to 2031 for the HMA as a whole but there is no distribution below HMA level.
- ## 3.0 HOW DOES CURRENT PROVISION COMPARE TO HEDNA?
- 3.1 Table 2 below sets out the current provision broken down into the different types of employment land.

Table 2

Type	Permission (Ha)	Starts (Ha)	Total (Ha)
Small B8 (a)	5.96	4.58	10.54
Strategic B8 (b)	206.89 ¹	40.92	247.81
B1 or B2 (c)	23.9	2.23	26.13
Small B8 and B1/B2 (a+c) (d)	29.86	6.81	36.67
Total (d+b)	236.75	54.54	291.29

3.2 The figures held by the Council do not break B1 down in to the various sub categories whilst many permissions are open ended for B1, 2, 8. Therefore, the figures above for B1 or B2 or small B8 are subject to some degree of uncertainty in terms of the exact split, although the total figure of these uses combined (line d) is an accurate reflection.

3.3 As can be seen, the provision for B1 (a, b or c)/B2 and small B8 (37ha) is significantly less than the requirement of 65-66ha by about 29ha (66ha – 37ha). The proposed allocation of 16ha of land at Money Hill (assuming it fell in to these classifications) would go some way to meeting the shortfall but there would still be a deficit in the order of about 13ha.

3.4 In terms of strategic B8, as already noted, there is no figure in the HEDNA for NWL but the figure of 248 ha accounts for a minimum of 69% of the HMA requirement of 361ha.

4.0 WHY IS THERE THIS DIFFERENCE?

4.1 The shortfall noted above is in contrast to that compared to the PACEC study which has informed the Local Plan to date. The reasons for this are outlined below:

- The requirement for B1a/b (45-46ha) in the HEDNA is significantly higher than that identified in the PACEC study (7.98ha) whilst the requirement for B1c/B2 and small B8 (17ha) is significantly less in HEDNA than PACEC (35.5ha).
- The overall requirement for B1a/b and B1c/B2 and small B8 (65-66ha) is also significantly more in HEDNA than that identified in PACEC (43.5ha) by about 20ha.

4.4 The reasons for these changes reflect both a different methodology and a base date. Of particular significance is the increase in requirement for B1 uses compared to PACEC. In this respect the PACEC study had mirrored previous studies in suggesting the future demand for B1 uses would decline. The HEDNA now suggest that this will not be the case

¹ Includes East Midlands Gateway (139ha). If this is excluded the total provision of strategic B8 is reduced to 68ha whilst the overall provision is reduced to 152ha

5.0 WHAT DOES THIS MEAN FOR THE LOCAL PLAN?

- 5.1 Based on the findings of the HEDNA and provision made in the Local Plan there is a shortfall of 13ha. It is necessary to consider whether there are any other factors which need to be considered before concluding what the overall shortfall is.
- 5.2 The HEDNA includes an allowance for what are referred to as margins. This is intended to provide for some flexibility to allow for factors such as churn within the market, error margins in forecasting and potential delays in bringing forward developments². However, it does not allow for loss of employment land to other uses.
- 5.3 The submitted local plan includes an allowance for the potential loss of employment land which was calculated at 45ha. This was based on a statistical calculation having regard to losses which have occurred dating back to 1991.
- 5.4 This allowance was across all employment uses (B1.2 and 8) and so included strategic B8 as well. As such it is not necessary to include an allowance for strategic B8 in the allowance as the HEDNA NWL specific requirements are only concerned with B1 (a, b or c)/B2 and small B8.
- 5.5 Looking at the figures for employment land lost for the period 1991 to 2016 (38.5ha³) it is estimated that about 6.4 ha was in some form of strategic B8 use. This has the effect of reducing losses in the B1, B2 and small B8 category to 32.1ha which equates to an annual average of 1.28ha for the period of 1991-2016 (there being no losses in 2015/16). If this were to be repeated for the remainder of the plan period (15 years) then the allowance would be 19.2ha (i.e. 19ha).
- 5.6 It should be appreciated that many of the losses which occurred since 1991 were as a result of restructuring to the local economic base and particularly involved the loss of B2 uses, such a textiles. Whilst ongoing changes to the economy can be expected there is no evidence to suggest that such future changes will be reflective of those which occurred in the past.
- 5.7 An alternative approach to that of a simple statistical estimate of future losses is to consider where such losses might be. The Assessment of Employment Sites study (EC/05) was a comprehensive survey of employment sites in the district which considered which the most suitable sites to retain were and which might reasonably be considered for other uses. In total some 9 sites were identified as being potentially suitable for release to other uses (see Appendix A of this note).
- 5.8 These 9 sites totalled 25.8ha. Of these 15.4ha has already been (or are being) redeveloped for other uses, principally housing. Therefore, this leaves only 10.4ha as potentially suitable for release to other uses. Adding this to the shortfall of 13ha compared to the HEDNA would result in a residual requirement of 23ha.
- 5.9 The Council is of the view that this approach is reasonable and reflective of what is likely to occur over the remaining years of the plan, particularly as much of the stock of employment land which remains is quite modern and so likely to remain attractive for employment uses. Furthermore, much of the remaining stock is for strategic B8

² Para 11.14 of HEDNA

³ 23.57 between 1991 and 2011 from table 5 of BP06 plus 14.93 from 2011-15 in paragraphs 3.18 and 3.19 of BP06

and so any loss from this would not be part of any allowance. A further factor which suggests future losses will not be as great as those previously, is that with an up-to-date plan in place which makes more than adequate provision for housing the pressure to release existing employment sites to housing will diminish.

- 5.10 It should also be recognised that the level of provision contained in the Local Plan (152 ha excluding the East Midlands Gateway) is very significant. It accounts for 19% of all the employment land requirements for the HMA identified in the HEDNA (423ha), plus the need for strategic B8 (361 ha) (total of 784ha). The inclusion of the 139ha at the East Midlands Gateway increases this provision in NWL to 291ha or 37% of all the employment land provision across the HMA.
- 5.11 Having regard to this significant level of provision and contribution to the HMA wide needs, the Council is of the view that there is no immediate urgency to address a perceived shortfall, particularly as there is approximately 30ha of employment land which currently has consent and a further 16ha proposed to be allocated at Money Hill. Furthermore, the Council will be proposing a main modification to Policy Ec2 in respect of providing flexibility for employment proposals which respond to changing market circumstances and/or new evidence regarding need.
- 5.12 The Council is also committed through a revised wording to Policy S1 to undertake a review of the Local Plan to address any shortfall in housing or employment. This also reflects the Joint statement of Co-operation issued alongside the HEDNA. Paragraph 2.12 of which states “*..HMA authorities reached agreement in summer 2016 on appropriate trigger mechanisms that would be inserted into all Local Plans coming forward before the Strategic Growth Plan. In this respect the partner authorities agree that should the Strategic Growth Plan identify a significant change which would require local authorities to re-consider the amount of housing and employment land, an early review or partial review of affected Plan(s) will be brought forward to address this matter, unless there is sufficient flexibility already provided for within the Plan*”.
- 5.13 Policy S1 will need to be modified to make reference to the requirements of the HEDNA. In addition, changes to the text will be required to explain what the HEDNA’s findings are and to set out the approach taken in the Local Plan. These will be dealt with through the proposed main modification requested by the Inspector.

Appendix A

Sites identified in Assessment of Employment Sites study as being potentially suitable for release to other uses

SITE NAME	SITE NUMBER IN ASSESSMENT OF EMPLOYMENT LAND STUDY	AREA (HA)	CURRENT STATUS
Arla Dairy, Smisby Road, Ashby	A1	5.6	Resolution to grant planning permission for redevelopment for housing
Standard Soap Factory, The Callis, Ashby	A8	1.5	Redeveloped for housing
Ashburton Road Hugglescote	C1	0.1	No change
Church Lane Whitwick	C4	0.8	No change
Computer Centre, Derby Road, Kegworth	K1	6.9	No change
Swainspark, Occupation Road, Albert Village	Other 1	2.2	1ha developed for solar panels
Dawson's Yard, Swepstone Road, Heather	Other 4	1.4	No change
Lount Works, Nottingham Road, Lount	Other 5	1.2	Redeveloped for housing
Woodville Woodlands	Other 10	6.1	In process of being redeveloped for housing

