



	<b>Signed off by the Head of Paid Service: Yes</b>
<b>Purpose of Report</b>	<p>To consider the comments received in response to consultation undertaken in January -March 2022 on the emerging Local Plan in respect of:</p> <ul style="list-style-type: none"> <li>• Local Plan objectives</li> <li>• Settlement hierarchy</li> <li>• Development strategy options for housing</li> <li>• Development strategy options for employment</li> </ul>
<b>Recommendations</b>	<p><b>THAT THE LOCAL PLAN COMMITTEE:</b></p> <p><b>(I) NOTES THE RESPONSES TO THE CONSULTATION;</b></p> <p><b>(II) AGREES TO AMEND OBJECTIVES 2,4,5, 8, 9 AND 10 AS SET OUT AT PARAGRAPH 3.5 OF THIS REPORT;</b></p> <p><b>(III) AGREES THE REVISIONS TO THE SETTLEMENT HIERARCHY SET OUT AT PARAGRAPH 4.6 OF THIS REPORT AND APPENDIX C</b></p> <p><b>(IV) AGREES THE REVISIONS TO THE PROPOSED LOCAL HOUSING NEEDS POLICY SET OUT AT PARAGRAPH 4.11 OF THIS REPORT AND APPENDIX D</b></p> <p><b>(V) AGREES TO A HOUSING REQUIREMNT OF 686 DWELLINGS EACH YEAR AS SET OUT AT PARAGRAPH 5.2.29 OF THIS REPORT (SUBJECT TO THE COUNCIL AGREEING THE PROPOSED STATEMENT OF COMMON GROUND IN RESPECT OF HOUSING AND EMPLOYMENT NEEDS);</b></p> <p><b>(VI) AGREES TO EXTEND THE PLAN PERIOD TO 2040 AS SET OUT AT PARAGRAPH 5.2.33 OF THIS REPORT;</b></p> <p><b>(VII) NOTE THE UPDATED HOUSING PROVISION AS AT APRIL 2021 AS SET OUT AT TABLE 1 OF THIS REPORT;</b></p> <p><b>(VIII) AGREES A FLEXIBILITY ALLOWANCE OF 10% OF THE RESIDUAL HOUSING REQUIREMENT FOR 2021-40 AS SET OUT AT PARAGRAPH 5.2.41 OF THIS REPORT;</b></p> <p><b>(IX) NOTE THAT LAND NEEDS TO BE IDENTIFIED FOR A MINIMUM OF 6,693 DWELLINGS AS SET OUT AT PARAGRAPH 5.2.41 OF THIS REPORT;</b></p> <p><b>(X) NOTE THE PROPOSAL TO TEST A FURTHER HOUSING DISTRIBUTION OPTION (OPTION 9C) AS SET OUT AT PARAGRAPH 5.3.28 OF THIS REPORT;</b></p> <p><b>(XI) THAT THE STANTEC STUDY PROVIDE THE PRIMARY EVDIENCE BASE FOR FUTURE GENERAL EMPLOYMENT NEEDS AS SET OUT AT PARAGRAPH 6.4.16 OF THIS REPORT;</b></p> <p><b>(XII) NOTES THE GENERAL EMPLOYMENT LAND NEEDS AS AT APRIL 2021 AS SET OUT AT TABLES 5 AND 6</b></p>

	<p style="text-align: center;"><b>OF THIS REPORT;</b></p> <p><b>(XIII) NOTE THE PROPOSAL TO TEST A FURTHER EMPLOYMENT DISTRIBUTION OPTION (OPTION 2a) AS SET OUT AT PARAGRAPH 6.5.30 OF THIS REPORT;</b></p> <p><b>(XIV) AGREES A WORKING PROVISIONAL FIGURE FOR STRATEGIC DISTRIBUTION OF 100,700 SQM AS SET OUT AT PARAGRAPH 6.6.6 OF THIS REPORT (SUBJECT TO AGREEING TO EXTENDING THE PLAN PERIOD TO 2040) PENDING THE OUTCOME OF ANY AGREEMENT WITH THE OTHER LEICESTER AND LEICESTERSHIRE AUTHORITIES IN RESPECT OF THE DISTRIBUTION OF THE RESIDUAL REQUIREMNT IDENTIFIED IN THE STRATEGIC WAREHOUSING STUDY;</b></p> <p><b>(XV) NOTES THE INTENTION TO COMMISSION ADDITIONAL EVIDENCE IN RESPECT OF LANDSCAPE AND HERITAGE ISSUES IN RELATION TO THE PROPOSED FREEPORT SITE SOUTH OF THE A453 AND EAST MIDLANDS AIRPORT</b></p>
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## 1. BACKGROUND

- 1.1 Members will recall that a number of reports have been considered at previous meetings of this committee in respect of emerging options as part of the review of the Local Plan. These issues were then the subject of consultation between 17 January and 14 March 2022.
- 1.2 The [Development Strategy and Policy Options consultation document](#) covered the following issues and included a series of questions to help guide responses:
- Local Plan objectives
  - Settlement hierarchy
  - Development strategy options for housing
  - Housing
  - Development strategy options for employment
  - Employment
  - Health & wellbeing
  - Renewables and low carbon
- 1.3 A total of 414 responses were received to the consultation, broken down as follows by category of responder:
- 309 individuals
  - 59 developers/agents/landowners
  - 15 organisations (e.g. residents groups, local environmental groups, single interest groups)
  - 15 statutory consultees
  - 8 district/borough/county councils
  - 6 parish/town councils
  - 2 NWLDC internal
- 1.4 In addition, a petition was received signed by 44 individuals along with 153 number of standard tear off slips, both concerned with a potential housing site off Meadow Lane Coalville (SHELAA site C76).
- 1.5 Copies of all responses can be viewed from this [link](#).

- 1.6 The specific questions included in the consultation, together with the number of responses to each question is set out at Appendix A of this report.

## 2 STRUCTURE OF THIS REPORT

- 2.1 The purpose of this report is to consider the comments received in respect of the following matters and to determine the Council's approach:
- Local Plan objectives
  - Settlement hierarchy
  - Development strategy options for housing
  - Development strategy options for employment
- 2.2 The issues raised in response to the consultation are summarised in the report and/or supporting appendices, followed by a consideration of the issues and how the Council should respond.
- 2.3 The remaining issues consulted upon (for example the possible use of national housing technical standards, self and custom build and climate change issues) and the comments received will be considered at a future meeting of this committee.

## 3 LOCAL PLAN OBJECTIVES

### Background

- 3.1 The consultation sought views on the proposed objectives that the plan should seek to address.
- 3.2 The following question was asked (question1) –
- “Do you agree with these Local Plan Review Objectives? If not, why not?”

### Summary of Responses

- 3.3 There was a total of 106 responses to this question.
- 26 respondents agree or broadly agree with the objectives without further comment
  - 35 respondents make specific comments about individual objectives/s (18 of these also express support for the objectives generally)
  - 42 respondents object to the prospect of new development. 22 of these refer to potential development the Castle Donington/Diseworth/Isley Walton areas, 2 to Ashby de la Zouch and 2 to the Coalville urban area.
  - 3 respondents did not understand the question/could not answer the question/could not locate the relevant consultation documents.

### Considerations

- 3.4 A summary of the comments received and officer responses are set out in Appendix B. This consideration has resulted in recommended changes to Objectives 2, 4, 5, 8, 9 and 10.
- 3.5 The revised set of Objectives showing the proposed changes are listed below with additions in *italics underlined* and deletions ~~struck through underlined~~. A summary of the reason/s for the proposed change are in brackets beneath. It is recommended that these be agreed for future inclusion in the Local Plan Review.

Objective 1 - Enable the health and wellbeing of the district's population.

Objective 2 - Ensure the delivery of new homes, including affordable housing, which meet ~~local~~ housing needs including in terms of number, size, tenure and type.

[Reason: for accuracy]

Objective 3 - Achieve high quality development which is sustainable, which responds positively to local character and which creates safe places to live, work and travel.

Objective 4 - Reduce the need to travel by private car and increase opportunities for cycling, walking and public transport use, including connecting homes, workplaces and facilities and through the delivery of dedicated new infrastructure.

[Reason: for clarity]

Objective 5 - Support the district's economy, including its rural economy, by providing for a range of employment opportunities and sufficient new sites which respond to the needs of businesses and local workers.

[Reason: for accuracy]

Objective 6 - Enhance the vitality and viability of the district's town and local centres which have an important role serving our local communities with a particular focus on the regeneration of Coalville.

Objective 7 - Ensure new development mitigates for and adapts to climate change, including reducing vulnerability to flooding, and contributes to reduced net greenhouse gas emissions to support the district becoming carbon neutral by 2050.

Objective 8 - Conserve or enhance the district's built, cultural, industrial and rural heritage and heritage assets and their setting.

[Reason: for accuracy]

Objective 9 - Conserve and enhance the district's natural environment, including its biodiversity, geodiversity, water environments and landscape character, notably the River Mease Special Area of Conservation, the National Forest and Charnwood Forest as well as its other valued landscapes and pursue opportunities for biodiversity net gains.

[Reason: for accuracy and to reflect Government guidance]

Objective 10 - Ensure the efficient use of natural resources ~~brownfield land~~, in particular brownfield land, control pollution and facilitate the sustainable use and management of minerals and the minimisation of waste.

[Reason: for accuracy and clarity]

Objective 11 - Maintain access to services and facilities including jobs, shops, education, sport and recreation, green space, cultural facilities, communication networks and health & social care and ensure that development is supported by the physical and social infrastructure the community needs and that this is brought forward in a co-ordinated and timely way.

## 4 SETTLEMENT HIERARCHY

### Background

4.1 The consultation set out a proposed settlement hierarchy and a proposed local connection test in respect of potential development in Local Housing Needs villages.

4.2 In terms of the settlement hierarchy the following question was asked (question 2):

“Do you agree with the proposed settlement hierarchy? If not, why not?”

### Summary of Responses

4.3 There was a total of 109 responses to this question.

- 23 respondents agreed with the hierarchy
- 5 respondents disagreed with the hierarchy with no further comment
- 22 respondents agreed with the position of specific settlements in the hierarchy
- 6 respondents broadly agreed with the hierarchy but suggested that some settlements were better placed to take more growth than others
- 23 disagreed with the position of a particular settlement in the hierarchy / suggested changes to the hierarchy
- 21 respondents agreed with the position of specific settlements in the proposed hierarchy
- 8 respondents commented on the methodology of the Settlement Study
- 18 respondents used the question to comment on growth strategy issues / to object to new development/highlight concerns about the loss of countryside/loss of separation as a result of potential development around Isley Walton/Diseworth, Coalville, Castle Donington and Ashby.
- 1 respondent used the question to support new growth
- 8 respondents did not understand the question / could not answer the question / could not locate the relevant consultation documents.

Please note the above breakdown of responses totals 135. This is because some respondents had different views about different settlements or commented on several different issues.

4.4 A summary of the comments received and officer responses are set out in Appendix C.

### Considerations

4.5 Having considered the various responses a change is recommended in respect of Coleorton.

4.6 In terms of the recommendation to no longer classify Coleorton (Lower Moor Road) as a Sustainable Village, it should be noted that this will not preclude all development. Instead, there will still be opportunities for housing growth in Coleorton, but this would be in line with the requirements of the proposed Local Housing Needs Villages policy.

4.7 In terms of the criteria for local needs housing the following question was asked (question 3):

“Do you agree with the approach to Local Housing Needs Villages? If not, why not?”

## Summary of Responses

- 4.8 There was a total of 71 responses to this question.
- 26 respondents agreed with the proposed approach to Local Housing Needs Villages
  - 8 respondent disagreed with the proposed approach to Local Housing Needs Villages
  - 2 respondents queried why certain settlements were/weren't Local Housing Needs Villages
  - 9 respondents commented on the proposed criteria for establishing a demonstrable local need
  - 2 respondents said that growth should be communicated with the villages and towns affected
  - 1 respondent said growth in the Local Housing Needs Villages should be matched by new infrastructure
  - 4 respondents provided general comments on the Council's growth strategy
  - 17 respondents used the question to generally object to new development which would result in the loss of greenfield land, primarily at the proposed New Settlement and Castle Donington
  - 2 respondents could not answer / locate the relevant consultation documents.
- 4.9 A summary of the comments received and officer responses are set out in Appendix D.

## Considerations

- 4.10 Notwithstanding the number of comments made in respect of the proposed criteria to be applied to demonstrate a local connection, only relatively minor wording changes are proposed.
- 4.11 The most significant change is the proposal to remove criterion c). On reflection officers consider that this criterion would represent a potential risk in terms of managing growth in these settlements. Furthermore, whilst recognising that there may be circumstances in which an existing resident requires some care, this does not necessarily require that the carer live in the same settlement as the person being cared for. Bearing in mind that there are larger settlements not that far from all Local Needs Housing Villages, there will still be opportunities to either move to an existing property or, potentially, to build a new property in these larger settlements (subject to normal policy considerations).

## **5 DEVELOPMENT STRATEGY OPTIONS FOR HOUSING**

- 5.1 Under this section of the consultation two specific aspects were considered:
- the overall amount of new housing that needs to be provided for; and
  - where should new housing be located?

Each of these is considered below.

### **5.2 How much housing should be provided for?**

#### Background

- 5.2.1 The following options for how much housing should be provided for per year were developed.
- 368 dwellings (this is the result from the standard method) – referred to as Low scenario

- 448 dwellings (this is based on an assessment of housing needs for Leicester and Leicestershire in the Housing and Economic Development Needs Assessment 2017 (HEDNA)) – referred to as Medium scenario
- 512 dwellings (this is the figure from the Leicester and Leicestershire Strategic Growth Plan) – referred to as High 1 scenario
- 730 dwellings (this is based on the 2018 household projections with an allowance for vacancy rates in dwellings) – referred to as High 2 scenario

The High 1 and High 2 scenarios were identified as the preferred options.

5.2.2 The following question (question 4) was asked:

“Do you agree with our proposed approach to the amount of housing growth at this time? If not please explain why, including any specific evidence you think is relevant”.

### Responses

5.2.3 There were 123 responses to this question.

42 responses were from developers or landowners or agents acting on behalf of developers or landowners

4 were parish or town councils

59 were individuals

8 were from organisations

7 local authorities

3 statutory consultees

The responses are summarised below by category of responder.

### **Summary of responses**

#### Developers/landowners

5.2.4 Overwhelming support for the High 2 scenario having regard to latest household and population forecasts; the strong economic growth in the district, including the Freeport at East Midlands Airport; the need to provide affordable housing and recent housing growth in excess of the requirement in the adopted Local Plan. Some suggestion that the requirement should be more than the High 2 scenario.

5.2.5 One representation suggested that growth should be no more than that set out in the strategic growth plan (512 dwellings each year) and that to do otherwise would prejudice the ‘cities first’ approach advocated in the Planning Practice Guidance and the delivery of previously developed land. One representor also stated that the Council should not identify preferred growth strategy in advance of the issue of unmet need from Leicester City being resolved. One representor pointed to the outcome from the 2018-household projections from the Office for National statistics which identified a figure of 752 dwellings each year to 2039.

5.2.6 Other comments noted that any figures should be treated as minimum, with a number suggesting that a flexibility allowance is required with suggestions of 15-20% suggested as being appropriate. Also, some suggestion that the plan period should be extended to 2040 (from the currently proposed 2039).



### Parish and Town Councils

- 5.2.7 Preferred the High 1 scenario. It was noted that any unmet need from Leicester City should be met close to the City. It was also suggested that no exceptional circumstances had been demonstrated as to why market signals and demographic trends should be used and that recent high housing growth was because the Council was not able to demonstrate a 5-year supply of housing land and so the growth rate was exceptional.

### Other local authorities

- 5.2.8 Six Leicestershire authorities responded, all of whom supported the proposed approach as being suitable until such time as the redistribution of unmet need from Leicester City has been resolved. One non-Leicestershire authority also supported the proposed approach.

### Organisations

- 5.2.9 There was some support for the High 1 scenario which exceeds the standard method, whilst others considered that the standard method was appropriate (the low scenario). Notwithstanding support for the High 1 scenario, there were significant concerns expressed about the potential impact of growth on the environment and how growth and sustainability need to be balanced. Also need to include a windfall allowance and encourage development of previously developed land.

### Statutory consultees

- 5.2.10 Two did not express an opinion as to which scenario was appropriate, but noted the need to ensure that sufficient infrastructure is provided and that there is no adverse impact upon environmental assets. One respondent considered that the High 1 and High 2 options represented an appropriate approach subject to agreement regarding unmet need in Leicester City.

### Individuals

- 5.2.11 The vast majority of respondents expressed concern at the level of housing growth being suggested, whether High 1 or High 2. Of those who did express a preference, High 1 was preferred. The concerns expressed included:
- Impact upon local environment through loss of greenfield sites;
  - Loss of countryside and agricultural land;
  - Impact upon natural environment;
  - Lack of infrastructure and consequent impact upon existing residents;
  - Likely to see less immigration in the future so question need;
  - Significant housing growth has already taken place or is proposed;
  - Should use brownfield land before greenfield;
  - Why does unmet need from Leicester need to be directed towards North West Leicestershire?
- 5.2.12 It was also suggested that no exceptional circumstances had been demonstrated as to why market signals and demographic trends should be used and that recent high housing growth was because the Council was not able to demonstrate a 5-year supply of housing land and so the growth rate was exceptional.

### **Considerations**

#### Amount to be planned for

- 5.2.13 Since undertaking the consultation, work has progressed significantly in respect of the issue of unmet need from Leicester City which up until now has been the single biggest

issue that needed to be resolved to enable the Council to establish a housing requirement. A draft Statement of Common Ground (SoCG) which addresses the issue of unmet housing and employment need from Leicester City was considered at the meeting of Local Plan Committee on 25 May 2022. It was due to be considered by Cabinet in June. However, an error was identified in respect of the employment evidence which informed the SoCG. Therefore, sign off by each authority has now been put back slightly and is now due to be considered by Council at its meeting in September.

- 5.2.14 As noted above, the error only relates to employment and does not impact upon the housing unmet need issue. Therefore, the following comments are made on the basis that Council agrees the SoCG when it is considered in September. If they do not, then this issue will need to be reconsidered.
- 5.2.25 The draft SoCG identifies a figure for North West Leicestershire of 686 dwellings per annum. This is within the range of High 1 and High 2 (512 and 730 dwellings respectively) which was the subject of the latest consultation, albeit towards the top end.
- 5.2.26 In preparing the SoCG regard has been had to other potential distributions of housing growth across the authorities. All of the options were assessed for their potential environmental, economic and social impacts through a Sustainability Appraisal. This found that the preferred approach performs as well or better than the alternatives for most sustainability topics, and there are no clear indications that suggest a different approach should be taken in the SoCG.
- 5.2.27 Notwithstanding the fact that SA has been undertaken in support of the SoCG, the options put forward as part of the consultation were the subject of a separate SA which informed the choice of the preferred options. It is the case that the lower growth options scored fewer negative impacts and more positive impacts than either the High1 or High 2 options. This is to be expected because of the scale of growth. However, there is nothing in the SA which suggest that the impacts of High 1 or High 2 cannot be satisfactorily mitigated.
- 5.2.28 The preferred approach in the SoCG has had regard to the functional relationship between each authority and the City but also other factors including the balance between jobs and homes. It is the latter that has most influenced the housing figure in the SoCG for North West Leicestershire.
- 5.2.29 The issue of balance between jobs and homes is something that would have to be considered as part of agreeing a housing requirement figure for the Local Plan. The fact that it has been addressed as part of the draft SoCG and in the context of the wider Leicester and Leicestershire Housing Market Area represents a robust approach and therefore, as allowed for in recommendation (v) the Local Plan housing requirement is proposed to be set at 686 dwellings per annum.

#### Plan period

- 5.2.30 The NPPF requires that strategic policies (those which set out an overall strategy for the pattern, scale and quality of development) should look ahead over a minimum 15-year period from the date of adoption. This is currently anticipated to be in 2024 which does provide a 15-year period from adoption. Therefore, on the face of it there is no reason to revise the proposed plan period at this time. However, any slippage in the timetable for the review could put this in jeopardy and so represents a risk to the plan.
- 5.2.31 Whilst it is not considered that this risk would necessarily result in the plan being found unsound, it could result in the need to do additional work later on (for example, to identify additional sites to address any further years housing requirement). This is an issue at a current Examination in Maidstone. The plan has an end date of 2037 but adoption is now

not likely before 31 March 2023 (as proposed in the Local development Scheme). The Inspector has advised the local authority that “*I would recommend that the Council looks at a scenario of extending the plan period to 2038 and to be in a position to advise the Examination by the first set of hearings what the implications of that would mean*”.

- 5.2.32 On the other hand, government has embarked upon making reforms to the planning system, which includes a commitment to issue a new NPPF. It has also made it clear that it expects plans to be reviewed every 5 years which would raise the question of whether a 15-year period post adoption would be necessary. Therefore, it is not guaranteed that current NPPFs 15-year requirement will be continued in an updated version.
- 5.2.33 If the plan period were to be extended this may have implications for the evidence base. Of the current evidence base the Employment Land Study goes to 2039 and so would need to be extended. In terms of housing, the recently completed Housing and Economic Needs Assessment (HENA) goes to 2041. The remainder of the evidence base either does not have an end date or that currently being prepared (e.g. Infrastructure Delivery Plan) can accommodate an extended period. On balance, it is considered that it would be prudent to extend the plan period to 2040.
- 5.2.34 Taking account of an extended plan period, this would result in a housing requirement of 13,720 dwellings for the plan period 2020-40.

Update to base date

- 5.2.35 Having established a housing requirement and the plan period, it is considered that it would be appropriate to update the base date from 2020 to 2021 (data for 2022 is not yet available) before identifying the residual amount that needs to be provided for through allocations. Table 1 below provides an updated position taking account of completions 2020-21 and having regard to the most up to date housing trajectory which is based on data as at April 2021.

Table 1 – Housing requirement as at April 2021

Annual requirement	686 dwellings	A
Total requirement 2020-40 (A x 20)	13,720	B
Completions 2020-21	702	C
Remaining as at April 2021(B – C)	13,018	D
Projected completions 2021-31	5,004	E
Projected completions 2031-40	2,623	F
Total projected completions 2021-40 (E + F)	7,627	G
Remaining provision required (D – G)	5,391	

- 5.2.36 On the basis of the above, the plan will need to allocate enough land to accommodate at least 5,391 dwellings.

Need for flexibility

- 5.2.37 A number of representors from the development industry suggest that the plan should include a flexibility allowance. This was an issue considered at the meeting of this Committee on 26 June 2019. The report can be viewed from this [link](#).
- 5.2.38 At that time, it was agreed that the plan should include a buffer of 15%. The buffer (or flexibility allowance) is a tool whereby more land is allocated than required so as to ensure that in the event of sites either being built at a slower rate than anticipated or not coming forward at all, that the overall requirement is met by the end of the plan period.
- 5.2.39 Whilst such allowances are generally supported by Inspectors, there is no hard and fast rule regarding the amount of any allowance.

5.2.40 Since this issue was last considered by Committee, 3 years have elapsed and the annual build rate has remained above both the adopted Local plan requirement (481 dwellings) and the requirement from the SoCG. Furthermore, there is no evidence that a significant number of permissions have lapsed, particularly on large sites (i.e. 10 or more dwellings) which will make up site allocations. In addition, consistent with the approach adopted in the current local plan, it is not proposed to make a specific allowance for windfall sites (i.e. unforeseen sites whether more than or less than 10 dwellings but which come forward for development). The reality is such sites will continue to come forward, although it is not possible to predict with any certainty how many, and so will therefore, bolster the supply over and above allocated sites.

5.2.41 It is, therefore, suggested, that whilst a flexibility allowance should be made this should be set at 10% of the remaining requirement for the period 2021-40 (13,018 from table 1). This has the effect of increasing the amount that needs to be allocated (in addition to projected completions) by 1,302 dwellings to 6,693 dwellings (i.e. 5,391 from table1 + 1,302).

#### Infrastructure issues

5.2.42 A number of representors raise concerns about the potential impact upon infrastructure arising from the scale of growth. The exact impact will be influenced not just by the scale of growth, but also where growth occurs. To this end an Infrastructure Delivery Plan has been commissioned to support the Local Plan which will identify what additional infrastructure is required.

### **5.3 Where should new housing be located?**

#### Background

5.3.1 The consultation set out 15 different options for how growth might be distributed across the district, depending upon the overall scale of growth. Further details about the options can be found in the consultation document.

The two preferred options were:

<b>Option</b>	<b>Description</b>
<b>High 1 scenario (1,000 dwellings)</b>	
Option3a	Principal Town (500 dwellings), Key Service Centres (300 dwellings) and Local Service Centres (LSC) (200 dwellings)
<b>High 2 scenario (5,100 dwellings)</b>	
Option7b	Principal Town (1,785 dwellings), New Settlement (1,785 dwellings), KSC (765 dwellings), LSC (510 dwellings) and Sustainable Villages (255 dwellings)

5.3.2 The following question was asked (question 5):

“Do you agree with our proposed approach to the distribution of housing growth at this time? If not please explain why, including any specific evidence you think is relevant”

#### Responses

5.3.3 There were 132 responses to this question.

46 responses were from developers or landowners or agents acting on behalf of developers or landowners

4 were parish or town councils

58 were individuals

11 were from organisations

6 local authorities

7 statutory consultees

The responses are summarised below by category of responder.

### **Summary of responses**

#### Developers/landowners

- 5.3.4 The majority of those who expressed an opinion about the options, supported option 7b. A significant number of representors suggested that more growth needed to be directed towards the sustainable villages as these could support services and facilities and help to address social and economic needs.
- 5.3.5 There was concern that too much emphasis was being placed upon the new settlement and that instead there was a need for a range of sites. Such sites could help to support small builders, as well as delivering affordable housing and would ensure continuity of supply until any new settlement comes on stream
- 5.3.6 A number of representors suggested that a further option should be considered whereby growth should be met through the existing settlement hierarchy rather than including a new settlement.
- 5.3.7 Whilst some suggested there was a need for more development in Coalville as the district largest town, others favoured more growth in Ashby de la Zouch and Castle Donington, whilst other supported more growth in the local service centres. In addition, a potential new settlement in conjunction with land in Hinckley and Bosworth was highlighted as having potential, although no specific site was identified.

#### Organisations

- 5.3.8 No overwhelming consensus regarding the most appropriate option. There was some support for a new settlement, either as a standalone option or as part of hierarchy, as it would help relieve pressure from development elsewhere and would link to employment growth. However, others considered that it was inappropriate due to the impact upon rural area (such as noise, pollution and traffic), impact upon CO2 emissions and the fact that it would not address unmet needs in Leicester. Any new settlement would need to include high quality public transport from the outset. The extension of the tram from Clifton to the East Midlands Parkway and beyond should be planned.
- 5.3.9 Some considered that there was no need for any additional development having regard to potential windfall sites and redevelopment of brownfield sites. There is also need to consider relationship of settlements to Leicester and sustainable transport connectivity to the city.
- 5.3.10 Development in sustainable villages should be proportionate to their size and avoid situation where a sustainable village has more growth than a Local Service Centre.

#### Parish and Town Councils

- 5.3.11 There was support for option 8 (New settlement) as this would reduce pressure for development elsewhere, but also put pressure on developers to undertake development already committed in those settlements and so remove planning blight from those areas. In addition, such an approach would hasten the provision of new infrastructure.

5.3.12 Of the other options there was some support for options 3a, 4a, 4b and 7b, but no general consensus.

#### Local authorities

5.3.13 Some concern that too much development in sustainable villages could put pressure on areas outside of North West Leicestershire. Development in such locations should be limited having regard to needs for local or affordable housing.

5.3.14 A number of authorities consider that the proposed approach provides a suitable basis for planning, although need to ensure that all the transport implications are assessed.

#### Statutory consultees

5.3.15 None of the respondents expressed an opinion as to which scenario was appropriate. However, it was noted that there is a need to ensure that sufficient infrastructure is provided, that there is no adverse impact upon environmental assets, that impact upon the historic environment is addressed as are issues relating to flood risk and also noise from East Midlands Airport.

5.3.16 One respondent considered it important that a diverse range of sites is provided to ensure a 5-year supply of housing on an ongoing basis.

#### Individuals

5.3.17 There was no overall consensus.

5.3.18 A number of respondents expressed concerns regarding a possible new settlement south of East Midlands Airport as it would result in the loss of countryside, increase carbon emissions and pollution as a result of traffic and adversely impact wildlife. It would also become a commuter town for the likes of Derby, Nottingham and Leicester. Question whether a new settlement plus more employment near airport would be a reasonable approach.

5.3.19 However, there was support for option 8 (New settlement) as this would reduce pressure for development elsewhere, but also put pressure on developers to undertake development already committed in those settlements and so remove planning blight from those areas. In addition, such an approach would hasten the provision of new infrastructure. A further suggestion was to increase the amount of development under option 7b for the new settlement.

5.3.20 Some supported directing more development to larger settlements such as Coalville building at a higher density on brownfield sites and so reducing the loss of greenfield sites. This would also make better use of existing services and facilities which can also be expanded. Conversely, some suggested that places like Coalville had seen enough development and that it should be directed to areas of economic growth such at Castle Donington and East Midlands Airport. There was also some support for directing more growth to areas around Leicester as that is where the unmet need is.

5.3.22 There was a suggestion that Ibstock should be utilised for more development, whilst some considered that Option 9b appears to be reasonable as it would allow development to be spread around and would provide more opportunities for small builders, consistent with the NPPF.

5.3.23 Some considered that the overall amount of development was too high and that should wait to see how economic circumstances change and/or that infrastructure should be provided before development.

## Considerations

- 5.3.24 Across all categories of responder, there is no overall consensus as to which of the 15 options developed is the most appropriate.
- 5.3.25 Whilst there is support amongst parish and town councils and individuals for a new settlement option only (option 8), for the reasons previously considered in the report to Local Plan Committee on 27 October 2021 (paragraphs 4.63 to 4.65), such an approach would not be appropriate. In summary such an approach would be contrary to the NPPF in respect of deliverability and failure to provide a variety of sites and would put all the long-term future supply on one site; such a strategy would be very high risk and is considered to be inappropriate.
- 5.3.26 The assumption in Option 7b regarding the amount of development in the plan period is considered to be a prudent assessment based on current information and so increasing the amount of development in the new settlement would not be appropriate.
- 5.3.27 Whichever option is chosen it will be necessary to consider the impact upon infrastructure and to identify future requirements. As already noted, to this end an Infrastructure Delivery Plan has been commissioned. This work will also need to consider the issue of when infrastructure is to be provided, but it should be appreciated that in most cases this will not in advance of development commencing.
- 5.3.28 The suggestion that an alternative option which involves a continuation of the approach taken in the adopted local plan, with no new settlement, was considered under the low and medium scenario as a baseline option. However, it was not considered under the High1 or High 2 option. There is a requirement as part of the Sustainability Appraisal process to consider all reasonable alternatives. It is considered that a further option which rolls forward the development strategy in the adopted Local Plan would be a reasonable alternative. Therefore, the following option has been developed which is based on the proportions of development that are projected from the adopted Local Plan by settlement category. To be consistent with the previous assessment the residual requirement has been left at 5,100 dwellings rather than the higher residual outlined above. It also excludes small villages as this would run counter to the proposed development strategy which seeks to limit development in such settlements to local needs only.

Option 9c	Principal Town (2,056 dwellings), KSC (1,741 dwellings), LSC (771 dwellings) and Sustainable Villages (532 dwellings)
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- 5.3.29 The Council's consultants have been asked to undertake an assessment of this option which will be option 9c.
- 5.3.30 This option would put more development in to all settlement categories, including both Coalville as the Principal Town and the Sustainable Villages as suggested by a number of responses.
- 5.3.31 A decision on which option to pursue has implications for which and how many sites are then proposed for development. It has not been possible to complete the SA assessment of the new option 9c in time for consideration as part of this report. Therefore, consideration of what the development strategy should be is proposed to be deferred for consideration to the Local Plan Committee on 27 September 2022 when it is also hoped to present proposed allocations.

## 6 DEVELOPMENT STRATEGY OPTIONS FOR EMPLOYMENT

- 6.1 The consultation sought views in respect of:

- How to ensure a continuity of supply of employment land;
- Strategy options for general employment land;
- The approach to strategic warehousing;
- Possible changes to existing policy Ec2(2) and
- How to address the need for space for start-up businesses

6.2 This report considers those matters underlined. The remainder will be considered in a future report to this Committee.

6.3 Before considering these matters, the issue of the actual employment land requirements will be addressed, as this provides the basis for any subsequent strategy. In addition, consideration is given to the potential implications of the government’s announcement regarding the inclusion of land south of the A453 and East Midlands Airport as part of the Freeport.

#### 6.4 **Employment Land Requirements**

##### Background

6.4.1 The [Leicester & Leicestershire Housing & Economic Needs Assessment](#) (HENA), provides an assessment of the quality and type of employment land needed in the Leicester and Leicestershire area and is intended to inform the preparation of local and strategic plans across the area. The HENA presents its findings on both a Leicester and Leicestershire-wide basis and at individual district/borough level.

6.4.2 The council had already commissioned and published its own assessment of employment land requirements, the ‘[North West Leicestershire – The Need for Employment Land](#)’ (November 2020) study, undertaken by the consultants Stantec (‘the Stantec study’) as part of the evidence base for the Local Plan Review. The study findings were reported to this Committee on [27 January 2021](#) .

6.4.3 The HENA and Stantec studies both deal with ‘general employment’ requirements (i.e. offices, industrial and smaller warehousing units (up to 9,000sqm). Strategic warehousing requirements (units 9,000+sqm) are covered in the [Strategic Warehousing Study](#) (April 2021) prepared by Icen.

##### **HENA and Stantec studies: comparison**

6.4.4 The Stantec study and the HENA both consider alternative ways to assess future general employment needs, including sources of information and reach different conclusions on the most appropriate approach. The selected approaches for the different types of employment floorspace are summarised below.

Table 2- comparison of information base for Stantec and HENA

	<b>HENA</b>	<b>Stantec</b>
<b>Offices</b>	Labour demand growth forecast (Cambridge Econometrics)	Labour demand forecast (Experian)
<b>R&amp;D</b>	Gross completions trend	
<b>Industrial</b>	Gross completions trend	Output forecast (Experian)
<b>Small distribution</b>	Gross completions trend	

6.4.5 The studies also take different approaches to allowances and adjustments for considerations such as need for flexibility, and vacancy rates. They also cover different time periods. All in all, this makes direct comparison of the findings difficult. Nonetheless



the findings have been converted to per annum figures in the table below to provide the Committee with an understanding of the broad scale of need identified in each study.

Table 3 - comparison of findings from Stantec study and HENA

	<b>Offices</b>	<b>Industrial/smaller warehousing</b>
Stantec (2017-39) (22 years)	57,000 sqm (max)	187,000 sqm (min)
Stantec/annum	2,590 sqm (0.41 Ha)	8,500 sqm (2.14 Ha)
HENA (2021-41) (20 years)	39,700 sqm	152,900 sqm
HENA/annum	1,985 sqm (0.57Ha)	7,645 sqm (1.91Ha)

#### 6.4.6 Some observations:

- The Stantec floorspace findings are higher on a per annum basis. The office requirement is some 30% above the HENA figure and 11% higher for industrial/smaller warehousing.
- Both studies highlight the uncertainty about the extent to which homeworking will impact on the future need for office space. To address this the HENA applies a 30% reduction to the requirement figure to account for increased agile working and the figure above includes this adjustment. There is no particular foundation for the 30% figure, rather the consultants have made a reasonable adjustment using their professional judgement. Stantec deal with the same uncertainty by recommending that the office requirement is treated as a maximum figure.
- The demand for strategic warehousing in the district has been such that the competition for land may have suppressed the delivery of industrial/small distribution uses. For this reason, Stantec use a longer time series than Iceni (19 years compared with 8 years) to decide the proportional split between non-strategic space and strategic space and they also check it against Valuation Office Agency (VOA) data.
- Stantec uses a jobs to sqm conversion rate based on VOA data which is more locally-specific to NWL than the Leicestershire-wide rate applied in the HENA.

#### Summary of responses

6.4.7 Whilst there was not a specific question regarding the issue of employment land requirements, a number of responses did refer to the issue. These responses included comments on the Stantec study and the Strategic Warehousing Study findings. (The HENA had not been published at the time of the consultation). These comments can be viewed at Appendix F

6.4.8 As part of their submissions, Segro and St Modwen submitted an alternative employment land assessment by the firm Savills. The document can be viewed from this [link](#) (representation number 153 or 240). This assessment deals with the need for industrial and warehousing (it excludes offices) and concludes that the combined requirement for strategic and non-strategic industry and warehousing in the district should be very significantly higher than the council's evidence shows. To illustrate, the table below compares the Savills findings and Council's evidence base (the Stantec study plus the Strategic Warehousing Study, assuming 50% of the Leicester and Leicestershire

requirement will be met in North West Leicestershire) on a per annum basis. The scale of the difference between the two is stark.

Table 4 – comparison of employment land requirements from North West Leicestershire evidence base and Savills methodology

	<b>Requirement (excluding supply)</b>
Stantec	2.14 Ha/annum
Strategic Warehousing Study	10.0 Ha/annum
<b>NWL evidence base</b>	<b>12.14 Ha/annum</b>
<b>Savills</b>	<b>26.7 – 54.9 Ha/annum</b>

- 6.4.9 In addition to detailed methodological points, their main challenges are that:
- a lack of building stock has suppressed demand in the past and
  - the growth in on-line retailing have not been sufficiently accounted for in the studies' findings.
- 6.4.10 The Savills' approach is being promoted nationally by the British Property Federation amongst others.
- 6.4.11 The Stantec study acknowledges that land supply has been constrained for such a long time making it difficult to establish the 'true' level of demand in an unconstrained market. Stantec advise that the requirement figure for industrial/small distribution should, therefore, be treated as a minimum.
- 6.4.12 For strategic distribution, Savills conclude that the Leicester and Leicestershire requirement for strategic distribution is nearly double that found by G L Hearn (now Icen). This appears to be an exceptionally high requirement although officers understand that market demand of strategic warehousing has been particularly high in the period since the Strategic Warehousing study was commissioned. If the work were repeated now, it is feasible that a higher requirement would result.
- 6.4.13 Other developer submissions emphasised the strength of the strategic warehousing market in North West Leicestershire, the overall lack of supply and scepticism that rail-based freight will increase to the levels assumed in the Strategic Warehousing study with the consequence that the road-served requirement should be higher.
- 6.4.14 In contrast, the consortium of northern parishes argues that the study over-estimates demand in a number of ways and more cautious assumptions should be applied. In particular, the consortium questions the study's assumptions about the lifespan of buildings and how the inclusion of a replacement allowance for outmoded premises increases the floorspace requirement significantly. The study does consider the approach to the replacement of existing buildings in depth. Older buildings become functionally obsolete because of changes in mechanisation and changing requirements including for larger premises to enable the consolidation of operations. Many units are let rather owner-occupied so businesses re-locate to newer, fit-for-purpose premises, releasing the existing building for refurbishment which cannot be done while it is occupied. The consultants apply a 30 year replacement rate citing the large growth rates in on-line retailing using the modern automated picking, handling and packaging systems which cannot be retrofitted into older buildings.
- 6.4.15 Policy Ec3 of the adopted Local Plan designates industrial estates and other employment sites in the district as 'existing employment areas' for office, industrial and warehousing

uses. The policy aims to control other uses which would diminish the overall amount of good quality premises in the district, albeit that national changes to the Use Classes Order mean some changes do not require planning consent. The Local Plan Review

could consider including strategic warehousing sites (e.g. East Midlands Gateway, East Midlands Distribution Centre and others) in a similar type of policy so that these sites are secured as strategic distribution sites and are not lost to other uses, driving re-provision elsewhere.

6.4.16 A fuller response to the consortium's comments is included in Appendix F.

### Considerations

6.4.17 There is no single way to undertake an assessment of employment land requirements or one 'correct' answer for the amount of additional employment floorspace which will be needed. Fundamentally, forecasting future economic performance and hence implications for land requirements is inherently beset by uncertainty.

6.4.18 The Stantec study and the HENA have both been undertaken by expert consultants and are considered to be appropriate and robust. With the caveat that the figures have been reached using different forecasts and with different approaches to allowances and adjustments, there is some welcome alignment between the studies' findings. This gives some confidence that the requirements are broadly of the right order.

6.4.19 The Stantec study is more detailed and locally specific than the HENA and it is recommended that it be used as the primary evidence of general employment needs for the Local Plan Review. This is allowed for in recommendation (xi) above. As the findings are the higher of the two studies, issues of undercutting the county-wide figures do not arise.

6.4.20 Using the Stantec figures, the resulting requirement is set out below. This replicates the April 2021 position set out in the consultation document and takes account of supply from completions, permissions and allocations and also includes an allowance for losses and a flexibility margin to help account for uncertainty. It is recommended that the residual requirement figures (line I in the table) are used as the working figures for site selection. Noting that the industrial/smaller warehousing figure is expressed as a minimum and not a cap, it should not be viewed as an absolute figure such that it would mean allocating parts of sites rather than breaching the overall requirement figure.

Table 5 – General Employment Land Need/Supply balance at April 2021

		Offices	Industrial/ smaller warehousing
A	<i>Stantec Requirement (2017 – 39)</i>	57,000 sqm	187,000 sqm
B	<i>Losses allowance (2023 – 39)</i>	2,400 sqm	72,800 sqm
C	<i>Flexibility Margin</i>	11,285 sqm	25,484 sqm
D	<b>Total Requirement [A+B+C]</b>	<b>70,685 sqm</b>	<b>285,284 sqm</b>
E	<i>Net completions (2017 – 2021)</i>	12,784 sqm	2,990 sqm
F	<i>Net permissions at 31/03/2021</i>	23,986 sqm	73,910 sqm
G	<i>Allocation (Money Hill)</i>	31,980 sqm	42,640 sqm
H	<b>Total Supply [E+F+G]</b>	<b>68,750 sqm</b>	<b>119,540 sqm</b>
I	<b>Residual requirement (2021-39) [H-D]</b>	<b>Up to 1,935 sqm/ 0.3 Ha*</b>	<b>At least 165,744 sqm /41.4Ha*</b>

\* land areas have been calculated using same conversion factors ('plot ratios') as used in the Stantec study.

6.4.21 If the plan period were extended to 2040 (as recommended above at paragraph 5.2.33), the figures in lines A, B and then D would all increase meaning the residual requirement (line I) would also increase. We have provided the figures on a simple roll-forward basis

to give Members an understanding of what the plan period change could mean for employment land requirements.

Table 6 - Indicative employment land requirement 2021-40.

		Offices	Industrial/ smaller warehousing
I	<b>Residual requirement (2021-40)</b>	<b>Up to 4,675 sqm/ 0.78 Ha</b>	<b>At least 178,794 sqm /44.7 Ha</b>

6.4.22 In respect of strategic warehousing, we need to know if the issues raised in the Savills approach impact on the findings of the Strategic Distribution Study. Officers have had some discussions with the study's authors and the Council may need to commission a further piece of work for in this respect. Based on recent market activity in this sector, Members should expect any such exercise to result in no change or an increase in the requirement figures, and not a decrease.

6.4.23 In the meantime, it is recommended that the existing Strategic Distribution Study findings continue as the basis for the Local Plan Review, including site selection.

## 6.5 Strategy for the distribution of general employment land

### Background

6.5.1 The consultation set out 4 different options for how growth might be distributed across the district, depending upon the overall scale of growth. Further details about the options can be found in the consultation document.

6.5.2 The following question was asked (question 11):

"Which general employment land strategy do you prefer? Is there a different option which should be considered?"

6.5.3 The distribution options the question refers to are;

**Option 1** A continuation of the adopted Local Plan distribution. General employment land allocations would be principally at Coalville, Ashby and Castle Donington (i.e. the settlements at the top of the settlement hierarchy)

**Option 2** Allocate employment land at Coalville, Ashby and Castle Donington (like Option 1) and also at Measham/Appleby Magna as a 'new', expanding employment location

**Option 3** A more widespread distribution of employment land, including to locations which are currently less well provided for such as the Local Service Centres – Ibstock, Kegworth, Measham – and, potentially, Sustainable Villages.

**Option 4** Allocate land in a single/new location for a high quality, mixed-use business park.

### Summary of responses

6.5.4 There were 62 responses to this question although not everyone identified the option they preferred. The key issues raised are set out below and a more detailed summary of the comments with officer responses is included in Appendix E.

6.5.5 **Option 1** was preferred by 13 respondents (environmental group x2, developer/agents x8, individuals x2, council x1), 3 of which favoured Options 1 and 2. The following reasons were given:

- it will capitalise on existing, established location
- it relates to the most sustainable settlements which are at the top of the settlement hierarchy and/or ensure a strong relationship between new homes and jobs.
- locations are close to workforce
- it recognises the Freeport
- Options 1 and 2 bring greatest certainty to employment land delivery

6.5.6 The more significant criticisms of Option 1 were:

- Options 1 and 2 focus on existing over-stretched areas and the scale of development is unlikely to be enough to fund corresponding infrastructure improvements
- Options 1, 2 and 4 would prevent opportunities for villages and local businesses to grow and thrive

6.5.7 **Option 2** was favoured by 7 respondents (individual x3, developer x4,) of which 3 favoured Options 1 and 2. The following reasons were given:

- It provides a reasonable choice of sites but limited enough to ensure critical mass and visibility
- the locations have the infrastructure to support industry and housing growth.
- It enables capitalisation of the success of Mercia Park and can make use of the additional infrastructure serving it.
- Options 1 and 2 bring greatest certainty to employment land delivery
- It strikes a sensible balance in terms of concentrating employment near to existing concentrations of workers.
- It is the best option for both general employment and for strategic distribution needs
- The Measham/Appleby Magna area can make a greater contribution to future strategic and non-strategic requirements compared with what has happened in the past
- Castle Donington area has key advantages as a location for strategic distribution and these are recognised by the market
- Employment development in the Measham and Appleby Magna area can serve less affluent parts of the district

6.5.8 The more significant criticisms of Option 2 were:

- From a transport perspective, development in the A/M42 J11 area is likely to be less sustainable and is impacted by HS2 (LCC Highways).
- Options 1 and 2 focus on existing over-stretched areas and the scale of development unlikely to be enough to fund corresponding infrastructure improvements
- Measham and Appleby Magna are distinct, separate settlements, Mercia Park is not well related to Measham. Measham has existing employment sites and sustainable transport links to jobs in Ashby and Coalville.
- Options 1, 2 and 4 would prevent opportunities for villages and local businesses to grow and thrive

6.5.9 **Option 3** was favoured by 11 respondents (1x residents association, 6 x individuals; 2 x developer; 2 x parish council/consortium) for the following reasons:

- It is the best option for sites near where people live/where new housing is to reduce commuting/travelling/emissions and to help support local services

- It provides a range of sites to meet different requirements and meet local needs including at Sustainable Villages
- It enables sites that will match the need of smaller businesses.

6.5.10 The more significant criticisms of Option 3 were:

- In transport terms, it is not an attractive option (LCC Highways)
- Option 3 is the least sustainable of the 4 options

6.5.11 **Option 4** was favoured by 2 respondents (2x individuals) with no specific reasons given.

The more significant criticisms of Option 4 were:

- Employment would be localised to serve the inherent needs and demands of the new settlement itself.
- Options 1, 2 and 4 would prevent opportunities for villages and local businesses to grow and thrive
- Option 4 would not deliver balanced growth and is unlikely to be sustainable.

### Interim Sustainability Appraisal

6.5.12 The strategy options have been tested through an interim Sustainability Appraisal (SA) (this can be viewed from this [link](#) ). Members will recall that similar exercise was undertaken to inform a decision regarding the preferred housing strategy.

6.5.13 The SA is a high-level approach to compare the likely sustainability effects of the options using a consistent framework, the same as that used to assess the housing options. The employment options were tested against the 15 sustainability objectives.

6.5.14 The options were populated using sites from the SHELAA. There has been no site selection at this stage; all the sites in the SHELAA (excluding those with planning permission) are included in one or more of the options.

6.5.15 The table below summarises the number of potential significant positive and significant negative effects for each option.

Table 7 - number of potential significant positive and significant negative effects for each option

	Number of significant <b>Positive</b> effects	Number of significant <b>Negative</b> effects
Option 1: continue Local Plan distribution	0	5
Option 2: Local Plan distribution + Measham/ Appleby Magna area	3	6
Option 3: Lower tier settlements	0	6
Option 4: new location	0	6

6.5.16 Other key points from the SA were:

- All the options scored significant negative for light/air/noise (SA9) because of the potential sites' proximity to Kegworth AQMA and/or East Midlands Airport, for biodiversity (SA12) because sites are in or close to nature conservation designations and Land Use (SA14) because some potential sites coincide with Coal Authority High Risk areas or are higher quality agricultural land.
- Option 1 showed no potential significant positive effects. In addition to SA9, SA12 and SA14, it was found to have potential significant negative effects for climate

change (SA11) as some potential sites are located in Flood Zone 3 and heritage (SA15) because of some sites' proximity to heritage assets

- Option 2 has potential significant positive effects for economy (SA5), town/local centres (SA6) and employment (SA7) linked to the more dispersed pattern and in

different sizes of settlements, providing a choice of sites well related to labour supply. Option 2 has the same potential significant negative effects as Option 1 and additionally landscape/townscape (SA13), particularly because of the landscape and character change in the Measham/Appleby Magna area.

- Option 3 has no potential significant positive effects.
- In addition to SA9, SA12 and SA14, Option 3 has potential significant negative effects for climate change (SA11) because some potential sites are at risk from flooding, landscape/townscape (SA13) because the sites are located in more rural locations where the effect on existing character is likely to be greater. and for reducing the need to travel (SA8) because the potential sites are in locations where public transport links are poor and not as frequent or accessible compared with other options which focus development at the Principal Town and/or the Key Service Centres.
- Option 4 has no potential significant positive effects.
- In addition to SA9, SA12 and SA14 Option 4 has potentially significant negative effects for landscape/townscape (SA13) because the scale of development in a single location will significantly change the character of the area, sustainable travel (SA8) as transport links will not be as accessible or as frequent compared with other options focused at the Principal Town and/or the Key Service Centres, and health (SA1) because of poor access to recreation facilities.

## Considerations

- 6.5.17 Overall Option 2 performs the best in the SA assessment, particularly as it has the most significant positive effects, although all options have a mix of potential positive and potential negative effects. This is not unusual for an SA of such high-level options, as ultimate outcomes will be strongly related to which sites are ultimately chosen as allocations. Notably, Option 2 scored the best of all the options for Economy (SA5) and Employment (SA7).
- 6.5.18 There was some support for each of the distribution options from those who responded to the consultation question, with Options 1 and 3 proving most popular. Developers' preferences strongly correlated with the locations of the sites they are promoting.
- 6.5.19 In some instances, negative effects identified in the SA could be avoided through site selection (not allocating sites in flood risk zones for example) or possibly mitigated through site-specific measures. The adverse finding for Option 3 concerning sustainable transport (SA8) is considered to be more fundamental because, in relative terms, the more rural locations have more limited public and sustainable transport options and this is unlikely to change substantially as services will need to be commercially viable which is difficult to achieve in rural areas. The highway authority also identified this option as unattractive in transport terms. Option 4 also scored significant negative on this measure although it is possible that development at scale in a single location would generate sufficient demand for additional and improved bus services.
- 6.5.20 The Council's Strategic and Economic Land Availability Assessment (SHELAA) sites which correspond to Option 3 are shown in the SA (figure 4-13, page 38). Excluding Money Hill, which features in all options, this shows:
- Some clustering of sites around Measham/Appleby Magna, Albert Village, Langley Priory area and Kegworth; and
  - Prevalence of relatively small sites of less than 5Ha

- 6.5.21 Whilst in theory this option could enable sites to be located close to local communities, the actual pattern of potential sites from the SHELAA is patchy meaning that it would not correspond that well with where people live.
- 6.5.22 In respect of the prevalence of smaller sites, the Stantec study identifies that "to rely on small sites is not an effective solution, because piecemeal development does not create the quality and scale of accommodation that occupiers require, especially in high-value activities that serve national and international markets. As our consultees have emphasised, to seize market opportunities requires sizeable new sites, providing critical mass and an attractive environment, and where businesses can take the amount of space they need, rather than fitting in between existing buildings" (paragraph 5.104). Option 3 may be more likely to result in a reliance on smaller sites, contrary to this advice.
- 6.5.23 Stantec also identify that "the district has three major industrial areas, at Coalville / Bardon, Ashby and Castle Donington / East Midlands Airport. The greatest choice of units and the best-quality modern stock is concentrated in these areas, which are well connected to the M1 and A42/M42. The rest of the district's industrial areas are secondary by comparison" (paragraph 5.38). Once again Option 3 as presented would fail to provide new sites in these primary areas.
- 6.5.24 Furthermore, as identified in the consultation document, more rural locations are unlikely to be as attractive to the market compared with Coalville, Ashby and the Castle Donington area which could raise questions regarding deliverability.
- 6.5.25 Taking these matters in the round, it is considered that option 3 should not be taken forward.
- 6.5.26 Of the other options, Option 4 is an 'eggs in one basket' approach which could bring significant risks in terms of site delivery. The supply of employment land in terms of both quantity and timing will be tied to a single or very limited number of sites. This could be a significant delivery risk for the Local Plan Review in terms of the overall amount of employment land available, the timing of land coming forward (in particular if the employment land is linked to a new settlement) and a reliance on a small number of controlling landowners/developers. This option would also result in very limited market choice for businesses needing new premises. In the face of alternative options, the risks of relying on such a limited choice of sites is considered too high. It is therefore, recommended that Option 4 not be taken forward.
- 6.5.27 Option 1 would be a continuation of the current strategy and would see new employment allocations focussed at Coalville, Ashby de la Zouch and the wider Castle Donington area to include East Midlands Airport. It reflects the comments in the Stantec study noted above although it would limit development to a small number of locations, which may pose some risk to deliverability (although not as significant as Option 4). Option 1 would support the locations where the market is already strong but would do little to serve local markets elsewhere. Option 2 on the other hand would broaden out the number of locations to a degree, better supporting both choice and delivery.
- 6.5.28 What neither option 1 nor 2 do is address needs in rural areas. The NPPF identifies that "planning policies and decisions should recognise that sites to meet local business and community needs in rural areas may have to be found adjacent to or beyond existing settlements, and in locations that are not well served by public transport" (paragraph 85). There could be a justification to allow for limited, small scale rural employment sites.
- 6.5.29 Having regard to the outcome from the SA, the consultation and the above observations, officers consider that there may be merit in a revised option brings together the elements of Options 2 and 3. This would recognise the importance of Coalville, Ashby and the



Castle Donington area from an economic point of view, whilst also recognising the needs of more rural areas and the emergence of new areas that are attractive to the market (for example the J11 of the A42).

6.5.30 Option 2a would, therefore, be:

Allocate employment land at Coalville, Ashby and Castle Donington/East Midlands Airport, at the Local Service Centres and at a 'new', expanding employment location at J11 M42

6.5.31 The intention is to assess this revised option through the SA and then to present the findings at the September meeting of this Committee to enable Members to decide on the employment strategy to pursue.

6.5.32 It is important to note that whether land is actually allocated in each of the locations will depend upon the consideration of a range of factors, including the overall requirement for employment land and how individual sites compare.

6.5.33 It should also be noted that the above relate to general employment needs. As discussed in the next section of this report, sites for strategic warehousing will also be needed and the Areas of Opportunity identified in the Strategic Warehousing Study provide a framework for which broad locations will be suitable. There could be some sites which provide a mix of both strategic and general employment floorspace like the Netherfield Lane, Sawley site granted outline permission in October 2021 (20/00316/OUTM).

## **6.6 Strategic Distribution**

### Background

6.6.1 The consultation document put forward the suggestion that 50% of the outstanding requirement for road-served strategic distribution floorspace across Leicester and Leicestershire that is identified in the Strategic Distribution Study could be met in North West Leicestershire. This would equate to around 106,000sqm (to 2041). This becomes approximately 95,400sqm when adjusted to correspond with the Local Plan Review end date of 2039 (or 100,700sqm for an end date of 2040).

6.6.2 The following question was asked (question 12):

“Do you agree with the initial policy option for strategic warehousing? If not, why not?”

### Summary of responses

6.6.4 There was a total of 69 responses to this question. A summary of the comments with officer responses is included in Appendix F. Regarding the overall Leicester and Leicestershire need figure for strategic warehousing;

- 15 respondents agree with/welcome the initial policy option
- 8 respondents disagree with the 50% proposition or think it is too high
- 5 respondents criticise the Strategic Warehousing Study, saying it over-estimates or under-estimates need. This is discussed earlier in the report.
- 25 respondents object to strategic warehousing in principle and/or think that NWL has had enough/there shouldn't be any more.
- 9 respondents are concerned about the planning impacts of strategic warehousing
- 2 responses relate to the proposed Hinckley Strategic Rail Freight Interchange
- 3 responses support the allocation of sites
- 1 response welcomes the inter-authority joint-working on this matter
- 1 respondent could not find the consultation document

## Considerations

6.6.5 The option was presented as preliminary option and does not signal the council's commitment or agreement to take a particular share of the remaining Leicester and Leicestershire need. The option was included in the consultation pending joint work with the Leicester and Leicestershire authorities on how the overall strategic warehousing

requirement should be distributed between the authorities. Officers from the Leicester and Leicestershire authorities are in current discussions about the process for setting a distribution, including whether external expertise may be needed. However, if any Leicestershire-wide work is not completed promptly or if agreement cannot be reached between the authorities on the distribution, the council will have to take a unilateral decision on the approach to take.

6.6.6 In the meantime, it is recommended that the initial policy option be retained as a working figure so that site identification can progress. Taking account of the revised plan period to 2040, this equates to 100,700 sqm (approximately 28.8Ha).

### 6.7 Freeport site

6.7.1 Members will be aware that a site of some 100Ha, to the south of East Midlands Airport has been designated as a Freeport Tax site by the Government. The Freeport status is something that would attract weight when preparing the Local Plan.

6.7.2 The site has also been put forward as a potential employment site as part of the Council's SHELAA.

6.7.3 The promoters of the Freeport site have advised that they envisage that in addition to strategic warehousing, general employment uses would also form part of a future development mix. They currently envisage an 80:20 split. Therefore, the site could meet variety of the overall employment requirements identified in this report and not just strategic warehousing.

6.7.4 This is a large site, on elevated land with some prominence in longer-range views which would be developed at scale. On this basis, landscape impact will be one of the key issues determining the suitability or otherwise of the site for allocation. Officers will commission landscape specialists to provide an assessment of the nature and severity of landscape impacts and the scope for reducing and/or mitigating the likely harm.

6.7.5 In the same vein, heritage specialists will be appointed to identify impacts on listed buildings, Diseworth Conservation Area, other heritage assets and their settings, to advise on the severity of any harm and whether/how it can be avoided or reduced.

6.7.6 The outcomes of this advice will be incorporated into future reports to the Committee when potential site allocations are being considered.

<b>Policies and other considerations, as appropriate</b>	
Council Priorities:	Developing a clean and green district Local people live in high quality, affordable homes Our communities are safe, healthy and connected
Policy Considerations:	None
Safeguarding:	No issues identified
Equalities/Diversity:	An Equalities Impact Assessment of the Local Plan

	review will be undertaken as part of the Sustainability Appraisal.
Customer Impact:	No issues identified
Economic and Social Impact:	The decision, of itself, will have no specific impact. The Substantive Local Plan Review as a whole will Aim to deliver positive economic and social impacts and these will be recorded through the Sustainability Appraisal
Environment and Climate Change:	The decision, of itself, will have no specific impact. The Substantive Local Plan Review as a whole will Aim to deliver positive environmental and climate change benefits and these will be recorded through the Sustainability Appraisal.
Consultation/Community Engagement:	The report considers those responses made to the latest round of public consultation. Further consultations will be undertaken as the Local Plan progresses. The consultation arrangements will be governed by requirements in the Statement of Community Involvement
Risks:	A risk assessment for the Local Plan Review has been prepared and is kept up to date. As far as possible control measures have been put in place to minimise risks, including regular Project Board meetings where risk is reviewed.
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## APPENDIX A

## APPENDIX B

## APPENDIX C

## APPENDIX D

## APPENDIX E



## APPENDIX F