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Sent: 30 August 2024 17:12
To: localplans@charnwood.gov.uk
Cc: Michael Davies
Subject: Charnwood Local Plan - Main Modifications Representations
Attachments: Savills on behalf of Wilson Bowden Developments 30-08-24.pdf; Appendix 1 - Savills on behalf of WBD Matter 10 Statement September 2022.pdf; Appendix 2 - Savills on behalf of WBD Matter 5 Statement June 2022.pdf; Appendix 3 - Savills on behalf of WBD Matter 1 Statement June 2022.pdf; Appendix 4 - Savills on behalf of WBD Matter 5 Supplementary Statement January 2023.pdf

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Good afternoon,

On behalf of Wilson Bowden Developments, please find attached representations to the consultation on Main Modifications to the Charnwood Local Plan 2021 – 2037.

I look forward to receiving confirmation of safe receipt.

Kind regards,

Gina

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30 August 2024
Savills on behalf of Wilson Bowden Developments 30-08-24



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Dear Sir / Madam,

CHARNWOOD LOCAL PLAN EXAMINATION – MAIN MODIFICATIONS CONSULTATION RESPONSE ON BEHALF OF WILSON BOWDEN DEVELOPMENTS

I am writing on behalf of Wilson Bowden Developments (“WBD”) in response to the consultation being undertaken in respect of main modifications to the Charnwood Local Plan Examination. As you will be aware, WBD is promoting circa 22ha of land to the southeast of Junction 23 of the M1 for employment uses through the emerging plan.

Main Modification MM26: Deletion of Policy DS2

We object to the deletion of Policy DS2 on the basis that the deletion of the policy through main modification MM26 does not take into account the ongoing work being undertaken to agree the apportionment of the Leicester and Leicestershire strategic warehousing and logistics unmet need.

Policy DS2: Leicester and Leicestershire Unmet Needs was previously drafted as follows in the pre-submission draft plan:

“Within 6 months of the agreement by all partners of the Statement of Common Ground for the apportionment of unmet housing and employment need, the Council will publish a review of this local plan. Should a full or partial update be triggered by the review, the Council will commence the update (defined as being publication of an invitation to make representations in accordance with Regulation 18 of The Town and Country Planning (Local Planning) (England) Regulations 2012) within 12 months of the publication of the review. Once the update has commenced the Council will submit the Plan Update to the Planning Inspectorate for Examination within a further 36 months of the date of commencement of the update”.

We appreciate that much of the text within Policy DS2, as written in the pre-submission draft plan, is now obsolete given that Leicester’s unmet residential, industrial and small-scale warehousing need has been apportioned and agreed via the Statement of Common Ground dated June 2022. In our Matter 10 hearing statement in September 2022 (Appendix 1), we agreed that the basis for apportioning this unmet employment need was robust and logical. However, we remain concerned that this plan still fails to meet Charnwood’s own need for large-scale Industrial and Logistics (I&L) development in the borough, as required by its own evidence base.

As we have stated previously in our Matter 5 hearing statement (Appendix 2), the 2018 Employment Land Review (document EB/EMP/2) concluded that there is a requirement for a site of at least 10ha near to the

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strategic road network (ideally the M1), in addition to requirements set out at paragraph 6.34 of the 2017 HEDNA, to meet the industrial and warehousing needs of the local market for a site of this nature. Such a site has not been proposed for allocation in this plan and we have repeatedly stated that we consider this to render the plan unsound given the plan is unjustified and has not been based on proportionate evidence.

It should also be noted that the proposed employment sites in the plan as written are not suitable to accommodate the large-scale industrial and logistics units which are required, particularly adjacent to the strategic road network. An example of this is the recently approved application at land at Watermead Business Park, Thurmaston, which is proposed to be allocated (site reference ES9) in this plan. Despite a site size of 12ha, due to its irregular size the site is only able to accommodate 5 units ranging from 23,000 sqft to 354,790 sqft. Only one of the units provides a large format unit. We consider that this allocation is symptomatic of a plan which does not sufficiently accommodate the need for large-scale industrial and warehousing units, which typically require regularly shaped sites.

In our Matter 1 hearing statement in June 2022 (Appendix 3) we highlighted that policies such as DS2 are not generally effective in triggering Local Plan Reviews, not least due to the protracted timescales for the Local Plan Review process to be undertaken under the current system. The significant length (2.5 years and counting) of this Examination process is testament to this. We reiterate that our preference is for the emerging plan to take account of all known strategic issues now, as part of this plan, as this would represent a positively prepared planning strategy for the Borough.

The Council have stated at main modification MM25 that strategic (25ha+) employment need has not been considered as part of this plan, because ongoing work is being progressed between the Leicester and Leicestershire authorities to quantify and apportion the strategic I&L need across the county. We understand that the publication of a report commissioned to confirm the distribution of the unmet need has been delayed to allow Iceni Projects to provide an updated need position to that which was published in the 2021 study (which is now three years old). Whilst the outcome of this work is not yet known, we consider that there are still opportunities to plan positively for employment development (and its associated benefits in terms of economic growth) as part of this plan, by providing a windfall policy.

As an example, in their most recent emerging local plan consultation, North West Leicestershire District Council have proposed a policy (EC4) which would support employment development on unallocated sites where it can be demonstrated that favours development within the identified Areas of Opportunity identified in the 'Warehousing and Logistics in Leicester and Leicestershire: Managing Growth and Change' document (April 2021, amended March 2022). Whilst WBD consider there to be some inadequacies in the proposed criteria in Policy EC4, it is generally welcomed that North West Leicestershire are planning positively for future employment growth in their district.

We consider that Policy DS2 should be amended, not deleted, in light of the future findings of the ongoing work being undertaken by the Leicester and Leicestershire authorities to apportion the strategic I&L need across the county. Where the Warehousing and Logistics in Leicester and Leicestershire study demonstrates the need then this, coupled with a windfall policy, would provide a plan that can meet the emerging requirements. Should the Inspectors not be minded to request that an additional 10ha employment site is identified and allocated in this plan, we reiterate our request for a flexible windfall policy to be included in the plan to provide flexibility and allow for unallocated sites meeting the criteria set out in the Employment Land Review to come forward where appropriate. We suggest proposed wording for a revised Policy DS2 below:

"Until such a time as the apportionment of the Strategic Warehousing and Logistics Need in Leicester and Leicestershire being apportioned and agreed through a Statement of Common Ground, the Council will plan positively for large-scale Class B2/B8 employment and will support proposals which meet the following criteria:

- a) *Evidence indicates an immediate need or demand for additional employment that cannot be met from land allocated in this plan;*

- b) *The Site is accessible or will be made accessible by a choice or means of transport, including sustainable transport modes, as a consequence of planning permission being granted for the development;*
- c) *The Site has good access to the Strategic Road Network (M1, A46, A6) and an acceptable impact on the capacity of that network, including any junctions; and*
- d) *The proposed development is not detrimental to the amenities of any nearby residential properties or the wider environment”.*

As we previously set out in our supplementary Matter 5 hearing statement (Appendix 4) in January 2023, there are local precedents for criteria-based policies in the North West Leicestershire Local Plan, adopted 2017 (Policy EC2), and also the North Warwickshire Local Plan, adopted 2021 (Policy LP6). The inclusion of a policy allowing windfall employment to come forward where a specific need can be justified would be in line with the requirements of NPPF paragraph 86d, which required planning policies to be “flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances”.

It is also noted that a consultation is ongoing relating to a draft revised NPPF. Amendments to paragraph 86b (which is proposed to become paragraph 84b) are set out below:

“Planning policies should... set criteria, ~~or~~ and identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period. Appropriate sites for commercial development which meet the needs of a modern economy should be identified, including suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics”. (Tracked changes in green).

The strengthening of new paragraph 84b will require LPAs to set criteria for and identify strategic employment sites – an important distinction which emphasises the need for a flexible approach to be taken to ensure that employment policies provide sufficient flexibility to meet market needs. Emphasis has also been added to the need to identify appropriate sites to meet the needs of a modern economy. We note that this involves freight and logistics, which we have repeatedly argued WBD’s land at Junction 23 is uniquely placed to provide within Charnwood Borough.

Amendments to paragraph 87 (which is proposed to become paragraph 85) are also proposed, set out below:

“~~87.85.~~ Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for:

a) clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);

b) storage and distribution operations at a variety of scales and in suitably accessible locations. that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation;

c) the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.” (Tracked changes in green).

Whilst we appreciate that this plan will not be examined under the revised version of the Framework, we consider this revised wording to be a clear indication of the Government’s desired direction of travel which seeks to kickstart and facilitate economic growth through development, particularly in industries (such as I&L) where expansion is required to facilitate this growth.

In conclusion, we consider that a windfall policy would provide sufficient flexibility which is not currently present in the plan as written. It would support the delivery of the needs expected to flow from the Warehousing and Logistics in Leicester and Leicestershire study and a Local Plan Review would take too long to rectify this.

Suppressed Employment Demand

Finally, as we stated in our Matter 5 hearing statement in June 2022, we reiterate that the failure to allocate sufficient land (as recommended in the Employment Land Review 2018) for large-scale I&L would further suppress demand for development of this nature, both now and across the rest of the next plan period. The Employment Land Review clearly states at paragraph 6.30 that a failure to allocate sufficient land would “*mean that an element of market demand is unaddressed in the next plan*”.

A failure to follow the recommendations of the Employment Land Review could lead to suppressed demand from occupiers in the I&L sector who are unable to expand their workforces due to a lack of sites in the Charnwood Borough. This could result in these occupiers seeking to relocate elsewhere within the county or region, particularly where businesses are ‘footloose’ and can operate from any location on the strategic road network. This could result in the relocation of jobs away from the Charnwood Borough if large-scale I&L is not positively planned for during this plan period, which we note runs to 2037.

We consider that delays to the adoption of the Local Plan, which has now been at Examination stage for over 2.5 years, will have contributed to the worsening of this position. For this reason, we urge the Council to consider planning positively for increased employment growth, in line with the specific requirements set out in the 2018 Employment Land Review, as a further modification to this plan.

We welcome the above comments being taken into account and request that you confirm safe receipt at your earliest convenience.

Yours faithfully



Michael Davies
Planning Director

List of Appendices

- Appendix 1: Savills on behalf of WBD Matter 10 hearing statement, September 2022
- Appendix 2: Savills on behalf of WBD Matter 5 hearing statement, June 2022
- Appendix 3: Savills on behalf of WBD Matter 1 hearing statement, June 2022
- Appendix 4: Savills on behalf of WBD Matter 5 supplementary hearing statement, January 2023

Savills on Behalf of Wilson Bowden Developments

Matter 10: Leicester and Leicestershire Housing and Employment Land Needs

Issue 4: The Assessment of Employment Need

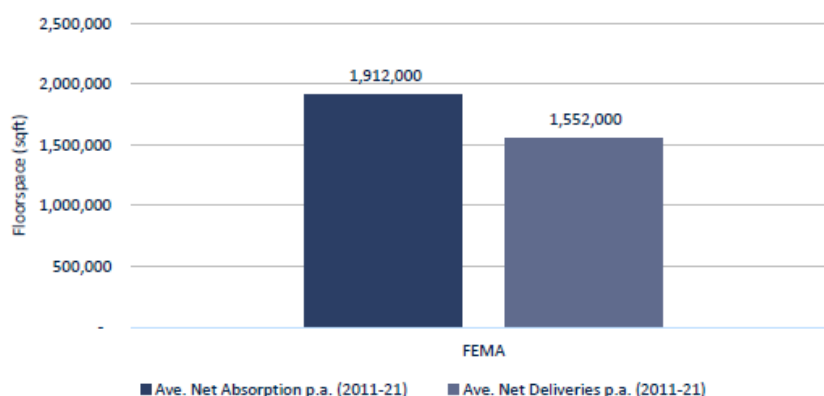
Industrial and Local Distribution and Warehousing (less than 9,000 sqm)

10.19 Is the assumption that older premises will continue to be lost, and thus will need replacing, robust (paragraph 7.33) (HENA)? Is the use of projected gross completions a robust basis for assessing industrial land needs?

We strongly agree with the general thrust of paragraph 7.33 of the HENA (EXAM 44a), which highlights that there is a strong demand for new modern premises to support employment growth and that some older stock will continue to be lost.

A recent Savills report (Savills Future Demand Report, Table 3.1) highlights issues with the methodology used within the HENA (EXAM 44a) to calculate employment land requirements for units of less than 9,000sqm. The methodology is based on labour demand (baseline and growth) and completion trends (which have been calculated using LPA Authority Monitoring Report data). We consider completions to be a supply measure and not a demand measure, which skews the calculation of need because completions are also largely dependent on sufficient sites having been allocated within Local Plans. Completions also typically lag behind actual demand. This lag is clearly shown when comparing net absorption in the FEMA to net delivery (Savills Future Demand Report, Figure 4.7) which clearly shows FEMA-wide under-delivery since 2011. Therefore, completions are not considered to be an accurate measure of the ‘true’ market demand and are not considered to be a robust basis for assessing industrial land needs. If completions were indeed an accurate measure of demand, we consider that FEMA-wide employment land availability would be much higher than its current levels, which are the lowest ever recorded for the region (Savills Future Demand Report, paragraphs 3.1.4 – 3.1.7).

Savills Future Demand Report, Figure 4.7: Net Absorption and Net Deliveries sqft per annum (2011-2021) within the FEMA



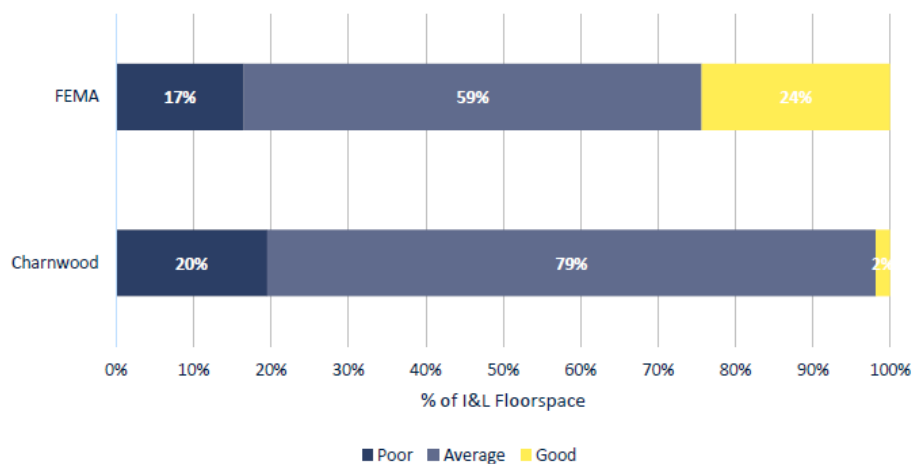
Source: CoStar, Savills

The approach taken by Savills in calculating Charnwood’s employment need (Savills Future Demand Report, paragraph 6.2.1) addresses inadequacies in the current evidence base by

considering historic take up (demand), adjusting for historic under-supply, and the subsequent loss in demand (i.e. ‘suppressed demand’). This is considered to be a more robust methodology through which to truly assess the employment land needs in both Charnwood and the FEMA, whilst taking account of the chronic undersupply of employment land over the last decade.

Recent market research undertaken by Savills (Savills Future Demand Report, Figure 4.4) finds that Charnwood’s Industrial and Logistics floorspace is overwhelmingly (98%) of ‘poor’ or ‘average’ quality, in contrast to a FEMA-wide figure of 76%. We consider that the focus should be on the refurbishment of this poor quality stock and investment in new, high quality stock to meet the needs of modern occupiers.

Savills Future Demand Report, Figure 4.4: Quality of I&L Stock in Charnwood and the FEMA



Source: CoStar, Savills

10.20 What local employment land study work has taken place to date to assess the potential for, and the likelihood of, the recycling of sites on existing industrial areas?

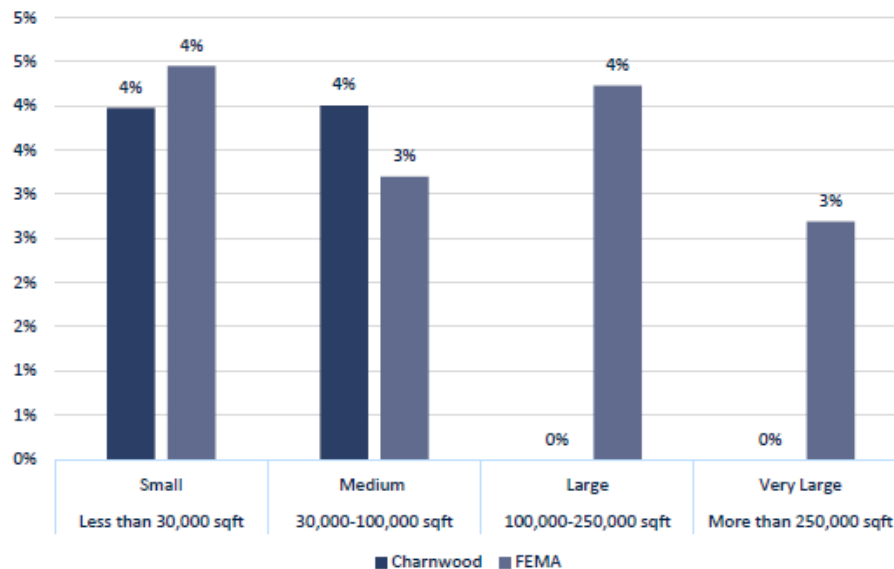
Charnwood’s 2018 Employment Land Review (EB/EMP/2) involved visits to and assessments of existing employment sites (paragraph 4.8), however the report did not draw any conclusions on the recycling of such sites. Although we agree that the refurbishment of existing industrial estates can be of value, the fact remains that 98% of Charnwood’s existing stock is of ‘average’ or ‘poor’ quality, which is significant compared to the wider FEMA which sits at 76% (Savills Future Demand Report, Figure 4.4, already reproduced above).

We also consider that the recycling of existing sites will not assist in easing the suppressed demand in Charnwood which has been perpetuated by historical under-delivery which has led to declining vacancy rates for Industrial and Logistics which currently stand at 1.4% in the East Midlands, the lowest ever recorded (Savills Future Demand Report, paragraph 2.2.4). This issue is particularly acute for larger units. Recent research finds that there are current no available units in Charnwood of 100,000sqft or larger (Savills Future Demand Report, Figure 4.6).

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Based on an Savills' own methodology set out in the Savills Future Demand Report (Section 6), we consider Charnwood should look to plan for a minimum of 107ha of Industrial and Logistics land over the 17 year Plan period (paragraph 1.2.6).

Savills Future Demand Report, Figure 4.6: Availability by Size Band (2022 YTD)



Source: CoStar, Savills

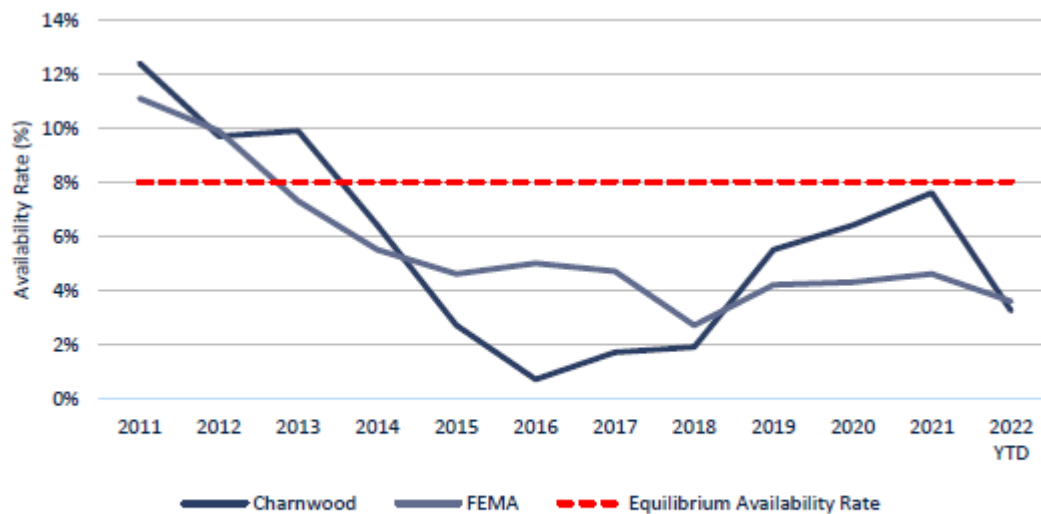
10.21 Is the 7.5% uplift to improve vacancy rates in industrial and local distribution in relation to churn and market choice, robust (paragraph 7.38) (HENA)?

We consider that, as a starting point, any uplift in provision to improve vacancy rates should be viewed in the context of both national and regional vacancy rates for Industrial and Logistics land which are at an all time low (Savills Future Demand Report, paragraphs 2.2.3 – 2.2.4). In order for the market for this type of employment land to function, vacancy levels need to be much higher.

In producing an independent estimation of demand, Savills (Savills Future Demand Report, paragraphs 6.2.7 – 6.2.14) have sought to estimate suppressed demand, concluding that historical under-supply of employment land has led to an overall suppressed demand in the FEMA of 1.1million sqft per annum. In calculating this, an 8% availability benchmark was used. This figure is considered to be the threshold below which real rental growth in the Industrial and Logistics sector starts to grow strongly, which is consistent with historical data for the FEMA (Savills Future Demand Report, Appendix A).

As referred to in our answer to question 10.24 below, the importance of maintaining adequate vacancy rates to allow for churn and market choice is also made clear in the 2018 Employment Land Review (EB/EMP/2) which recommends that a further 10ha be allocated in Charnwood to support this. Research by Savills indicates that employment land availability in Charnwood has been below the 8% threshold since 2013 (Savills Future Demand Report, Figure 4.5). Given various growth drivers in the Industrial and Logistics sector (including post-Covid shifts to online retailing and Brexit impacts on UK supply chains) we consider that this situation is likely to worsen without significant intervention.

Savills Future Demand Report, Figure 4.5: FEMA Availability Rate since 2011



Source: CoStar, Savills

Therefore, we welcome the recommendation for a 7.5% uplift in addition to the core employment land requirement, however we reiterate that in light of significant under-delivery in the FEMA since at least 2011 it is crucial for this to be addressed by making sufficient land available during this Plan period. This should include a significant buffer to allow vacancy rates to recover to a more suitable level.

10.22 How will assessments of market performance and thus the appropriateness of planning policy figures be monitored to ensure planning policy is sufficiently responsive over the plan period?

Paragraph 31 of the NPPF makes clear that the preparation of Local Plan policies should “take into account relevant market signals”. The Savills Future Demand Report (Section 2) outlines the rise of and increasing economic value of the Industrial and Logistics sector in recent years, however this is not reflected in the employment land evidence for either Charnwood or the wider FEMA.

It is also considered that the use of completions data as a measure of demand is fundamentally flawed as a methodology (Savills Future Demand Report, paragraph 3.3.12). It is therefore considered that monitoring of employment land policy is best undertaken using demand-focused methods which take into account historic demand. This approach has been employed by Savills, leading to a conclusion that the employment land need in the FEMA and Charnwood have both been grossly underestimated (Savills Future Demand Report, Section 6).

Issue 5 – Apportionment of the Unmet Need for Employment

10.23 Are the following factors set out in the Employment Distribution Paper (Exam 46) a robust and logical basis for the apportionment of the unmet need for 23 hectares of employment land to 2036:

- **Location of authorities adjoining Leicester given their accessibility to the city and associated supply of labour (Charnwood, Blaby, Harborough, Oadby and Wigston);**
- **Proximity to the City, preferably adjacent to the existing urban area;**
- **Sites well connected to the City by A roads and ideally connected to the wider strategic network (A road/motorway network).**

It is considered that the above criteria represent a robust and logical basis for the apportionment of Leicester's unmet employment need.

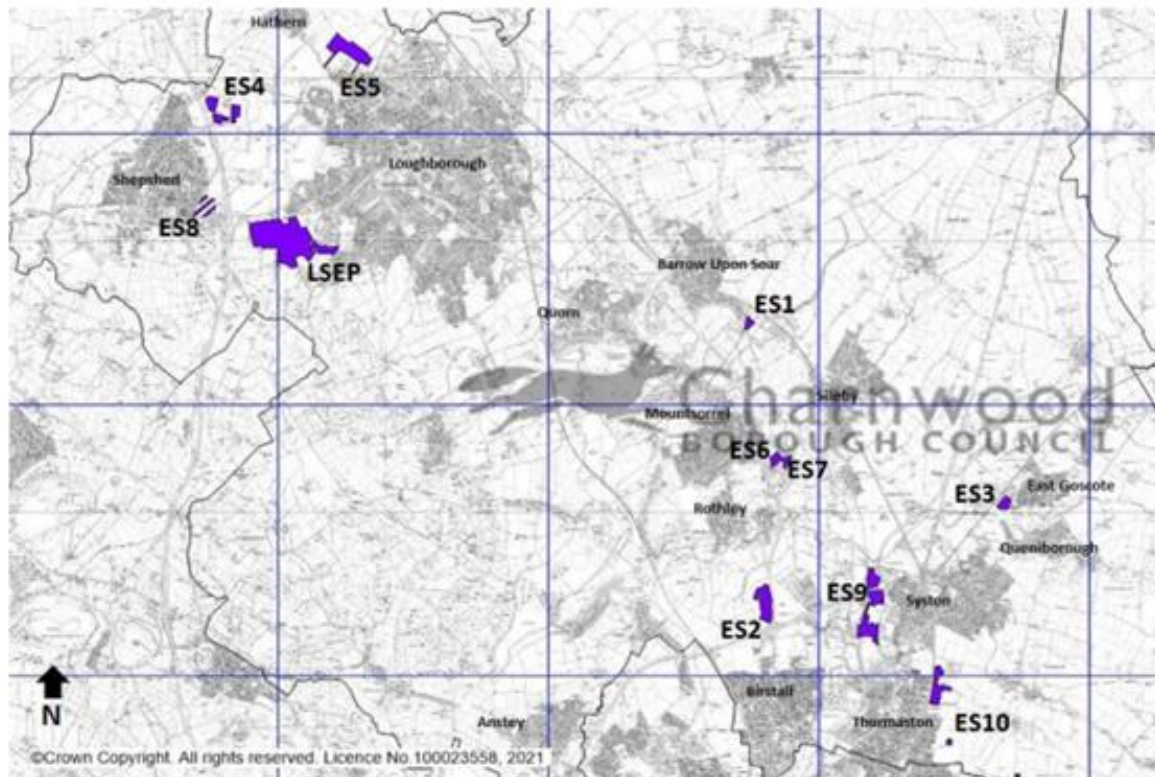
The Planning Practice Guidance (PPG) makes clear that the cities and urban centres uplift, to which Leicester is subject, *"is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations."* (035 Reference ID: 2a-035-20201216). The PPG also states that *"Strategic policy-making authorities should explore all available options for addressing strategic matters within their own planning area, unless they can demonstrate to do so would contradict policies set out in the National Planning Policy Framework."* (022 Reference ID: 61-022-20190315). In seeking to accommodate Leicester's unmet employment need within the FEMA, in locations with good proximity to Leicester itself, it is considered that this approach is logical and robust and will contribute towards meeting the employment needs of Leicester's population.

Further to this, Table 4.5 of the HENA Housing Distribution Paper (EXAM 45) finds that the authorities with the strongest functional relationship with Leicester (defined by a number of factors including gross migration flows and commuting patterns) are Blaby, Charnwood and Oadby and Wigston Districts, all of which share significant geographical borders with Leicester. There are also high quality trunk roads and also the M1 motorway connecting Leicester to these authorities, which further supports the strong functional relationships identified by the HENA.

10.24 Is meeting all of the unmet need for 23 hectares of employment land within Charnwood justified? Will it meet the need for different types of employment land in a choice of locations and promote sustainable patterns of development as required by paragraph 11 of the NPPF?

It is considered that the approach taken in apportioning Leicester's unmet employment need is robust and logical given Charnwood's quantitative surplus of Class B2/'small B8' land (which has been defined as units under 9,000sqm). Charnwood's draft Local Plan contains a number of proposed allocations which we consider will primarily serve the Leicester employment market given their proximity to Leicester's urban area. Given that the unmet need to be apportioned is for Class B2/ 'small B8' need only, it is considered that the proximity of proposed allocations such as ES2, ES9, ES10 and ES3 (Figure 1) to Leicester via key trunk roads such as the A46 and A6 means that they satisfy the three criteria set out in the Employment Distribution Paper (EXAM 46) and reproduced in response to question 10.23 above.

Figure 1: Draft Charnwood Local Plan 2021-2037 proposed employment allocations



The shape and size of the current proposed allocations also lends them to the development of smaller-scale units less than 9,000sqm as opposed to larger logistics and warehousing units. Therefore, a number of Charnwood’s proposed employment allocations are suitable to meet the declared unmet need for small warehousing units, and in light of Charnwood’s numerical surplus of this type of employment land this approach is considered to be sensible and logical.

The HENA also states that “*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*” and goes on to state that “*Urban extensions or other future growth locations such as Leicester south-eastern growth corridor present an opportunity to support the delivery of new employment spaces of smaller and midsized units 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.*” (paragraphs 7.53-7.54). Proposed allocations within or adjacent to urban extensions, such as ES2, ES4 and ES10 (see Figure 1), are considered to be ideal locations to contribute towards this.

However, whilst we agree with the distribution of the unmet employment need relating to B2 and ‘small B8’ sites, the fact remains that the local, Charnwood-level requirement identified in Charnwood’s 2018 Employment Land Review (EB/EMP/2) for a large site of at least 10ha with excellent access to the M1 motorway has not been dealt with in Charnwood’s draft Plan. Additionally, the findings of the 2022 Warehousing and Logistics in Leicester and Leicestershire report (EB/EMP/3) have made clear that Junction 23 of the M1 is located within ‘Opportunity Area 4’, a key recommended location for large-scale logistics developments. As stated in our previous representations to this Plan, it is considered that Charnwood’s well-

evidenced need for units of over 9,000sqm should be dealt with within this plan period rather than being deferred to a Local Plan Review which could take a number of years to come to fruition. Delay in providing land for large-scale employment will also have significant implications for Charnwood's economy in the long term. Existing businesses looking to expand may choose to relocate outside of Charnwood to secure suitable sites or premises.

It should also be noted that Charnwood's 2018 Employment Land Review (EB/EMP/2) recommended at paragraph 6.16 that an extra 10ha of land be provided on top of the assessed need in order to bring Charnwood's vacancy rates back up to around 7.5%, which is considered by both the Employment Land Review (paragraph 6.16) and the HENA (paragraph 7.38) to be sufficient to allow for market choice and churn. The Employment Land Review placed vacancy rates in Charnwood at 3.7% at the time of writing in 2018. More recently the 2022 HENA finds that vacancies had fallen to 3.2% in Charnwood by July 2021, and 1.6% across the FEMA (HENA, Table 7.20). We generally welcome this proposed contingency, but maintain that in general Charnwood's overall employment land requirement has been grossly underestimated and is likely to be in the region of 107ha (Savills Future Demand Report, paragraph 1.2.6). The draft allocations put forward in the draft Plan are nowhere near this figure.

The submitted Charnwood Local Plan (SD/2) breaks down the need and supply of B1 and B2/'small B8' (i.e. units under 9,000sqm) in Table 3, as shown below in Figure 2:

Figure 2: Charnwood Local Plan 2021-2037 Pre Submission Draft July 2021, Table 3

	Office (ha)	General Industrial/ Small Warehousing (ha)
Employment Need	11.92	43.55
Employment Supply		
West of Loughborough Sustainable Urban Extension (total 16 ha)	4.0	12.0
North East of Leicester Sustainable Urban Extension (total 13 ha)	1.7	11.3
North of Birstall Sustainable Urban Extension (total 15 ha)	1.5	13.5
Dishley Grange, Loughborough	3.6	5.4
Watermead Business Park	2.5	9.5
Other Employment Land Supply at 31 March 2021	2.5	14.3
Total	15.8	66.0
Balance Need and Supply	3.88	22.45

This table indicates a quantitative oversupply of 22.45ha of B2/'small B8' land in Charnwood Borough. In accommodating 23ha of unmet B2/small B8 need, Charnwood's B2/small B8 oversupply would be reduced to -0.55ha, meaning that the quantitative need for B2/small B8 land would no longer be met through the current identified supply (however it is appreciated that this undersupply is minor). However, this does mean that the 10ha contingency recommended by the Employment Land Review (EB/EMP/2) no longer exists given the accommodation of the unmet need. It is considered that, in addition to the need to identify large-scale employment sites to meet the identified local need in Charnwood, a further minimum 10ha needs to be provided to support market choice and churn as identified in the Local Plan evidence base.

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It is also considered that the overall approach taken will not result in different types of employment land in a variety of locations, simply because the need for large-scale (>9,000sqm) units has not been met by Charnwood's draft Plan. In taking on the unmet need (which diminishes Charnwood's Class B2/small B8 surplus to -0.55ha), CBC are further compounding a situation whereby the needs of Charnwood (and Leicester) for B2 and 'small B8' land are met, but any need for 'large B8' >9,000sqm is effectively ignored.

Overall, we agree with the logic of the decision to apportion 100% of Leicester's unmet need to Charnwood, however the implications of this for other elements of the overall employment provision (namely the need for a contingency/buffer and the need for large-scale Class B8 land) have not been properly assessed. At present, the apportionment of the unmet need, whilst helpful in meeting the needs of Leicester in terms of smaller sized employment units, unfortunately further compounds the issues identified in our previous representations surrounding the lack of provision of large-scale employment to meet Charnwood's own identified need as well as the wider Leicester and Leicestershire need.

10.25 Should some of the unmet need be apportioned to any of the other Leicestershire authorities based on the factors outlined above?

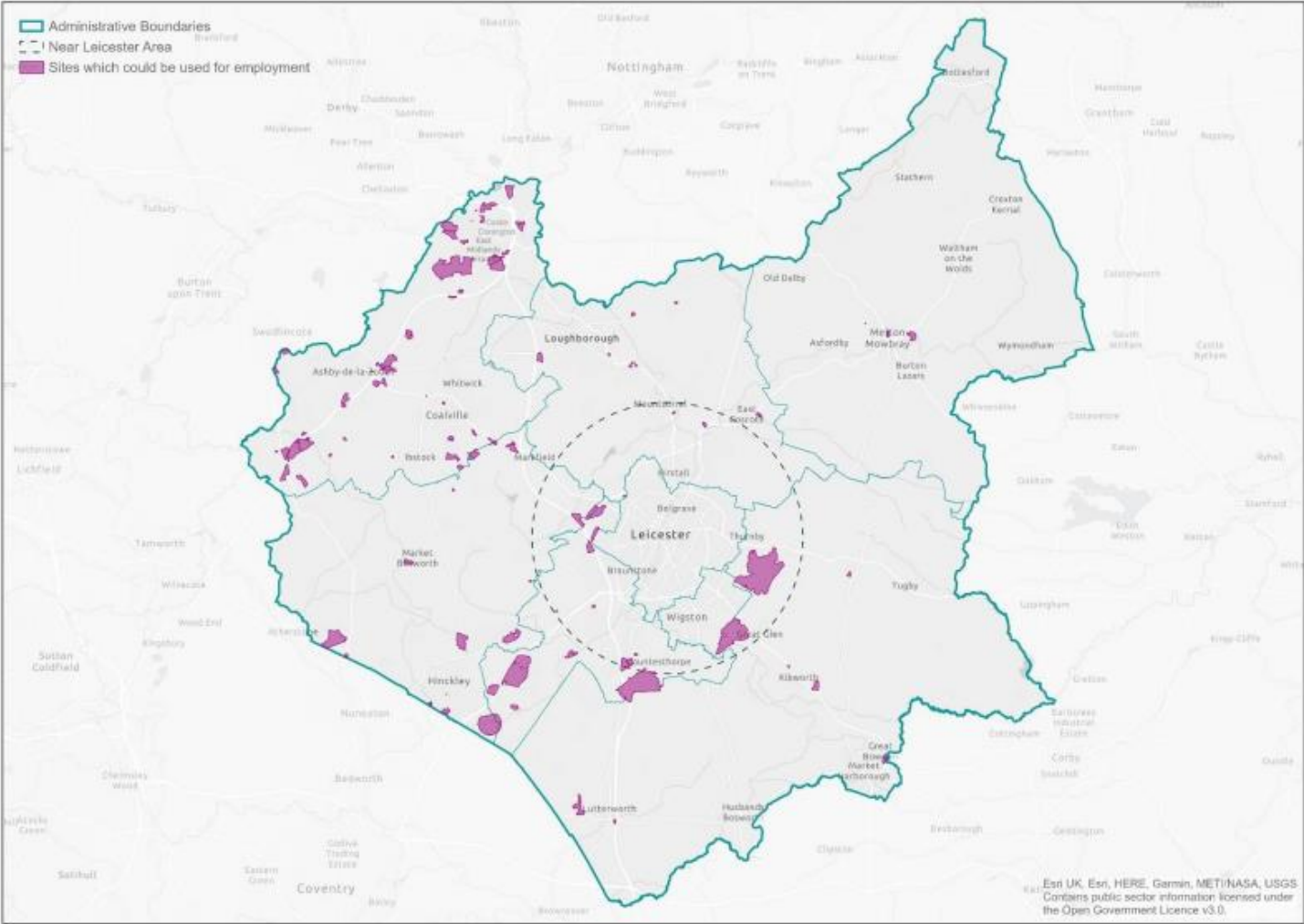
We consider that Charnwood contains a number of allocations (as described in our response to question 10.24 above) which meet all of the criteria set out in the HENA. Charnwood also has a quantitative and qualitative supply surplus for Class B2/'small B8' units less than 9,000sqm, as opposed to other LPAs with a good functional relationship with Leicester such as Blaby where there is currently an identified 15.7ha shortfall.

We also consider that Land east of Junction J23, M1 meets all of the above criteria too, albeit it is more suitable for large-scale employment uses. Land east of J23 was identified on page 47 of the Statement of Common Ground Sustainability Appraisal (EXAM 47a/ Figure 3) as a potential site for employment. However, the Council have failed to link the need for this type of large scale employment site with the proposed allocations in the Plan. We consider this to be a fundamental omission of the Plan which needs addressing as part of this Plan rather than being deferred to a FEMA-wide review.



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Figure 3: Site options that could potentially involve employment land. Statement of Common Ground Sustainability Appraisal



10.27 Is the apportionment of all of the unmet need for employment land to Charnwood justified by the evidence and will this be effective in meeting the employment land needs of the Functional Economic Market Area as a whole? Does this allow for flexibility and choice?

We consider that the apportionment of all of the unmet B2/'small B8' employment need to Charnwood is justified and represents a logical approach. As we made clear in our review of Charnwood's employment allocations (Savills Future Demand Report, pages 48-51), there is a plentiful supply of land identified in Charnwood's draft Local Plan which could satisfy the requirements for sites of less than 9,000sqm.

However, Charnwood still faces a significant local issue which has not been addressed in the submitted Plan. Namely, the lack of consideration of large-scale B8 need and supply of units over 9,000sqm. The 2018 Employment Land Review (EB/EMP/2) makes clear that at minimum, a site of at least 10ha with excellent access to the M1 should be allocated to meet this need.

The historical under-supply, and lack of adequate proposed allocations to meet this need, means that the needs of existing occupiers in Charnwood are not being met. For this reason, flexibility and choice can therefore not be provided in Charnwood through this draft Local Plan, whether Leicester's unmet need is accommodated or not. Vacancies of large industrial units are at an all time low in the East Midlands and Charnwood (Savills Future Demand Report, paragraph 3.1.7). In ignoring this significant element of employment need, we consider that this draft Plan cannot be considered to be positively prepared.

Additionally, Wilson Bowden Developments are aware of a key employer in the Loughborough area who is in need of an expanded, modern premises and is currently unable to find a suitable site to enable the expansion of their business. Therefore, with a clear identified need for the accommodation of growth and expansion of businesses in Charnwood and more locally in Loughborough, we consider that land east of Junction 23, M1 is considered to be the most appropriate site in Charnwood to meet these needs.

Word count: 2,791

Savills on Behalf of Wilson Bowden Developments

Matter 5: Employment Development and Town Centres

Issue 1: Whether the assessment of the need for employment and the employment floorspace requirement are soundly based

5.1) The Housing and Economic Development Needs Assessment (EB-EMP1) sets out a 'planned growth scenario' of 18,500 jobs for the Borough (2011 – 2036). How has the Employment Land Review (EB-EMP2) taken into account local factors in arriving at the need for employment land in the following sectors, and is the approach justified:

a. Offices (formerly Class B1(a), now covered by Class E(c)) (WBD response N/A)

b. Industrial (Class B2 and B8)

The 2017 Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA) did not quantitatively assess the need for large-scale B8 warehousing (i.e. units >9,000sqm) in Charnwood, only providing a county-wide need of 472ha. The 2018 Employment Land Review (ELR) was therefore not well-placed to make a quantitative or qualitative assessment of the requirement for this type of employment land but reasonably concluded in paragraph 6.30 that a failure to provide any large B8 land would ***“mean that an element of market demand is unaddressed in the next plan”***. The ELR therefore reasonably concluded that there would be a requirement for a site of at least 10ha to meet the needs of the local market (paragraph 6.34).

Therefore, with the absence of a quantitatively assessed large-scale B8 employment need in Charnwood, we consider that the approach taken by the ELR is justified. However, the Plan fails to allocate a site of this nature, which we suggest should be rectified in order to make the Plan sound (justified and effective). We have set out in our response to Matter 2 that the plan could be made sound by allocating land south-east of J23 as demonstrated in the concept plan attached to our Matter 2 Hearing statement.

5.2) Is an extra 10 hectares on top of the identified need for employment land justified to support an improvement in vacancy rates to allow for churn and market choice, and how was that figure arrived at?

As the 2017 HEDNA was undertaken on a sub-regional level (Leicester and Leicestershire), the ELR sought to adjust its findings to account for local considerations (p.52). One of these was that, at the time the report was written in 2018, employment space vacancy rates in Charnwood were around 3.7%, which was considered to be too low to allow the market to function effectively. The ELR concluded that a vacancy rate of 7.5% would be preferable, estimating that 10ha of extra land on top of the assessed need would be sufficient to bring the vacancy rate back up to this level. It should be noted that the extra 10ha recommended in the Employment Land Review is for small-scale industrial land (<9,000sqm) rather than for large-scale units >9,000sqm, for which a contingency supply has not been proposed.

We consider that, in light of the ongoing growth of the large-scale warehousing and logistics sector in the East Midlands since the Employment Land Review was conducted in 2018, there is a need to take a similar approach to providing some contingency large-scale employment land in line with the above approach taken in the Plan to provide 10ha of contingency land for small-scale units. The Savills Big Shed Briefing January 2022 (Appended) puts the current

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East Midlands vacancies (for units over 100,000sqft) at just 1.69% (compared to a national average of 2.91%), with a supply of only 8 units over 100,000sqft. The report concludes that national supply of big sheds is at its lowest ever level, with demand spiralling (Figure 1). Similar recent research by CBRE also found that the East Midlands had the largest take-up of any region in the UK in Q1 2022 with over 3.4m sqft of space taken (Figure 2). Therefore, we support the inclusion of the above 10ha contingency for small sites, and propose that the Plan should go further and look to provide a level of contingency land that is clearly required to support churn in the local market for large-scale warehousing (i.e. sites up to 25ha in size). This would represent a positively prepared Plan and would be in line with the PPG which states that LPAs should assess “evidence of market demand (including the locational and premises requirements of particular types of business) – sourced from local data and market intelligence, such as recent surveys of business needs, discussions with developers and property agents and engagement with business and economic forums” (ID: 2a-026-20190220). We do not consider that this approach has been robustly undertaken by CBC.

The NPPF (*paragraph 81*) also states:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential” (Savills emphasis)

WBD is aware of a major local business that wishes to expand / relocate but the adopted and emerging plan makes no suitable provision for this.

The Framework (*paragraph 82*) goes on to state:

“Planning policies should:

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.”*

Finally, in respect of storage and distribution requirements, *paragraph 83* of the Framework states:

“Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and

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distribution operations at a variety of scales and in suitably accessible locations." (Savills emphasis).

We contend that the plan fails to meet the requirements of the Framework and is therefore not sound.

We consider that the regional / sub-regional requirements are a separate matter to large-scale local employment requirements as they relate to site requirements of >25ha and will be addressed as part of the wider Leicester and Leicestershire growth study being addressed as part of the Duty to Cooperate.

Figure 1: Key East Midlands Big Shed Statistics (Source: Savills Big Shed Briefing January 2022)

Key statistics		
	Stats	yr/yr change
Take-up	12.39m sq ft	↑ 4%
Supply	2.03m sq ft	↓ 57%
Development Pipeline	4.43m sq ft	↑ 184%
Quoting Grade A Rent	£8.25 - £9.00/sq ft	↑ 29%
Vacancy rate	1.69%	↓ 251 bps

Source Savills Research

Figure 2: East Midlands logistics take-up 2012 - Q1 2022 (Source: CBRE UK Logistics Market Summary, Q1 2022)



5.4) Should the Loughborough Science and Enterprise Park accommodate more general office and industrial uses as suggested by the Employment Land Review (EB/EMP/2) paragraph 7.16?

We consider that support should be given to the Science and Enterprise Park allocation as Science Parks are historically long-term, complex projects which need sufficient time to be delivered. We agree with the stance taken by the Council in TP-3 paragraph 5.4 which states that Loughborough University’s ‘gatekeeper’ policies will prevent the site coming forward for general employment use. Therefore, the Science and Enterprise Park should be considered to be separate and not a competitor to other employment allocations in the Plan. The ELR also considers the Science Park to be justified as an allocation on its own merits as a separate specialist allocation, and therefore we do not consider it to form part of the traditional industrial

and logistics employment land supply (Class B2 and B8 uses) requiring highly accessible locations.

Additionally, the Employment Land Review goes on to state that *“while it is impossible to quantify, a shortage of general space could constrain the potential of the Science Park to ‘spin off’ firms and generate added industrial value.”* (p.22). Therefore, it is clear that the evidence base supports the inclusion of the Science Park allocation for a specialist use, and that there is a symbiotic relationship between more general employment land and this specialist allocation. To aid the delivery of the science park, it is therefore important that a sufficient amount of general employment land is allocated to support the functioning of the Science Park, including supply chains.

5.5) Is the allocation of 154.8 hectares of employment land in Policy DS4 justified compared with the assessed need of 44.5 hectares set out in the Employment Land Review? If so, why, and what is the amount of oversupply? Is the Plan making any contribution to strategic need?

As outlined in our previous representations, we consider the employment land need (identified in the ELR) of 44.5ha to be an underestimation of the true need in the Borough, as large-scale employment needs have not been accounted for. The ELR recognises this, stating that a further site of at least 10ha is required in addition to this 44.5ha to support the need for large-scale warehousing. We therefore consider the need to be at least 54.5ha when this extra site (of minimum 10ha) is taken into account. The Plan makes no provision for the identified requirement for a >10ha site with excellent access to the M1 motorway. The Plan also makes no contribution to the wider strategic need in Leicestershire (which has yet to be apportioned through the Duty to Cooperate), which CBC state will be dealt with by the wider Strategic Growth Options study and other ongoing joint working.

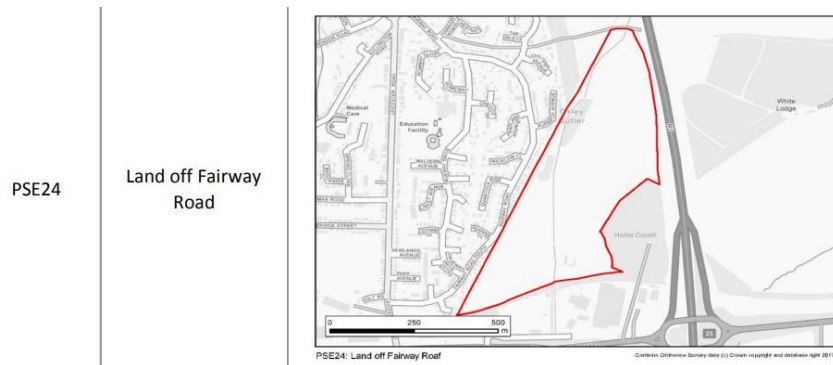
We agree with the findings of the ELR (paragraphs 7.14 - 7.17) which state that the allocation of land west of the existing Loughborough Science Park is considered to be in addition to the assessed need to meet a separate and specific market need. We consider that due to the specialist nature of the Science Park, this site should not be conflated with the remaining 81.8ha of allocated employment land.

5.6) Does the Plan identify a 10 hectare site for larger units (over 9,000 sqm), as recommended in the Employment Land Review? If so, where is it and how will it meet the requirements of that sector?

The ELR recommended that a site of minimum 10ha with excellent access to the M1 be allocated in the Plan. The ELR considered sites from a previous SHELAA, which has since been superseded by the 2020 iteration which was submitted as the evidence base for the submission Plan.

After considering the sites in this superseded SHELAA, the ELR recommended that site PSE24 (to the north west of J23) be allocated, *“because it is the only site capable of accommodating some large units as well as smaller unit employment space”* (ELR 2018, Appendix A). This 25ha site is shown in Figure 3 below (however it is now allocated for 5ha employment and 100 residential units):

Figure 3: PSE24 Site Plan (Source: Charnwood Employment Land Review 2018, Appendix A)



Land east of J23 (a similar size: 22ha) was considered as part of the ELR, but at this time it was considered as part of SHELAA site PSE265 (Figure 4), which included land already part of the adopted Science Park allocation under Policy CS23 of the 2015 Core Strategy. We consider that, had land east of J23 been considered separate to the wider Science Park allocation, the ELR may have found it to be a reasonable alternative.

Figure 4: PSE265 Site Plan (Source: Charnwood Employment Land Review 2018, Appendix A)



The recommendation in the ELR has been ignored in the draft Plan, which allocates only 5ha of site PSE24 for employment (with the remainder allocated for 100 dwellings), which we consider to be insufficient to meet the needs of large-scale warehousing (which was the entire premise for its initial recommendation in the ELR). The Draft Plan contains no reasonable alternative allocations which are able to meet the 10ha need for a site with excellent access to the M1, therefore it is considered that an alternative site such as land east of Junction 23 is required in order to make the Plan sound.

Issue 2: Employment Allocations and Other Employment Policies

5.7) Do the allocations in Policy DS4 accord with the evidence and findings in the Employment Land Review in terms of the assessments in Appendix A of that document? Is the employment allocation at Dishley Grange justified by the evidence?

The Employment Land Review made recommendations for a site to be allocated of at least 10ha with excellent access to the M1 to meet Charnwood’s large-scale employment needs. The allocations in Policy DS4 are not consistent with this requirement, and therefore the Plan is not positively prepared nor justified.

5.8) Are the employment allocations in Policy DS4 based on a robust site selection methodology, positively prepared and will they be deliverable in accordance with the trajectory in Appendix 2? Why is the Loughborough Science and Enterprise Park not included in the trajectory? Are the employment and housing land trajectories in Appendix 2 aligned?

The site selection process cannot be described as positively prepared, justified or effective, as CBC have failed to allocate a site for large warehousing of 10ha+ with excellent access to the M1 as recommended in the 2018 ELR. The allocations are also not justified, as reasonable alternatives were not adequately considered through the Sustainability Appraisal process. The Sustainability Appraisal did not consider individual sites, therefore it is difficult to confirm that the allocations contained within Policy DS4 are reasonable and constitute sustainable development.

Issue 3: Warehousing and Logistics Floorspace

5.14) How will the Areas of Opportunity identified in the Study be taken forward? Does this represent an unmet need across the Leicester and Leicestershire authorities or is it a cross boundary issue to apportion the distribution of logistics space?

One of the identified Key Areas of Opportunity (AO4) is centred on the M1 corridor. However, CBC have failed to allocate any large (or strategic) sized employment land along this corridor, with the exception of LSEP (Science and Enterprise Park) which has a restricted use. The Plan ignores this area of opportunity identified in the evidence base, which we consider should be a key area for future large-scale logistics development, particularly in light of the ELR's recommendation for the allocation of a site of minimum 10ha with excellent access to the M1. The strategic (>25ha) employment site requirements are above the local employment need and should be considered in addition to the local need.

5.15) Should the Plan be more explicit about addressing the need for logistics and warehousing floorspace to 2041 identified in the Study? Is there a need for a specific reference to logistics and warehousing within Policy E1 (Meeting Employment Needs) or within other policies as well, for example Policy DS1?

The Statement of Common Ground (SCG/10) relating to warehousing and logistics makes clear that CBC intend to deal with strategic warehousing needs through regional and sub-regional joint working, namely the Strategic Growth Options study (as stated in EXAM 2). However, this study will only consider sites of >25ha. CBC has not published any documents explaining the failure to consider sites which would fall into the 'large B8' category (i.e. sites >9,000sqm and <25ha). It should also be noted that, with the exception of the LSEP Science Park allocation west of Loughborough (which is allocated for specialist uses), the 2020 SHELAA contained no sites of 25ha+. The original Warehousing and Logistics in Leicester and Leicestershire study was published in April 2021, well before Regulation 19 consultation, yet this study has not been adequately incorporated into the Pre-submission Plan nor the accompanying Sustainability Appraisal.

We therefore consider that the Plan is not justified, as it does not take into account the entirety of the submitted evidence base. There is therefore a need to be more explicit about how CBC

intends to deal with the need for large-scale employment land in the Plan, as this is not dealt with in the current Plan.

5.16) Overall, does the Plan allocate a sufficient amount, mix and choice of employment sites to meet future needs and has the Plan's economic strategy been positively prepared? Are the Plan's economic and housing strategies aligned?

First and foremost, the Charnwood Local Plan fails to address its own employment land requirements as identified in the 2018 ELR, which recommends the provision of a site of minimum 10ha with excellent access to the M1 motorway to meet the need for large-scale warehousing. We consider that deferring this requirement to the wider Leicester and Leicestershire work is inappropriate, as strategic cross-boundary need is a separate issue. Additionally, Charnwood's Economic Development Strategy 2018-2020 (document EB/EMP/5) states a number of actions and objectives required to create favourable conditions for economic growth. One of these is to "*facilitate the supply of major employment sites and enable infrastructure through planning and growth delivery mechanisms*" (p.3). We consider that, owing to the lack of a 10ha employment site being allocated with close proximity to the M1, this objective has not been met in the Plan. This renders the plan unsound because it is neither justified or effective in meeting its own needs, nor is it reflective of the evidence base and does not align with the objectives of the Economic Development Strategy.

The strategic employment needs (25 Ha + sites) are considered to be different and above that which is identified in the ELR. The strategic need represents a third tier of employment land provision (illustrated in Figure 5). CBC has an opportunity to be more positive in its plan making by safeguarding land for this requirement given the obvious locational advantages offered in Opportunity Area 4 (as defined in the Warehousing and Logistics in Leicester and Leicestershire study). The Plan fails to recognise the three different tiers of employment land provision that the Plan is expected to cover – two of which (small-scale and large-scale employment) are expected to be met within Charnwood's administrative area in this Plan period. These requirements should not be confused with the wider regional/sub-regional requirement for strategic employment land (25Ha +).

Savills on Behalf of Wilson Bowden Developments

Matter 1: Duty to Cooperate and other legal requirements

Issue 1: Whether the Council has complied with the Duty to Cooperate in the preparation of the Plan

1.1) What are the relevant cross boundary strategic matters that have arisen through the preparation of the Plan (defined as matters having a significant impact on at least two planning areas)?

As recognised in paragraph 2.1 of SCG-10, there is a clear need for strategic (>9,000sqm) warehousing and logistics floorspace to be considered a key strategic matter. CBC have not included large employment sites in their plan because they state that this will be dealt with through a Leicester and Leicestershire Strategic Growth Options and Constraints Mapping study. Whilst this may identify suitable sites of 25ha or more (as stated in EXAM2A, page 5), we consider this to be a distinctly separate issue which should be dealt with in addition to the Borough's own large-scale employment (warehousing and logistics) requirement for units >9,000sqm.

The Plan's primary employment evidence base is comprised of the 2018 Employment Land Review (ELR) and the 2017 Leicester and Leicestershire Housing and Economic Development Needs Assessment (HEDNA).

The scope of the HEDNA was a purely quantitative analysis of employment need, which quantified the need for large (>9,000sqm) Class B8 units across Leicester and Leicestershire. The ELR added further qualitative analysis for Charnwood. The ELR concluded that there is a requirement of 44.5ha of land for industrial and small warehouse use (<9,000sqm) over the Plan period. The ELR (paragraphs 7.39-7.46) confirms that the HEDNA excluded any large warehouse requirements over 9,000sqm. The ELR fails to provide a quantitative need for large employment requirements, and only went as far as to recommend that an additional 10ha site be allocated (ideally with excellent access to the M1) to provide a suitable location for larger scale warehousing (paragraphs 7.41 & 7.42).

In addition to the needs of Charnwood, the Warehousing and Logistics in Leicester and Leicestershire Report 2021 (updated 2022) identified a shortfall of 112ha road-served employment land in Leicester and Leicestershire which it recommends should be planned for (p.192). However, CBC have not stated that this forms part of the evidence base used to identify the Plan's employment need, despite the recommendation that this shortfall should be planned for.

A site of at least 10ha with excellent access to the M1, as recommended by the ELR, has not been allocated in the Plan. We consider that the requirement for this site is a local need to be dealt with as part of this Plan, rather than a strategic need to be deferred to wider Leicestershire work. Therefore, the Plan cannot be considered to be justified or positively prepared, as the recommendations of the evidence base have not been implemented and the wider regional shortfall in road-served sites has not been discussed or dealt with. The larger, more strategic employment site requirement for sites of >25ha is a more strategic matter and the two (large and strategic) should not be confused.

1.2(b)) What outcomes have resulted from engagement and co-operation on the relevant strategic matters and how have these informed the Plan's policies, including in relation to employment?

As a result of the strategic (>25ha) site requirements emerging from the wider evidence for Leicestershire, CBC have failed to include a single site that meets the large-scale site requirement identified in the 2018, namely a site of 10ha or more with good accessibility to the strategic road network, ideally the M1 in their Plan for large-scale warehousing. We understand that this approach has been taken on the basis that this will be captured as part of a regional/sub-regional review being undertaken through the forthcoming Leicester and Leicestershire Strategic Growth Options and Constraints Mapping study. Whilst this study may identify Charnwood as being a suitable location to serve a wider regional and sub-regional strategic employment requirement, it does not address the very clear conclusion in the ELR that CBC should provide at least one site no smaller than 10ha in size (and preferably with excellent access to the M1) for large warehouse requirements arising within the Borough. Therefore, it appears that the outcome of the wider regional/sub-regional employment requirement has resulted in Charnwood failing to plan appropriately for its own large-scale employment requirements on the basis of this being deferred to a wider strategic employment study. We consider these two requirements (strategic and large employment) to be separate in their nature, and hence they should be dealt with separately rather than being conflated.

1.3) Is the process of co-operation demonstrated with clear evidence, including Statements of Common Ground as expected by National Planning Policy Framework paragraph 27 and the Planning Practice Guidance? Do the Statements of Common Ground identify the relevant strategic matters, actions in relation to cross boundary issues, and the outcomes of actions taken?

The Statements of Common Ground produced to date do not reference Charnwood's requirement (as per the ELR) for an employment site of minimum 10ha. Table 2 of SCG/1 (the 2021 SoCG relating to housing and employment land needs in Leicester and Leicestershire) states that Charnwood's employment need (as per the HEDNA and ELR) is 55.9ha. This excludes the 10ha additional site recommended in the ELR for large-scale warehousing provision, which should be considered in addition to the Class B1, B2 and small-scale B8 employment need.

The need for this additional 10ha site is considered to be a Borough-level need, and as such we welcome that it has not been referred to in the wider strategic sites requirement as part of the Duty to Cooperate. However, this need has also not been dealt with through the Local Plan, and is unlikely to be dealt with through the forthcoming Leicester and Leicestershire Strategic Growth Options and Constraints Mapping which will only consider sites of at least 25ha. In addition, the recently released update to the SoCG (released 13th May 2022) also remains silent on the need for sites >9,000sqm. Therefore, we consider that there is a gap in the local and regional evidence base of large-scale (>9,000sqm but <25ha) B8 need in this Plan, and therefore the Plan is not considered to be positively prepared.

1.5) What liaison has taken place between the Leicester and Leicestershire authorities to address the unmet need for housing and employment since the announcement of the cities and urban centres uplift in December 2020? Where is this documented?

The recent Statement of Common Ground between the Leicester and Leicestershire authorities released on 13th May 2022 clarifies the most up to date position on this unmet need, apportioning 23ha of employment land and 1,248 dwellings (between 2020-2036) to Charnwood Borough.

We are concerned that this apportionment of unmet employment need relates only to B1, B2 and 'small B8' (i.e. <9,000sqm) development, seemingly ignoring large-scale B8 sites >9,000sqm. The forthcoming Leicester and Leicestershire Strategic Growth Options study will only consider sites >25ha, leaving an unconsidered gap of sites between 10Ha and 25ha which both the sub-regional work and the Charnwood Local Plan have not adequately investigated.

1.6) Paragraph 3.25 of SCG-1 states that the Leicester & Leicestershire authorities agree that there is a sufficient supply of employment land in the Charnwood Local Plan to accommodate the unmet need for 23 hectares of employment land to 2036. However, page 96 of the Statement of Consultation (SD/13) indicates that the Plan does not accommodate unmet need for employment. What is the correct position?

The Statement of Common Ground relating to housing and employment land needs released on 13th May 2022 clarifies Leicester City Council's unmet employment need of 23ha. It should be noted that this unmet need relates only to Class B1, B2 and 'small B8' (i.e. <9,000sqm) sites: 'large B8' need is being dealt with separately. Table 4 of this SoCG states that all 23ha of this unmet need has been apportioned to Charnwood Borough. We therefore expect that CBC will confirm to the Inspectors that they will be meeting the entirety of Leicester's unmet employment need through this Plan. However, we anticipate that this will all relate to smaller-scale local needs on sites of less than 25ha / delivering units of less than 9,000sqm.

1.10) Will Policy DS2 be effective in its submitted form and are any main modifications necessary to improve its clarity in relation to timescales and its effectiveness? Should the policy include a reference to strategic warehousing and distribution needs?

We are not aware of any review policies that have been included in adopted plans which have successfully resulted in an objective early review being undertaken and scrutinised by an independent Inspector. The preference is to take account of all of the known strategic issues as part of this Plan preparation and to positively plan for reasonable alternatives, either in the form of additional allocations or safeguarded land to meet potential cross-boundary/strategic needs. If a review mechanism is to be included, then we consider that this should be the subject of an independent review undertaken by a Government Inspector (and preferably the one that examines the Plan) rather than the Council.

We consider that CBC should allocate a site of a minimum 10ha with excellent access to the M1 as recommended in the ELR to meet a need for large warehousing, as this would represent a positively prepared Plan.

If DS2 is to be retained, a main modification could include a clause stating that if the Strategic Growth Options research concludes that Charnwood needs to accommodate strategic employment land (25ha+), a further local plan review will be triggered.

1.15) In overall terms, is there evidence to demonstrate that, during the preparation of the Plan, the Council has engaged constructively, actively and on an on-going basis with relevant authorities and prescribed bodies on relevant strategic matters? Has the Duty to Cooperate been met in a manner consistent with paragraphs 24 - 27 of the Framework?

We consider that the Council has worked positively with other LPAs and the Duty to Cooperate has been met. The Council states on page 5 of their letter to the Inspectors (EXAM2A) that 'large B8' requirements (>9,000sqm) will be dealt with through joint working on a forthcoming Leicester and Leicestershire Strategic Growth Options and Constraints Mapping study. We appreciate the need for joint working on strategic matters. However, the scope of this study (sites >25ha as stated in EXAM2A, p.5) means that there will be a gap in consideration of and provision of sites ranging from 10ha-25ha in Charnwood over this Plan period. A large (not strategic) site fitting this description was recommended by the ELR, yet CBC have failed to positively plan for this type of site. In order for the Plan to be sound, it must include a site of at least 10ha adjacent to the M1 to meet the requirements of the evidence base. We are concerned that there is confusion over what is considered large and what is considered strategic.

Issue 2: Whether the Plan has been informed by a Sustainability Appraisal

1.17) Does the Sustainability Appraisal robustly test the Plan against reasonable alternatives for the scale and distribution of housing, employment, retail and other types of development set out in Policy DS1?

The Pre-submission stage Sustainability Appraisal (SD/5) appraised the employment alternatives against the quantity of employment land required in the 2017 HEDNA and the qualitative need for employment land identified in the 2018 ELR. The Sustainability Appraisal recognises (paragraph 5.2.2) that whilst there is sufficient committed/permissioned land in the Borough to meet the quantitative need, there are qualitative issues to consider including the location and type of employment land, as well as the need for flexibility. It is considered that, as the Sustainability Appraisal does not assess individual employment sites in the same way it has done for housing sites, the alternative approaches to Option 4 (allocating a 5ha site north-west of J23 near Shepshed) have not been adequately considered, rendering the Plan unsound.

It is also considered that the findings of the Warehousing and Logistics in Leicester and Leicestershire report (2021, updated 2022) should have been noted and considered as part of the Sustainability Appraisal process as they form a part of the available evidence base and demonstrate a shortfall in rail-served warehousing in the wider sub-region/region. Therefore, the Plan is not justified, as the strategy taken does not adequately consider reasonable alternatives, including the opportunity to allocate a site of at least 10ha to support the requirement for large-scale warehousing.

1.18) What alternative spatial strategy options were considered, which were discounted and are the reasons for this clear? What was the purpose of the ‘additional focussed assessment’ in Appendix G of the Sustainability Appraisal and how has this informed the development strategy in Policy DS1?

With regards to employment, the Pre-submission Sustainability Appraisal identified 3 options which were deemed to be reasonable, one of which sought to “identify new employment land to respond to demand for large scale warehousing” (paragraph 5.2.4). The decision was made to take forward a fourth option instead, which included an allocation of 5ha north-west of Junction 23 of the M1, near Shepshed. The rationale for this approach, as stated by CBC, is to “support flexibility and the spatial strategy (rather than to attract large scale warehouses)” (paragraph 5.2.5).

We consider that Option 4 does not provide a reasonable option for Charnwood’s employment strategy, because the evidence base, as stated in the ELR p.63-64, clearly identifies a need for a site of minimum 10ha to support the need for large scale warehousing, preferably close to the M1 motorway. The Plan does not provide for this local large-scale employment requirement. This recommendation has been ignored in favour of an approach for which the stated rationale is not grounded in the evidence base.

Moreover, the appraisal of employment alternatives contained within Appendix E of SD/5 (and summarised in Table 5.1 of the appraisal) shows that Options 3 and 4 performed very similar in the Sustainability Appraisal. As there are no site-specific assessments of employment sites appended to the Sustainability Appraisal, it is not clear how the decision was reached to discount and include specific sites to support these four options. Other Local Plans currently at Examination stage have undertaken extensive reviews of both strategic and non-strategic employment sites to ascertain their individual merits, for example Shropshire Council’s Sustainability Appraisal.

Overall, the Sustainability Appraisal does not provide a clear justification as to why certain employment sites were discounted or allocated respectively, and therefore the Plan is not justified as it has not adequately explored reasonable alternative strategies and sites. The chosen strategy ignores a key recommendation in the ELR to provide a site of a minimum 10ha with excellent access to the M1, which can be provided at land east of J23.

Issue 3: Whether the Plan has been prepared in compliance with other legal requirements

1.21) Are any adjustments to the Plan period necessary for consistency with the NPPF’s provision that strategic policies should look ahead for a minimum 15 year period from adoption?

The current Plan period is 2021-2037. CBC’s current Local Development Scheme (April 2022) states an intention to adopt the new Local Plan between December 2022 - January 2023. We therefore consider that the Plan period should therefore be extended by at least one year to ensure that it looks ahead for a minimum of 15 years from the date of adoption (likely to be in early 2023), with an additional year’s worth of housing and employment need planned for to reflect this.

Savills on Behalf of Wilson Bowden Developments

Matter 5: Employment Development and Town Centres

Supplementary Statement January 2023

Impact of the accommodation of Leicester's unmet need on Charnwood's overall employment supply

Charnwood's submitted Plan sets out a need, as stated in the 2018 Employment Land Review (ELR), for 43.55ha of class B2/ 'small B8' land. As discussed at the October 2022 hearing sessions, it should be reiterated that as this evidence has not been superseded or withdrawn, it is still valid and should be a material consideration in the determination of the soundness of this plan.

In Table 1 below we have summarised Charnwood's B2/ 'small B8' employment supply position, taking into account the accommodation of Leicester's unmet need of 23ha.

Table 1: Summary of Charnwood's Employment Need and Supply Balance

	B2/ Small B8 (ha)
Employment Need	43.55 (including 10ha contingency to support market churn and vacancy rate) ¹
Accommodation of Leicester's Unmet Need	23 ²
	7 (contingency to support market churn and vacancy rate, pro-rata) ³
Employment Supply	66.0 ⁴
Balance Need and Supply (prior to unmet need accommodation)	22.45
Revised Balance Need and Supply (including unmet need)	-7.55

Paragraphs 6.10-6.16 of the ELR recommended an additional 10ha of class B2/ 'small B8' land in addition to the identified need, in order to improve vacancy rates and market churn. This recommendation was adopted by the Council, resulting in the 43.55ha need figure. However, the ELR was written in 2018, when vacancy rates were around 3.7% (paragraph 6.13). It is considered that the vacancy rate position has worsened in Charnwood and Leicestershire more widely since 2018, with recent research by Savills estimating East Midlands vacancy rates to be at 1.4%⁵. As demonstrated by the above table, Charnwood's current position is that it has a 0.55ha unmet need when taking into account the accommodation of Leicester's 23ha unmet need. We consider an additional contingency as recommended in the ELR should be added to this unmet need figure to ensure that market churn and the vacancy rate are supported adequately, which would amount to 7ha pro-rata. Taking this further contingency into account, the employment land deficit in Charnwood sits at 7.55ha.

It should also be recognised that the stated figures above relate only to class B2 and 'small B8' sites under 9,000sqm. As we have previously stated, Charnwood have deferred their 'large B8' need to wider Leicestershire strategic work, which has not yet commenced since the plan was submitted in December 2021. CBC stated in their letter to the Inspectors in March 2022 (EXAM 2A) that two studies, the Strategic Growth Options and Constraints Mapping and the Strategic Transport Assessment, were

¹ EB-EMP-2 Employment Land Review 2018, paragraph 6.15-6.16

² EXAM 43 Statement of Common Ground relating to Housing and Employment Land Needs 2022, paragraph 3.24

³ Savills calculation

⁴ SD-2 Charnwood Local Plan 2021-2037 Pre-submission Draft, Table 3

⁵ Savills Future Demand Report 2022 paragraph 2.2.4, submitted in response to Matter 10 MIQs

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anticipated to be available in June/July 2022. This deadline has passed, and there are no confirmed timescales for the further progression of this work. We consider this evidence gap to be unwarranted and without it the plan is not justified or sound, particularly considering that the inclusion of large class B8 sites in a future Charnwood Local Plan may be some years away.

Furthermore, it is considered that Charnwood have inadequately addressed the growing need for large B8 units over 9,000sqm whilst local businesses continue to seek expansion space. This approach also renders the plan unsound because it is not effective.

Local Precedent for Criteria-based Employment Policies

In order to make the plan sound, we consider that an appropriate solution which would allow much-needed large class B8 sites to come forward would be to include a criteria-based employment policy via a main modification to the plan.

An example of this kind of policy can be found in the North West Leicestershire Local Plan, adopted in 2017. An employment supply deficit of 39ha was identified in the district, however the Council were unable to identify suitable sites in their Employment Land Availability Assessment (ELAA) to meet these

North West Leicestershire Local Plan Policy Ec2: New Employment Sites

(2) Where evidence indicates an immediate need or demand for additional employment land (B1, B2 and B8) in North West Leicestershire that cannot be met from land allocated in this plan, the Council will consider favourably proposals that meet the identified need in appropriate locations subject to the proposal:

- (a) Being accessible or will be made accessible by a choice of means of transport, including sustainable transport modes, as a consequence of planning permission being granted for the development; and*
- (b) Having good access to the strategic highway network (M1, M42/A42 and A50) and an acceptable impact on the capacity of that network, including any junctions; and*
- (c) Not being detrimental to the amenities of any nearby residential properties or the wider environment.*

needs. Policy Ec2: New Employment Sites therefore sets out a criteria-based policy for assessing any windfall employment sites which could potentially come forward during the plan period:

The effectiveness of this policy has allowed large scale employment development to come forward at Mercia Park adjacent to M42 Junction 11, the justification for which was premised on the above policy wording (application reference: 18/01443/FULM). This demonstrates that where appropriate consideration and flexibility is applied, effective policies can be included in the plan to deliver employment requirements that emerge as the local economy demands. This approach to policy also ensures that local economic requirements that are not provided a specific location can be accommodated successfully.

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Additionally, the North Warwickshire Local Plan (adopted 2021) includes a similar policy aimed at supporting economic growth and productivity.

North Warwickshire Local Plan Policy LP6: Additional Employment Land

Significant weight will be given in decision taking to supporting economic growth and productivity, particularly where evidence demonstrates an immediate need for employment land, or a certain type of employment land, within Area A on Figure 4.10 of the West Midlands Strategic Employment Sites Study of September 2015 (or successor study) which cannot be met via forecast supply or allocations. The relevant scheme will be required to demonstrate:

- (i) access to the strategic highway network is achievable and appropriate,*
- (ii) the site is reasonably accessible by a choice of modes of transport,*
- (iii) it is otherwise acceptable, taking account of the living conditions of those nearby.*

It is considered that Charnwood's Local Plan could be made sound through the inclusion of a similar policy, which would allow the significant demand and need for larger employment sites (which is not dealt with in the submitted plan) to be accommodated where sites are well located and there is a clear justification for their need.

As discussed in our previous matter statements and discussed at the previous Examination hearings, Wilson Bowden Developments are promoting land to the south-east of M1 Junction 23 for large-scale employment uses. A local employer, Thermo Fisher Scientific, are currently in need of an expanded premises and have expressed interest in this site. It is considered that this site can appropriately meet the need for large scale employment close to the M1 motorway junction: a requirement that was clearly identified in the evidence base but has yet to be addressed by the draft plan.