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Leicester & Leicestershire Housing & Economic Needs Assessment

Employment Distribution Paper

Iceni Projects Limited on behalf of
Leicester & Leicestershire Local
Authorities

April, amended June 2022

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ON BEHALF OF LEICESTER
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**Leicester & Leicestershire Housing &
Economic Needs Assessment**
EMPLOYMENT DISTRIBUTION PAPER

1. EMPLOYMENT DISTRIBUTION

- 1.1 The authorities within Leicester and Leicestershire have asked Icenl to provide advice on employment distribution of unmet needs (2021-36) drawing on emerging evidence from the HENA study as well as that provided in Local Plans, supporting evidence and other planning commitments as supplied by the local authorities.
- 1.2 Specifically, Leicester has declared an unmet need 23.3ha based on evidence prepared in 2020 for its own Local Plan.
- 1.3 The table overleaf draws together the range of information provided by the authorities and through the HENA to understand the overall demand / supply position across the HENA study area.

Table 1.1 Employment demand / supply balance ha (excluding strategic B8) 2021-2036

| | Need | | Supply | | Balance | | Notes* |
|----------------------|---------------------|---------------|---------------------|---------------|----------------------|---------------|---|
| | B1 | B2/B8 (small) | B1 | B2/B8 (small) | B1 | B2/B8 (small) | |
| Blaby | 9.1 | 29.0 | 10.5 | 13.3 | 1.4 | -15.7 | 2021-36 need, HENA '21 . Supply based on permissions pipeline. Mixed permissions divided by use class. Supply at April 2020 |
| Charnwood | 7.5 | 35.7 | 15.1 | 66.7 | 7.6 | 31.0 | 2021-36 need, HENA '21. Supply based on Local Plan trajectory Exc. Loughborough Science and Enterprise Park. |
| Harborough | 6.8 | 39.3 | 18.0 | 41.7 | 11.2 | 2.4 | 2021-36 need, HENA '21 . Supply based on net permissions pipeline at April 2020 |
| H&B | 4.2 | 53.4 | 4.2 | 38.9 | 0.0 | -14.5 | 2021-36 need, HENA '21. Supply based on Local Plan Reg19 Feb '22 |
| Leicester | 46,100 sqm (2.3 ha) | 67.3 | 43,000 sqm (2.1 ha) | 44.0 | -3,100 sqm (-0.2 ha) | -23.3 | 2019-36 need / office supply, City EDNA '20 (sqm, converted to ha at 2.0 ratio) Industrial supply based on Local Plan Reg19 Feb '22. |
| Melton | 2 | 38.1 | 2.6 | 34.4 | 0.6 | -3.7 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| NWL | 8.9 | 31.8 | 17.1 | 36.5 | 8.2 | 4.7 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| O&W | 1 | 3.1 | 2.8 | 5.7 | 1.8 | 2.6 | 2021-36 need, HENA '21 . Supply based on permissions and allocations pipeline. Supply at April 2020 |
| L&L Total | 41.8 | 297.7 | 72.4 | 281.2 | 30.6 | -16.5 | Excludes 50 ha at Loughborough Science and Enterprise Park. Excludes -44,600 sqm offices for Leicester |

Source: Various as identified in notes

* Differences in needs / supply date alignment noted, but based on best available data

1.4 The key findings are as follows:

- To 2036 there is an overall surplus of employment land across Leicester and Leicestershire including both office and industrial / small B8. However this comprises a shortfall of industrial / small B8 of 16.5 ha and a surplus of 30.6 ha of offices.
- In terms of industrial / small B8, there is declared unmet need in Leicester but a surplus in a number of authorities most notably in Charnwood and to a lesser extent in Harborough, North West Leicestershire and Oadby and Wigston. This surplus exceeds the declared shortfall in Leicester for its Plan period.
- It is assumed that any shortfalls other than for Leicester (notably Blaby, Hinckley & Bosworth and to a lesser degree Melton) or shortfalls occurring when longer plan periods are considered, will be met within the authorities themselves.
- Loughborough's Science and Enterprise Park is excluded from the supply/demand balance assessment as *"the Science Park allocation provides high quality employment space supporting specialist businesses across the sub-region and beyond and does not accommodate more general employment uses."*

1.5 When considering the most appropriate locations in market terms for meeting unmet needs for industrial from Leicester, we consider the narrative in the HENA provided by Innes England:

"Development close to the trunk road network in the sub-region is likely to be in demand... Manufacturers are likely to particularly seek suburban locations in and around Leicester; with larger logistics occupiers more focused on those close and immediately accessible from the motorway network."

In terms of the local market below 50,000 sqft there is limited available stock. 41% of transactions are under 10,000 sqft. There is considered to be a need to bring forward units at this end of the market, to meet demand.

Innes England suggest that there will be demand for industrial units across the Leicester urban area in locations with good access to arterial routes and labour and more space is required for development in these areas. " (our emphasis)

1.6 Elsewhere the HENA notes the following:

"Mid sized and smaller stock opportunities should be considered as intensification or extensions of existing estates around the FEMA often in proximity to local settlements... Urban extensions or other future growth locations such as Leicester south-eastern growth corridor¹ present an opportunity to support the delivery of new employment spaces of smaller and midsized units"

¹ As identified in the Strategic Growth Plan

where well connected to the road network. Smaller units tend to rely on closer proximity to the population centres due to the nature of occupiers.”

- 1.7 However the delivery of a south-eastern growth corridor is not expected in the short/medium-term and this affects the market attractiveness and deliverability of employment sites on the southern and eastern sides of the City.
- 1.8 Taking the above into account, the following principles to meeting Leicester’s unmet needs are set out:
- It is considered appropriate for authorities adjoining Leicester to be considered for unmet needs in the first instance (Charnwood, Blaby, Harborough, Oadby and Wigston) given the accessibility to the city and associated supply of labour.
 - Sites should be located in good proximity to the City, preferably adjacent to the existing urban area.
 - Sites should be well connected to the City by road (A road) and ideally connected to the wider strategic network (A road / motorway network).
- 1.9 These principles follow those taken to meeting the unmet needs of other cities most notably the sites around Coventry including in Rugby, Nuneaton and Bedworth and Warwick.
- 1.10 Drawing on these principles it would be sites on the A46, A50, A6, A47 and M1/M69 corridors around the City that are likely to be well placed to meet, or contribute to meeting, the identified unmet need for employment land.
- 1.11 As set out in Table 1.1, there is a quantitative shortfall of industrial / small B8 employment land across Leicester and Leicestershire. Within this a number of individual authorities have a quantitative supply surplus for industrial / small B8. In combination these surpluses amount to 40.8Ha, which exceeds Leicester unmet need of 23.3Ha. Therefore, Leicester’s unmet need can be readily accommodated, assuming that other authorities that also have a shortfall of industrial/small B8 land can meet their own need.
- 1.12 To consider the best locations in which to meet unmet needs, Iceni has sought to apply the principles set out above.
- 1.13 The southern side of Charnwood Borough relates well to the City in spatial terms and is served by the A46 and A6. The former links the area to the M1. Notable allocations at Charnwood, which has the greatest supply excess in purely quantitative terms, include North East of Leicester Sustainable Urban Extension (SUE) (13 ha) and North of Birstall SUE (15 ha). These are well positioned on the fringes of the Leicester urban area and accessible to the City and the wider network – particular the

North of Birstall SUE. The NE of Leicester SUE in Thurmaston is less well connected to the strategic road network but can still be considered suitable in meeting local needs for Leicester. Both sites have planning permission. In addition, there are other allocations in the Local plan which have a good functional relationship to Leicester. These include Watermead Business Park, Syston (12ha); Loughborough Road, Rothley (2.2ha); Rothley Lodge, Rothley (2.2ha) The Warren, East Goscote (3.95ha).

- 1.14 The A6 and A47 corridors link parts of Harborough District to the City. Those parts of the District which adjoin the urban area include Scraftoft, Bushby, Thurnby and Stoughton but are principally residential and do not relate strongly to the wider strategic road network or have concentration of existing employment land. The largest supply in Harborough of employment land is at the East of Lutterworth Strategic Development Area (23 ha B1/B2/B8) as well as Land at Airfield Farm (Market Harborough) (13 ha). These sites are considerably further from the Leicester urban area and less well suited to meet its needs.
- 1.15 Blaby is well positioned to meet needs as it wraps the western edge of the city and a number of key transport corridors. It includes existing well established employment locations such as Meridian Park and Optimus Point which relate well to the Leicester urban area. However at present, based on the data available, it requires further sites to meet its own need. This limits Blaby's potential to contribute towards meeting Leicester's unmet need in the short to medium term.
- 1.16 Oadby and Wigston relates well to the City in spatial terms. However employment land provision within the Borough is modest, and just 2.5 ha has planning permission. It includes Oadby Sewerage Treatment Works and Wigston Direction for Growth Allocation. The supply is of a scale/location which is focused on meeting local needs.

Bringing the Evidence Together

- 1.17 Drawing the evidence together, Icenl consider that Charnwood is best able to suitably meet Leicester's unmet need in respect of the identified short/medium-term unmet need to 2036. This in particular reflects the existing quantitative over-supply position in respect of meeting the Borough's own needs; combined with the availability of employment sites and land which is close to the City and can contribute to delivering employment land which can service the needs of Leicester-based companies in the short/medium-term.
- 1.18 Locational considerations mean that the deliverability of sites (or indeed potential locations) in Charnwood is stronger; whilst the local supply position is relatively limited in Oadby and Wigston and the areas of Harborough District which relate well to the City are less attractive for commercial development.

1.19 In the longer-term strategic infrastructure improvements could open up new opportunities for employment development around the south and east of the Leicester Urban Area. Consideration might also suitably be given to whether further sites in Blaby on the west of the City can also be brought forward in due course to contribute to maintaining a longer-term supply of attractive employment sites in the Leicester area.